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**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**

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

FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. Copies of this report have been submitted to the entity and other appropriate public officials. This report is available for public inspection at the State House of Representatives, Legislative Auditor and, where appropriate, at records of the parish clerk of court.

Release Date: 7-28-04

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of Rapides Parish
Bossier, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of Rapides Parish (HARP)**, as of and for the year ended December 31, 2003, as listed in the **Table of Contents**. These financial statements are the responsibility of HARP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HARP as of December 31, 2003, and the results of its operations and cash flows of its enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of Rapides Parish
Bossier, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2004, on our consideration of HAHP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. Also, this report contained instances of noncompliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
BALANCE SHEET--INTERPRESE FUND
DECEMBER 31, 2003**

ASSETS

| | |
|---|--------------------|
| Cash and temporary cash investments (NOTE 2) | \$ 508,104 |
| Amounts receivable, net (NOTE 11) | 293,989 |
| Prepaid and other assets, net | 14,570 |
| Land, structures and equipment, net (NOTES 3 AND 5) | <u>2,833,896</u> |
| Total assets | \$3,650,559 |

LIABILITIES AND EQUITY

Liabilities:

| | |
|---|----------------------|
| Amounts payable vendors | \$ 41,222 |
| Compensated absences payable | 34,346 |
| Payroll taxes payable | 1,980 |
| Security deposits held for tenants (NOTE 2) | <u>10,688</u> |
| Total liabilities | <u>88,236</u> |

Equity:

| | |
|-------------------------------------|----------------------------|
| Contributed capital (NOTE 5) | 9,624,419 |
| Retained deficit | |
| Unreserved retained deficit | <u>(6,002,310)</u> |
| Total equity | <u>3,582,109</u> |
| Total liabilities and equity | \$ <u>3,650,559</u> |

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

**HOUSING AUTHORITY OF RAPIDES PARISH
BOSSY, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED DEFICIT—ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | |
|--|----------------------------|
| Operating Revenues: | |
| Dwelling rental | \$ 247,812 |
| Fees and charges | <u>60,284</u> |
| Total operating revenues | <u>308,096</u> |
| Operating Expenses: | |
| Salaries and employee benefits | 333,878 |
| Repairs and maintenance | 76,418 |
| Contractual services | 77,341 |
| Utilities | 67,849 |
| Depreciation | 499,266 |
| Insurance | 34,739 |
| Housing assistance payments | 609,840 |
| Conventions, training and travel | 44,512 |
| Telephone | 13,873 |
| Training | 17,805 |
| General | 34,443 |
| Payments in lieu of taxes | 17,906 |
| Rent debt | 8,890 |
| Tenant services | 31,354 |
| Postage, printing and advertising | 13,817 |
| Other | <u>10,243</u> |
| Total operating expense | <u>1,813,275</u> |
| Operating loss | (1,505,179) |
| Nonoperating Revenues: | |
| Grants and subsidies | 1,464,479 |
| Interest income | 3,844 |
| Other | <u>15,431</u> |
| Total nonoperating revenues | 1,506,821 |
| Net loss | (1,498,358) |
| Retained deficit, beginning of year | (1,844,296) |
| Adjustment to beginning deficit (NOTE 12) | (68,963) |
| Retained deficit, beginning of year, as restated | <u>(1,913,259)</u> |
| Retained deficit, end of year | <u>\$ (341,901)</u> |

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

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | |
|---|-------------------|
| Operating loss | \$1,653,860 |
| Adjustments to reconcile net loss to net cash provided by (used) in operating activities: | |
| Depreciation | 479,366 |
| Bad debt | 8,000 |
| Adjustment to retained deficit | (68,865) |
| Increase in accounts receivables | (123,792) |
| Decrease in prepaid and other assets | 5,000 |
| Decrease in accounts payable - vendors | (26,157) |
| Increase in compensated absences payable | 7,750 |
| Decrease in security deposits held for tenants | (180) |
| Increase in payroll taxes payable | <u>1,288</u> |
| Net cash used in operating activities | (1,413,767) |
| Cash Flows from Investing Activities: | |
| Interest received | <u>3,295</u> |
| Cash provided by investing activities | <u>3,295</u> |
| Cash Flows from Noncapital Financing Activities: | |
| Subsidies from Federal and City grants and other | 1,084,474 |
| Other | <u>18,431</u> |
| Cash provided by noncapital financing activities | <u>1,102,905</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Acquisition of fixed assets | <u>(119,328)</u> |
| Cash used in capital and related financing activities | <u>(119,328)</u> |
| Net decrease in cash and temporary cash investments | (21,624) |
| Cash and temporary cash investments, beginning of year | <u>511,722</u> |
| Cash and temporary cash investments, end of year | <u>\$ 490,100</u> |
| Interest paid during the year ended December 31, 2002 | <u>\$ _____</u> |

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

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Background and General Data:

Background

The **Housing Authority of Rapides Parish (HARP)** is a public corporation, legally separate and fiscally independent and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. HARP has been contracted by HUD to administer Low-Income and Housing Choice Voucher Programs (FW-2021) and (FW-2116), respectively, under Annual Contribution Contracts.

As of December 31, 2003, HARP was primarily engaged in the administration of Low-Income and Housing Choice Voucher Programs to Low-Income residents in the towns of Boyce, Glenmora, Chenyville, and LeCoute, Louisiana. Under the Low-Income Program, HARP provides eligible families housing under leasing arrangements. For the Housing Choice Voucher Program, HARP provides funds in the form of rental subsidies to owners on behalf of the tenants.

Financial Reporting Entity

HARP has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the Town of Boyce.

Government Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity" established standards for defining and reporting on the financial entity. GASB 14 indicates that the focal point for identifying the financial reporting entity is the primary government which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Financial Reporting Entity, Continued

HARP was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that **HARP** is a financial reporting entity within the meaning of the provisions of GASB 14.

Basis of Presentation

As required by Louisiana State Reporting Law (LRS-R.S. 24:514) and HUD regulations, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of **HARP** are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

Proprietary Fund Type - Proprietary fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. **HARP** applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. **HARP's** fund include the following type:

Enterprise Fund - Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

Basis of Presentation, Continued

HARP adopted the provisions of GASB 35 (Accounting and Financial Reporting for Non-Exchange Transactions) effective for fiscal years that began after June 15, 2000.

Under GASB 35 Standards, HARP recognizes assets, liabilities, revenues and expenditures under its government-mandated and voluntary non-exchange transactions as follows:

- HARP recognized assets and liabilities when all applicable eligibility requirements are met for or resources received whichever is first;
- Revenues and expenses are recognized when all applicable, eligibility requirements are met;
- Transactions with time requirements received prior to the satisfaction of the time requirement(s) are recorded by HARP as revenue upon award.

Budgets

HARP prepares an annual budget for its proprietary fund. Prior to the beginning of the calendar year on January 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board.

HARP does not present its budget to actual comparison for the enterprise fund as part of its financial statement as accounting principles generally accepted in the United States of America does not require such, despite adoption of annual budget by the Board.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued:

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statement of Cash flows

For purposes of the statement of cash flows, HARP considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments.

Land, Structures and Equipment

Land, structures and equipment are recorded at cost. Donated assets are valued at estimated fair value on the date donated. When no historical records are available, fixed assets are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized in the enterprise fund.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued:

Land, Structures and Equipment, Continued

Structures and equipment with cost of \$200 or more are capitalized and depreciated using the straight line method in the enterprise fund of HARP using the following estimated useful lives:

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

Compensated Absences

HARP follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under these regulations, employees may accumulate up to three hundred (300) 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 C90, is recognized as a current-year expense in the enterprise fund when leave is earned.

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecruiting and permanent transfers of equity are reported as residual equity transfer. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued

Interprogram Activities, Continued

Interprogram due from and to are noted at the combined financial statements level.

Total Memorandum Only

The total column on the combining financial statements listed under the supplementary information section, are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - Cash and Temporary Cash Investments

At December 31, 2003, HARP's cash balances and securities consisting of certificates of deposit are as follows:

| Description | Interest Rate (%) | Maturity | Carrying Value | Approximate Market Value |
|------------------------|-------------------|---------------|------------------|--------------------------|
| Cash | N/A | N/A | \$256,169 | \$256,169 |
| Certificate of Deposit | Varying | Every 14 days | 55,928 | 55,928 |
| Certificate of Deposit | Varying | Every 14 days | 53,818 | 53,818 |
| Certificate of Deposit | Varying | Every 14 days | 54,882 | 54,882 |
| Certificate of Deposit | Varying | Every 14 days | 54,894 | 54,894 |
| Certificate of Deposit | Varying | Every 7 days | 50,800 | 50,800 |
| | | | <u>\$666,161</u> | <u>\$666,161</u> |

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash and Temporary Cash Investments, Continued:

Included in cash and temporary cash investments at December 31, 2003, is tenant security deposits of \$10,608.

At December 31, 2003, the carrying amount of HARP's cash deposits was \$256,169 and the cumulative bank balance was \$265,996. The bank balances are covered by federal-depository insurance and collateral held by the pledging institution's agent in HARP's name.

Custodial credit is the risk that, in the event of a failure by the financial institution, HARP's deposits may not be returned to it. HARP's has no deposit policy for custodial credit risk; however, none of the HARP's bank balances were exposed to custodial credit risk, since the pledged securities were in the name of the HARP's and were held in safekeeping.

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

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Land, Structures and Equipment:

At December 31, 2003, land, structures, and equipment consisted of the following:

| | <u>Balance January 1, 2003</u> | <u>Additions</u> | <u>(Retirements)</u> | <u>Balance December 31, 2003</u> |
|--|--|--------------------|----------------------|--|
| Land and land improvements | \$ 249,961 | \$ 0- | \$ 0- | \$ 249,961 |
| Buildings and building improvements | 9,221,658 | 0- | 0- | 9,221,658 |
| Equipment | 324,664 | 24,506 | | 349,170 |
| Construction-in-progress | <u>68,966</u> | <u>84,722</u> | <u>0-</u> | <u>153,688</u> |
| | 9,667,189 | 109,228 | 0- | 9,776,417 |
| Less accumulated depreciation | (6,713,635) | (429,360) | <u>0-</u> | (7,142,995) |
| Total | <u>\$ 3,113,354</u> | <u>\$ (19,650)</u> | <u>\$ 0-</u> | <u>\$ 3,093,704</u> |

NOTE 4 - Per Diem Paid to Board of Commissioners:

The Board of Commissioners in their capacity as board members received no per diem amounts for the year ended December 31, 2003.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Contributed Capital:

At December 31, 2003, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of HARP as payable by HUD and secured by annual contributions. The debt does not constitute an obligation of HARP and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of accumulated expenses, grants and subsidies of HARP. An analysis of contributed capital follows:

| Balance January 1, 2003 | Net Additions | Balance December 31, 2003 |
|----------------------------|------------------|------------------------------|
| <u>\$2,634,412</u> | <u>\$-0-</u> | <u>\$2,634,412</u> |

NOTE 6 - Retirement System

Plan Description

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

Plan Funding

Funding for the system is through a contribution of 14% and 7.5% by HARP and its employees, respectively. The contribution amount is based on the employee's base salary each month.

HARP's gross payroll for the year ended December 31, 2003, was \$355,978. HARP and employee contributions made for the year ended December 31, 2003, amounted to \$33,236 and \$16,626, respectively.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Risk Management

HARP is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which HARP carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 8 - Concentration of Credit Risk

HARP receives primarily all of its revenues from dwelling rentals and the Department of Housing and Urban Development (HUD). If the amount of revenues received from both dwelling rentals and HUD falls below contract levels, HARP's operating results could be adversely affected.

NOTE 9 - Contingencies

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

NOTE 10 - Commitments

At December 31, 2003, HARP has executed capital fund program awards with the U.S. Department of Housing and Urban Development totaling \$894,831. (See Schedule IV). Cumulative outstanding commitments at December 31, 2003, was \$517,338.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Amounts Receivable:

At December 31, 2003, amounts receivable consisted of the following:

| | |
|--------------------------------------|-----------------|
| Amounts receivable, net - HUD | 5284,251 |
| Amounts receivable - Tenants | 18,084 |
| Less allowance for doubtful accounts | <u>(8,345)</u> |
| Net | <u>5293,990</u> |

NOTE 12 - Adjustment to Retained Earnings:

The adjustment to beginning retained earnings is to properly state accumulated depreciation and reflect a revision in the amount of capital fund obligated by HUD to HARF for the LA48P128-301-00 project.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
Housing Authority of Rapides Parish
Bossier, Louisiana

Our report on our audit of the financial statements of the **Housing Authority of Rapides Parish (HARP)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules III, III, (IV) and V) which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION
(CONTINUED)

Also, the supplementary information (Exhibits I and III), which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

ASSETS

**BOYDING UNIVERSITY OF BUSINESS ADMINISTRATION, LOS ANGELES
COMBINED BALANCE SHEET-INDEPENDENT FUND
DECEMBER 31, 2004**

| | PA's Owned Balance Forward | Capital Fund Forward | Boarding Office Transfer Forward | Trusts Maintenance Dollars |
|--|-------------------------------|----------------------|-------------------------------------|----------------------------------|
| ASSETS | | | | |
| Cash and temporary cash investments | \$ 484,831 | \$ - | \$ 8,310 | \$ 268,864 |
| Accounts receivable, net | 5,738 | - | - | 5,738 |
| Accounts receivable - BUC | - | 178,039 | (88,690) | 264,281 |
| Prepaid expenses and other assets, net | 14,719 | - | - | 14,719 |
| Due from other funds | 178,241 | 5,056 | - | 211,977 |
| Land, structures and equipment, net | 2,000,438 | 23,428 | (26,428) | 2,011,696 |
| Total assets | \$4,683,667 | \$22,423 | \$2,412 | \$4,911,724 |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Accounts and other payables | \$ 33,836 | \$ 21,496 | \$ - | \$ 4,112 |
| Compensated absences payable | 24,791 | - | 5,731 | 34,566 |
| Port of Los Angeles | 1,966 | - | - | 1,966 |
| Payroll taxes payable | 6,668 | - | - | 6,668 |
| Security deposits held for others | - | 21,312 | (18,411) | (11,100) |
| Due to other funds | 1,000 | - | - | - |
| Total liabilities | \$41,261 | \$42,806 | \$18,180 | \$32,842 |
| Equity | | | | |
| Contributed capital | \$4,642,417 | - | - | \$4,642,417 |
| Retained deficit | \$4,233,285 | 117,622 | (2,642) | \$4,948,169 |
| Unrecorded retained earnings-deficit | (1,294,622) | 11,269 | (2,642) | (1,286,000) |
| Total equity | \$3,347,699 | \$129,891 | \$114,902 | \$3,592,492 |
| Total liabilities and equity | | | | |

See Independent Auditor's Report on Supplementary Information

**BOURNS WITHHOLDING OF BARNES BROS
SERVICE, ILLINOIS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS AND ASSOCIATED CONTRACTS--FOR THE YEAR ENDED
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | PMA Owned Historical Position | Capital Fund (Contract) | Remaining Charges Expenses Payments | Total (Minorization Subj) |
|--------------------------------------|----------------------------------|-------------------------|--|---------------------------------|
| Operating Revenues | | | | |
| Dwelling rental | \$ 287,041 | \$ 0 | \$ 0 | \$ 287,041 |
| Fees and charges | 10,282 | 0 | 0 | 10,282 |
| Total operating revenues | 297,323 | 0 | 0 | 297,605 |
| Operating Expenses | | | | |
| Administrative and employee benefits | 250,000 | 0 | 90,000 | 340,000 |
| Repairs and maintenance | 70,416 | 0 | 0 | 70,416 |
| Contractual services | 40,000 | 0 | 11,400 | 51,400 |
| Utilities | 67,900 | 0 | 0 | 67,900 |
| Depreciation | 400,000 | 1,410 | 1,000 | 402,410 |
| Insurance | 46,500 | 0 | 0 | 46,500 |
| Leasing maintenance payments | 0 | 0 | 600,000 | 600,000 |
| Conventions and travel | 48,812 | 0 | 0 | 48,812 |
| Telephone | 17,000 | 0 | 3,000 | 20,000 |
| Traveling | 17,000 | 0 | 0 | 17,000 |
| General | 0 | 0 | 14,400 | 14,400 |
| Payments in lieu of taxes | 17,000 | 0 | 0 | 17,000 |
| Rent/lease | 0 | 0 | 0 | 0 |
| Transport services | 20,000 | 0 | 0 | 20,000 |
| Postage, printing and advertising | 1,400 | 0 | 4,100 | 5,500 |
| Other | 1,000 | 0 | 4,100 | 5,100 |
| Total operating expenses | 1,075,000 | 1,410 | 959,500 | 2,035,910 |
| Operating loss | 777,677 | 1,410 | 959,500 | 1,738,587 |

See Independent Auditors' Report on Supplemental Information.

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY FINANCIAL
STATEMENTS**
BOYCK, LOWERY & ASSOCIATES, INC.
**CONDENSED STATEMENT OF RECEIVED INCOME AND ALLOWED IN
 RETURNED EARNINGS DEFICIT—ENTERPRISE FUND, COMMERCIAL
 FOR THE YEAR ENDED DECEMBER 31, 2003**

| | PMA Owned Health Products | Capital Fund Income | Funding/Change Variable Interest | Totals (Minimum/Maximum) Cable |
|---|------------------------------|---------------------|-------------------------------------|--------------------------------------|
| Non operating revenues | | | | |
| Dividends and interest | \$ 275,000 | \$ 465,000 | \$ 611,000 | \$ 1,351,000 |
| Interest income | 5,000 | 40 | 40 | 5,080 |
| Other | (1,000) | 50 | (50) | (1,000) |
| Total non operating revenues | <u>279,000</u> | <u>465,040</u> | <u>611,040</u> | <u>1,355,080</u> |
| Income (loss) before creation | (136,175) | 594,000 | (17,200) | (100,000) |
| Operating transfers to Operating transfers out | 51,075 | 40 | 40 | 51,155 |
| Net income (loss) | <u>(85,100)</u> | <u>594,040</u> | <u>(17,160)</u> | <u>(100,000)</u> |
| Retained earnings (deficit), beginning of year | (1,000,000) | 68,000 | 27,700 | (904,300) |
| Adjustment to beginning retained earnings | (74,075) | 5,074 | 40 | (69,000) |
| Retained earnings (deficit), beginning of year as revised | <u>(1,074,075)</u> | <u>73,074</u> | <u>27,740</u> | <u>(973,261)</u> |
| Retained earnings (deficit), end of year | <u>\$ 923,975</u> | <u>\$ 667,114</u> | <u>\$ 10,580</u> | <u>\$ 1,601,669</u> |

See Independent Auditor's Report on Supplementary Information.

SCHEDULE J

**HOUSING AUTHORITY OF BARBORES PARISH
BOYCE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

| Federal Grantor | CDDA Number | Federal Expenditures |
|---|-------------|----------------------|
| Program funded by the U.S. Department of Housing and Urban Development (HUD): | | |
| Sublet to Annual Contributions Contracts | | |
| Public and Indian Housing Operating Subsidy | 14-004a | \$ 271,621 |
| Housing Choice Voucher Program | 14-871* | 811,612 |
| Public and Indian Housing Capital Fund Program | 14-872* | 401,841 |
| Total | | <u>\$1,485,074</u> |

*Donor major program as defined by OMB A-133

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HAMP and is presented on an accrual basis of accounting. The information on this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of State, Local Government and Non-Profit Organizations*.

See Independent Auditors' Report on Supplementary Information.

HOUSING ACTIVITY OF BARRERS FUND
BETHESDA, MARYLAND
FINANCIAL DATA SCHEDULE—COMBINED BALANCE SHEET
PERIOD ENDING 11, 2003

| Line Item No. | Account Description | MA Owned Business Property | Capital Asset Property | Housing Choice Voucher Program | Totals (Minorities Sub) |
|---------------|--|-------------------------------|------------------------|-----------------------------------|-------------------------------|
| 11 | Cash - unrestricted | \$24,258 | 0 | 0 | \$24,258 |
| 14 | Cash - lease security deposits | 35,000 | 0 | 0 | 35,000 |
| 16 | Total cash | \$59,258 | 0 | 0 | \$59,258 |
| 12 | Accounts receivable - HUD other projects | 0 | 163,276 | 165,000 | 290,000 |
| 17 | Accounts receivable - grants (pending year) | 14,000 | 0 | 0 | 14,000 |
| 18.1 | Allowance for doubtful accounts (pending year) | (8,000) | 0 | 0 | (8,000) |
| 19 | Total receivables, net of allowances for doubtful accounts | 0 | 163,276 | 165,000 | 290,000 |

See Independent Auditors' Report on Supplementary Information.

**INVESTOR ACTIVITIES OF RAYMOND PARRISH
BOYCE, LOUISIANA
FINANCIAL STATE SCHEDULE—COMBINED BALANCE SHEET, CONTINUED
DECEMBER 31, 2003**

| Line Item No. | Account Description | Funds (Dread) Housing Program | Capital Fund Program | Housing Choice Voucher Program | Trends (Memberships Ded.) |
|---------------|--|----------------------------------|----------------------|-----------------------------------|---------------------------------|
| 141 | Investments - unaffiliated | \$ 25,000 | \$ - | \$ - | \$ 25,000 |
| 142 | Prepaid expenses and other assets | 1,000 | - | - | 1,000 |
| 143 | Inventory | 608 | - | - | 608 |
| 144 | Interpreting fee fees | <u>28,142</u> | <u>3,000</u> | <u>-</u> | <u>31,142</u> |
| 148 | Total current assets | <u>34,750</u> | <u>3,000</u> | <u>0</u> | <u>37,750</u> |
| 149 | Land | 6,400 | - | - | 6,400 |
| 150 | Buildings | 9,201,608 | - | - | 9,201,608 |
| 151 | Furniture, equipment & machinery - buildings | 90,108 | 11,500 | 21,579 | 123,187 |
| 154 | Furniture, equipment & machinery - administration | 203,402 | - | - | 203,402 |
| 155 | Leasehold improvements | 301,318 | - | - | 301,318 |
| 158 | Accumulated depreciation | <u>(5,141,949)</u> | <u>(7,400)</u> | <u>(3,119)</u> | <u>(8,294,468)</u> |
| 159 | Construction in progress | <u>-</u> | <u>12,600</u> | <u>-</u> | <u>12,600</u> |
| 168 | Total fixed assets, net of accumulated depreciation | <u>4,258,869</u> | <u>14,100</u> | <u>18,460</u> | <u>4,291,429</u> |
| 180 | Total non-current assets | <u>4,606,638</u> | <u>17,100</u> | <u>18,460</u> | <u>4,642,200</u> |
| 190 | Total assets | <u>\$ 4,041,388</u> | <u>\$ 16,100</u> | <u>\$ 18,460</u> | <u>\$ 4,076,048</u> |

See Independent Auditor's Report on Supplementary Information

HOUSING AUTHORITY OF LAFOUR PARISS
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINED BALANCE SHEET, CONTINUED
DECEMBER 31, 2003

| Line Item No. | Account Description | PLSA Owned Housing Programs | Capital Fund Programs | Housing Choice Voucher Programs | Total (Members Oath) |
|---------------|--|--------------------------------|-----------------------|------------------------------------|----------------------------|
| 312 | Accounts payable - Apts | \$ 18,026 | \$ - | \$ - | \$ 18,026 |
| 311 | Accrued wage/overhead taxes payable | 1,988 | - | - | 1,988 |
| 312 | Accrued compensated absences - current period | 18,667 | - | 2,653 | 21,320 |
| 311 | Accounts payable - 9011 PLSA programs | - | 21,496 | - | 21,496 |
| 341 | Transit security deposits | 16,988 | - | - | 16,988 |
| 342 | Retained revenues | - | 6,717 | - | 6,717 |
| 347 | Interpreters due to | 3,458 | 181,055 | 114,413 | 318,926 |
| 348 | Total current liabilities | 47,929 | 181,147 | 117,064 | 346,140 |
| 354 | Accrued compensated absences- non-current period | 31,128 | - | 7,182 | 38,310 |
| 358 | Total noncurrent liabilities | 31,128 | - | 7,182 | 38,310 |
| 306 | Total liabilities | 79,057 | 181,147 | 124,246 | 384,450 |
| 304 | Net PLSA PLSA contributions | 2,634,425 | - | - | 2,634,425 |
| 308 | Total contributed capital | 2,634,425 | 3 | 3 | 2,634,431 |

See Independent Auditor's Report on Supplementary Information

HOUSING AUTHORITY OF BARING PARISH
BOYER, LOUISIANA
FINANCIAL STATE SCHEDULE-COMBINED BALANCE SHEET, CONSOLIDATED
OCTOBER 31, 2007

| Line Item No. | Account Description | FHA Owned Housing Program | Capital Fund Program | Housing Choice Voucher Program | Totals (Minimums Only) |
|---------------|---|------------------------------|----------------------|-----------------------------------|------------------------------|
| 212 | Underfunded/Back Incentive/Interest earnings (deficit) | 85,210,289 | 112,609 | 1,184,625 | 86,407,523 |
| 215 | Total equity | 3,394,628 | 12,609 | 88,425 | 3,595,662 |
| 000 | Total liabilities and equity | 8,789,917 | 129,178 | 1,273,050 | 10,192,145 |

See Independent Auditors' Report on Supplementary Information.

INDIANE AUTHORITY OF BUSINESS PENSION
BOYCE LOHMEYER
FINANCIAL DATA SCHEDULE—COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

| Line Item No. | Account Description | PBA Owned Recurring Programs | Capital Fund Programs | Housing Choice Voucher Programs | Totals (Miscellaneous Code) |
|---------------|--------------------------------|---------------------------------|-----------------------|------------------------------------|-----------------------------------|
| 300 | Net income total revenue | \$241,002 | \$ - | \$ - | \$ 241,002 |
| 304 | Transfer revenue - other | 18,124 | — | — | 18,124 |
| 305 | Total income revenue | 259,126 | — | — | 259,126 |
| 306 | IFED PBA operating grants | 271,001 | 206,178 | 81,142 | 1,078,871 |
| 306.J | Capital grants | — | 181,000 | — | 181,000 |
| 311 | Investment income - unreported | 1,246 | — | — | 1,246 |
| 315 | Other income | 11,205 | — | — | 11,205 |
| 300 | Total revenue | 582,278 | 487,178 | 81,142 | 1,750,827 |

See Independent Auditor's Report on Supplementary Information.

BOARDING AUTHORITY OF BARROES PARISH
BOVIE, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

| Line Item No. | Account Description | FPA Owned Revenues/Expenses | Capital Fund Projects | Housing Choice Voucher/Projects | Tenants (Minimums/Max Gross) |
|---------------|---|--------------------------------|-----------------------|------------------------------------|------------------------------------|
| 911 | Administrative salaries | \$ 74,579 | \$ - | \$ 68,181 | \$ (41,266) |
| 912 | Auditing fees | 4,108 | - | 3,008 | 6,186 |
| 914 | Compensated services | - | - | 1,775 | 1,775 |
| 915 | Employee benefit contributions-administrative | 21,089 | - | 21,056 | 41,783 |
| 916 | Other operating administrative | 181,897 | - | 171,578 | 141,521 |
| 917 | Tenant services - other | 54,087 | - | - | 54,087 |
| 922 | Electricity | 11,384 | - | - | 11,384 |
| 935 | Gas | 2,108 | - | - | 2,108 |
| 938 | Other utilities expense | - | - | - | - |
| 941 | Ordinary maintenance and operations labor | (13,481) | - | - | (13,481) |
| | Page total | 285,528 | - | (26,628) | 525,811 |

See Independent Auditor's Report on Supplementary Information.

SCHEDULE III
Page 3 of 4

**HOUSING AUTHORITY OF BARTLES PASSAGE
BORNE, LOUISIANA**
FINANCIAL DATA SCHEDULE—COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

| Line Item No. | Account Description | Funds Owned | Capital Fund Revenue | Housing Choice Voucher Program | Funds (Miscellaneous) |
|---------------|---|-----------------|----------------------|-----------------------------------|--------------------------|
| | | Revenue Program | | | (Other) |
| 942 | Ordinary maintenance and operations— materials and other | 9,116,178 | — | — | 1,56,178 |
| 943 | Ordinary maintenance and operations—rental costs | 17,217 | — | — | 57,217 |
| 953 | Employee health contributions—ordinary maintenance | 44,339 | — | — | 44,339 |
| 961 | Business premiums | 14,217 | — | — | 54,718 |
| 962 | Other special expense | 26,899 | — | — | 59,760 |
| 964 | Bad debt losses—rents | 8,000 | — | — | 8,000 |
| 967 | Payments in lieu of taxes | 13,828 | — | — | 13,828 |
| 969 | Total operating expenses | 694,152 | — | 126,174 | 298,628 |
| 970 | Excess (deficit) of operating revenues over operating expenses | 113,814 | 401,642 | 604,562 | 1,080,621 |

See Independent Auditor's Report on Supplementary Information.

BOILING, AUTHORITY OF BARBERS PARTNERSHIP, LLC
BOYCE, ILLINOIS
FINANCIAL DATA SCHEDULE - CONDENSED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

| Line Item No. | Account Description | PPAs Owned (Boiling, Property) | Capital Fund Programs | Boiling Cluster Transfer Programs | Transit Commitment (Cable) |
|---------------------------|---|-----------------------------------|-----------------------|--------------------------------------|----------------------------------|
| 972 | County fees - not capitalized | \$ 41,249 | \$ - | \$ - | \$ 41,249 |
| 973 | Boiling assistance payments | - | - | 695,349 | 695,349 |
| 974 | Depreciation expense | <u>623,054</u> | <u>3,452</u> | <u>3,032</u> | <u>629,543</u> |
| 999 | Total expenses | 1,074,493 | 3,452 | 698,481 | 1,397,282 |
| 1001 | Other Financing (Commitment) | 211,679 | - | - | 211,679 |
| 1002 | Operating transfer to (Operating transfer out) | <u>-</u> | <u>111,819</u> | <u>-</u> | <u>111,819</u> |
| 1003 | Transit (deficiency) of revenues over expenses | <u>912,489</u> | <u>1,671</u> | <u>913,520</u> | <u>912,498</u> |
| NET ASSETS/DEFICIT | | | | | |
| 1102 | Beginning equity | <u>912,491,023</u> | <u>1,662</u> | <u>912,211</u> | <u>912,494,896</u> |
| 1104 | Post period adjustments, equity transfers, and conversion of notes | <u>1,014,025</u> | <u>1,473</u> | <u>1,473</u> | <u>1,016,971</u> |

See Independent Auditor's Report on Supplementary Information.

SCHEDULE D

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATEMENT OF CAPITAL FUND PROGRAM COST (INCOMPLETE)
FROM INCEPTION THROUGH THE YEAR ENDED DECEMBER 31, 2003**

| | LA48P128-201-01 | LA48P128-201-02 | LA48P128-201-03 | LA48P128-201-04 | TOTAL |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Funds approved | \$256,929 | \$158,649 | \$176,441 | \$276,441 | \$868,460 |
| Funds expended | 141,568 | 228,018 | — | 3,828 | 273,414 |
| Excess (deficiency) of funds approved | <u>\$115,361</u> | <u>\$130,631</u> | <u>\$176,441</u> | <u>\$272,613</u> | <u>\$595,046</u> |
| Funds Advanced: Grant funding | — | 80,652 | \$ 37,358 | \$ 5,728 | \$123,788 |
| Total funds advanced | 90,651 | 97,966 | 9,128 | 9,128 | 197,673 |
| Funds expended | 141,568 | 228,018 | — | 3,828 | 273,414 |
| Excess (deficiency) of funds advanced | <u>\$ 50,917</u> | <u>\$131,512</u> | <u>\$176,441</u> | <u>\$1,300</u> | <u>\$423,173</u> |

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATEMENT OF CAPITAL FUND PROGRAM COST (COMPLETE)
FROM INCEPTION THROUGH THE YEAR ENDED DECEMBER 31, 2003**

| | <u>L.A.H.A.P. 170-500-00</u> |
|---------------------------------------|------------------------------|
| Funds approved | \$152,806 |
| Funds expended | <u>152,806</u> |
| Excess (deficiency) of funds approved | \$ <u>0</u> |
| Funds Advanced: | |
| Grant funding | 152,806 |
| Total funds advanced | 152,806 |
| Funds expended | <u>152,806</u> |
| Excess (deficiency) of funds advances | \$ <u>0</u> |

NOTE: The distribution of costs as shown on the line of credit control system and the total award per the approved Form HUD 5340.2 (Capital Fund Program (CFP)) Amendment to the Consolidated Annual Contributions Contract is in agreement with HARP's records, and all costs and liabilities associated with the project have been paid.

See Independent Auditors' Report on Supplementary Information.

Member

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

Michael G. Bruno, CPA
Marilyn J. Tervalon, Jr., CPA
Walter J. Moran, Jr., CPA
Paul R. Ambon, III, CPA

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

**Board of Commissioners
Housing Authority of Rapides Parish
Bozoye, Louisiana**

We have audited the financial statements of the **Housing Authority of Rapides Parish (HARP)** as of and for the year ended December 31, 2003, and have issued our report thereon dated June 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Compliance

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

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

(CONTINUED)

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the Board of Commissioners, HARP's management, the Legislative Auditor, State of Louisiana and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno A. Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

June 17, 2004



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

Monique B. Grant, CPA
ACSO-C. Tervalon, Jr., CPA
William J. Alford, Jr., CPA
Franklin A. Cook, Sr., CPA

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

**Board of Commissioners
Housing Authority of Rapides Parish
Bogot, Louisiana**

Compliance

We have audited the compliance of the **Housing Authority of Rapides Parish (HARP)** 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 December 31, 2003. HARP's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Summary Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of HARP's management. Our responsibility is to express an opinion on HARP's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

types of compliance requirements previously referred to that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HARP's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on HARP's compliance with these requirements.

In our opinion, HARP complied, in all material respects, with the requirements previously referred to that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with these requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2003-01 and 2003-02.

Internal Control Over Compliance

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

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

(CONTINUED)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, HARP's management, the Legislative Auditor, State of Louisiana, and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

**HOUSING AUTHORITY OF RAPEDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--|---|
| 14.871 | Housing Choice Voucher Program |
| 14.872 | Public Housing Capital Fund Program |
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditor qualified as low-risk auditor? | No |

Section II - Financial Statement Findings

No financial statement findings were reported for the audit period ended December 31, 2003.

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section III - Federal Award Finding and Questioned Costs

Reference Number

2003-01

Federal Program

Housing Choice Voucher Program (See Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to the requirements of the Consolidated Annual Contributions Contract and 24 CFR Parts 812, 813, 887 and 982, as applicable.

Condition

Our review of ten (10) Housing Choice Voucher Program tenant files revealed one (1) instance where no HUD Form 50028 was maintained in the file in connection with the recertification of a tenants continued eligibility for participation in the Housing Choice Voucher Program.

Questioned Costs

None.

Effect

Noncompliance with the requirements of the Annual Contributions Contract and 24 CFR.

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2000

Section III - Federal Award Finding and Questioned Costs, Continued

Reference Number, Continued

2000-01

Cause

Lack of an adequate tenant file documentation system, and an ineffective follow-up system in place.

Recommendation

We recommend that management of HARF continue to improve its established processes, policies and procedures to ensure that all tenant files contain the required documentation.

Management's Response

Management of HARF will continue to work towards the completeness of all tenant files. A current HUD Form 50058 has been placed in the tenant's file.

HOUSING AUTHORITY OF RAPEDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section III - Federal Award Finding and Questioned Costs, Continued

Reference Number

2003-03

Federal Program

Low Rent Public Housing Program (See Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to 24 CFR parts 85 and 990, Form HUD-52723, (Operating Fund Calculation of Operating Subsidy - "OFF") must be prepared using information in accordance with HUD prescribed procedures and should be maintained subject to HUD's review and approval.

Condition

We were unable to perform audit procedures to test the accuracy of Form HUD-52723, Operating Fund Calculation of Operating Subsidy because management was unable to provide documentation to support the previous allowable utilities expense amount for the years ended December 31, 2001, 2000 and 1999, utility cost, add-on for social security, medicine and state unemployment taxes. Furthermore, the rent for September 30, 2002 used in the preparation of the OFF calculation was \$20,649 per the rental register to \$20,658 per the HUD Form 52723; and the unit count used was 151 to 149 per the rental register. The OFF Calculation was prepared by HARP's previous fee accountant, who as of this date has not provided all supporting documents to HARP.

Questioned Costs

None.

**HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

Section III - Federal Award Finding and Questioned Costs, Continued

Reference Number, Continued

2003-02

Content

Total federal award received for Low Rent Public Housing Program for the year ended December 31, 2003 was \$271,821.

Effect

Noncompliance with 24 CFR parts 85 and 990.

Cause

Lack of an adequate file maintenance system.

Recommendation

We recommend that management maintain documentation used to support all amounts reported for all reports prepared and/or submitted by its fee accountant.

Management's Response

Management has instructed its new fee accountant to provide copies and supporting documents for all reports prepared. However, management will continue in its attempt to secure the documents from its previous fee accountant. Anticipated completion date is September 30, 2004.

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2000

Section IV - Status of Prior Years' Finding and Questioned Costs

Reference Number:

2000-01

Condition:

Our review of Housing Choice Voucher Program files revealed the following:

- Two (2) of ten (10) files selected lacked evidence of third party verification of income; and
- One (1) of ten (10) files selected lacked evidence of Form 9886 (Release of Information Form).

Current Status:

See current year finding reference number 2003-01.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**

EXIT CONFERENCE

An exit conference was held with a representative of HARP. The contents of this report were discussed and management indicated their concurrence in all material respects. The following were in attendance.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**

Pat Boss

-- Executive Director

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Paul K. Ardoh, Sr., CPA, MBA, CGFM

-- Partner

Victor Robinson

-- Senior Accountant



Member

American Institute of
Certified Public Accountants
Society of Cost Accountants
Certified Public Accountants

04 JUL -9 PM 2:23

Michael S. Bruno, CPA
Alicia J. Tervalon, J., CPA
Walter J. Mann, Jr., CPA
Paul S. Arnold, CLU, CPA

INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT

Ms. Pat Bonn, Executive Director
Housing Authority of Rapides Parish

In planning and performing our audit of the financial statements of the Housing Authority of Rapides Parish (HARP), we considered HARP's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

As a part of our audit, we reviewed with management the status of all prior year management letter comments. We previously reported on HARP's internal control in our report dated June 17, 2004. This letter does not affect our report dated June 17, 2004, on HARP's internal control or its financial statements.

The following summarizes the status of all prior year comments.

Condition

HARP does not have an established procedure to ensure the complete review and approval of all bank account reconciliations performed by its fee accountant.

Current Status

While management reviews all work submitted by its fee accountant, there was no initialing and dating to evidence such.

Effective immediately management will initiate a process of initialing and dating all work submitted by its fee accountant.

INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT
(CONTINUED)

Condition

HARP's operating bank account reconciliation for the month ended December 31, 2002, contained a check outstanding for more than three (3) months.

Current Status

Resolved.

Condition

In our review of paid invoices, we noted no evidence to support the mathematical verification of invoices as a part of the cash disbursement process.

Current Status

Resolved.

Condition

Two bank accounts maintained by HARP, are not earning interest at a level comparable to the cash deposits held at its financial institution.

Current Status

Resolved.

INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT
(CONTINUED)

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions and/or require further detail, please do not hesitate to call.

This report is intended solely for the information and use of the Board of Commissioners, management, United States Department of Housing and Urban Development, Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, the report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004