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**HOUSING AUTHORITY OF THE TOWN OF FERRIBAY
FERRIBAY, LOUISIANA**

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

FOR THE YEAR ENDED MARCH 31, 1984

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-13-11

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the Town of Ferriday
Ferriday, Louisiana

We have audited the accompanying balance sheet—enterprise fund of Housing Authority of the Town of Ferriday (HATF), as of and for the year ended March 31, 2004, and the related statements of revenues, expenses and changes in retained deficit and cash flows—enterprise fund for the year then ended. These financial statements are the responsibility of HATF's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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. Those 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.

Because we were unable to secure the financial statements of HATF's component unit The Community Housing Development of Concordia, Inc. (CHDC), and to apply auditing procedures the accompanying financial statements do not include the financial information of HATF's component unit.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of the Town of Ferriday
Ferriday, Louisiana
Page 2

In our opinion, except for the effects of adjustments, if any, had we been able to secure and include the audited financial statements of CHDC, the financial statements previously referred to present fairly, in all material respects, the financial position of Housing Authority of the Town of Ferriday as of March 31, 2004, and the results of its operations and the cash flows of its enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2004, on our consideration of HATF'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 and reportable conditions.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 2, 2004

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
BALANCE SHEET-ENTERPRISE FUND
MARCH 31, 2004**

ASSETS

Cash (NOTE 2)	\$ 10,825
Accounts receivable, net (NOTE 4)	58,983
Prepaid and other assets	2,931
Investment (NOTE 6)	11,857
Land, structures and equipment, net (NOTES 3 AND 5)	<u>1,369,732</u>
Total assets	<u>\$1,454,333</u>

LIABILITIES AND EQUITY

Liabilities:

Accounts and other payables (NOTE 7)	\$ 11,278
Compensated absences payable	10,369
Deferred revenues (NOTE 14)	12,873
Payroll taxes payable	1,994
Security deposits held for tenants (NOTE 2)	8,650
Payment in lieu of taxes	8,046
Note payable (NOTE 15)	<u>1,637</u>
Total liabilities	<u>\$4,647</u>

Equity:

Contributed capital (NOTES 3 AND 5)	<u>1,403,458</u>
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Retained deficit:

Unreserved retained deficit (NOTE 13)	<u>(6,212)</u>
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Total equity 1,403,286

Total liabilities and equity \$1,454,333

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

HOUSING AUTHORITY OF THE TOWN OF FERRISDAY
 FERRISDAY, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED DEFICIT - ENTERPRISE FUND
 FOR THE YEAR ENDED MARCH 31, 2024

Operating Revenues:	
Dwelling rental - tenants	\$ 84,653
Rental revenue - other	7,399
Fees and charges	<u>3,358</u>
Total operating revenues	<u>185,410</u>
Operating Expenses:	
Salaries and employee benefits	188,258
Contractual services	17,871
Utilities	14,302
Depreciation	190,366
Insurance	20,221
Convention and travel	7,113
Telephone	10,852
General	9,142
Payments in lieu of taxes	8,646
Postage, printing, and advertising	1,872
Interest expense	478
Other	4,978
Law suit settlement	<u>7,908</u>
Total operating expenses	<u>780,248</u>
Operating loss	(594,838)
Non-operating Revenues:	
Grants and subsidies	189,784
Interest income	<u>368</u>
Total non-operating revenues	190,152
Net loss	(404,686)
Retained earnings as previously reported, beginning of year	77,853
Adjustment to beginning retained earnings (NOTE 12)	<u>10,368</u>
Retained earnings, beginning of year, as revised	<u>88,221</u>
Retained deficit, end of year	<u>\$ (316,465)</u>

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

HOUSING AUTHORITY OF THE TOWN OF FERRISAY
FERRISAY, LOUISIANA
STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2004

Operating loss	\$234,600
Adjustments to reconcile operating loss to net cash used in operating activities:	
Adjustment to beginning retained earnings	10,169
Depreciation	190,266
Increase in accounts receivable, net	(44,227)
Increase in prepaid and other assets	(231)
Increase in accounts and other payables	2,078
Decrease in notes payable	(11,382)
Increase in payroll taxes payable	1,994
Increase in deferred revenue	12,073
Increase in investment	(308)
Increase in compensated absences payable	1,646
Decrease in security deposits held for tenants	(58)
Increase in payment in lieu of taxes	<u>8,042</u>
Net cash used in operating activities	(128,282)
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	<u>158,264</u>
Cash provided by noncapital financing activities	<u>158,264</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	(14,007)
Other	<u>(2,141)</u>
Cash used in capital and related financing activities	<u>(16,148)</u>
Cash Flow from Investing Activities:	
Interest received	<u>268</u>
Cash provided by investing activities	<u>268</u>
Net decrease in cash	(5,907)
Cash, beginning of year	<u>16,151</u>
Cash, end of year	<u>\$ 10,244</u>
Interest paid during the year ended March 31, 2004	<u>\$ 428</u>

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

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Background and General Data:

Background

The Housing Authority of the Town of Ferriday (HATF) 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. HATF has been contracted by HUD to administer the Low-Income Housing Program under an Annual Contribution Contract.

As of March 31, 2004, HATF was primarily engaged in the administration of a Low-Income Housing Program to eligible low-income residents in Ferriday, Louisiana.

Under the above program, HATF provides eligible families housing under leasing arrangements.

Financial Reporting Entity

HATF 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 Ferriday.

Government Accounting Standards Board (GASB) Statement No. 14, "The 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 THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued:

Financial Reporting Entity, Continued

HATF 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 HATF is a financial reporting entity within the meaning of the provisions of GASB 14. Accordingly, HATF is not a component unit of the financial reporting entity of the Town of Ferriday.

Furthermore, the accompanying financial statements do not include the various resident associations which are legally separate entities.

HATF formed a 501(c)(3) non-stock corporation called The Community Housing Development of Concordia, Inc. (CHDC). There is a common control between HATF and CHDC's board. The component unit's financial information has not been included in the HATF's financial statements, either in a blended or discrete presentation, because the records for the component unit were not available.

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 HATF 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.

BROWSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

Basis of Presentation, Continued:

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 at the time liabilities are incurred. HATF applies all applicable Financial Accounting Standards Board pronouncements in accounting and reporting for its proprietary operations. HATF's fund includes 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.

HATF follows the provisions of GASB 33 (*Accounting and Financial Reporting for Non-Exchange Transactions*) effective for fiscal years that began after June 15, 2000.

Under GASB 33 Standards, HATF recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- HATF recognizes assets and liabilities when all applicable eligibility requirements are met 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 HATF as revenue.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

Budgets

HATF prepares an annual budget for its proprietary fund. Prior to the beginning of the fiscal year, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board.

HATF 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 do not require such, despite adoption of an annual budget by the Board.

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 amount 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, HATF considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments. At March 31, 2004, HATF had no temporary cash investments.

Land, Structures and Equipment

Land, structures and equipment are recorded at cost. HATF capitalizes all fixed asset acquisitions of \$500 and over. 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.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

Land, Structures and Equipment, Continued

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.

Structures and equipment are depreciated in the enterprise fund of HATF using the following estimated useful lives.

<u>Assets</u>	<u>Useful Lives</u>
Buildings	33
Building improvements	15
Automobiles and Equipment	3-15

Depreciation is computed using the straight-line method.

Compensated Absence

HATF 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 separation or retirement. Sick leave hours accumulate, but the employees is not paid for accumulated sick leave hours if not used by his/her retirement or separation date.

The cost of current leave privileges computed in accordance with GASB Codification Section C80, is recognized as a current year expense in the enterprise fund when leave is earned.

Accounts Receivable

Accounts receivable are stated at net realizable value as required by accounting principles generally accepted in the United States of America.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

Interprograms Activities

Interprogram activities as applicable, have been eliminated in the accompanying enterprise fund financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements (supplementary information) 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:

Cash is composed of a demand deposit account.

At March 31, 2004, the carrying amount of HATF's deposit was \$10,825 and the bank balance was \$16,579. The amount is covered by federal depository insurance.

Custodial credit risk is the risk that, in the event of a failure by the financial institution, HATF's deposit may not be returned to it. HATF has no deposit policy for custodial credit risk; however, none of HATF's bank balance was exposed to custodial credit risk, since the balance is under the \$100,000 federal depository insurance amount.

Louisiana state law allows for the investment of excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana, or any other federally insured investment.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash, Continued:

State law also requires that all deposits be fully collateralized at all times. Acceptable collateralization includes federal depository insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by HATF or with an unaffiliated bank or trust company for the account of HATF.

At March 31, 2004, cash includes deposits of \$8,630 received and held on behalf of tenants. These deposits are stated at cost, which approximates market.

NOTE 3 - Land, Structures and Equipment:

At March 31, 2004, land, structures and equipment consisted of the following:

	Balance, As Previously Reported April 1, 2003	Additions	Retirements	Other Changes	Balance March 31, 2004
Land	\$ 87,628	\$ -0-	\$ -0-	\$ -0-	\$ 87,628
Building and improvements	3,633,848	-0-	-0-	9	3,633,857
Equipment	184,381	12,807	-0-	-0-	197,188
Construction in progress	23,624	21,869	-0-	-0-	45,493
Sub-total	<u>3,929,481</u>	<u>34,676</u>	<u>-0-</u>	<u>9</u>	<u>4,064,266</u>
Less accumulated depreciation	(2,426,252)	(318,189)	-0-	1,128	(2,743,513)
	<u>\$ 1,483,211</u>	<u>\$ 326,487</u>	<u>\$ -0-</u>	<u>\$ 2,237</u>	<u>\$ 1,811,995</u>

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Amounts Receivable, Net:

At March 31, 2004, amounts receivable, net consisted of the following:

	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total
Amounts receivable - HUD	\$46,876	\$12,138	\$59,014
Amounts receivable - referrals/assess	1,100	-0-	1,100
Amounts receivable - tenants	585	-0-	585
Sub-total	48,561	12,138	60,699
Less: allowance for doubtful accounts	(2,340)	-0-	(2,340)
Total	<u>\$46,221</u>	<u>\$12,138</u>	<u>\$58,359</u>

NOTE 5 - Contributed Capital:

At March 31, 2004, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of HATF, payable by HUD and secured by annual contributions. The debt does not constitute an obligation of HATF and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of cumulative expenses, grants and subsidies of HATF.

An analysis of contributed capital follows:

Balance <u>April 1, 2003</u>	Changes	Balance <u>March 31, 2004</u>
<u>\$1,405,458</u>	<u>\$-0-</u>	<u>\$1,405,458</u>

NOTE 6 - Investment:

At March 31, 2004, investment of \$11,857 consisted of a certificate of deposit with an interest rate of 2.60% and maturing on February 9, 2005.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Accounts and Other Payables:

At March 31, 2004, accounts and other payables consisted of the following:

Accounts payable - vendors	\$11,133
Accounts payable - other	<u>145</u>
	<u>\$11,278</u>

NOTE 8 - Risk Management:

HATF is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which HATF 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 9 - Concentration of Credit Risk:

HATF receives primarily all of its revenues from dwelling rentals and grants from HUD. If the amount of revenues received from rentals and grants fall below budgeted levels, HATF's operating results could be adversely affected.

NOTE 10 - Contingencies:

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

NOTE 11 - Commitments:

At March 31, 2003, HATF has executed agreements with HUD totaling \$405,179 for various modernization and to fund operations and management improvement activities. Balance of funds remaining at March 31, 2004 was \$256,327 (See Schedule IV).

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Adjustment to Beginning Retained Earnings:

The adjustment to beginning retained earnings primarily results from the correction of prior year transactions recorded in error to other income in the current year.

NOTE 13 - Retained Deficit:

Currently, HATF has been designated as "Troubled" by HUD. Management and the local HUD office continue to explore funding opportunities as well as undertaking cost containment actions in significant operational areas.

NOTE 14 - Deferred Revenue:

At March 31, 2004, deferred revenue represents funds advanced in anticipation of associated cost in the capital funds program (See Schedule IV).

NOTE 15 - Note Payable:

At March 31, 2004, note payable consisted of an 9.5% secured note payable to a bank maturing on June 16, 2004. The loan is collateralized with real estate owned by HATF.

Original amount of loan	\$ 22,100
Less cumulative payments made	(20,463)
Total	\$ <u>1,637</u>

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
Housing Authority of the Town of Ferriday
Ferriday, Louisiana

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

Our report was qualified because we were unable to secure the financial statements of HATF's component unit and to apply auditing procedures.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis 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 stated in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules II through IV), 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 II), 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 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

September 1, 2004

HOUSING AUTHORITY OF THE TOWN OF FERRISDAY
 FERRISDAY, LOUISIANA
 COMBINED BALANCE SHEET - ENTERPRISE FUND
 MARCH 31, 2004

	Low Rent Public Housing Program	Public Housing Capital Fund Reserve	Total Chemonvium Debt
ASSETS			
Cash	\$ 10,825	\$ 0-	\$ 10,825
Accounts receivable, net	349	0-	349
Accounts receivable - BLD	46,676	12,158	58,834
Prepaid and other assets	2,375	0-	2,375
Investment	11,857	0-	11,857
Investments, net	54	0-	54
Land, structures and equipment, net	1,280,688	25,085	1,305,773
Total assets	\$2,073,424	\$42,228	\$2,115,652

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWN OF FERRISWAY
FERRISWAY, LOUISIANA
COMBINED BALANCE SHEET—ENTERPRISE FUND
MAJOR 2011-2014

	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total Administrative Units
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	\$ 11,278	\$ 4	\$ 11,278
Compensated absences payable	10,260	4	10,260
Deferred revenue	4	12,873	12,873
Payroll taxes payable	1,264	4	1,264
Security deposits held for tenants	3,600	4	3,600
Payments in lieu of taxes	3,846	4	3,846
Note payable	<u>1,612</u>	<u>4</u>	<u>1,612</u>
Total liabilities	41,870	12,673	54,543
Equity			
Cost-based capital	1,406,498	4	1,406,498
Retained deficit			
Unearned retained earnings (deficit)	<u>65,673</u>	<u>65,773</u>	<u>131,446</u>
Total equity	1,472,171	69,777	1,541,948
Total liabilities and equity	<u>\$1,514,041</u>	<u>\$72,451</u>	<u>\$1,586,492</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWNS OF FERRISWAY
 FERRISWAY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICIT)—POSTURED FUND
 FOR THE YEAR ENDED MARCH 31, 2004

	Low Income Public Housing Program	Public Housing Capital Trust Revolving	Total (Dissemination Debt)
Operating Revenues:			
Dwelling rental	\$ 94,893	\$ -	\$ 94,893
Fees and charges	3,526	-	3,526
Bond revenue - other	7,281	-	7,281
Total operating revenues	105,700	-	105,700
Operating Expenses:			
Salaries and employee benefits	100,318	-	100,318
Contractual services	12,091	-	12,091
Utilities	14,400	-	14,400
Depreciation	149,177	4,000	153,177
Insurance	28,325	-	28,325
Construction and repair	7,112	-	7,112
Telephone	16,650	-	16,650
Miscellaneous	9,142	-	9,142
Payment in lieu of taxes	8,046	-	8,046
Printing, postage and advertising	1,402	-	1,402
Interest expense	678	-	678
Other	4,000	-	4,000
Less: Rental assistance	(7,580)	-	(7,580)
Total operating expenses	258,331	4,000	262,331
Operating loss	(252,631)	4,000	(248,631)

See Independent Auditors' Report on Supplementary Information.

**BORING AUTHORITY OF THE TOWNSHIP OF PRESIDENT
FRIDLAND, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS (DEFICIT)-RETIREMENT FUND, CONTINUOUS
FOR THE YEAR ENDED MARCH 31, 2004**

	Low Bid Public Works Revenue	Public Housing Capital Fund Revenue	Total (Reserve/Deficit)
Non-operating revenues:			
Grant and subsidies	\$ 108,274	\$ 30,488	\$138,762
Interest income	<u> -28</u>	<u> -4</u>	<u> -32</u>
Total non-operating revenues	108,246	30,484	138,730
Net income (loss) before other financing sources (uses)			
Other financing sources (uses):			
Operating transfers in	\$4,534	-	\$4,534
Operating transfers out	<u> -4</u>	<u>28,430</u>	<u>28,426</u>
Excess (deficiency) of revenues over expenses	114,476	30,484	144,960
Revised earnings as previously reported, beginning of year	10,298	87,283	97,581
Adjustment to beginning retained earnings	<u> -628</u>	<u> -1,001</u>	<u> -1,629</u>
Revised earnings, beginning of year, as revised	9,670	86,282	95,952
Revised earnings (deficit), end of year	\$ 1,020,980	\$ (86,272)	\$ 934,708

See Independent Auditor's Report on Supplementary Information.

SCHEDULE

**HOUSING AUTHORITY OF THE TOWN OF FERRISAY
FERRISAY, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2004**

Federal Grantor	CFOA Number	Federal Expenditures
Program funded by the U.S. Department of Housing and Urban Development		
Subject to Annual Contribution Constraints		
Low Rent Public Housing Program	14.850	\$406,226
Public Housing Capital Fund Program	14.872	<u>50,482</u>
Total annual contribution contracts		<u>\$456,708</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HAATF and is presented on an accrual basis of accounting.

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWN OF FERRISDAY
FERRISDAY, LOUISIANA
FINANCIAL DATA SCHEDULE-COMBING BALANCE SHEET
MARCH 31, 2004

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total (Memorandum Total)
111	Cash - unrestricted	\$ 2,175	\$ 0	\$ 2,175
114	Cash - tenant security deposits	8,680	0	8,680
100	Total cash	10,855	0	10,855
122	Accounts receivable - HUD value projects	46,676	12,158	58,834
125	Accounts receivable - miscellaneous	7,100	0	7,100
128	Accounts receivable - tenants dwellling rent	995	0	995
126.1	Allowance for doubtful accounts- dwellling rent	(448)	0	(448)
126.2	Allowance for doubtful accounts - other	(7,100)	0	(7,100)
120	Total receivables, net of allowance for doubtful accounts	46,823	12,158	58,981

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWNS OF FERRISDALE
FERRISDALE, ILLINOIS
FINANCIAL DATA SCHEDULE—COMBINED BALANCE SHEET, CONTINUED
MARCH 31, 2009

Line Item No.	Account Description	Law Seat Public Housing Projects	Public Housing Capital Fund Projects	Total (Memberships Obl.)
141	Investments - restricted	\$ 11,877	\$ -	\$ 11,877
142	Prepaid expenses and other assets	2,177	-	2,177
143	Receivables	324	-	324
148	Total current assets	12,378	12,158	24,536
149	Land	97,628	-	97,628
150	Buildings	1,007,340	43,507	1,050,847
151	Furniture, equipment & machinery - depreciable	112,640	8,707	121,347
154	Furniture, equipment & machinery - administrative	41,728	3,009	44,737
161	Leasehold improvements	891,088	-	891,088
166	Accumulated depreciation	(1,580,153)	(42,009)	(1,622,162)
167	Construction in progress	-	31,284	31,284
169	Total fixed assets, net of accumulated depreciation	1,280,843	39,489	1,320,332
188	Total non-current assets	1,280,843	39,489	1,320,332
198	Total assets	\$ 1,315,042	\$ 121,845	\$ 1,436,887

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE TOWN OF FERRISDAY
FERRISDAY, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINED BALANCE SHEET, CONTINUED
MARCH 31, 2004**

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Erection	Total (Amounts in \$)
312	Accounts payable - 90 days	\$ 11,278	\$ -	\$ 11,278
321	Accrued wages/paid time payable	1,994	-	1,994
322	Accrued compensated absence-current period	3,168	-	3,168
341	Tenant security deposits	8,650	-	8,650
342	Deferred revenues	-	12,073	12,073
343	Other current liabilities	9,046	-	9,046
346	Loan liability - current	1,637	-	1,637
316	Total current liabilities	34,773	12,073	46,846
354	Accrued compensated absences-non-current period	3,281	-	3,281
390	Total non-current liabilities	3,281	-	3,281
360	Total liabilities	48,054	12,073	60,127
504	Net UNID PHLA contributions	1,486,458	-	1,486,458
508	Total contributed capital	1,486,458	-	1,486,458

See Independent Auditor's Report on Supplementary Information.

**BOSSING AUTHORITY OF THE TOWNSHIP OF FERRISDAY
FERRISDAY, LOUISIANA
FINANCIAL DATA SCHEDULE-COMBINED BALANCE SHEET, CONTINUED
MARCH 31, 2004**

Line Item No.	Account Description	Low Cost Public Housing Program	Public Housing Capital Fund Reserve	Total Micro-enterprises (2003)
412	Undesignated fund balances/retained earnings (deficit)	\$ 1,061,695	\$ 89,773	\$ 1,151,468
403	Total equity	1,111,511	89,773	1,201,284
400	Total liabilities and equity	<u>\$ 1,153,487</u>	<u>\$ 101,848</u>	<u>\$ 1,255,335</u>

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
FINANCIAL DATA SCHEDULE—CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2004

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total (Memorandum Ded.)
700	Net tenant rental revenue	\$ 94,683	\$ -	\$ 94,683
704	Tenant revenue - other	1,426	-	1,426
705	Total tenant revenues	96,109	-	96,109
706	BLVD PMA operating grants	199,276	26,534	125,810
706.1	Capital grants	-	23,934	23,934
711	Investment income - unencumbered	268	-	268
715	Other revenue	7,388	-	7,388
780	Total revenues	213,111	26,668	239,806

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2008**

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total (Memorandum Only)
911	Administrative salaries	\$ 48,574	5	\$ 48,574
912	Auditing fee	3,287	-	3,287
914	Compensated absence	1,646	-	1,646
915	Employee benefit contributions-administrative	3,259	-	3,259
916	Other spending-administrative	27,614	-	27,614
921	Tenant services - salaries	8,429	-	8,429
922	Employee benefit contributions-tenant services	550	-	550
923	Water	1,389	-	1,389
924	Electricity	9,566	-	9,566
925	Gas	1,308	-	1,308
926	Other utilities expense	1,439	-	1,439
941	Ordinary maintenance and operations- labor	41,325	-	41,325
	Page total	151,262	-	151,262

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF THE TOWN OF FERRISDAY
FERRISDAY, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total (Minimums Only)
942	Ordinary maintenance and operations- materials and other	\$ 9,142	\$ -	\$ 9,142
943	Ordinary maintenance and operations- contract costs	13,084	-	13,084
944	Employee benefit contributions- ordinary maintenance	3,999	-	3,999
945	Insurance premiums	20,321	-	20,321
946	Other general expenses	4,050	-	4,050
947	Payment in lieu of taxes	8,086	-	8,086
949	Total operating expenses	209,024	-	209,024
970	Recess of operating revenues over operating expenses	5,144	50,468	55,612

See Independent Auditors' Report on Supplementary Information.

SCHEDULE III
Page 4 of 4

**HOUSING AUTHORITY OF THE TOWNSHIP OF FERRISDAY
FERRISDAY, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Line Item No.	Account Description	Low Rent Public Housing Program	Public Housing Capital Fund Program	Total (Memorandum Only)
974	Other Expenses: Depreciation expense	\$ 1,466,172	\$ 4,089	\$1,20,268
980	Total expense	<u>1,466,172</u>	<u>4,089</u>	<u>260,248</u>
1001	Other Financing Sources (if any): Operating transfer in	24,574	4	24,574
1002	Operating transfer out	<u>42</u>	<u>(26,220)</u>	<u>(26,216)</u>
1000	Excess (deficiency) of revenues over (under) expense	<u>\$ (11,462)</u>	<u>\$ 13,842</u>	<u>\$ (4,618)</u>
Main Account Information				
3100	Beginning equity	\$ 10,298	\$ 67,242	\$ 77,540
3104	Prior period adjustments, equity transfer (and corrections of errors)	\$ 3,702	\$ 2,242	\$ 5,944

See Independent Auditor's Report on Supplementary Information.

SCHEDULE D2

**HOUSING AUTHORITY OF THE TOWN OF FERRISAY
FERRISAY, LOUISIANA
STATEMENT OF CAPITAL FUND PROGRAM COSTS (INCOMPLETE)
FROM INCEPTION THROUGH MARCH 31, 2004**

	Annual Contribution Contract	Annual Contribution Contract	Annual Contribution Contract	TOTAL DEFICIT/SURPLUS (ONLY)
	<u>LA-#P000001-08</u>	<u>LA-#P000001-02</u>	<u>LA-#P000001-01</u>	
Funds approved	\$ 140,700	\$ 114,700	\$ 148,868	\$ 404,268
Funds expended	(111,180)	()	(12,150)	(123,330)
Excess (deficiency) of funds approved	29,520	114,700	88,918	333,138
Funds advanced: Grant finding	20,848	—	17,452	38,300
Fund funds advanced	20,848	—	17,452	38,300
Funds expended	(13,500)	(13,000)	(4,480)	(30,980)
Excess (deficiency) of funds advanced	\$ 7,348	\$ (13,000)	\$ (12,528)	\$ (7,180)

See Independent Auditors' Report on Supplementary Information.



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**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**

To the Board of Commissioners
Housing Authority of the Town of Ferriday

We have audited the financial statements of Housing Authority of the Town of Ferriday (HATF) as of and for the year ended March 31, 2004, and have issued our report thereon dated September 2, 2004 which was qualified because we were unable to secure the financial statements of HATF's component unit and to apply auditing procedures. Except as previously discussed, 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 HATF'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2004-03, 2004-04, 2004-05 and 2004-07.

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 HATF'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect HATF's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2004-01, 2004-02, 2004-04, 2004-06 and 2004-07.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of HATF in a separate letter dated September 2, 2004.

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)

This report is intended solely for the information and use of the Board of Commissioners, management, the United States Department of Housing and Urban Development and the Legislative Auditor for the 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, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 2, 2004

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
 FERRIDAY, LOUISIANA
 SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED MARCH 31, 2004**

We have audited the financial statements of **Housing Authority of the Town of Ferriday** as of, and for the year ended March 31, 2004 and have issued our report thereon dated September 2, 2004 which was qualified because we were unable to secure the financial statements of HATF's component unit and to apply auditing procedures. Except as previously discussed, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits outlined in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Qualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition (s) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs:	
• Material weakness(es) identified?	N/A*
• Reportable condition(s) identified that are not considered to be material weakness(es)?	N/A*
Type of auditors' report issued on compliance for major programs:	N/A*

*Not Applicable

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINANCES AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

<i>Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?</i>	N/A*
<i>Identification of Major Program:</i>	None
<i>Dollar threshold used to distinguish between type A and type B programs:</i>	N/A*
<i>Auditor qualified as low-risk auditor?</i>	N/A*

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section II - Financial Statement Findings and Questioned Costs

Reference Number:
2004-01

Federal Program

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

Criteria

Pursuant to Section 15 of the Consolidated Annual Contribution Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits".

Condition

The fixed assets depreciation schedule for the year ended March 31, 2004 prepared by HATF's fee accountant included an amount totaling \$9,584 classified as a "Site Improvement" addition, for a grant titled "Power Up Grant". As a result of our review and discussion with HATF's fee accountant, we noted that the amount was incorrectly coded to depreciation expense.

Also, we noted amounts totaling \$9,800 incorrectly reflected as other income in HATF's general ledger.

Effect

Noncompliance with Section 15 of the Consolidated Annual Contribution Contract.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2004-01

Case

Lack of an adequate financial reporting system to ensure the accurate reporting of all financial transactions and review of monthly financial statements package from HATF's fee accountant by the Executive Director or her designee.

Recommendation

We recommend that management of HATF review the monthly financial statements received from its fee accountant to ensure that a subsidiary ledger or a detailed composition of the account balance is readily available and complete.

Management's Response

HATF will review the monthly financial statements received from its fee accountant to ensure that a subsidiary ledger or a detailed composition of the account balance is readily available and complete. Anticipated start date is December 1, 2004.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number

2004-02

Federal Program

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

Criteria

The management of HATF is responsible for establishing and maintaining an effective internal control to ensure compliance with Board directives, laws, regulations and program requirements.

Condition

We noted eight (8) instances where invoices were incorrectly coded to the "Sundry" account.

Effect

A weakened internal control increases the potential risk for errors and/or fraudulent activity.

Cause

Lack of an established procedure to ensure completeness of HATF's cash disbursements cycle reporting.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2004-02

Recommendation

Management should obtain in a full chart of accounts, detailing all expense accounts from its fee accountant, and use it to properly code expenses on an on-going basis. Furthermore, the financial statements should be reviewed for completeness on a periodic basis by the Executive Director or designee.

Management's Response

HATF will obtain a full chart of accounts, detailing all expense accounts from its fee accountant and properly code expenses on an on-going basis effective immediately.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number

2004-03

Federal Program

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

Criteria

Sections 6.13 and 6.14 of the State of Louisiana Civil Service Rules require that compensation received by employees should be authorized by or pursuant to the provisions of Article X of the Civil Service Rules, the Uniform Classification and Pay Plans, and the policies and procedures issued by the Director for the State of Louisiana Department of Civil Service.

Condition

Our review of the payroll records for a current employee of HATF revealed that the employee was not authorized pursuant to an approved State of Louisiana Department of Civil Service "Personnel Action Form" (SF-1). As such, we noted that no documents were maintained to authorize the employee's hire and/or pay rate. It is our understanding through discussion with management that all hires and related pay rates are approved by the Executive Director and the Board of Commissioners.

Effect

Noncompliance with Sections 6.13 and 6.14 of the State of Louisiana Civil Service Rules.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2004-03

Case

Ineffective monitoring and documenting of internal control processes and procedures over payroll cycle.

Recommendation

Management should enhance its monitoring and documenting of internal control processes over payroll transactions to ensure that all employees are paid in accordance with Civil Service regulations and Board directives.

Management's Response

HATF will enhance its monitoring and documenting of internal control processes over payroll transactions to ensure that all employees are paid in accordance with Civil Service regulations and Board directives. Anticipated completion date is December 31, 2004.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA**
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section III - Federal Award Findings and Questioned Costs

Reference Number

2004-04

Federal Program

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

Criteria

Pursuant to 24 CFR part 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 March 31, 2000, 2001 and 2002.

Questioned Costs

None.

Context

Total federal award received for Low Rent Public Housing Program for the year ended March 31, 2004 was \$189,276.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2004-04

Effect

Noncompliance with 24 CFR part 990.

Cause

Lack of a procedure in place to ensure the maintenance of all supporting documents related to work performed by individuals other than employees.

Recommendation

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

Management's Response

Management will institute the necessary procedures to ensure that all work effort of its non-employees are retained by HATF and filed accordingly. Expected completion date is December 31, 2004.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number

2004-05

Federal Program

Public Housing Capital Fund Program (See Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to Section 15 of the Consolidated Annual Contribution Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of financial statements and reports in accordance with HUD requirements and to permit timely and effective audits."

Also, the requirements for cash management contained in OMB Circular A-103 dictate a minimization in the time elapsing between the transfer of funds and payout for program purposes.

Condition

We noted a drawdown of funds by HATF in the dwelling structures and equipment categories during the year ended March 31, 2004 prior to incurring expenses.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2004-05

Questioned Costs

None.

Effect

Noncompliance with the requirements of OMB Circular A-102 regarding cash management.

Cause

Lack of an adequate system in place to ensure compliance with funds drawdown regulations.

Recommendation

We recommend that management evaluate its current cash management procedures to ensure that all drawdowns for capital acquisitions are based on cost incurred by HATF prior to the request for funds.

Management's Response

HATF is currently a troubled agency. Approval of all drawdown requests for its Capital Fund Program must be approved by the local HUD office prior to the drawdowns. The HATF must also provide documentation for each draw.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA**
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number

2004-06

Federal Program

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

Criteria

Pursuant to Section 15 of the Consolidated Annual Contribution contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements to permit timely and effective audits".

Condition

Currently, the payroll preparation and related tax returns filed at the Federal and State levels, are performed in-house. HATF's fee accountant prepares the financial statements based on the completed payroll transactions. However, our review of the process and resulting documents revealed the absence of a reconciliation of the general ledger amounts to the Federal and State tax returns filed. Furthermore, our review of the general ledger revealed the misclassification of travel allowance cost paid to an employee. Such costs, based on our review are properly reflected on the payroll register maintained by HATF.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2004-06

Questioned Costs

None.

Effect

Inaccurate financial statements reporting.

Cause

Lack of an established system to ensure the timely and periodic reconciliation of the payroll register to the general ledger posting and filed tax returns.

Recommendation

Management should require its fee accountant to perform periodic reconciliation of the respective subsidiary ledgers to the general ledger control accounts to include all filed tax returns.

Management's Response

HATF will require its fee accountant to perform periodic reconciliation of the respective subsidiary ledgers to the general ledger to include all filed tax returns. Anticipated completion date is December 31, 2004.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number:

2004-07

Federal Program:

All programs (See Schedule of Expenditures of Federal Awards).

Criteria:

Pursuant to Section 15 of the Consolidated Annual Contribution contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements to permit timely and effective audits".

Condition:

Based on our review and discussion with management, we noted that HATF formed a 501(c)(3) non-stock corporation called The Community Housing Development of Concordia, Inc. (CHDC).

The Louisiana Secretary of State's website has CHDC as incorporated on November 21, 1997. Furthermore, we noted a revocation of CHDC dated February 18, 2003 by the Secretary of State. We were unable to secure any financial statements and/or documents such as incorporation information, Internal Revenue Service (IRS) exemption letter and/or documents to support the filing or exemption from the filing of IRS Form 990 or 990EZ, as applicable.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2004-07

Questioned Costs

None.

Effect

Inaccurate and incomplete financial statements coupled with potential noncompliance with the requirements of corporations in the State of Louisiana as well as IRS tax returns filing requirements.

Cause

No specific individual is charged with the responsibility of ensuring that all financial statements and other administrative issues are managed on a continuous basis.

Recommendation

We recommend that management revisit with the objective of CHDC and also charge an individual with responsibility for ensuring that all activities relating to CHDC are properly and accurately accounted for a timely basis.

Management's Response

HATF has advised its attorney to dissolve CHDC. Anticipated resolution date is December 31, 2004.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA**
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

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

Reference Numbers

03-F1 and 2002-01

Condition

For the year ended March 31, 2002, HATF was not able to provide all source documentation requested by the auditor and therefore the auditor was not able to confirm if the calculations were correctly done. The "OFF" calculation used for the year ended March 31, 2003 appears to be the March 31, 2002 submission, with the 2003 calculations prepared by HUD.

Current Status

Partially resolved. HATF is currently monitoring its "OFF" submission to the HUD office to ensure accurate calculations.

Reference Numbers

03-F2 and 2002-02

Condition

HATF exceeded its approved operating budget by more than 6%, as follows:

Total Operating Expenses Budgeted	\$206,885
Total Operating Expenses Actual	219,657
	<u>\$ 12,772</u>

4 HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
5 FERRIDAY, LOUISIANA
6 SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
7 FOR THE YEAR ENDED MARCH 31, 2004

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Numbers, Continued

03-F3 and 2002-01

Current Status

Partially resolved. HATF is currently monitoring its budget and working closely with the local HUD office and its fee accountant to ensure it stays within its budget.

Reference Numbers

03-F3 and 2002-07

Condition

HATF formed a 501(c)(3) non-stock corporation called The Community Housing Development of Concordia, Inc. (CHDC). At formation makeup of the board of the CHDC was the same as that of HATF. Currently none of HATF's board members are CHDC board members. The Housing Authority of the Town of Ferriday did not include any CHDC financial information in the audited financial statements for the fiscal years ended March 31, 2003 and March 31, 2002. We were unable to obtain any records for the year ended March 31, 2003.

Current Status

Unresolved. See current year's finding, reference number 2004-07.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Numbers

03-F4, 2002-11 and 2002-18

Condition

Of forty-two (42) disbursements tested, we noted the following documentation deficiencies:

- Six (6) disbursements did not show proper approval on the invoice by appropriate personnel.
- One (1) disbursement was not properly recorded. The charge did not agree to the invoice.
- Six (6) disbursements lacked adequate documentation.
- One (1) disbursement where HATF did not take the net of all applicable credits.
- Three (3) disbursements where the invoice date was not comparable to the date of the check.

Current Status

Resolved. HATF currently has a procedure in place that dictates approval of all invoices prior to payment.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA**
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Numbers

03-F5 and 2003-12

Condition

The March 31, 2003 audit is being published thirteen (13) months after fiscal year end.

Current Status

Resolved. HATF is currently assuring that its audits are being completed in a timely manner.

Reference Number

03-F6

Condition

HATF does not maintain a salary schedule. The Executive Director's contract was approved by the Board of Commissioners. However, there is no documentation in the minutes that the salaries of the other employees have been approved by the Board of Commissioners. Of eighteen (18) payroll disbursements tested, we noted the following deficiencies:

- Fifteen (15) could not trace payroll disbursement salary/hourly rate to personnel file or salary schedule.
- Twelve (12) payroll disbursement did not have the employees signature on their time sheet.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number, Continued

03-F6

Condition, Continued

- Three (3) payroll disbursements lacked adequate approval from the Executive Director on the time sheets.
- Eighteen (18) payroll disbursement did not have proof of existence (i.e. I-9s).

Current Status

Partially resolved. HATF is currently ensuring that all disbursements are being approved by the Executive Director. Also, see current year's finding reference number 2004-03.

Reference Number

03-F7

Condition

HATF was unable to provide documentation that the capital fund obligation amounts were correct at the obligation end date for Capital Fund (CFP) 2000 and respectively 2001.

Current Status

Resolved. HATF is currently working with HUD personnel to ensure the correct obligation amounts for its CFP.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-03

Condition

Cash on deposit for tenant security should be in a separate account. The Board of Commissioners did pass a resolution pledging a \$10,000 certificate of deposit (CD) toward tenant security deposits. However, this CD was already legally pledged toward a bank loan.

Current Status

Resolved. HATF has taken the necessary action and the \$10,000 CD is no longer being used as collateral.

Reference Number

2002-04

Condition

Modernization expenditures and funding draws should be well documented and only made for items in the HUD approved budget. Monies drawn from HUD should be expended within five (5) days of receipt. Check coding should be adequate to allow the fee accountant to code the expenses directly to the grant subsidiary ledgers. Reporting to HUD should be accurate and supported by the general ledger.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number, Continued

2000-04

Condition, Continued

HATF did not provide adequate documentation to substantiate many program expenditures and funding draws. We noted four (4) checks totaling \$3,400 made out to HATF's component unit with no documentation attached. As of February 28, 2002, it appears that HATF had drawn down \$14,294.66 more from HUD than it was entitled to. At year end March 31, 2001, HATF instructed the fee accountants to re-code \$42,157 from the low income housing program expenditures to CFP expenditures with no documentation to support this. Program funding for year ended March 31, 2001 was reported as \$18,771 on the FDS versus \$53,575 on the general ledger. We could not determine which, if either, were correct.

Current Status

Partially resolved. HATF is currently seeking approval from the local HUD office for all capital fund program drawdowns and is providing documentation as necessary.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-05

Condition

HATF owns four (4) non HUD subsidized properties that are rented out to individuals and businesses. HATF did not provide us with leases on these properties. While some rent monies are being deposited into the Low Income Housing bank account, we were not able to confirm that the deposits were appropriate.

Current Status

Unresolved. HATF is currently working on securing the appropriate leases on all properties rented.

Reference Number

2002-06

Condition

Louisiana Law, LA.RS.42.1113, as enforced by the Louisiana Ethics Commission, prohibits relatives of the Head of the Agency from residing at the entity.

The mother and a sister of the Executive Director are residents of non HUD subsidized housing owned by HATF.

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number, Continued

2002-06

Current Status

Resolved.

Reference Number

2002-07

Condition

The component unit for the BATH, The Community Housing Development of Concordia, Inc.'s financial records were not included in the March 31, 2003 audit.

Current Status

Unresolved. See current year's finding reference number 2004-07.

**HOUSING AUTHORITY OF THE TOWN OF FERRIBAY
FERRIBAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2003-08

Condition

The utility allowance should be updated annually. HATF's staff indicated that the former executive director did, in fact, perform a utility allowance review. However, no documentation was provided to substantiate this.

Current Status

Unresolved. Management of HATF will conduct the necessary utility allowance review and establish a procedure to facilitate a periodic review of the rate. Expected completion date is December 31, 2004.

Reference Number

2003-13

Condition

Annual leave accumulated should not be paid in the form of cash during employment.

Current Status

Resolved.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2004**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-15

Condition

The March 31, 2001 Schedule of Expenditures for Federal Awards for the Low Rent Public Housing Program was incorrect.

Current Status

Resolved.

Reference Number

2002-16

Condition

Personnel files lacked notification forms for changes in employee status. There was an incomplete performance appraisal form for one (1) year in one (1) personnel file we reviewed. Performance appraisal forms should be in separate files per Civil Service. The personnel files we were provided contained very little documentation at all.

Current Status

Unresolved. See current year's finding reference number 2004-03.

**HOUSING AUTHORITY OF THE TOWN OF FERRIDAY
FERRIDAY, LOUISIANA**

EXIT CONFERENCE

The financial statements and all related reports were discussed at an exit conference and management is in agreement. Those persons who participated in the conference and previous discussions are as follows:

HOUSING AUTHORITY OF THE TOWN OF FERRIDAY

Ms. Netrina England	--	Executive Director
Ms. Tameka Webster	--	Administrative Assistant

BRUNG & TERVALON L.L.P., CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Ardoh, Sr., CPA, CFPM	--	Partner
Mr. Victor Robinson	--	Senior Accountant



Member

American Institute of
Certified Public Accountants

Society of Cost Accountants
Certified Public Accountants

Michael D. Bruno, CPA

Walter J. Tervalon, Jr., CPA

Walter J. Mervin, Jr., CPA

Paul K. Arnold, III, CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

Ms. Nerrisa England, Executive Director
Housing Authority of the Town of Ferriday

In planning and performing our audit of the financial statements of the **Housing Authority of the Town of Ferriday (HATF)**, we considered HATF'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 noted certain matters that are opportunities for strengthening internal control and improving operating efficiency. We previously reported on HATF's internal control in our report dated September 2, 2004. This letter does not affect our report dated September 2, 2004, on HATF's internal control or its financial statements.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or assist you in implementing the recommendations.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

The following summarizes our comments and suggestions regarding those matters previously discussed.

Condition

Considering the size of HATF, the important elements of internal control and segregation of duties cannot always be achieved to insure protection and safeguarding of HATF's assets.

Recommendation

We recommend that management evaluate its internal control procedures and processes. The evaluation should be aimed towards ensuring the segregation and strengthening of internal control in the areas of custodial and recordation functions.

Management's Response

HATF will evaluate its internal control procedures and segregate the processing of its custodial and recordation functions.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Condition

Our review of HATF's cash disbursement procedures revealed the lack of established procedures in place to provide for the mathematical verification of invoices paid, or to deface paid invoices by way of stamping them "paid" to insure payment of appropriate amounts and avoid duplicate payment.

Recommendation

We recommend that management evaluate its internal control procedures and consider the need to include procedures to insure that invoices are mathematically verified and defaced prior to payment.

Management's Response

HATF will evaluate its internal control procedures and include any necessary procedures to mathematically verify and deface.

Condition

Bank account maintained by HATF is not earning interest.

Recommendation

We recommend that management explore with its bankers, the opportunity to earn interest on its funds held on their behalf.

Management's Response

HATF will consult with the Board of Commissioners to consider the opportunity to earn interest on its funds.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Condition

HATF did not maintain a materials inventory subsidiary ledger at March 31, 2004.

Recommendation

We recommend that HATF prepare a subsidiary ledger for its material inventory as well as other general ledger accounts and also perform periodic reconciliations and prepare adjustments, if any, to agree to the general ledger control accounts.

Management's Response

HATF will prepare a subsidiary ledger for its materials inventory as well as other general ledger accounts and perform periodic reconciliation and prepare adjustments, if needed, to the general ledger control accounts.

Condition

Currently, HATF uses various software to accumulate accounting and program information on a regular basis. However, we noted no plan to require the offsite storage of all pertinent accounting and program data. The financial statements for HATF are prepared by its fee accountant based on accounting data accumulated by HATF.

Recommendation

We recommend that management address the need for a disaster recovery plan. Areas that should be addressed in a disaster recovery plan include the following:

- Definition of threats and risks (including likely effects on HATF).
- Operational security.
- Processing priorities.
- Disaster recovery planning (as appropriate).
- Insurance coverage available or desirable.

Management's Response

HATF will address the need for a disaster recovery plan.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Condition

HATF has no formal system in place to ensure the periodic evaluation of risk in the categories of property, general liability, etc. to ensure the adequacy in insurance coverage.

Recommendation

We recommend that a system be established aimed at the periodic evaluation or assessment of the adequacy in insurance coverage.

Management's Response

HATF will establish a system to evaluate and ensure the adequacy to future insurance coverage.

Condition

HATF does not have a system in place to facilitate the timely review of its policies and procedural manuals to assess the need for updates.

Recommendation

Management should initiate a review of its policies and procedural manuals.

Management's Response

The management of the HATF will initiate such a process.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Status of Prior Year Comments:

The following is a summary of prior years' comments and their current status.

Reference Number

03-M1

Condition

Louisiana Law, L.A.RS 42:1111, as enforced by the Louisiana Ethics Commission, prohibits relatives of the Head of the Agency from residing at the entity. The mother of and a sister of the Executive Director are residents of non HUD subsidized housing owned by HATF.

Recommendation

HATF should seek legal advice and/or an opinion from the Louisiana Ethics Commission, then take action accordingly.

Current Status

HATF has consulted with its attorney and the Louisiana Ethics Commission and has taken action accordingly. Presently, the mother and sister of the Executive Director are no longer residents of HATF property.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Status of Prior Year Comments, Continued

Reference Number

03-M2

Condition

The utility allowance should be updated annually if any utility rate has changed more than 10% since the last change to the utility allowance. HATF has not performed an annual analysis of its utility rates.

Recommendation

Perform an annual analysis of the utility rates and update the utility allowance if any utility rate has changed more than 10% since the last change to the utility allowance.

Current Status

HATF will perform annual analysis of the utility rates and update its utility allowances accordingly if the rates have changed more than 10%.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

As always, we appreciate the courtesies extended to us by 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, this report is distributed by the legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 2, 2004