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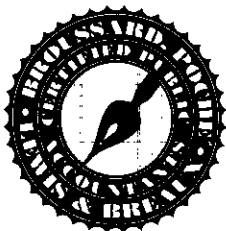
HOUSING AUTHORITY OF THE TOWN OF BASILE  
FINANCIAL REPORT  
DECEMBER 31, 2003

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 11-17-04

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**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
fax: (337) 783-7238

ACCOUNTANT'S COMPILATION REPORT

*Other Offices:*

Lafayette, LA  
(337) 988-4930

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

The Board of Directors  
Housing Authority of the Town of Basile  
Basile, Louisiana

We have compiled the accompanying basic financial statements of the Housing Authority of the Town of Basile, as of and for the year ended December 31, 2003 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Housing Authority of the Town of Basile. We have not audited or reviewed the accompanying basic financial statements and, accordingly, we do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated October 18, 2004, on the results of our agreed-upon procedures.

*Broussard, Poché, Lewis & Breaux L.L.P.*

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
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Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*

Crowley, Louisiana  
October 18, 2004

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
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Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

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

HOUSING AUTHORITY OF THE TOWN OF BASILE

COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 2003  
 See Accountant's Compilation Report

	General Fund	Capital Project Fund <i>CIAP 2001</i>	Capital Project Fund <i>CIAP 2002</i>	General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 66,746	\$ -	\$ 77	\$ -	\$ 66,823
Certificates of deposit	6,000	-	-	-	6,000
Receivables	2,864	-	-	-	2,864
Prepaid expenses	3,701	-	-	-	3,701
Due from other funds	3,350	3,380	2,600	-	9,330
Buildings and equipment	-	-	-	1,292,376	1,292,376
<b>Total assets</b>	<b>\$ 82,661</b>	<b>\$ 3,380</b>	<b>\$ 2,677</b>	<b>\$ 1,292,376</b>	<b>\$ 1,381,094</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 7,311	\$ -	\$ -	\$ -	\$ 7,311
Deferred revenue	-	500	2,207	-	2,707
Security deposits payable	3,528	-	-	-	3,528
Due to other funds	5,980	2,880	470	-	9,330
<b>Total liabilities</b>	<b>\$ 16,819</b>	<b>\$ 3,380</b>	<b>\$ 2,677</b>	<b>\$ -</b>	<b>\$ 22,876</b>
<b>FUND EQUITY</b>					
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ 1,292,376	\$ 1,292,376
Fund balances:					
Unreserved - undesignated	65,842	-	-	-	65,842
<b>Total fund equity</b>	<b>\$ 65,842</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,292,376</b>	<b>\$ 1,358,218</b>
<b>Total liabilities and fund equity</b>	<b>\$ 82,661</b>	<b>\$ 3,380</b>	<b>\$ 2,677</b>	<b>\$ 1,292,376</b>	<b>\$ 1,381,094</b>

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF BASILE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 2003

See Accountant's Compilation Report

	General Fund	Capital Projects Fund CIAP 2001	Capital Projects Fund CIAP 2002	Total (Memorandum Only)
<b>Revenues:</b>				
Rental income	\$ 25,148	\$ -	\$ -	\$ 25,148
Investment income	100	-	-	100
Grant income	-	41,793	16,270	58,063
Operating subsidy	59,762	-	-	59,762
<b>Total revenues</b>	<b>\$ 85,010</b>	<b>\$ 41,793</b>	<b>\$ 16,270</b>	<b>\$ 143,073</b>
<b>Expenditures:</b>				
Salaries and related benefits	\$ 17,002	\$ -	\$ -	\$ 17,002
Legal and accounting	1,854	-	-	1,854
Insurance	11,213	-	-	11,213
General expenses	19,773	-	-	19,773
Utilities	17,233	-	-	17,233
Travel	189	-	-	189
Other expenses	1,402	-	-	1,402
Capital expenditures	-	41,793	16,270	58,063
<b>Total expenditures</b>	<b>\$ 68,666</b>	<b>\$ 41,793</b>	<b>\$ 16,270</b>	<b>\$ 126,729</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 16,344</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,344</b>
<b>Fund balances, beginning</b>	<b>49,498</b>	<b>-</b>	<b>-</b>	<b>49,498</b>
<b>Fund balances, ending</b>	<b>\$ 65,842</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,842</b>

See Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF BASILE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL-  
 ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 2003  
 See Accountant's Compilation Report

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Rental income	\$ 23,590	\$ 25,148	\$ 1,558
Investment income	2,950	100	(2,850)
Operating subsidy	64,755	59,762	(4,993)
	\$ 91,295	\$ 85,010	\$ (6,285)
Expenditures:			
Salaries and related benefits	\$ 20,600	\$ 17,002	\$ 3,598
Legal and accounting	4,850	1,854	2,996
Insurance	8,920	11,213	(2,293)
General expenses	14,000	19,773	(5,773)
Utilities	14,550	17,233	(2,683)
Travel	1,800	189	1,611
Other expenses	6,170	1,402	4,768
	\$ 70,890	\$ 68,666	\$ 2,224
Excess (deficiency) of revenues over expenditures	\$ 20,405	\$ 16,344	\$ (4,061)
Fund balance, beginning	58,800	49,498	(9,302)
Fund balance, ending	\$ 79,205	\$ 65,842	\$ (13,363)

See Notes to Financial Statements.

# HOUSING AUTHORITY OF THE TOWN OF BASILE

## NOTES TO FINANCIAL STATEMENTS

See Accountant's Compilation Report

### Note 1. Summary of Significant Accounting Policies

#### Reporting entity:

The Housing Authority of the Town of Basile (the "Housing Authority") was created by Louisiana Revised Statute (LSA-R.S.) 40:391 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Basile, Louisiana. The Housing Authority is administrated by a five-member board appointed by the Mayor. Members of the board serve five-year terms.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contribution contract with the Housing Authority for the purpose of assisting the Housing Authority in financing acquisition, construction, and leasing of housing units and to make annual contributions (subsidies) to the Authority for the purpose of maintaining this low rent character.

At December 31, 2003, the Housing Authority managed 22 public housing units.

#### Basis of presentation:

The accompany financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the generally accepted standards-setting body for establishing governmental accounting and financial reporting principle. The more significant accounting policies of the Housing Authority are described below:

#### Financial reporting entity:

A financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. GASB Statement No. 14, *The Financial Reporting Entity*, establishes criteria for determining which entities should be considered a component and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued in its own name without recourse to a state or local government, and the right to buy, sell, lease, and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body; their ability to impose their will on the potential component unity by significantly influencing the programs, projects, activities, or level of services performed or provided by the potential component unit; or the existence of a financial benefit or burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government.

## NOTES TO FINANCIAL STATEMENTS

See Accountant's Compilation Report

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

### Fund accounting:

The Housing Authority of the Town of Basile uses funds and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

### Governmental funds:

#### General fund:

The general fund is the general operating fund of the Housing Authority of the Town of Basile. It is used to account for all financial resources except those required to be accounted for in other funds.

#### Capital project funds:

Capital project funds are used to account for the financial resources to be used for acquisition of major capital facilities not reported in any other fund.

### Fixed assets and long-term liabilities:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. This account group is not a "fund." It is concerned only with the measurement of financial position, not with measurement of results of operations.

### Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Housing Authority's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures.

The governmental funds use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and users of "available spending resources" during a period. The modified accrual basis of accounting is utilized by the governmental fund types. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Taxpayer-assessed income, gross receipts, and sales taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue when they are measurable and their validity



NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

seems certain. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due.

**Revenues:**

All governmental funds are accounted for using the modified accrual basis of accounting. Operating subsidies received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

Rental income and other income are recorded in the month earned.

Interest earnings are recorded when time deposits mature and interest is credited to the Housing Authority's deposits.

**Expenditures:**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Comparative data:**

Comparative totals for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Housing Authority's financial position and operations. However, comparative data (i.e., presentation of prior years totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**Memorandum only – total columns:**

Total columns on the financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Neither is such information comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Budgetary Practices:**

The Authority uses the following budget practices:

1. The Executive Director prepares a proposed budget and submits it to the Board of Directors no later than thirty days prior to the beginning of each fiscal year.
2. Following discussion and acceptance of the budget by the Board, it is sent to HUD for approval.
3. Upon approval by HUD, the budget is formally adopted.
4. Any budgetary amendments require the approval of the Executive Director and the Board of Directors.
5. Any budgetary appropriations lapse at the end of each fiscal year.

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

6. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Expenditures may not legally exceed budget appropriations at the individual fund level by more than 5%. Revenues may not legally fail to meet budgeted revenues at the individual fund level by more than 5%. The Authority does not use encumbrance accounting. Actual revenues failed to meet budgeted revenues by more than 5% in the General Fund.

Use of estimates:

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

Investments:

Investments are stated at cost which approximates market. These investments are time deposits, which are fully secured through the pledge of bank-owned securities or federal deposit insurance.

Note 2. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Equipment</u>	<u>Buildings</u>	<u>Total</u>
Balance, December 31, 2002	\$1,205,159	\$ 29,155	\$1,234,314
Additions	18,186	39,376	57,562
Reductions	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2003	<u>\$1,223,345</u>	<u>\$ 68,531</u>	<u>\$1,291,876</u>

Note 3. Receivables

The receivables recorded in the accompanying financial statements represent amounts owed by tenants at December 31, 2003.

Note 4. Cash, Cash Equivalents, and Investments

For reporting purposes, cash and cash equivalents include cash and certificates of deposit with an original maturity of ninety days or less. The Housing Authority may invest in United States bonds, treasury notes, certificates, or time certificates of deposit with state banks having their principal office in the State of Louisiana, or any other federally insured investment. The deposits at December 31, 2003, were fully secured by Federal deposit insurance (FDIC).

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 5. Board of Commissioners

The board of commissioners consists of five members, which have elected not to receive compensation as follows:

Rodney Ardoin, Chairman  
Hazel Langley  
Dorthy Ceaser  
Allen Ivory  
Betty Richardson

Note 6. Interfund Receivables and Payables

*Interfund balances at December 31, 2003, consisted of the following individual fund receivables and payables:*

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 3,350	\$ 5,980
Capital project funds:		
CIAP 2001	3,380	2,880
CIAP 2002	2,600	470
Total interfund balances	\$ 9,330	\$ 9,330

Note 7. New Reporting Standard

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This standard established new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Housing Authority is required to implement this standard for the fiscal year ended December 31, 2004. The Housing Authority has not yet determined the full impact that adoption of GASB Statement No. 34 will have on the financial statements.



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CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
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70527-0307  
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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**Other Offices:**

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The Board of Directors  
Housing Authority of the Town of Basile  
Basile, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Housing Authority of the Town of Basile and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Housing Authority of the Town of Basile's compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was one expenditure for construction costs exceeding \$15,000 for the year ended December 31, 2003, and it was made in accordance with LSA-RS 38:2211-2251 (the public bid law).

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
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Troy J. Breaux, CPA\*  
Fayette T. Dupré, CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*

**Retired:**

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Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
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Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

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

\*A Professional Accounting Corporation

The Board of Directors  
Housing Authority of the Town of Basile

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

*Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Management did not provide us with minutes of meetings for the year ended December 31, 2003. We did not note any amendments to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures did not exceed budgeted amounts by more than 5%. Actual revenues failed to meet budget amounts by more than 5% in the General Fund.

*Accounting and Reporting*

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

*Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Housing Authority of the Town of Basile is only required to post a notice of each meeting and the accompanying agenda on the door of the system's office building; management has asserted that such documents were properly posted.

*Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We scanned copies of bank deposit slips for the period under examination and did not note any deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advances, or gifts.

Management did not provide minutes of the meetings for the year ended December 31, 2003. We inspected payroll records for the year and did not note any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

*Prior Comments and Recommendations*

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

The prior year report, dated August 22, 2003, included comments and/or unresolved matters as indicated in the summary schedule of prior year findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Housing Authority of the Town of Basile and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis - Bruanx L.L.P.*

Crowley, Louisiana  
October 18, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
MAY 3, 2004 (Date Transmitted)

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.  
P.O. DRAWER 307  
CROWLEY, LA 70527-0307  
(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.  
Yes  No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.  
Yes  No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.  
Yes  No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.  
Yes  No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.  
Yes  No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.  
Yes  No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.  
Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Jane V Richard Secretary 5-3-2004 Date  
Jane V Richard Treasurer 5-3-2004 Date  
\_\_\_\_ President \_\_\_\_\_ Date

**Note:** If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.



HOUSING AUTHORITY OF THE TOWN OF BASILE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Year Ended December 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements**

Budget Adoption

**Finding:** A budget was not adopted in open meeting before the beginning of the fiscal year as required by the Local Government Act (LSA-RS: 1301-1316).

**Cause:** The Housing Authority failed to adopt a budget prior to the beginning of the fiscal year.

**Recommendation and response:** We recommend, and management agrees, that the Housing Authority adopt a budget prior to the beginning of the fiscal year as required by the Local Government Budget Act.

Budgetary Practices

**Finding:** The Housing Authority failed to meet budgeted revenues by more than 5% in the General Fund.

**Cause:** The budget was not amended prior to the end of the year to meet the 5% rule.

**Recommendation and response:** We recommend, and management agrees, that the Housing Authority follow the provisions of the Budget Act as it pertains to adopting budget amendments as circumstances warrant.

Minutes

**Finding:** Management failed to provide with the minutes of the meetings for the year ended December 31, 2003.

**Cause:** Management failed to provide with the minutes of the meetings for the year ended December 31, 2003.

**Recommendation and response:** We recommend, and management agrees, that the Housing Authority will provide the minutes for the meetings in future years.

Report Filing

**Finding:** The financial report for the year ended December 31, 2003, was not filed with the Legislative Auditor's office within six months of the close of the fiscal year as required by law.

**Cause:** Information needed to accurately complete the financial report was not available in order to allow the timely completion of the report.

**Recommendation and response:** We recommend, and management agrees, that every effort will be made to assure that the information needed for the timely completion of the engagement is available.

**Section II. Internal Control and Compliance Material to Federal Awards**

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to federal awards for the year ended December 31, 2003.

**Section III. Management Letter**

The Housing Authority did not receive a management letter for the year ended December 31, 2003.

HOUSING AUTHORITY OF THE TOWN OF BASILE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements**

Budget Adoption

Finding: A budget was not adopted in open meeting before the beginning of the fiscal year as required by the Local Government Act (LSA-RS: 1301-1316).

Cause: The Housing Authority failed to adopt a budget prior to the beginning of the fiscal year.

Recommendation and response: We recommend, and management agrees, that the Housing Authority adopt a budget prior to the beginning of the fiscal year as required by the Local Government Budget Act.

Current status: The Housing Authority failed to adopt a budget prior to the beginning of the fiscal year; therefore, this matter remains unresolved as stated in the schedule of findings and recommendations.

Budgetary Practices

Finding: The Housing Authority exceeded budgeted revenues and expenses by greater than a 5% margin.

Cause: The budget was not amended prior to the end of the year to correct this condition.

Recommendation and response: We recommend, and management agrees, that the Housing Authority follow the provisions of the Budget Act as it pertains to adopting budget amendments as circumstances warrant.

Current status: The Housing Authority failed to meet budget revenues by greater than a 5% margin because no amendment was made to the budget; therefore, this matter remains unresolved as stated in the schedule of findings and recommendations.

Report Filing

Finding: The financial report for the year ended December 31, 2002, was not filed with the Legislative Auditor's office within six months of the close of the fiscal year as required by law.

Cause: Information needed to accurately complete the financial report was not available in order to allow the timely completion of the report.

Recommendation and response: We recommend, and management agrees, that every effort will be made to assure that the information needed for the timely completion of the engagement is available.

Current status: The financial report for the year ended December 31, 2003, was not filed with the Legislative Auditor's office within six months of the close of the fiscal year as required by law; therefore, this matter remains unresolved as stated in the schedule of findings and recommendations.

**Section II. Internal Control and Compliance Material to Federal Awards**

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to federal awards for the year ended December 31, 2002.

**Section III. Management Letter**

The Housing Authority did not receive a management letter for the year ended December 31, 2002.

HOUSING AUTHORITY OF THE TOWN OF BASILE, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended December 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements**

Budget Adoption

Finding: A budget was not adopted in open meeting before the beginning of the fiscal year as required by the Local Government Act (LSA-RS: 1301-1316).

Cause: The Housing Authority failed to adopt a budget prior to the beginning of the fiscal year.

Recommendation and response: We recommend, and management agrees, that the Housing Authority adopt a budget prior to the beginning of the fiscal year as required by the Local Government Budget Act.

Budgetary Practices

Finding: The Housing Authority failed to meet budgeted revenues by more than 5% in the General Fund.

Cause: The budget was not amended prior to the end of the year to meet the 5% rule.

Recommendation and response: We recommend, and management agrees, that the Housing Authority follow the provisions of the Budget Act as it pertains to adopting budget amendments as circumstances warrant.

Minutes

Finding: Management failed to provide with the minutes of the meetings for the year ended December 31, 2003.

Cause: Management failed to provide with the minutes of the meetings for the year ended December 31, 2003.

Recommendation and response: We recommend, and management agrees, that the Housing Authority will provide the minutes for the meetings in future years.

Report Filing

Finding: The financial report for the year ended December 31, 2003, was not filed with the Legislative Auditor's office within six months of the close of the fiscal year as required by law.

Cause: Information needed to accurately complete the financial report was not available in order to allow the timely completion of the report.

Recommendation and response: We recommend, and management agrees, that every effort will be made to assure that the information needed for the timely completion of the engagement is available.

**Section II. Internal Control and Compliance Material to Federal Awards**

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to federal awards for the year ended December 31, 2003

**Section III. Management Letter**

The District did not receive a management letter for the year ended December 31, 2003.

Responsible party: Jane Richard, Executive Director