

**Housing Authority of the
PARISH OF ST. LANDRY**
Washington, Louisiana

**Basic Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 2004
With Supplemental Information Schedules**

**WILLIAM DANIEL McCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION**

**5150 Highway 22, Suite C-14
Mandeville, Louisiana 70471**

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 2-23-05

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Basic Financial Statements
As of and for the Fiscal Year Ended June 30, 2004
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Parish of St. Landry
Washington, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the Parish of St. Landry (the authority) as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Parish of St. Landry as of June 30, 2004, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A to the basic financial statements, the authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 38, *Certain Financial Statement Note Disclosures as of July 1, 2002*. This results in a change in the format and content of the basic financial statements. Additionally, the authority adopted the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units an amendment of GASB Statement 14*.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana
Independent Auditor's Report, 2004
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated December 20, 2004 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis on pages 5 through 12, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the authority's basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*, and is not a required part of the basic financial statements of the authority. The accompanying Financial Data Schedule, required by HUD, is presented for purposes of additional analysis, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards and the Financial Data Schedule have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 **William Daniel
McCaskill, CPA, APAC**
Signature Valid

Digitally signed by William
Daniel McCaskill, CPA, APAC
DN: cn=William Daniel
McCaskill, CPA, APAC, c=US
Date: 2004.12.28 12:56:03
+0000

William Daniel McCaskill, CPA
A Professional Accounting Corporation
December 20, 2004

HOUSING AUTHORITY OF ST. LANDRY PARISH, LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2004

The management of the Housing Authority of St. Landry Parish, Louisiana presents the following *discussion and analysis of the Housing Authority's financial activities for the fiscal year ending June 30, 2004*. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The Housing Authority's assets exceeded its liabilities by \$2,427,044 at the close of the fiscal year ended 2004.
 - ✓ Of this amount, \$752,649 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 31 percent, equivalent to just under 4 months, of the total operating expenses for the fiscal year 2004.
 - ✓ The remainder of \$1,674,395 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
- The Housing Authority's total net assets increased by \$67,815, an increase of 3%.
- The Authority spent \$407,544 to purchase capital assets and pursue major construction projects during fiscal year 2004.
- The Housing Authority continues to operate without the need for debt borrowing during the current fiscal year. The primary source of funding for these activities continues to be HUD.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2004?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis* of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported in a single enterprise fund. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in a single enterprise fund. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant three programs, the Low Rent Housing Program, Housing Choice Voucher Program, and Public Housing Capital Fund Program, plus the conclusion of a Temporary Assistance for Needy Families Program.

The Housing Authority's auditors provided assurance in their independent auditors' report, immediately preceding the MD&A, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,427,044 as of June 30, 2004. Of this amount, \$1,674,395 was invested in capital assets, and the remaining \$752,649 was unrestricted.

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet As of June 30, 2004

ASSETS

Current Assets	\$ 879,956
Restricted Assets	17,776
Capital Assets, Net of Depreciation	<u>1,674,395</u>
Total Assets	<u>2,572,127</u>

LIABILITIES

Current Liabilities	118,404
Non-Current Liabilities	<u>26,679</u>
Total Liabilities	<u>145,083</u>

NET ASSETS

Invested in Capital Assets	1,674,395
Unrestricted	<u>752,649</u>
Total Net Assets	<u>2,427,044</u>
Total Liabilities and Net Assets	<u>2,572,127</u>

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$67,815, or by less than 3%, from those of fiscal year 2003, as explained below:

**Condensed Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Fiscal Year Ended June 30, 2004**

Operating Revenues	
Annual contributions - Housing Assistance Payments	\$ 1,505,199
HUD administrative fee	143,426
Operating grants	296,602
Dwelling rental	<u>130,880</u>
Total operating revenues	<u>2,076,107</u>
Operating Expenses	
Housing Assistance Payments	1,505,199
General and administrative	455,874
Repairs and maintenance	194,277
Utilities	43,920
Depreciation and amortization	<u>194,139</u>
Total operating expenses	<u>2,393,409</u>
Operating loss	(317,302)
Nonoperating Revenues:	
Capital grants	356,626
Interest revenue	10,768
Miscellaneous revenues	<u>17,723</u>
Total nonoperating revenues	<u>385,117</u>
Net change in assets	67,815
Net assets, beginning of year, as restated	<u>2,359,229</u>
Net assets, end of year	<u><u>\$ 2,427,044</u></u>

In future years, a comparative analysis of Authority-wide data with the prior year will be presented. (A comparative analysis for the current year is not required by accounting standards followed by the Authority.)

Compared with the prior fiscal year, total revenues decreased \$157,963, or by 6%, due to:

- A 61% increase in funding from HUD for capital projects. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal year 2002 through 2003, and won approval of a grant submitted during fiscal year 2004.
- Offsetting decreases of 2% in funding from HUD for operations and a discontinuance of funding for Temporary Assistance to Needy Families, for an overall net decrease of 6% in HUD funding from fiscal year 2003.
- Rental revenues did not significantly increase over amounts received in 2003 because overall occupancy remained unchanged.

Compared with the prior fiscal year, total expenses decreased \$33,154, or just over 1%, due to a combination of decreases and some offsetting increases in several categories:

- A decrease in tenant services because of the conclusion of the Temporary Assistance to Needy Families program in 2003.
- An increase of 5% in payments to the landlord for Housing Assistance from HUD.
- An increase by 6% in administrative expenses, due mostly to the hiring of a new Section 8 inspector during fiscal year 2004, and an increase in the accrual for vacation leave pay.
- An increase of 5% in depreciation expense due to additions in capital assets.
- An increase of 5% in ordinary repairs and maintenance due primarily to increases in material and contract labor used.
- An increase of 5% in general expenses, caused by a 4% increase in general insurance due to damages caused by a recent hurricane, plus write-off of \$2,157 in uncollected rents from vacated tenants.
- An increase of 13% in utilities consumption. Gas consumption rose by 45% and water by 73% compared with fiscal year 2003. There was a colder fall and winter season in fiscal year 2004 and a significant decrease in rainfall following the hurricane season.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the Housing Authority had \$6,504,784 invested in a broad range of assets, listed below, and construction in progress from projects funded in 2003. This amount, not including depreciation, represents increases of \$407,546 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Capital Assets (Net of Accumulated Depreciation) As of June 30, 2004	
Land	\$ 171,656
Buildings	1,057,769
Furniture and Equipment	61,738
Leasehold Improvements	10,466
Construction in Progress	<u>372,766</u>
 Total	 <u><u>1,674,395</u></u>

As of the end of the 2004 fiscal year, the Authority is still in the process of completing HUD grants of \$506,881 obtained during 2002 through 2003 fiscal years. A total remainder of \$238,090 will be received and \$214,357 spent for completing these projects during fiscal year 2005.

Additional major capital projects of \$237,330 were awarded for the 2005 fiscal year from a HUD grant submitted during fiscal year 2004.

Debt

Long-term debt includes accrued annual vacation leave to employees and liabilities to tenants for escrow deposits. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The budgets for 2005 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Donna Taylor, Executive Director, at the Housing Authority of St. Landry Parish, Louisiana telephone number (337) 826-7207.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Statement of Net Assets
As of June 30, 2004

ASSETS**Current assets**

Cash and cash equivalents	\$ 715,085
Receivables:	
Accrued Interest Receivable	421
Intergovernmental	107,276
Tenant rents, net of allowance	409
Miscellaneous	2,089
Prepaid insurance	<u>54,676</u>
Total current assets	<u>879,956</u>

Restricted assets

Cash and cash equivalents	<u>17,776</u>
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Noncurrent assets

Capital assets:	
Land	171,656
Buildings and improvements	5,690,899
Furniture and equipment	269,462
Construction in Progress	372,767
Less accumulated depreciation	<u>(4,830,389)</u>
Capital assets, net of accumulated depreciation	<u>1,674,395</u>

Total assets

2,572,127

LIABILITIES**Current Liabilities**

Accounts payable	84,359
Accounts payable - other government	9,156
Accrued wages payable	205
Accrued compensated absences	<u>11,054</u>

Total current liabilities

104,774

Liabilities Payable from Restricted Assets

Security deposit liability	13,630
Other liabilities	<u>4,146</u>
	17,776

Noncurrent liabilities

Accrued compensated absences	<u>22,533</u>
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Total liabilities

145,083

NET ASSETS

Invested in capital assets, net of related debt	1,674,396
Unrestricted	<u>752,648</u>
Total net assets	<u>\$ 2,427,044</u>

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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Statement of Revenues, Expenses, and Changes In Net Assets
For Fiscal Year Ended June 30, 2004

Operating Revenues	
Annual contributions - Housing Assistance Payments	\$ 1,505,199
HUD administrative fee	143,426
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Dwelling rental	<u>130,880</u>
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Total nonoperating revenues	<u>385,117</u>
Change in net assets	67,815
Net assets, beginning of year, as restated	<u>2,359,229</u>
Net assets, end of year	<u>\$ 2,427,044</u>

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

St. Landry Parish, Louisiana Public Housing Authority
Condensed Statement of Cash Flows
Fiscal Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants	\$ 131,865
Cash payments to suppliers for goods and services	(294,169)
Cash payments to employees for services	(394,534)
Cash provided by Federal capital grants	-
Cash provided by non-capital Federal grants	1,945,226
Cash payments to landlords	<u>(1,505,199)</u>
Net cash (used) by operating activities	<u>(116,811)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other cash receipts	<u>17,725</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net cash transferred between funds	-
Acquisition of capital assets	(327,304)
Cash provided by Federal capital grants	<u>312,522</u>
Net cash provided (used) by capital and related financing activities	<u>(14,782)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>10,788</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(103,080)</u>
CASH AND CASH EQUIVALENTS, Beginning of Fiscal Year	<u>818,167</u>
CASH AND CASH EQUIVALENTS, End of Fiscal Year	<u><u>715,087</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
(Loss) from Operations	<u>(317,302)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	194,140
Provision for uncollectible tenant accounts	(386)
Changes in assets and liabilities:	
Decrease in accounts receivable	985
Increase in prepaid expenses and inventories	1,518
Increase in accounts payable	(300)
Increase in accrued salaries and benefits	6,615
Decrease in other liabilities	<u>(2,081)</u>
Total adjustments	<u>200,491</u>
Net cash (used) by operating activities	<u><u>(116,811)</u></u>
	0

There were no noncash investing, capital or financing transactions.

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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Notes to the Financial Statements
For Fiscal Year Ended June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Reporting Entity

The Housing Authority of The Parish of St. Landry (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Parish of St. Landry, Louisiana. This formation was contingent upon the approval of the Parish.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the Parish and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

The Board has the final responsibility for:

1. Approving budgets.
2. Exercising control over facilities and properties.
3. Controlling the use of funds generated by the authority
4. Approving the hiring and firing of key personnel
5. Financing improvements.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. The authority is financially accountable for a component unit if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, or impose specific financial burdens on the authority.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

Blended component unit. The St Landry Public Housing Corporation (CU) is a related non-profit Louisiana Corporation, which was created as an instrumentality of the Authority for the purpose of investing in a partnership that is developing low income housing. The CU has a .005% interest in the partnership and has had no financial transactions since it's inception. It has no financial reporting as of June 30, 2004.

(2) Basic financial statements

The basic financial statements (i.e. the statement of net assets and the statement of revenues, expenses and changes in net assets) report information on all of the activities of the primary government and its component unit.

(3) Measurement focus, basis of accounting, and financial statement presentation

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

Low Income Housing Program

The purpose of the low income housing program is to provide decent and affordable housing to low income families at reduced rents. The developments are owned, maintained and managed by the authority. The developments are acquired, developed and modernized under HUD's capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).

Housing Assistance Programs

The housing assistance payment program utilizes existing privately owned family rental housing units to provide decent and affordable housing to low income families. Funding of the program is provided by federal annual housing assistance contributions from HUD, which provide for the difference between the approved landlord contract rent and the rent paid by the tenant.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The authority maintains its accounts in accordance with the chart of accounts prescribed by the U.S. Department of Housing and Urban Development (HUD). For financial reporting purposes, the authority reports all of its operations in a single enterprise fund and its component unit follows the governmental reporting model allowed by GASB Statement No. 29.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed, to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The authority also has the *option* of following subsequent private-sector guidance, subject to the same limitations. The authority has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD Operating Subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities, depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the authority's policy to use restricted resources first, then unrestricted resources as they are needed.

(4) New Accounting Standards Adopted

During the year ended June 30, 2004, the Authority adopted three new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

- Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.
- Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and 34*.
- Statement No. 38, *Certain Financial Statement Note Disclosures*.
- Statement No. 39, *Determining Whether Certain Organizations Are Component Units an amendment of GASB Statement 14*.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

Statement No. 34 (as amended by Statement No. 37) represents a very significant change in the financial reporting model used by state and local governments including special purpose governments such as the Housing Authority of The Parish of St. Landry. This new reporting model requires management to provide a narrative and analysis to the ordinary user called Management's Discussion and Analysis (MD&A). This new reporting model also requires the financial statements to be presented on the entity as a whole (basic financial statements). The most significant changes to the financial statements are the format, classification of information and the classification of fund equity into various classes of net assets.

(5) Assets, liabilities, and net assets

(a) Deposits and Investments

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

Investments for the authority are reported at fair value.

(b) Inventory and prepaid items

All inventories are valued on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(c) Restricted Assets

Cash equal to the amount of tenant security deposits and family self-sufficiency amounts are reflected as restricted.

(d) Capital assets

Capital assets, which include land, buildings, improvements, and equipment, are reported in the basic financial statements. Capital assets are defined by the authority as assets with an initial, individual cost of more than \$500 (amount not rounded). Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for HUD grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At June 30, 2004, no allowance for doubtful accounts was established.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," vacation and sick pay is accrued when incurred and reported as a liability.

Depending on their length of service, employees earn from 88 to 177 hours per year in annual leave. Employees may accumulate an unlimited number of annual leave hours. Employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

(h) 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 and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - CASH AND CASH EQUIVALENTS

See Note A for discussion of policies related to cash and cash equivalents. At June 30, 2004, the authority has cash and cash equivalents (book balances) totaling \$732,861 as follows:

Demand deposits	\$433,665
Interest-bearing demand deposits	
Time deposits	295,000
Other	4,196
Total	<u>\$732,861</u>
Unrestricted	\$715,085
Restricted	17,776
Total cash and cash equivalents	<u>\$732,861</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the authority has \$765,539 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$409,813
GASB Category 2	-
GASB Category 3	355,726
	<u>\$765,539</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the authority that the fiscal agent has failed to pay deposited funds upon demand.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Nondepreciable Assets:					
Land	\$171,656	\$ -	\$ -	\$ -	\$171,656
Construction in Progress	507,799	276,494	-	(491,772)	292,521
Depreciable Assets:					
Building and improvements	5,199,244	-	-	571,900	5,771,144
Furniture and equipment	<u>218,539</u>	<u>43,358</u>	<u>-</u>	<u>7,566</u>	<u>269,463</u>
Total	<u>6,097,238</u>	<u>319,852</u>	<u>-</u>	<u>87,694</u>	<u>6,504,784</u>
Less accumulated depreciation					
Building and improvements	4,445,938	173,003	-	(69,306)	4,549,635
Furniture and equipment	<u>190,313</u>	<u>21,135</u>	<u>-</u>	<u>69,306</u>	<u>280,754</u>
Total accumulated depreciation	<u>4,636,251</u>	<u>194,138</u>	<u>-</u>	<u>-</u>	<u>4,830,389</u>
Net Capital Assets	<u>\$1,460,987</u>	<u>125,714</u>	<u>-</u>	<u>87,694</u>	<u>\$1,674,395</u>

NOTE D - CONSTRUCTION COMMITMENTS

The authority has active construction projects as of June 30, 2004. At year end, the commitments with contractors are as follows:

<u>Projects</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
CFP 2002	\$253,460	\$7,772
CFP 2003	39,064	163,750
Total	<u>\$292,524</u>	<u>\$171,522</u>

NOTE E - PRIOR PERIOD ADJUSTMENTS AND CORRECTIONS OF ERRORS

The Housing Choice Vouchers recorded the recapture of operating reserves, in the amount of \$43,070, as of June 30, 2003.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

NOTE F - LEASES

During the year ended June 30, 2003, the authority entered into a capital lease for a copier. The lease is considered immaterial and has been presented as an operating lease.

The lease requires monthly payments of \$387 for 60 months beginning January 2002. Rent expense for the fiscal year ended totaled \$4,644 and is included in administrative expenses in the accompanying financial statements. The minimum annual commitments under the noncancelable lease is as follows:

	<u>Fiscal Year Ending</u>	<u>Amount</u>
2005		4,644
2006		4,644
2007		<u>2,322</u>
Total		<u>\$11,610</u>

NOTE G - RETIREMENT PLAN

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5 percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended June 30, 2004, was \$285,258. The authority's contributions were calculated using the base salary amount of

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2004 - Continued

\$245,562. The authority made the required contributions of \$19,923 for the year ended June 30, 2004.

NOTE H – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE I – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE J – LITIGATION AND CLAIMS

At June 30, 2004, the authority is involved in litigation. Management believes that the authority is not subject to execution of judgment for any amount over its insurance policy limits. No contingent liability has been recorded.

Housing Authority of the Parish of St. Landry
Washington, Louisiana
Financial Data Schedule (Continued)
For the Fiscal Year Ended June 30, 2004

PHA: LA067 FYED: 06/30/2004

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$8,000	\$124,371	\$582,715	\$0	\$715,086
113	Cash - Other Restricted	\$0	\$0	\$4,146	\$0	\$4,146
114	Cash - Tenant Security Deposits	\$0	\$13,630	\$0	\$0	\$13,630
100	Total Cash	\$8,000	\$138,001	\$586,861	\$0	\$732,862
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$27,033	\$80,243	\$107,276
125	Accounts Receivable - Miscellaneous	\$0	\$2,089	\$0	\$0	\$2,089
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$409	\$0	\$0	\$409
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$98	\$323	\$0	\$421
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$2,596	\$27,356	\$80,243	\$110,195
142	Prepaid Expenses and Other Assets	\$0	\$54,676	\$0	\$0	\$54,676
144	Interprogram Due From	\$0	\$166,327	\$0	\$0	\$166,327
150	Total Current Assets	\$8,000	\$361,600	\$614,217	\$80,243	\$1,064,060
161	Land	\$0	\$171,656	\$0	\$0	\$171,656
162	Buildings	\$0	\$4,868,163	\$0	\$0	\$4,868,163
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$103,377	\$0	\$0	\$103,377
164	Furniture, Equipment & Machinery - Administration	\$0	\$105,399	\$60,685	\$0	\$166,084
165	Leasehold Improvements	\$0	\$822,738	\$0	\$0	\$822,738
166	Accumulated Depreciation	\$0	\$-4,801,727	\$-28,662	\$0	\$-4,830,389
167	Construction In Progress	\$0	\$0	\$0	\$372,767	\$372,767
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$1,269,606	\$32,023	\$372,767	\$1,674,396
180	Total Non-Current Assets	\$0	\$1,269,606	\$32,023	\$372,767	\$1,674,396
190	Total Assets	\$8,000	\$1,631,206	\$646,240	\$453,010	\$2,738,456

Schedule 1

Housing Authority of the Parish of St. Landry
Washington, Louisiana
Financial Data Schedule (Continued)
For the Fiscal Year Ended June 30, 2004

PHA: LA067 FYED: 06/30/2004

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$0	\$4,116	\$0	\$80,243	\$84,359
321	Accrued Wage/Payroll Taxes Payable	\$0	\$203	\$0	\$0	\$203
322	Accrued Compensated Absences - Current Portion	\$0	\$6,636	\$4,418	\$0	\$11,054
333	Accounts Payable - Other Government	\$0	\$9,156	\$0	\$0	\$9,156
341	Tenant Security Deposits	\$0	\$13,630	\$0	\$0	\$13,630
347	Interprogram Due To	\$0	\$0	\$166,327	\$0	\$166,327
310	Total Current Liabilities	\$0	\$33,741	\$170,745	\$80,243	\$284,729
354	Accrued Compensated Absences - Non Current	\$0	\$12,427	\$10,106	\$0	\$22,533
353	Noncurrent Liabilities - Other	\$0	\$0	\$4,146	\$0	\$4,146
350	Total Noncurrent Liabilities	\$0	\$12,427	\$14,252	\$0	\$26,679
300	Total Liabilities	\$0	\$46,168	\$184,997	\$80,243	\$311,408
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$0	\$1,269,606	\$32,023	\$372,767	\$1,674,396
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$8,000	\$315,432	\$429,220	\$0	\$752,652
513	Total Equity/Net Assets	\$8,000	\$1,585,038	\$461,243	\$372,767	\$2,427,048
600	Total Liabilities and Equity/Net Assets	\$8,000	\$1,631,206	\$646,240	\$453,010	\$2,738,456

Housing Authority of the Parish of St. Landry
Washington, Louisiana
Financial Data Schedule (Continued)
For the Fiscal Year Ended June 30, 2004

PHA: LA067 FYED: 06/30/2004

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$0	\$130,880	\$0	\$0	\$130,880
704	Tenant Revenue - Other	\$0	\$9,724	\$0	\$0	\$9,724
705	Total Tenant Revenue	\$0	\$140,604	\$0	\$0	\$140,604
706	HUD PHA Operating Grants	\$0	\$296,602	\$1,648,625	\$0	\$1,945,227
706.1	Capital Grants	\$0	\$0	\$0	\$356,625	\$356,625
711	Investment Income - Unrestricted	\$0	\$571	\$10,196	\$0	\$10,767
715	Other Revenue	\$8,000	\$0	\$0	\$0	\$8,000
700	Total Revenue	\$8,000	\$437,777	\$1,658,821	\$356,625	\$2,461,223

Housing Authority of the Parish of St. Landry
Washington, Louisiana
Financial Data Schedule (Continued)
For the Fiscal Year Ended June 30, 2004

PHA: LA067 FYED: 06/30/2004

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$0	\$74,755	\$112,148	\$0	\$186,903
912	Auditing Fees	\$0	\$1,062	\$3,993	\$0	\$5,055
914	Compensated Absences	\$0	\$4,085	\$1,710	\$0	\$5,795
915	Employee Benefit Contributions - Administrative	\$0	\$28,252	\$44,672	\$0	\$72,924
916	Other Operating - Administrative	\$0	\$30,890	\$59,270	\$0	\$90,160
931	Water	\$0	\$14,793	\$0	\$0	\$14,793
932	Electricity	\$0	\$9,107	\$0	\$0	\$9,107
933	Gas	\$0	\$10,574	\$0	\$0	\$10,574
938	Other Utilities Expense	\$0	\$9,446	\$0	\$0	\$9,446
941	Ordinary Maintenance and Operations - Labor	\$0	\$98,355	\$0	\$0	\$98,355
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$26,901	\$0	\$0	\$26,901
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$22,662	\$9,187	\$0	\$31,849
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$37,172	\$0	\$0	\$37,172
961	Insurance Premiums	\$0	\$62,770	\$18,021	\$0	\$80,791
962	Other General Expenses	\$0	\$0	\$1,272	\$0	\$1,272
963	Payments in Lieu of Taxes	\$0	\$9,156	\$0	\$0	\$9,156
964	Bad Debt - Tenant Rents	\$0	\$3,815	\$0	\$0	\$3,815
969	Total Operating Expenses	\$0	\$443,795	\$250,273	\$0	\$694,068
970	Excess Operating Revenue over Operating Expenses	\$8,000	\$-6,018	\$1,408,548	\$356,625	\$1,767,155
973	Housing Assistance Payments	\$0	\$0	\$1,505,199	\$0	\$1,505,199
974	Depreciation Expense	\$0	\$184,771	\$9,368	\$0	\$194,139
900	Total Expenses	\$0	\$628,566	\$1,764,840	\$0	\$2,393,406
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$8,000	\$-190,789	\$-106,019	\$356,625	\$67,817

PHA: LA067 FYED: 06/30/2004

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$0	\$1,306,350	\$610,332	\$485,619	\$2,402,301
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$469,477	\$-43,070	\$-469,477	\$-43,070
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$1,712,795	\$0	\$1,712,795
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$31,800	\$0	\$31,800
1116	Total Annual Contributions Available	\$0	\$0	\$1,744,595	\$0	\$1,744,595
1120	Unit Months Available	0	1,716	6,952	0	8,668
1121	Number of Unit Months Leased	0	1,597	6,369	0	7,966

SCHEDULE 2

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
 Washington, Louisiana
 Schedule of Expenditures of Federal Awards
 For Fiscal Year Ended June 30, 2004

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Low Rent Public Housing	14.850a	296,602
Housing Choice Voucher Program	14.871	1,648,625
Public Housing Capital Fund Program	14.872	356,625
Total Federal Expenditures		<u>\$ 2,301,852</u>

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the housing authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

William Daniel McCaskill, CPA
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the Parish of St. Landry
Washington, Louisiana

I have audited the financial statements of the Housing Authority of the Parish of St. Landry (the authority), as of and for the year ended June 30, 2004 and have issued my report thereon dated December 20, 2004. I conducted my 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.

Internal Control Over Financial Reporting

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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Report on Internal Control...*Government*

Auditing Standards, 2004

Page Two

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

 **William Daniel
McCaskill, CPA, APAC**

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Daniel McCaskill, CPA APAC
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Date: 2004.12.28 12:58:57
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William Daniel McCaskill, CPA
A Professional Accounting Corporation
December 20, 2004

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

Board of Commissioners
Housing Authority of the Parish of St. Landry
Washington, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the Parish of St. Landry (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana
Report on Compliance...A-133, 2004
Page Two


In my opinion, the authority complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

 **William Daniel
McCaskill, CPA, APAC**

Signature Valid

Digitally signed by William
Daniel McCaskill, CPA,
APAC
DN: cn=William Daniel
McCaskill, CPA, APAC, c=US
Date: 2004.12.29 12:57:14
-0500

William Daniel McCaskill, CPA
A Professional Accounting Corporation
December 20, 2004

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Schedule of Compensation Paid Board Members
For Fiscal Year Ended June 30, 2004

Willie Haynes, III	\$ 600
Larry Janise	600
Sharon Reed	600
Larris Soileau	600
Elie Stelly	<u>600</u>
Total	<u>\$ 3,000</u>

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana
Schedule of Prior Year Audit Findings
Fiscal Year Ended June 30, 2004

Finding 2003-1

The authority did not updated the utility allowance rate data since October 2001. SEMAP Indicator No. 4, Utility Allowance Schedule, was submitted to HUD with a "yes" answer indicated that the schedule had been updated within the last twelve months.

This finding is not repeated.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Schedule of Current Audit Findings and Questioned Costs

Fiscal Year Ended June 30, 2004

Summary Schedule of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the authority.
2. No reportable conditions disclosed during the audit of the financial statements are reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions disclosed during the audit of internal control over major federal award programs are reported in the Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the authority expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 1. 14.871 Housing Choice Vouchers

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)

Fiscal Year Ended June 30, 2004

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority did not qualify as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None