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HOUSING AUTHORITY OF THE CITY OF SLIDELL  
FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2004

Under provisions of state law, this report is a public document. Copies of the report may be submitted to the entity and other appropriate public officials. The reports available for public inspection are the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 10-20-04

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of the City of Slidell (the Authority)** as of and for the year ended March 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the **Authority's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Authority**, as of March 31, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 2004, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. Also, that report contained instances of noncompliance and a reportable condition.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

September 1, 2004

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**BALANCE SHEET - ENTERPRISE FUND**  
**MARCH 31, 2004**

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**ASSETS**

Cash and temporary cash investment (NOTE 5)	\$ 606,706
Accounts receivable, net (NOTE 2)	143,618
Prepaid assets (NOTE 3)	54,105
Land, structures and equipment, net (NOTES 4 AND 8)	<u>3,845,978</u>
<b>Total assets</b>	<b>\$ <u>4,650,407</u></b>

**LIABILITIES AND EQUITY**

<b>Liabilities:</b>	
Accounts and other payables (NOTE 6)	\$ 108,822
Compensated absences payable (NOTE 13)	5,779
Security deposits held for tenants (NOTE 5)	<u>12,627</u>
<b>Total liabilities</b>	<b><u>127,228</u></b>
<b>Equity:</b>	
Contributed capital (NOTE 8)	5,587,712
<b>Retained deficit:</b>	
Unreserved retained deficit	<u>(1,064,543)</u>
<b>Total equity</b>	<b><u>4,526,169</u></b>
<b>Total liabilities and equity</b>	<b>\$ <u>4,653,407</u></b>

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

**HOUSING AUTHORITY OF THE CITY OF BURLINGAME**  
**STATEMENT OF REVENUES, EXPENSES AND CUMULATIVE**  
**RETAINED DEFICIT—ENTERPRISE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2004**

<b>Operating Revenues:</b>	
Dwelling rental	\$ 200,571
Fees and charges	<u>11,227</u>
<b>Total operating revenues</b>	<u>211,798</u>
<b>Operating Expenses:</b>	
Salaries and employee benefits	227,211
Repairs and maintenance	4,800
Contracted services	129,818
Utilities	100,735
Training	7,581
Depreciation	180,471
Insurance	82,697
Health insurance	47,465
Housing assistance payments	1,590,279
Convention and travel	31,276
Equipment purchases	24,431
Telephones	14,346
Supplies	20,415
Tenant services	4,876
Postage, printing and advertising	15,490
Bad debt expenses	7,800
Security	9,043
Other	41,233
Interest	<u>41</u>
<b>Total operating expenses</b>	<u>3,531,621</u>
<b>Operating loss</b>	<u>(3,319,823)</u>
<b>Non-operating Revenues:</b>	
Grants and subsidies	1,431,891
Interest income	2,621
Other	<u>15,701</u>
<b>Total non-operating revenues</b>	<u>1,450,213</u>
<b>Net income (loss)</b>	<u>130,390</u>
<b>Retained deficit, beginning of year</b>	<u>(1,069,626)</u>
<b>Adjustments to retained deficit</b>	<u>(1,090)</u>
<b>Retained deficit as retained, beginning of year</b>	<u>(1,069,626)</u>
<b>Retained deficit, end of year</b>	<u>\$1,081,560</u>

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

**HOUSING AUTHORITY OF THE CITY OF SEABELL**  
**STATEMENT OF CASH FLOWS—ENTERPRISE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2004**

Operating loss	\$(2,438,712)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Adjustment to beginning retained earnings	(1,808)
Depreciation	193,471
Bad debt expense	7,888
Decrease in accounts receivable, net	859
Decrease in prepaid assets	3,778
Decrease in accounts and other payables	(61,807)
Decrease in security deposits held for tenants	<u>(5,812)</u>
Net cash used in operating activities	(2,328,942)
Cash Flows from Investing Activities:	
Interest received	2,621
Other	<u>28,792</u>
Cash provided by investing activities	31,413
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	<u>2,431,992</u>
Cash provided by noncapital financing activities	2,431,991
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	<u>(288,881)</u>
Cash used in capital and related financing activities	(288,881)
Net decrease in cash and temporary cash investment	<u>(144,242)</u>
Cash and temporary cash investment, beginning of year	<u>758,151</u>
Cash and temporary cash investment, end of year	<u>\$ 613,909</u>
Interest paid during the year ended March 31, 2004	<u>\$ _____</u>

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



**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies:**

**General**

The Housing Authority of the City of Slidell (the Authority) was created on March 11, 1967, and is governed by a five (5) member Board of Commissioners, all appointed by the Mayor of the City of Slidell, and headed by an Executive Director. The Board and Executive Director are responsible for all activities of the Authority. The Authority has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and City of Slidell.

As of March 31, 2004, the Authority was primarily engaged in the administration of Low-income and Housing Choice Voucher Programs to low-income residents in the City of Slidell and the Town of Pearl River, Louisiana.

Under the Low Rent Public Housing Program, the Authority provides housing to eligible families under leasing arrangements. For the "Housing Choice Voucher" Program, (previously titled the Section 8 and Voucher programs) the Authority provides funds in the form of rental subsidies to owners on behalf of tenants. Also, see NOTE 11.

**Financial Reporting Entity**

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

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:**

**Financial Reporting Entity, Continued**

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

Accordingly, **the Authority** is not a component unit of the City of Slidell's financial reporting entity.

**Basis of Presentation**

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

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

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

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

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued**

**Basis of Presentation, Continued**

Pursuant to GASB 33 (Accounting and Financial Reporting for Non-Exchange Transactions), the Authority recognizes assets, liabilities, revenues and expenditures under its government-mandated and voluntary non-exchange transactions as follows:

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

**Amounts Receivable**

Amounts receivable are stated at net realizable value as required by accounting principles generally accepted in the United States of America. It is the practice of the Authority to expense uncollectible receivables upon determination of uncollectibility using the allowance method.

**Interprogram Activities**

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfer. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram due from and to are netted at the combined financial statement level.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:**

**Land, Structures and Equipment**

Land, structures and equipment are recorded at cost. Donated assets are valued at estimated fair value on the date donated. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

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

The Authority follows the practice of capitalizing all structures and equipment over \$500.

Structures and equipment are depreciated in the enterprise fund of the Authority using the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives in Years</u>
Building	40
Building improvements	20
Equipment	3-7

Depreciation is computed using the straight-line method.

Under accounting principles generally accepted in the United States of America, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. At March 31, 2004, management has not estimated the effect of adoption of Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:**

**Compensated Absences**

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under these regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon separation or retirement. Sick leave hours accumulate, but the employee is not paid for accumulated sick leave hours if not used by his/her retirement or separation date.

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

**Total Memorandum Only**

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

**Budgets**

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

The Authority does not present its budget to actual comparison for the enterprise fund as part of its financial statements as accounting principles generally accepted in the United States of America do not require such, despite adoption of an annual budget by the Authority's Board of Commissioners.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:**

**Summary of Cash Flows**

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

**Estimates**

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

**NOTE 2 - Amounts Receivable:**

Amounts receivable as of March 31, 2004, consisted of the following:

	Annual Contribution Contracts		
	Low Rent Public Housing Programs	Housing Choice Voucher Programs	Total
HUD	\$37,995	\$80,368	\$118,363
Tenant accounts receivable	1,782	-	1,782
Other	15,238	13,947	29,185
	54,915	94,315	149,230
Less allowance for doubtful accounts	—	(2,890)	(2,890)
<b>Total</b>	<b>\$54,915</b>	<b>\$91,425</b>	<b>\$146,340</b>

At March 31, 2004, amount deemed uncollectible was \$7,800.

**HOUSING AUTHORITY OF THE CITY OF SLEDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Prepaid Asset:**

Prepaid asset at March 31, 2004, consisted of prepaid insurance of \$54,105.

**NOTE 4 - Land, Structures and Equipment:**

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

Description	Balance April 1, 2003	Addition	Balance March 31, 2004
Land and land improvements	\$ 179,835	\$ -0-	\$ 779,695
Building and building improvements	4,923,338	-0-	4,923,338
Equipment	118,514	1,210	118,724
Construction in progress	-0-	283,671	283,671
	5,818,707	286,881	6,105,586
Less accumulated depreciation	(2,699,150)	(180,472)	(2,258,618)
<b>Total</b>	<b>\$ 3,119,557</b>	<b>\$ 106,409</b>	<b>\$ 3,845,975</b>

**NOTE 5 - Cash and Temporary Cash Investment:**

At March 31, 2004, the carrying amount of the Authority's deposits was \$609,796 and the bank balance was 46,305. Of this amount \$100,000 was covered by federal depository insurance and the remainder collateralized by a pledge of securities in the joint name of the Authority at 102% of the market value of the securities provided as collateral.

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

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 5 - Cash and Temporary Cash Investment, Continued:**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal offices in Louisiana or any other federally insured investment.

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

On and at various times during the year ended March 31, 2004, deposits in excess of FDIC insurance coverage were collateralized by the securities previously described.

At March 31, 2004, cash and temporary cash investment consisted of the following:

	Low Rent Public Housing Program	Interest Rate at Maturity	Maturity
Demand deposits	\$ 28,706	N/A	N/A
Sweep account	<u>581,000</u>	5.65%	Daily
Total	<u>\$609,706</u>		



**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Cash and Temporary Cash Investment, Continued:**

Included in cash and temporary cash investment is \$12,637 received from tenants that represent restricted cash.

Cash and temporary cash investment is categorized as Category 1. Category 1 represents cash insured or collateralized with securities held by the pledging financial institutions trust department or agent in name of the Authority. Also, at March 31, 2004, the carrying amount of the Authority's deposit was \$689,706 and the collected bank balance was \$612,867.

**NOTE 4 - Amounts and Other Payables:**

Amounts and other payables at March 31, 2004, consisted of the following:

	ANNUAL CONTRIBUTION CONTRACTS			
	Low Rent Public Housing Program	Pearl River Housing Choice Voucher Program	Housing Choice Voucher Program	Total
HUD	\$ -0-	\$46,578	\$ -0-	\$ 46,578
Vendors	43,593	1,592	3,047	50,232
Accrued wages/ payroll taxes	3,465	1,786	3,904	9,155
Other	<u>-0-</u>	<u>289</u>	<u>2,568</u>	<u>3,857</u>
<b>Total</b>	<b>\$47,058</b>	<b>\$50,245</b>	<b>\$11,519</b>	<b>\$108,822</b>

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - Risk Management:**

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

**NOTE 8 - Contributed Capital:**

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

<u>Balance</u> <u>April 1, 2003</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>March 31, 2004</u>
<u>\$5,587,712</u>	<u>3-0-</u>	<u>\$5,587,712</u>

**NOTE 9 - Concentration of Credit Risk:**

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

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 10 - Contingencies:**

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

**NOTE 11 - Management of Pearl River Housing Choice Voucher Program:**

In an agreement dated April 14, 1999, the Authority was engaged by the Town of Pearl River to provide administrative services related to the Housing Choice Voucher Program (previously titled Section 8 Housing Program) in the unincorporated areas within any municipality that does not operate its own Section 8 Housing Program and for the benefit of the Town of Pearl River. Those administrative services include any and all administrative services necessary to operate the Housing Choice Voucher Program, including but not limited to, the administration of all vouchers associated with housing programs, all budgetary matters, and the preparation of all reports. The agreement between the Authority and Town of Pearl River terminated on March 31, 2000. The Authority and the Town of Pearl River have agreed and submitted to HUD a resolution to facilitate the absorption of the program into the Authority's program. Approval from HUD is currently pending.

**NOTE 12 - Commitments:**

At March 31, 2004, the Authority has executed agreements with HUD totaling \$811,113 for various modernization, capital fund acquisitions and management improvement projects. Balance of funds remaining at March 31, 2004 was \$173,991 (See Schedule IV).

**NOTE 13 - Compensated Absences Payable:**

Analysis of compensated absences payable follows:

Balance April 1, 2003	Addition	Reduction	Balance March 31, 2004
\$5,729	\$2,817	\$(2,987)	\$5,729

## **SUPPLEMENTARY INFORMATION**



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**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

**Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana**

Our report on our audit of the March 31, 2004, financial statements of the **Housing Authority of the City of Slidell (the Authority)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

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

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

INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION  
(CONTINUED)

Also, the supplementary information (Exhibits I and II), which are prepared in accordance with accounting principles generally accepted in the United States of America, has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

September 1, 2004

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING BALANCE SHEET - ENTERPRISE FUND  
MARCH 31, 2004

	LOW RENT PUBLIC HOUSING PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	PEARL RIVER HOUSING CHOICE VOUCHER PROGRAM	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>				
Cash and temporary cash investment	\$ 609,306	\$ -0-	\$ -0-	\$ 609,306
Accounts receivable, net	13,311	88,107	-0-	140,818
Prepaid assets	34,100	-0-	-0-	34,100
Due from other programs	1,106,879	1,348,201	159,027	2,614,107
Land, structures and equipment, net	2,043,872	-0-	-0-	2,043,872
Total assets	\$ 3,847,368	\$ 1,436,308	\$ 159,027	\$ 5,442,703

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLEHELL  
COMBINED BALANCE SHEET - ENTERPRISE FUND, CONTINUED  
MARCH 31, 2014

	LOW RENT PUBLIC HOUSING PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	TOTAL ENTERPRISE FUND
<b>LIABILITIES/DEFERRED CREDIT</b>				
Liabilities:				
Accounts and other payable	\$ 47,868	\$ 11,519	\$ 98,248	\$ 157,635
Compensated absences payable	2,489	1,787	1,413	5,779
Security deposits held for tenants	19,877	-	-	19,877
Due to other programs	1,358,614	1,112,448	152,472	2,623,534
Total liabilities	1,428,848	1,225,754	252,133	2,906,735
Equity:				
Contributed capital	\$ 8,857,712	-	-	\$ 8,857,712
Retained deficit:				
Unreserved retained earnings (deficit)	(1,118,311)	(28,874)	(65,059)	(1,212,244)
Total equity	7,739,401	(28,874)	(65,059)	7,645,468
Total liabilities and equity	\$ 12,168,249	\$ 1,196,880	\$ 187,074	\$ 13,552,203

See Independent Auditors' Report on Supplementary Information.



**REVENUE AUTHORITY OF THE CITY OF DEARBORN  
COMPARISON OF REVENUE EXPENSE AND CHANGES IN  
REVENUE BALANCE ACCOUNTS-GENERAL FUND  
FOR THE YEAR ENDED MARCH 31, 2004**

	LOW REVENUE PUBLIC PROGRAM	HIGH REVENUE PROGRAM	FOR LOW CITY PROGRAM	FOR HIGH CITY PROGRAM	FOR LOW CITY PROGRAM	FOR HIGH CITY PROGRAM	TOTAL EXTRABUDGETARY CITY
	\$ 20,297	\$ 20,297	\$ -	\$ -	\$ -	\$ -	\$ 20,297
	11,327	11,327	-	-	-	-	11,327
	21,000	21,000	0	0	0	0	21,000
Operating Expenses:							
Materials and employee benefits	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Materials and maintenance	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Construction services	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Utilities	15,273	15,273	15,273	15,273	15,273	15,273	15,273
Printing	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Depreciation	184,457	184,457	184,457	184,457	184,457	184,457	184,457
Insurance	52,888	52,888	52,888	52,888	52,888	52,888	52,888
Rent	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Security	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Travel	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Telephone	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Supplies	14,200	14,200	14,200	14,200	14,200	14,200	14,200
Software	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Printing, publishing and advertising	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Real estate expense	0	0	0	0	0	0	0
Security	400	400	400	400	400	400	400
Other	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Interest	0	0	0	0	0	0	0
Total operating expense	353,118	353,118	353,118	353,118	353,118	353,118	353,118
Non-operating fees	20,297	20,297	20,297	20,297	20,297	20,297	20,297

See Independent Auditor's Report on Supplementary Information.

HOUSING ACTIVITIES OF THE CITY OF SHERBORN  
COMPARING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED RESOURCES (NET OF CONTRIBUTED FUNDS), CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004

	LOW REENT PUBLIC HOUSING PROGRAM	HOUSING CHOICE HOUSING PROGRAM	PLAID LETTER HOUSING CHOICE HOUSING PROGRAM	TOTAL SHERBORN HOUSING PROGRAM
Non-operating Revenues				
Dividends and interests	\$ 11,265	\$ 111,548	\$ 666,257	\$ 889,070
Interest income	1,645	-	-	1,645
Other	1,825	20,822	-	22,647
Total non-operating revenues	\$ 14,735	\$ 132,370	\$ 666,257	\$ 813,362
Net income (loss) before other financing sources (year)	111,419	80,147	11,864	203,430
Other Financing Sources (year)				
Operating transfers in	14,046	-	-	14,046
Operating transfers out	(14,046)	-	-	(14,046)
Net income (year)	\$ 111,419	\$ 80,147	\$ 11,864	\$ 203,430
Revised savings (deficit), beginning of year	(1,446,165)	141,416	(1,486)	(1,306,235)
Adjustments to retained savings/(deficit)	-	-	11,209	11,209
Revised savings (deficit) at year end, beginning of year	(1,446,165)	141,416	(1,486)	(1,306,235)
Revised savings (deficit) at year end of year	\$ 1,111,111	\$ 286,874	\$ 1,286,874	\$ 2,684,859

See Independent Auditor's Report on Supplementary Information.

**SCHEDULE J**

**HOUSING AUTHORITY OF THE CITY OF SHELLEL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2004**

Cluster/Program Title	CFDA Number	Federal Expenditures
Program funded by the U.S. Department of Housing and Urban Development (HUD):		
Subjct to Annual Contribution Contracts		
Low Rent Public Housing Program	14.850	\$ 240,366
Housing Choice Voucher Program	14.871	1,860,725
Public Housing Capital Fund Program	14.872	317,197
Public Housing Drug Elimination Program	14.854	5,953
Total expenditures of federal awards		\$2,425,041

\*Consider major program as defined by OMB Circular A-103.

**NOTE: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Authority and is presented on an accrual basis of accounting. This information on this schedule is prepared in accordance with the requirements of OMB Circular A-103 "Audit of State, Local, Government, and Non-Profit Organizations".

See Independent Auditor's Report on Supplementary Information.

ISSUING AUTHORITY OF THE CITY OF ALBUQUERQUE  
FINANCIAL DATA SCORABLE COMBINED BALANCE SHEET  
MARCH 31, 2004

ACCOUNT DESCRIPTION	LOW-BIDDER PUBLIC PROGRAM	ISSUING CREDIT VOUCHER PROGRAM	FINAN- CIER ISSUE (BOND) PROGRAM	PUBLIC ISSUE (BOND) PROGRAM	PUBLIC ISSUE (BOND) PROGRAM	TOTAL
111 Cash - restricted	847,069	0	0	0	0	847,069
114 Cash - other assets, deposits	(1,447)	0	0	0	0	(1,447)
126 Total cash	845,622	0	0	0	0	845,622
120 Accounts receivable - HUD other projects	0	86,346	0	0	0	86,346
125 Accounts receivable - nonaffiliated	11,734	11,447	0	0	0	23,181
126 Accounts receivable - accounts awaiting audit	1,783	0	0	0	0	1,783
126.2 Allowance for doubtful accounts-other	0	(1,889)	0	0	0	(1,889)
Total receivables, net of allowances for accounts	(11,154)	94,904	0	0	0	83,750

See Independent Auditor's Report for Supplementary Information.

HOUSING AFFAIRS OF THE CITY OF BURLINGAME  
FINANCIAL DATA SCHEDULE - COMBINED BALANCE SHEET, CONTINUED  
March 31, 2004

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW INCOME PUBLIC HOUSING PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	HOUSING CHOICE PROGRAM	HOUSING CHOICE PROGRAM	HOUSING CHOICE PROGRAM	PUBLIC HOUSING PROGRAM	PUBLIC HOUSING PROGRAM	PUBLIC HOUSING PROGRAM	TOTAL
187	Prepaid expenses and other assets	\$ 24,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,883
188	Intergovernmental receivables	1,026,875	1,361,220	200,652	200,652	200,652	200,652	200,652	200,652	3,013,358
189	Total current assets	1,051,758	1,361,220	200,652	200,652	200,652	200,652	200,652	200,652	3,038,244
191	Land	750,000	-	-	-	-	-	-	-	750,000
192	Buildings	481,138	-	-	-	-	-	-	-	481,138
193	Furniture, equipment & auxiliary - administration	113,981	5,495	-	-	-	-	-	-	119,476
194	Accumulated depreciation - Administration	(1,234,074)	(1,000)	-	-	-	-	-	-	(1,235,074)
197	Contributions in progress	-	-	-	-	-	-	111,611	111,611	111,611
198	Total fixed assets, net of accumulated depreciation	1,010,905	5,495	-	-	-	-	111,611	111,611	1,128,611
199	Total non-current assets	1,010,905	5,495	-	-	-	-	111,611	111,611	1,128,611
200	Total assets	2,062,663	1,366,715	200,652	200,652	200,652	200,652	312,263	312,263	4,164,550

See Independent Auditor's Report on Supplementary Information.

FORMING ACTIVITY OF THE CITY OF BURLING  
FINANCIAL DATA SCHEDULE—COMPARING BALANCE SHEET, CONTINUED  
MARCH 31, 2004

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW COST PUBLIC HOUSING PROGRAM				PUBLIC HOUSING CHURCH HOUSING PROGRAM				PUBLIC HOUSING CHURCH HOUSING PROGRAM				TOTAL
		LOW COST PUBLIC HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	HOUSING CHURCH HOUSING PROGRAM	
310	Accounts payable - 90 days	\$ 41,000	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041	\$ 1,041
311	Accounts payable - 90 days	3,000	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041
312	Accounts payable - 90 days	2,000	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041
313	Accounts payable - 90 days	0	0	0	0	0	0	0	0	0	0	0	0	0
314	Accounts payable - other	0	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041
315	Total accounts payable	46,000	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164
316	Accounts payable - 90 days	1,200,000	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148
317	Accounts payable - 90 days	1,200,000	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148	1,112,148
318	Total current liabilities	1,246,000	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316
319	Total non-current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
320	Total liabilities	1,246,000	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316	1,126,316

For Independent Auditor's Report on Supplementary Information.

ISSUING AUTHORITY: THE CITY OF ISHERLIE,  
FINANCIAL DATA SCHEDULE - COMBINED BALANCE SHEET, COMBINED  
MARCH 31, 2002

ACCOUNTING	ACCOUNT DESCRIPTION	LOW REBT PUBLIC HOUSING PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	FRANK RITTE HOUSING CHOICE VOUCHER PROGRAM	PUBLIC HOUSING CHOICE RECONSTRUCTION PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	TOTAL
004	PER PER PMA contributions	1,141,111	1	1	1	1	1,142,114
008	Total restricted capital	5,481,111	1	1	1	1	5,483,114
50	Undesignated fund administrative expense/delin	1,270,302	1,942,4	1,130,0	1	1,130,0	4,374,749
50	Total equity	1,400,000	1,942,4	1,130,0	1	1,130,0	4,503,401
600	Total liabilities and equity	6,540,111	1,944,344	2,260,000	1,131,000	1,131,000	12,266,455

See Independent Auditor's Report on Supplementary Information.

REVENUE ACCOUNTS OF THE CITY OF DENVER  
FINANCIAL DATA SUMMARY STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2006

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	GENERAL FUND				PUBLIC SAFETY				PUBLIC WORKS				PUBLIC UTILITIES				PUBLIC HOUSING				PUBLIC CAPITAL PROGRAM			
		REVENUE	EXPENSE	NET REVENUE	NET EXPENSE	REVENUE	EXPENSE	NET REVENUE	NET EXPENSE	REVENUE	EXPENSE	NET REVENUE	NET EXPENSE	REVENUE	EXPENSE	NET REVENUE	NET EXPENSE	REVENUE	EXPENSE	NET REVENUE	NET EXPENSE				
700	Net state total revenue	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
706	Total revenue - state	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
700	Total state revenue	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
706	NET FUND - operating profit	141,046	-	141,046	-	39,217	-	39,217	-	5,760	-	5,760	-	14,084	-	14,084	-	14,084	-	2,442,156	-				
706.1	Capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	202,071	-				
711	Investment income - operating	1,000	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,882	-				
714	Franchise fees	-	-	-	-	19,711	-	19,711	-	-	-	-	-	-	-	-	-	-	-	19,275	-				
715	Other revenue	-	-	-	-	1,482	-	1,482	-	-	-	-	-	-	-	-	-	-	-	1,482	-				
700	Total revenue	1,001,046	-	1,001,046	-	59,410	-	59,410	-	5,760	-	5,760	-	14,084	-	14,084	-	14,084	-	2,442,156	-				

See Independent Auditor's Report on Supplementary Information.



BOARD OF ATTORNEYS OF THE CITY OF ALBUQUERQUE  
FINANCIAL DATA SCHEDULE - COMPARISONS STATEMENT OF REVENUES AND EXPENSES, CONTINUED  
FOR THE FISCAL YEAR ENDING 06/30/2004

LINE ITEM NO.	ACCOUNT DESCRIPTIONS	LOW COST		HOLDING		PUBLIC		PUBLIC		PUBLIC		TOTAL
		REVENUE	EXPENSE	CHARGE	PROPERTY	WORKS	WORKS	WORKS	WORKS	WORKS	PROGRAM	
81	Administrative salaries	2,448	2,448	0	0	0	0	0	0	0	0	2,448
82	Auditing fees	0	0	0	0	0	0	0	0	0	0	0
83	Comprehensive services	0	0	0	0	0	0	0	0	0	0	0
84	Employee benefit contributions - administrative	0	0	0	0	0	0	0	0	0	0	0
85	Other operating administrative	0	0	0	0	0	0	0	0	0	0	0
86	Tenant services	0	0	0	0	0	0	0	0	0	0	0
87	Water	0	0	0	0	0	0	0	0	0	0	0
88	Electricity	0	0	0	0	0	0	0	0	0	0	0
89	Gas	0	0	0	0	0	0	0	0	0	0	0
90	Ordinary maintenance and operations other	0	0	0	0	0	0	0	0	0	0	0
	Page total	2,448	2,448	0	0	0	0	0	0	0	0	2,448

See Independent Auditor's Report on Supplementary Information.

FINANCIAL STATEMENTS OF THE CITY OF SULLY,  
 COMPOSITION OF REVENUES AND EXPENSES, CONTINUED  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2014

LEGISLATIVE	ACCOUNT DESCRIPTION	LOAN DEPT		PUBLIC		PUBLIC		PUBLIC		TOTAL
		REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE	
902	Ordinary maintenance and operation	\$ 45,117	\$ 1,483	\$ 1,334	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4,044	
903	Ordinary maintenance and operation	19,541	10,038	10,368	4	4	4	4	19,567	
904	Ordinary maintenance and operation	6,049	11,173	1,611	4	4	4	4	16,974	
905	Ordinary maintenance and operation	4	4	4	4	4	4	4	16	
906	Ordinary maintenance and operation	11,034	1,148	1,275	4	4	4	4	12,465	
907	Ordinary maintenance and operation	11,321	1,089	1,452	4	4	4	4	12,866	
908	Total operating expenses	471,254	415,622	45,345	1,650	1,650	1,650	1,650	521,151	
909	Business of operating services	11,880	1,111,662	28,268	4	4	4	4	1,151,818	
	non-operating expenses									

See footnotes to audited report for supplementary information.

FINANCIAL DATA SCHEDULE - COMBINED STATEMENT OF REVENUES AND EXPENSES - CONDENSED  
FOR THE YEAR ENDING MARCH 31, 2006

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOCAL				STATE				FEDERAL				TOTAL
		LOCAL REVENUE	LOCAL EXPENSE	LOCAL CHECKS VOUCHER PROGRAM	LOCAL CHECKS VOUCHER PROGRAM	STATE REVENUE	STATE EXPENSE	STATE CHECKS VOUCHER PROGRAM	STATE CHECKS VOUCHER PROGRAM	FEDERAL REVENUE	FEDERAL EXPENSE	FEDERAL CHECKS VOUCHER PROGRAM	FEDERAL CHECKS VOUCHER PROGRAM	
870	Other Expense:													
874	Mining activities expense	1	-	1,114,271	270,507									1,114,271
	Depreciation expense		28,432											28,432
880	Total expense		28,432	1,114,271	270,507									1,142,709
886	Other Financing (Revenue) Item:													
886	Operating revenues in Operating revenue net		24,288											24,288
888	Total other financing revenue (cost)		24,288											24,288
888	Excess (deficiency) of operating revenues over (under) expense		1,114,271	1,114,271	270,507									1,384,778
898	Pre period adjustments, equity transfers and corrections of error													
	Beginning equity, unassigned			9,125,210	1,282,674									10,407,884

See Independent Auditor's Report on Supplementary Information.

**SCHEDULE IV**

**HOUSING AUTHORITY OF THE CITY OF BURLINGAME  
STATEMENT OF CAPITAL FUND PROGRAM COSTS (INCOMPLETES)  
FROM RECEIPTS THROUGH MARCH 31, 2004**

	ANNUAL CONTRIBUTIONS CONTRACT			TOTAL
	LA-4870050-02	LA-4870051-02	LA-4870051-03	(MILLIONS)
				(000,000)
Funds approved	\$ 217,221	\$ 201,079	\$ 208,581	\$ 811,115
Funds expended	(217,221)	(221,173)	(169,029)	(607,423)
Excess of funds approved	\$ 0	\$ 0	\$ 41,552	\$ 41,552
Funds advanced: Grant funding	\$ 1,015	\$ 129,809	\$ 145,828	\$ 276,652
Total funds advanced	1,015	129,809	145,828	276,652
Funds expended	(12,023)	(113,465)	(145,828)	(271,316)
Excess (deficiency) of fund advanced	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditors' Report on Supplementary Information.



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
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Paul C. Smith, Sr., CPA

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

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**Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana**

We have audited the financial statements of the **Housing Authority of the City of Slidell (the Authority)** as of and for the year ended March 31, 2004, and have issued our report thereon dated September 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2004-02, 2004-03, and 2004-04.

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

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2004-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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

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(CONTINUED)

We also noted other matters involving internal control over financial reporting which we have reported to management of the Authority in a separate letter dated September 1, 2004.

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

September 1, 2004

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

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

**Compliance**

We have audited the compliance of the **Housing Authority of the City of Slidell (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 its major federal program for the year ended March 31, 2008. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Summary Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audit of State, Local Governments, and Non-Profit*



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

*Organizations.* These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements previously referred to that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements previously referred to that are applicable to its major federal program for the year ended March 31, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2004-01 through 2004-04.

#### **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 our audit, we 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 our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

(CONTINUED)

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

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

September 1, 2004

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2004**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: **Unqualified**

**Internal control over financial reporting:**

- Material weakness(es) identified? **No**
- Reportable condition(s) identified that are not considered to be material weaknesses? **Yes**

Non-compliance material to financial statements noted? **No**

***Federal Awards***

**Internal Control over major programs:**

- Material weakness(es) identified? **No**
- Reportable condition(s) identified that are not considered to be material weaknesses? **Yes**

Type of auditors' report issued on compliance for major programs: **Unqualified**

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

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**Section I - Summary of Auditors' Results, Continued**

*Identification of major programs:*

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
14.871	Housing Choice Voucher Program
Dollar threshold used to distinguish between type A and type B programs:	\$200,000
Auditor qualified as low-risk auditor?	No

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

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**Section II - Financial Statement Findings and Questioned Costs**

**Reference Number:**

2004-01

**Federal Program:**

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

**Criteria:**

Pursuant to the requirements of OMB Circular A-133, HUD regulations and directives of the Authority's Board regarding internal control, management has responsibility for ensuring compliance with all board directives, laws, regulations and program requirements.

**Condition:**

Our review of the Authority's internal control over financial reporting exhibited the following conditions:

- No documentation and/or authorization to support \$3,710 in adjustments made by the Authority's accountant to adjust rent income in the month of June 2003 for rejections, move-outs, etc.;
- A reconciliation of the cash receipts for the month of August 2003, to the rent roll, bank statement and general ledger revealed an out of balance condition of \$496 between the total of the validated deposit tickets and bank statement of \$35,681 as compared to the general ledger amount of \$35,275.
- Also, a reconciliation of the cash disbursements register for the month of August 2003, to the bank statement and general ledger revealed an out of balance condition of \$450 between the cash disbursement register and general ledger of \$89,746.05 compared to the bank statement amount of \$89,296.05.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**Section II - Financial Statement Findings and Questioned Costs, Continued**

**Reference Number, Continued**

2004-01

**Condition, Continued**

- Furthermore, the Voucher Program's "HAP" registers did not agree to the general ledger for the month of August 2003;
- Bank account reconciliations for the entire year were prepared by an individual with custodial and recordation responsibilities; and
- Timely and accurate reconciliation of all significant subsidiary ledger accounts to the related general ledger control accounts.

**Questioned Cost**

None.

**Effect**

Potential for misappropriation of assets.

**Cause**

Capacity of personnel charged with responsibility for the gathering and ultimate preparation of the financial statements for the Authority.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

---

**Section II - Financial Statement Findings and Questioned Costs, Continued**

**Reference Number, Continued**

2004-01

**Recommendation**

Management needs to revise its procedures to enhance its recording and control environment. Specifically, the revision should include a review and appraisal of all journal entries and adjustments to the general ledger accounts, accurate preparation and review of all significant subsidiary ledger accounts, and greater oversight of key internal control activities.

Also, we recommend that the Authority implement a formal procedure to require the periodic reconciliation of its cash receipts and disbursements logs to the general ledger control accounts. Furthermore, the reconciliation should be reviewed by a supervisor and evidence of such indicated via an initialing and dating.

**Management's Response**

Management is currently evaluating its internal control over financial reporting and anticipates resolution of the conditions previously described by no later than January 31, 2005.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**Section III - Federal Award Findings and Questioned Costs**

**Reference Number**

2004-02

**Federal Program**

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

**Criteria**

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

**Condition**

Our review of ten (10) Housing Choice Voucher Program tenant files revealed the following conditions:

- Two (2) instances where the social security number reflected on the HUD Form 50055 did not agree to the tenant's information on file; and
- Three (3) tenants admitted into the Voucher Program were not on the waiting list maintained by the Authority.

**Questioned Costs**

None.



**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**Section III - Federal Award Findings and Questioned Costs, Continued**

**Reference Number, Continued**

2004-02

**Effect**

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

**Cause**

Lack of an adequate oversight in place to ensure compliance with program requirements.

**Recommendation**

We recommend that management of the Authority continue to improve its established processes, policies and procedures necessary to ensure that all tenant files contain required documentation. In addition, management should develop procedures that will ensure that all data included on the HUD Form 50654 is accurate and that all tenants are accepted into the program in accordance with Board's directives and HUD regulations.

**Management's Response**

Management continues to improve on its processes and procedures relative to tenant certifications and re-certifications. Also, the Authority will re-evaluate its current admission procedures to ensure alignment with its policies and HUD regulations. Anticipated completion date is January 31, 2005.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

---

**Section III - Federal Award Findings and Questioned Costs, Continued**

**Reference Number**

2004-03

**Federal Program**

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

**Criteria**

Pursuant to 24CFR Section 985, the Authority is required to submit an annual "SEMAP" certification.

**Condition**

The Authority did not use a detailed form specific to the "SEMAP" certification reporting for the tenant files sampled. As a result, we were unable to perform audit procedures to ascertain the Authority's response rate regarding the quality control sample of tenant files reviewed by the Authority's personnel for rent reasonableness.

**Questioned Costs**

None.

**Effect**

Audit trail to facilitate the verification of certification data.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004

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**Section III - Federal Award Findings and Questioned Costs, Continued**

**Reference Number, Continued**

2004-03

**Case:**

Lack of an understanding of the requirements to support the "SEMAP" certification.

**Recommendation:**

We recommend that management ensure the adequacy of documentation supporting its annual "SEMAP" certification.

**Management's Response:**

The Authority will provide staff involved with the "SEMAP" certification additional training to ensure "SEMAP" certification report completeness in the preparation process. Expected resolution date is March 31, 2005.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**Section III - Federal Award Findings and Questioned Costs, Continued**

**Reference Number**

2004-04

**Federal Program**

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

**Criteria**

Pursuant to 24 CFR Section 982.517, the Authority is required to maintain an up-to-date utility allowance schedule.

**Condition**

The utility schedule used by the Authority has not been updated since 1996.

**Questioned Costs**

None.

**Effect**

Noncompliance with the requirements of 24 CFR Section 982.517.

**Cause**

Lack of a system in place to ensure the timely review and/or update of utility allowance.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

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**Section III - Federal Award Findings and Questioned Costs, Continued**

**Reference Number, Continued**

2004-04

**Recommendation**

We recommend that the Authority update its current utility schedule. Also the Authority should establish a procedure to ensure the timely and periodic update of the utility schedule or document otherwise.

**Management's Response**

The Authority will initiate a process to facilitate the update of its utility schedule. Expected completion date is no later than January 31, 2005.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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

**Reference Number**

2002-01

**Condition**

Our review of ten (10) Housing Choice Voucher Program tenant files revealed the following conditions:

- One (1) instance where no Housing Quality Standards (HQS) inspection was performed in connection with the recertification process;
- Five (5) instances where tenant's file lacked rent reasonableness documentation; and
- Noted one (1) instance of lapse in housing assistance payment contract.

**Current Status**

Resolved.

**HOUSING AUTHORITY OF THE CITY OF SUDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

---

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

**Reference Numbers**

2002-03, 2003-04, 2001-03,  
97-08 and 99-12

**Condition**

Our review of documents to include HUD Form 52663 (Requisition for Partial Payment of Annual Contributions) revealed untimely submission and an over-requisition of Voucher Program funds in the amount of approximately \$44,828 for the year ended March 31, 2002.

Furthermore, we noted that HUD Form 52681 (Year End Settlement Statements) for its Section 8 Certificate and Housing Choice Voucher Programs were not submitted on a timely basis.

In addition, the Authority was underleased for the Pearl River and its other Housing Choice Voucher Programs by approximately 42% and 16% respectively at March 31, 2002.

**Current Status**

Partially resolved. Management of the Authority continues in its outreach effort to increase its leased-up for both the Pearl River and Housing Choice Programs. Leased-up at March 31, 2004 was 79% and 87% for the Voucher and Pearl River programs, respectively.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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

**Reference Numbers**

2002-04, 2000-07, 2000-08,  
97-9, 98-5 and 98-7

**Condition**

Our review of ten (10) Section 8 Certificate and Voucher Choice Programs tenant files revealed the following conditions:

- Four (4) instances where tenant files lacked current executed lease or lease addendum;
- One (1) instance where a tenant file had no current housing quality inspection;
- One (1) instance where the owner of a unit failed the Housing Quality Standards (HQS) inspection and continued to receive housing assistance payments thirty (30) days after the unit failed HQS inspection; and
- One (1) instance where tenants file lacked rent reasonableness documentation.

**Current Status**

Resolved.



**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

---

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

**Reference Numbers**

2002-07 and 2001-04

**Condition**

The Authority was unable to provide the required documents to support its "SIFMAP" report submitted for our review in connection with the March 31, 2002 audit.

**Current Status**

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

**Reference Numbers**

06-1, 99-2,  
98-2 and 98-10

**Condition**

Bank account reconciliations for the Operating, Certificate, Voucher and Pearl River Voucher Programs were not prepared for the entire fiscal year by the designated staff. We noted subsequent to their preparation, a net cumulative out-of-balance condition before the effect of audit adjustments of approximately \$709,875 between the general ledger of \$53,540 to the reconciled amount of \$763,415 for the reference bank accounts.

**Current Status**

Partially resolved.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

---

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

**Reference Numbers**

06-4,00-11, 98-08  
and 99-13

**Condition**

The operating of internal control system over financial reporting exhibited the following deficiencies:

- Lack of an adequate control system to ensure the timely and accurate recordation of all financial transactions;
- Maintenance of support documentation for program expenditures (such as Section 8 payments via ACH);
- Periodic review and reconciliation of significant general ledger accounts for propriety;
- In adequate training in the use of existing software programs;
- Timely submission of reports to regulatory agencies; and
- Duplicate disbursement of housing assistance payments in the amount of \$6,015.

**Current Status**

Partially resolved.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

---

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

**Reference Numbers**

2001-01, 99-8 and 97-5

2000-08, 2000-07, 99-8, 98-7

**Condition**

Our review of the Section 8 Certificate Program and Voucher Choice Programs files revealed the following conditions:

- Two (2) of ten (10) Section 8 Certificate Program and Voucher Choice Program tenant files reviewed, lacked executed lease agreement and/or addendum, as applicable in the respective tenant file; and
- One (1) of the ten (10) leased unit's failed its housing quality inspection with no corrective action in the form of a follow-up inspection by the Authority.
- Twelve (12) instances where no housing assistance payment contracts had been executed on behalf of tenant.

**Current Status**

Resolved.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004**

---

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

**Reference Numbers**

00-10 and 99-7

**Condition**

Our review of the "OFF" operating subsidy documents prepared and submitted to HUD by the Authority revealed unavailability of documents to support data included in the calculation. We were unable to determine the effect of this condition on the Authority's overall appropriation amount.

In addition, we noted untimely submission of Form HUD 52723. HUD's timeline for submission is at least ninety (90) days prior to the beginning of the prospective fiscal year.

**Current Status**

Partially resolved. The March 31, 2004 "OFF" was submitted to HUD in accordance with a HUD required deadline of November 14, 2003.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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

**Reference Numbers**

99-1 and 99-2

**Condition**

Subsidiary ledgers for significant accounts such as fixed assets, interfund activity, prepaid assets, etc. are not maintained and/or reconciled to the applicable general ledger control accounts.

**Current Status**

Partially resolved.

**Reference Number**

98-1

**Condition**

Subsidiary ledgers for tenants accounts receivable and tenant security deposits are not maintained and/or reconciled to the applicable general ledger control accounts.

**Current Status**

Resolved.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2004

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

**Reference Number**

97-3

**Condition**

Formalized accounting procedures manual.

**Current Status**

Unresolved. Management expects completion by December 31, 2004.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

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**EXIT CONFERENCE**

The financial statements and all related reports, exhibits and schedules were discussed at an exit conference. Those that participated in the conference:

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

Mr. Marvin V. Butler

-- Executive Director

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA, CGFM, MBA

-- Partner



Member  
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Michael G. Bruno, CPA  
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Walter J. Moore, Jr., CPA  
Paul K. Smith, Sr., CPA

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Commissioners  
Housing Authority of the City of Midell

In planning and performing our audit of the financial statements of the **Housing Authority of the City of Midell (the Authority)** as of and for the year ended March 31, 2004, we considered the Authority's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal control and operating efficiency. We previously reported on the Authority's internal control in our report dated September 1, 2004. This letter does not affect our report dated September 1, 2004, on the financial statements of the Authority.

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



**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
(CONTINUED)**

The following is a summary of our comments and suggestions:

**Condition**

The Authority should continue its review of existing policies and procedures and complete the necessary updates and/or development of new policies and procedures in all aspects of its operation.

**Recommendation**

We recommend that management complete the review process and develop the necessary policies and procedures.

**Management's Response**

Management of the Authority has established various timelines through February of 2005 to address the above described condition.

**Condition**

The Authority did not undertake a physical inventory of its materials and fixed assets for the year ended March 31, 2004. We noted that subsequent to year end, the Authority has initiated a tagging and physical count of its fixed assets.

**Recommendation**

We recommend that the Authority implement a formal procedure to require the periodic physical count of all materials and fixed assets.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

**Management's Response**

The physical inventory count of materials and fixed assets will be undertaken for the fiscal year ending March 31, 2005.

**Condition**

The Authority does not maintain a current fixed asset subsidiary ledger to account for all fixed assets. Also, a depreciation schedule is not maintained with the periodic expense recorded on a timely basis.

**Recommendation**

We recommend that a fixed asset schedule should be prepared to include the periodic depreciation computation and reconciliation. The schedules should be updated monthly.

**Management's Response**

Management concurs and will implement the procedure by no later than December 31, 2004.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

**Condition**

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

**Recommendation**

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

**Management's Response**

Management will evaluate its current risk management process with an aim towards ensuring its adequacy. Completion date is expected to be no later than December 31, 2004.

**Condition**

The Authority has not performed a comprehensive assessment of the costs associated with managing its various housing programs. Such a process should include a review of various costs allocated to the respective programs.

**Recommendation**

We recommend that management of the Authority undertake a comprehensive evaluation of its programs with an intent to align various programs to attain efficiency and cost containment.

**Management's Response**

The Authority has initiated an assessment and anticipates completion by no later than December 31, 2004.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

***Status of Prior Years' Comments to Management***

The following is a status of prior years' comments:

**Condition**

The operation of the Authority's internal control over financial reporting exhibited the following conditions:

- Bank reconciliations prepared for the operating account did not agree to the general ledger balance at March 31, 2003. The general ledger balance for the referenced account was \$755,899 compared to the reconciled balance of \$754,252;
- Noted no indication of review and/or approval on the reconciled accounts;
- Continued segregation of custodial and recordation functions or enhanced management oversight of all financial activities in instances where segregation of the custodial and recordation functions is not practical due to the size of the Authority's staff;
- Former Executive Director is listed as an authorized check signer on one (1) (Pearl River Voucher Program bank account) of the three (3) bank accounts maintained by the Authority; and
- Noted no indication of physical inventory count at March 31, 2003.

**Current Status**

Partially resolved. Management will address the issues relative to the bank reconciliation and evidence of review and approval by no later than December 31, 2004. Furthermore, the Authority will continue to provide the level of involvement in key activities of its internal control.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
(CONTINUED)**

*Status of Prior Years' Comments to Management, Continued*

**Condition**

Currently, the Authority does not have a formalized procedure to facilitate the timely and effective tracking of all collections on tenant accounts receivable as well as housing assistance payment portability amounts.

**Current Status**

Partially resolved.

Management anticipates complete resolution by no later than December 31, 2004.

**Condition**

Current Section 8 Administrative Plan, needs to be updated to incorporate changes dictated by current regulations.

**Current Status**

Unresolved. Management is currently working on updating all program plans and procedural manuals. Anticipated completion date is February 2005.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

*Status of Prior Years' Comments to Management, Continued*

**Condition**

Our review of twenty (20) cash disbursements, revealed the following conditions:

- Twenty (20) instances where invoices were not stamped paid or defaced to prevent the potential for duplicate bill payment.
- Twelve (12) instances where the request for check payment was not initialed and dated by an authorized official prior to preparation of the check;
- Twenty (20) instances where no clerical verification of invoices were performed; and
- One (1) instance where attached invoices totaled to an amount greater than the check payment.

**Current Status**

Resolved.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

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

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

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

September 1, 2004