

**HOUSING AUTHORITY OF THE
PARISH OF ST. LANDRY**
Washington, Louisiana

**Annual Financial Report
As of and for the Year Ended June 30, 2005**

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

**415 Magnolia Lane
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 1-11-2006

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Basic Financial Statements
As of and for the Fiscal Year Ended June 30, 2005
With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Management's Discussion and Analysis		5
Basic Financial Statements:		
Statement of Net Assets	A	13
<i>Statement of Revenues, Expenses and Changes in Net Assets</i>	B	14
Statement of Cash Flows	C	15
Notes to the Financial Statements		16
Supplementary Information	Schedule	Page
Financial Data Schedule	1	26
Schedule of Expenditures of Federal Awards	2	29
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		31
Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133		33
Schedule of Compensation Paid Board Members	3	35
Schedule of Prior Audit Findings	4	36
Schedule of Current Year Findings and Questioned Costs	5	37

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-612-8964
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

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, 2005, 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, 2005, 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.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana
Independent Auditor's Report, 2005
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated October 25, 2005 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 listed in the table of contents, 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

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 25, 2005

HOUSING AUTHORITY OF ST. LANDRY PARISH, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

JUNE 30, 2005

Housing Authority of St. Landry Parish, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2005

The management of Public 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, 2005. 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 primary source of funding for these activities continues to be the Department of Housing and Urban Development (HUD).
- The Housing Authority's assets exceeded its liabilities by \$2,714,091 at the close of the fiscal year ended 2005.
 - ✓ Of this amount \$1,818,938 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$895,153 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 30% of the total operating expenses of \$2,736,404 for the fiscal year 2005, which means the Authority might be able to operate about 4 months using the unrestricted assets alone.
- The Housing Authority's total net assets increased by \$287,047, a 12% change from the prior fiscal year 2004. This increase is attributable to a significant increase in operating grants, described in more detail below.
- The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$155,413 from fiscal year 2004.
- The Authority spent \$321,344 on capital asset additions and \$18,446 on construction in progress during the current fiscal year.
- These changes led to an increase in total assets by \$220,233 and a decrease in total liabilities by \$74,100. However, as another measure of financial health, there are still over \$13 of current assets covering each dollar of total liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

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 2005?" 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

The Housing Authority accounts for all financial activity 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 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 programs:

- Low Rent Program
- Housing Choice Voucher Program
- Capital Fund Program
- Business Activities

The Housing Authority's auditors provided assurance in their independent auditors' report, located 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.

Housing Authority of St. Landry Parish, Louisiana
 Management's Discussion and Analysis (MD&A)
 June 30, 2005

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,714,091 as of June 30, 2005. Of this amount, \$1,818,938 was invested in capital assets, and the remaining \$895,153 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

CONDENSED FINANCIAL STATEMENTS

**Condensed Balance Sheet
 (Excluding Interfund Transfers)
 As of June 30, 2005**

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets	\$ 966,137	\$ 890,445
Capital Assets, Net of Depreciation	1,818,938	1,674,396
Total Assets	2,785,075	2,564,841
LIABILITIES		
Current Liabilities	26,032	118,402
Non-Current Liabilities	44,951	22,533
Total Liabilities	70,983	140,935
NET ASSETS		
Invested in Capital Assets, Net of Depreciation	1,818,938	1,674,396
Unrestricted Net Assets	895,153	749,510
Total Net Assets	2,714,091	2,423,906
Total Liabilities and Net Assets	2,785,075	2,564,841

Housing Authority of St. Landry Parish, Louisiana
 Management's Discussion and Analysis (MD&A)
 June 30, 2005

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$287,047, or by 11%, from those of fiscal year 2004, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
 (Excluding Interfund Transfers)
 Fiscal Year Ended June 30, 2005**

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES		
Federal Grants - Operating	\$2,538,131	\$1,945,227
Rental Revenue	143,343	130,880
Other Tenant Revenue	4,580	9,724
Total Operating Revenues	<u>2,686,054</u>	<u>2,085,831</u>
OPERATING EXPENSES		
Housing Assistance Payments to Landlords	1,814,930	1,505,199
Administration	395,514	360,837
Depreciation	195,249	194,139
Ordinary maintenance and repairs	191,255	194,277
General	92,165	95,034
Utilities	47,291	43,920
Total Operating Expenses	<u>2,736,404</u>	<u>2,393,406</u>
(Losses) from Operations	<u>(50,351)</u>	<u>(307,575)</u>
NON-OPERATING REVENUES		
Federal Grants - Capital	323,348	356,625
Other Revenue	12,734	8,000
Interest and Investment Income	4,454	10,767
Total Non-Operating Revenues	<u>340,536</u>	<u>375,392</u>
NET INCREASES IN NET ASSETS	290,185	67,817
NET ASSETS, Beginning of Year, as restated	<u>2,423,906</u>	<u>2,356,089</u>
NET ASSETS, End of Year	<u>2,714,091</u>	<u>2,423,906</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$565,366, or by 23%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations increased by \$592,904, or by 30% from that of the prior fiscal year. The determination of operating grants is based upon a three year average of past operations performance. The current contributions were greater because of significant increases in performance of at least one of the prior fiscal years' operations.
- Federal Capital Funds from HUD decreased by \$33,277, or by 9% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2002 through 2004.
- Total tenant revenue increased by \$7,318, or by 5% from that of the prior fiscal year, due to two offsetting factors: Tenant rental revenues increased by \$12,463, or by 10%, because occupancy rates increased by 13%. However, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) decreased by \$5,144, or by 53%.
- Interest and investment income decreased by \$6,313, or by 59% from that of the prior fiscal year.
- Total other non-operating revenue increased by \$4,734 from that of the prior fiscal year, because restricted investment and interest income increased by \$5,189, offset by minor decreases in other non-tenant income.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$342,998, or by 14%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Housing Assistance Payments to landlords increased by \$309,731, or by 21% from that of the prior fiscal year, because there was an increase in the number of tenants qualifying for subsidy during the year. Consequently, revenues from HUD for these subsidies increased by \$564,004.
- Administrative Expenses increased by \$34,677, or by 10% from that of the prior fiscal year, due to a combination of factors: Administrative staff salaries increased by \$27,136, but staff vacation and sick leave pay decreased by \$5,745, and related employee benefit contributions decreased by \$4,259; therefore, total staff salaries and benefit costs increased by 6%. Next, audit fees increased by \$5,343 and accounting fees increased by \$1,104; thus, total outside professional fees increased by 31%. Staff travel reimbursements decreased by \$10,147, but offsetting staff training costs increased by \$1,224, and sundry expenses increased by \$19,846.
- Utilities Expense increased by 8% from that of the prior fiscal year, because water consumption increased by \$689, electricity increased by \$609, and gas consumption increased by \$1,956.
- Ordinary maintenance and repairs decreased by \$3,022, or by 2% from that of the prior fiscal year, due to several offsetting factors: Repair staff wages decreased by \$1,124, or by 1%, but related employee benefit contributions increased by \$12,080, or by 32%. However, contract labor costs decreased by \$14,359, or by 45%.

Housing Authority of St. Landry Parish, Louisiana

Management's Discussion and Analysis (MD&A)

June 30, 2005

- General Expenses decreased by \$2,869, or by 3% from that of the prior fiscal year. Uncollectible rents from vacated units decreased by \$3,815, because these changed roughly proportional to rent, which increased by 10%. However, payments in lieu of taxes (PILOT) increased by \$907, or by 10%. PILOT is calculated as a percentage of rent (which increased by 10%) minus utilities (which increased 8%), and therefore changed proportionately to the changes in each of these.
- Depreciation, totaling \$195,249, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the Housing Authority had a total cost of \$6,836,709 invested in a broad range of assets and construction in progress from projects funded in 2002 through 2004, listed below. This amount, not including depreciation, represents increases of \$331,925 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, 2005

	<u>2005</u>	<u>2004</u>
Land	\$ 171,656	\$ 171,656
Construction in Progress	18,446	372,767
Buildings	1,387,310	1,057,769
Leasehold Improvements	182,950	10,466
Furniture and Equipment	58,576	61,738
	<u>1,818,938</u>	<u>1,674,396</u>
Total		

As of the end of the 2004 fiscal year, the Authority is still in the process of completing HUD grants of \$720,504 obtained during 2002 through 2004 fiscal years. A total remainder of \$29,514 will be received and \$24,389 will be spent for completing these projects during fiscal year 2006.

Debt

Non-current liabilities include accrued annual vacation leave due 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 capital budgets for the 2006 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.

Housing Authority of St. Landry Parish, Louisiana

Management's Discussion and Analysis (MD&A)

June 30, 2005

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 Pitre, Executive Director, at Public Housing Authority of St. Landry Parish, Louisiana; P. O. Box 276; St. Landry Parish, LA 70589-0276.

Exhibit A

Housing Authority of the Parish of St. Landry
Washington, Louisiana
Statement of Net Assets
As of June 30, 2005

ASSETS**Current assets**

Cash and cash equivalents	\$ 870,498
Receivables:	
HUD	5,808
Tenant rents, net of allowance	3,323
Accrued interest receivable	988
Miscellaneous, net of allowance	3,307
Prepaid insurance	59,855
Total current assets	<u>943,779</u>

Restricted assets

Cash and cash equivalents	22,357
---------------------------	--------

Noncurrent assets

Capital assets:

Nondepreciable capital assets:

Land	171,656
Construction in progress	18,446
Total nondepreciable capital assets	<u>190,102</u>

Depreciable capital assets:

Buildings and improvements	6,368,570
Furniture and equipment	278,037
Less accumulated depreciation	<u>(5,017,771)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,628,836</u>

Total capital assets, net of accumulated depreciation	<u>1,818,938</u>
--	------------------

Total assets	<u>2,785,074</u>
---------------------	------------------

LIABILITIES**Current Liabilities**

Accounts payable	4,927
Payable to other governments	10,063
Accrued compensated absences	11,042
Total current liabilities	<u>26,032</u>

Liabilities Payable from Restricted Assets

Security deposit liability	13,730
----------------------------	--------

Noncurrent liabilities

Accrued compensated absences	22,594
Other liabilities	8,627

Total noncurrent liabilities	<u>31,221</u>
-------------------------------------	---------------

Total liabilities	<u>70,983</u>
--------------------------	---------------

NET ASSETS

Invested in capital assets, net of related debt	1,818,938
Restricted	-
Unrestricted	895,153
Total net assets	<u>\$ 2,714,091</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 the Year Ended June 30, 2005

Operating Revenues	
Annual contributions - Housing Assistance Payments	\$ 1,835,810
HUD administrative fee	376,819
Public housing operating subsidy	325,502
Dwelling Rental	143,343
Other Operating	4,580
Total operating revenues	<u>2,686,054</u>
Operating Expenses	
Housing Assistance Payments	1,814,930
General and administrative	487,679
Repairs and maintenance	191,256
Utilities	47,291
Depreciation and amortization	195,249
Total operating expenses	<u>2,736,405</u>
Operating income (loss)	(50,351)
Nonoperating Revenues:	
Capital grants	323,348
Interest revenue	5,742
Miscellaneous revenues	11,446
Total nonoperating revenues	<u>340,536</u>
Change in net assets	290,185
Net assets, beginning of year, as restated	<u>2,423,906</u>
Net assets, end of year	<u><u>\$ 2,714,091</u></u>

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

**Housing Authority of the Parish of St. Landry
Statement of Cash Flows
For the Year Ended June 30, 2005**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from federal subsidies	\$ 2,636,469
Receipts from tenants	139,310
Payments to landlords	(1,814,930)
Payments to suppliers	(372,971)
Payments to employees	<u>(433,211)</u>
Net cash provided by operating activities	<u>154,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	<u>11,446</u>
Net cash provided by noncapital financing activities	<u>11,446</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital grants	323,348
Purchase and construction of capital assets	<u>(339,790)</u>
Net cash (used in) capital and related financing activities	<u>(16,442)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>5,742</u>
Net cash provided by investing activities	<u>5,742</u>
Net (decrease) in cash and cash equivalents	<u>155,413</u>
Cash and cash equivalents - beginning of year	<u>715,085</u>
Cash and cash equivalents - end of year	<u>\$ 870,498</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (50,351)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	195,249
Changes in assets and liabilities:	
HUD receivable	98,338
Tenant rents, net of allowance	(2,914)
Miscellaneous receivables	(1,218)
Prepaid insurance	(5,179)
Accrued interest receivable	(577)
Restricted assets	(4,581)
Accounts payable	(79,432)
Accrued wages payable	(205)
Accrued compensated absences	49
Accounts payable - other government	907
Security deposit liability	100
Family self sufficiency escrow	<u>4,481</u>
Net cash provided by operating activities	<u>\$ 154,667</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Basic Financial Statements

For Fiscal Year Ended June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(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 Housing Authority of the Parish of St. Landry, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city 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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

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. At June 30, 2005, the Authority had one entity that met the requirements as defined within GASB Statement No. 14.

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, 2005.

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

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

(3) Measurement focus and basis of accounting

Proprietary finds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

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 grants and 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 and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

New Accounting Standards Adopted During the prior fiscal year the authority adopted new accounting statements of financial accounting standards issued by the Government Accounting Standards Board (GASB).

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 authority. This new reporting model requires management to provide a narrative and analysis to the ordinary user called the Management's Discussions and Analysis (MD&A). This new reporting model also requires the financial statements to be presented on the entity as a whole (government wide 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.

(4) 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.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

(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 government-wide 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 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.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At June 30, 2005, 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.

(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 government-wide 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, 2005, the authority has cash and cash equivalents (book balances) totaling \$892,856 as follows:

Demand deposits	\$472,500
Interest-bearing demand deposits	125,306
Time deposits	295,000
Other	50
Total	<u>\$892,856</u>

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

Unrestricted	\$870,498
Restricted	<u>22,357</u>
Total cash and cash equivalents	<u>\$892,856</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, 2005, the authority has \$923,986 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$399,557
GASB Category 2	-
GASB Category 3	<u>524,429</u>
	<u>\$923,986</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, 2005 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2005 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	372,767	18,446		(372,767)	18,446
Depreciable Assets:					
Building and improvements	5,690,901	304,902		372,676	6,368,570
Furniture and equipment	<u>269,461</u>	<u>16,442</u>	<u>7,867</u>		<u>278,036</u>
Total	<u>6,504,785</u>	<u>339,790</u>			<u>6,836,705</u>
Less accumulated depreciation					
Building and improvements	4,549,632	143,042			4,692,674
Furniture and equipment	<u>280,757</u>	<u>52,208</u>	<u>7,867</u>		<u>214,098</u>
Total accumulated depreciation	<u>4,830,389</u>	<u>195,250</u>	<u>7,867</u>		<u>5,017,772</u>
Net Capital Assets	<u>\$1,674,396</u>	<u>\$144,540</u>	<u>\$</u>	<u>\$</u>	<u>\$1,818,935</u>

NOTE D – CONSTRUCTION COMMITMENTS

The authority has active construction projects as of June 30, 2005. At year end, the commitments with contractors are as follows:

<u>Projects</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
CFP 2003	<u>\$18,446</u>	<u>\$24,389</u>
Total	<u>\$18,446</u>	<u>\$24,389</u>

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

NOTE E – COMPENSATED ABSENCES

At June 30, 2005, employees of the authority have accumulated and vested \$33,636 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$22,594 is reported in long-term debt.

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>
2006		4,644
2007		2,322
Total		<u>\$6,966</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.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

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, 2005, was \$311,272. The authority's contributions were calculated using the base salary amount of \$291,634. The authority made the required contributions of \$24,788 for the year ended June 30, 2005.

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 – LITIGATION AND CLAIMS

At June 30, 2005, the agency was involved in litigation which was subsequently settled and paid by the insurance company in the amount of \$42,000. Accordingly, no liability or contingent liability has been recorded on the agency's books for this.

NOTE J – 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.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2005 – Continued

NOTE K – ECONOMIC DEPENDANCE

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$2,861,479 to the authority, which represents approximately 94% of the authority's total revenue for the year.

**Housing Authority of the Parish of St. Landry
Schedule 1 – Financial Data Schedule**

PHA: LA067 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$7,822	\$199,632	\$663,045	\$0	\$870,499
113	Cash - Other Restricted	\$0	\$0	\$8,627	\$0	\$8,627
114	Cash - Tenant Security Deposits	\$0	\$13,730	\$0	\$0	\$13,730
100	Total Cash	\$7,822	\$213,362	\$671,672	\$0	\$892,856
121	Accounts Receivable - PHA Projects	\$0	\$0	\$683	\$0	\$683
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$5,124	\$0	\$5,124
125	Accounts Receivable - Miscellaneous	\$0	\$3,307	\$0	\$0	\$3,307
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$3,323	\$0	\$0	\$3,323
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
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$153	\$835	\$0	\$988
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$6,783	\$6,642	\$0	\$13,425
142	Prepaid Expenses and Other Assets	\$0	\$59,855	\$0	\$0	\$59,855
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$110,873	\$0	\$0	\$110,873
150	Total Current Assets	\$7,822	\$390,873	\$678,314	\$0	\$1,077,009
161	Land	\$0	\$171,656	\$0	\$0	\$171,656
162	Buildings	\$0	\$4,868,163	\$0	\$489,052	\$5,357,215
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$99,537	\$0	\$0	\$99,537
164	Furniture, Equipment & Machinery - Administration	\$0	\$117,815	\$60,685	\$0	\$178,500
165	Leasehold Improvements	\$0	\$822,738	\$0	\$188,617	\$1,011,355
166	Accumulated Depreciation	\$0	\$-4,934,563	\$-38,030	\$-45,178	\$-5,017,771
167	Construction In Progress	\$0	\$0	\$0	\$18,446	\$18,446
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$1,145,346	\$22,655	\$650,937	\$1,818,938
180	Total Non-Current Assets	\$0	\$1,145,346	\$22,655	\$650,937	\$1,818,938
190	Total Assets	\$7,822	\$1,536,219	\$700,969	\$650,937	\$2,895,947

**Housing Authority of the Parish of St. Landry
Schedule 1 – Financial Data Schedule**

PHA: LA067 FYED: 06/30/2005

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	\$4,927	\$0	\$0	\$4,927
322	Accrued Compensated Absences - Current Portion	\$0	\$6,076	\$4,966	\$0	\$11,042
333	Accounts Payable - Other Government	\$0	\$10,063	\$0	\$0	\$10,063
341	Tenant Security Deposits	\$0	\$13,730	\$0	\$0	\$13,730
347	Interprogram Due To	\$0	\$0	\$110,873	\$0	\$110,873
310	Total Current Liabilities	\$0	\$34,796	\$115,839	\$0	\$150,635
354	Accrued Compensated Absences - Non Current	\$0	\$12,247	\$10,347	\$0	\$22,594
353	Noncurrent Liabilities - Other	\$0	\$0	\$8,627	\$0	\$8,627
350	Total Noncurrent Liabilities	\$0	\$12,247	\$18,974	\$0	\$31,221
300	Total Liabilities	\$0	\$47,043	\$134,813	\$0	\$181,856
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$0	\$1,145,346	\$22,655	\$650,937	\$1,818,938
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	\$7,822	\$343,830	\$543,501	\$0	\$895,153
513	Total Equity/Net Assets	\$7,822	\$1,489,176	\$566,156	\$650,937	\$2,714,091
600	Total Liabilities and Equity/Net Assets	\$7,822	\$1,536,219	\$700,969	\$650,937	\$2,895,947

PHA: LA067 FYED: 06/30/2005

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	\$143,343	\$0	\$0	\$143,343
704	Tenant Revenue - Other	\$0	\$4,580	\$0	\$0	\$4,580
705	Total Tenant Revenue	\$0	\$147,923	\$0	\$0	\$147,923
706	HUD PHA Operating Grants	\$0	\$325,502	\$2,212,629	\$0	\$2,538,131
706.1	Capital Grants	\$0	\$0	\$0	\$323,348	\$323,348
711	Investment Income - Unrestricted	\$0	\$553	\$5,189	\$0	\$5,742
713.1	Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
714	Fraud Recovery	\$0	\$0	\$2,688	\$0	\$2,688
715	Other Revenue	\$0	\$7,545	\$1,213	\$0	\$8,758
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$0	\$481,523	\$2,221,719	\$323,348	\$3,026,590

**Housing Authority of the Parish of St. Landry
Schedule 1 – Financial Data Schedule**

PHA: LA067 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$0	\$79,573	\$134,468	\$0	\$214,041
912	Auditing Fees	\$0	\$4,582	\$17,643	\$0	\$22,225
914	Compensated Absences	\$0	\$-740	\$790	\$0	\$50
915	Employee Benefit Contributions - Administrative	\$0	\$40,306	\$28,359	\$0	\$68,665
916	Other Operating - Administrative	\$0	\$19,062	\$71,472	\$0	\$90,534
931	Water	\$0	\$15,482	\$0	\$0	\$15,482
932	Electricity	\$0	\$9,716	\$0	\$0	\$9,716
933	Gas	\$0	\$12,530	\$0	\$0	\$12,530
938	Other Utilities Expense	\$0	\$9,563	\$0	\$0	\$9,563
941	Ordinary Maintenance and Operations - Labor	\$0	\$97,231	\$0	\$0	\$97,231
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$27,282	\$0	\$0	\$27,282
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$17,490	\$0	\$0	\$17,490
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$49,252	\$0	\$0	\$49,252
961	Insurance Premiums	\$0	\$45,290	\$35,186	\$0	\$80,476
962	Other General Expenses	\$178	\$0	\$1,448	\$0	\$1,626
963	Payments in Lieu of Taxes	\$0	\$10,063	\$0	\$0	\$10,063
969	Total Operating Expenses	\$178	\$436,682	\$289,366	\$0	\$726,226
970	Excess Operating Revenue over Operating Expenses	\$-178	\$44,841	\$1,932,353	\$323,348	\$2,300,364
973	Housing Assistance Payments	\$0	\$0	\$1,814,930	\$0	\$1,814,930
974	Depreciation Expense	\$0	\$140,703	\$9,368	\$45,178	\$195,249
900	Total Expenses	\$178	\$577,385	\$2,113,664	\$45,178	\$2,736,405
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-178	\$-95,862	\$108,055	\$278,170	\$290,185

PHA: LA067 FYED: 06/30/2005

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	\$8,000	\$1,585,038	\$461,243	\$372,767	\$2,427,048
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$-3,142	\$0	\$-3,142
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$2,033,502	\$0	\$2,033,502
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	\$106,229	\$0	\$106,229
1116	Total Annual Contributions Available	\$0	\$0	\$2,139,731	\$0	\$2,139,731
1120	Unit Months Available	0	1,740	7,752	0	9,492
1121	Number of Unit Months Leased	0	1,671	7,312	0	8,983

SCHEDULE 2

Housing Authority of the Parish of St. Landry
 Washington, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2005

<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	\$ 325,502
Housing Choice Voucher Program	14.871	2,212,629
Public Housing Capital Fund Program	14.872	323,348
Total Federal Expenditures		<u>\$ 2,861,479</u>

See accompanying notes to schedule of expenditures of federal awards.

**Housing Authority of the Parish of St. Landry
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005**

NOTE A – General

The Schedule of Expenditures of Federal Awards Programs included herein represents all of the Federal grant awards of the Authority over which it exercised direct operating control for the year ended June 30, 2005.

NOTE B – Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting and includes expenses incurred by the Authority during its fiscal year July 1, 2004 to June 30, 2005.

NOTE C – Scope of audit pursuant to OMB CIRCULAR A-133

All Federal grant operations of the Authority are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Circular A-133 Compliance Supplement* (Revised March 2004, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal award programs with fiscal 2005 cash and noncash expenditures in excess of \$300,000 that ensure coverage of at least 50% of Federally granted funds. Actual coverage is approximately 91% of total cash and noncash Federal award program expenses.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2005 Expenses</u>
Housing Choice Vouchers	\$2,212,629
Capital Fund Program	323,348
Total	<u>\$2,535,977</u>

NOTE D – Audits performed by other organizations

During the year ended June 30, 2005, there were no audits of the Authority's Administration of Federal Financial Assistance Programs performed by the Office of the Inspector General of the Department of Housing and Urban Development or the HUD office of public housing, State of Louisiana office.

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-612-8964
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

**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, 2005 and have issued my report thereon dated October 25, 2005. 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, 2005

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

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 25, 2005

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-612-8964
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

**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, 2005. 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, 2005

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, 2005.

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

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 25, 2005

Schedule 3

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2005

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

Schedule 4

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended June 30, 2005

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Schedule of Current Audit Findings and Questioned Costs
Fiscal Year Ended June 30, 2005

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 required to be 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* were disclosed during the audit of the financial statements.
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. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:
 1. 14.871 Housing Choice Vouchers
 2. 14.872 Capital Fund

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)

Fiscal Year Ended June 30, 2005

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority qualified as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None