

**Housing Authority of the  
TOWN OF WHITE CASTLE**  
White Castle, Louisiana

**Annual Financial Report  
As of and for the Year Ended September 30, 2011**

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 APR 25 2012

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**  
 White Castle, Louisiana  
 Basic Financial Statements  
 As of and for the Year Ended September 30, 2011  
 With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
**Housing Authority of the Town of White Castle**  
White Castle, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the Town of White Castle (the authority) as of and for the year ended September 30, 2011, 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 Town of White Castle as of September 30, 2011, 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 TOWN OF WHITE CASTLE**

White Castle, Louisiana  
Independent Auditor's Report, 2011  
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated January 24, 2012 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 my 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 opinions on the financial statements which collectively comprise the authority's basic financial statements. The financial data schedule and other supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the authority. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 24, 2012

# Housing Authority of the Town of White Castle Management's Discussion and Analysis

For the Year Ended, September 30, 2011

The Housing Authority of the Town of White Castle (the "Authority") management's discussion and analysis report is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

This financial report is designed to provide an overview of the Authority's total financial picture for the fiscal year ending, September 30, 2011, for those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the Town of White Castle, P.O. Box 58, White Castle, LA 70788.

## **Financial Highlights**

- The Authority's net assets decreased by \$50,190 during the fiscal year.
- The Authority's operating revenue decreased by \$18,473 during the fiscal year.
- The Authority's operating expenses decreased by \$49,312 during the fiscal year.
- At the close of the current fiscal year, the Authority's Assets exceeded its Liabilities by \$2,605,018.
- The Authority administers federal, state and local grants to benefit the low income and elderly citizens of the Town of White Castle.

## **Overview of the Financial Statements**

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net assets serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy; Department of Housing and Urban Development mandated program administrative changes, and the physical condition of capital assets.

# Housing Authority of the Town of White Castle

## Management's Discussion and Analysis

For the Year Ended, September 30, 2011

### Overview of the Financial Statements (continued)

The follow statements are included:

- **Statement of Net Assets** - this statement reports the Authority's assets, liabilities and net assets at the end of the fiscal year. You can think of the Authority's net assets as the difference between what the Authority owns (assets) and what the Authority owes (liabilities).
- **Statement of Revenues, Expenses, and Changes in Net Assets** - this statement presents information showing how the Authority's net assets increased or decreased during the current fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- **Statement of Cash Flows** - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable).
- **Notes to the Basic Financial Statements** - notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes provide greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information provides additional detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

# Housing Authority of the Town of White Castle

## Management's Discussion and Analysis

For the Year Ended, September 30, 2011

### Financial Analysis

### Statement of Net Assets

	<u>2011</u>	<u>2010</u>	<u>Total Change</u>
Current assets	\$ 138,729	\$ 203,526	\$ (64,797)
Restricted assets	11,710	12,032	(322)
Capital assets (net)	<u>2,556,741</u>	<u>2,567,033</u>	<u>(10,292)</u>
Total Assets	<u>2,707,180</u>	<u>2,782,591</u>	<u>(75,411)</u>
Current liabilities	75,654	99,936	(24,282)
Tenant security deposits	11,710	12,032	(322)
Noncurrent liabilities	<u>14,798</u>	<u>15,415</u>	<u>(617)</u>
Total Liabilities	<u>102,162</u>	<u>127,383</u>	<u>(25,221)</u>
Invested in capital assets (net)	2,556,741	2,567,033	(10,292)
Restricted Net Assets	-	-	-
Unrestricted Net Assets	<u>48,277</u>	<u>88,175</u>	<u>(39,898)</u>
Total Net Assets	<u>2,605,018</u>	<u>2,655,208</u>	<u>(50,190)</u>
Total Liabilities and Net Assets	<u>\$ 2,707,180</u>	<u>\$ 2,782,591</u>	<u>\$ (75,411)</u>

**Current Assets** decreased by \$64,797.

**Capital Assets** decreased by \$10,292, as seen on page 20. This decrease is a result of current depreciation expense exceeding the completion of capital improvements undertaken by the Authority during the year.

**Current Liabilities** decreased by \$24,282 as a result of decreased accounts payable to vendors and wages payable, offset by an increase in accounts payable to other governments FYE 2010 as compared to FYE 2011.

**Noncurrent Liabilities** decreased by \$617 as a result of a decrease in accrued compensated absences during the year.

**Net Assets** - The difference between an organization's assets and its liabilities is its net assets. Net assets are categorized as one of three types.

- Invested in capital assets, net of related debt - capital assets, net of accumulated depreciation and related debt is due to the capital asset and long-term debt activity;
- Restricted - the Authority's net assets whose use is subject to constraints imposed by law or agreement consisting primarily of debt service reserves;
- Unrestricted - the Authority's net assets that are neither invested in capital assets nor restricted which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

# Housing Authority of the Town of White Castle

## Management's Discussion and Analysis

For the Year Ended, September 30, 2011

### Financial Analysis (Continued)

#### Statement of Revenues, Expenses and Changes in Net Assets

	2011	2010	Net Change
Operating Revenues:			
HUD Operating Grants	\$ 297,475	\$ 291,204	\$ 6,271
Dwelling rental	251,031	275,775	(24,744)
Total operating revenues	548,506	566,979	(18,473)
Operating Expenses:			
General and administrative	350,310	374,625	(24,315)
Repairs and maintenance	198,450	238,968	(40,518)
Utilities	14,339	14,574	(235)
Tenant services	39,927	49,209	(9,282)
Protection services	441	441	-
Depreciation and amortization	269,413	244,375	25,038
Total operating expenses	872,880	922,192	(49,312)
Operating income (loss)	(324,374)	(355,213)	30,839
Nonoperating Revenues(Expenses):			
Capital grants	256,668	485,298	(228,630)
Interest revenue	514	936	(422)
Miscellaneous revenue	17,002	30,622	(13,620)
Total nonoperating revenues (expenses)	274,184	516,856	(242,672)
Change in net assets	(50,190)	161,643	(211,833)
Net assets – 10/1	2,655,208	2,493,565	161,643
Net assets – 9/30	\$ 2,605,018	\$ 2,655,208	\$ (50,190)

**Total Operating Revenue** decreased by \$18,473 for the 2011 fiscal year. This decrease primarily represents a decrease in dwelling rental revenue.

**Operating Expenses** are categorized by the Authority as general and administrative, repairs and maintenance, utilities, tenant services, protective services and depreciation expense.

# Housing Authority of the Town of White Castle

## Management's Discussion and Analysis

For the Year Ended, September 30, 2011

### Financial Analysis (Continued)

The decrease of \$49,312 in total operating expenses is attributable to decreases in general and administrative, repairs and maintenance, utilities and tenant services expense, offset by an increase in depreciation expense for the 2011 fiscal year.

General and Administrative Expenses decreased by \$24,315 for the 2011 fiscal year. Most of the decrease is attributable to decreases in general office expenditures, as well as, insurance expenses.

Repairs and Maintenance Expenses decreased by \$40,518 for the 2011 fiscal year. The decrease is mainly related to a decrease in the usage of materials and labor costs incurred in the continuation of unit turnaround efforts.

Tenant Services decreased by \$9,282 for the 2011 fiscal year. This decrease is attributable to decreases in employee related expenditures as it relates to Tenant Services.

Nonoperating Revenues decreased by \$242,672 mainly due to a decrease in capital grants received for the 2011 fiscal year.

### Capital Assets and Debt Administration

The Authority's capital assets as of September 30, 2011, amounts to \$2,556,741 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, furniture and equipment, construction in progress, and accumulated depreciation. The total decrease in the Authority's capital assets for the current fiscal year was \$10,292.

	<u>2011</u>	<u>2010</u>	<u>Total Change</u>
Land	\$ 236,540	\$ 236,540	\$ -
Buildings and improvements	6,243,500	5,774,224	469,276
Furniture and equipment	204,084	172,914	31,170
Construction in Progress	565,066	806,391	(241,325)
Accumulated Depreciation	<u>(4,692,449)</u>	<u>(4,423,036)</u>	<u>(269,413)</u>
Total	<u>\$ 2,556,741</u>	<u>\$ 2,567,033</u>	<u>\$ (10,292)</u>

Additional information on the Housing Authority of White Castle's capital assets can be found in note C on page 20 of this report.

# Housing Authority of the Town of White Castle

## Management's Discussion and Analysis

For the Year Ended, September 30, 2011

### Capital Assets and Debt Administration (continued)

#### Debt

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

#### Economic Factors

Several factors may affect the financial position of the Authority in the subsequent fiscal year. These factors include:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded,
- Local labor supply and demand, which can affect salary and wage rates,
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income,
- Natural disasters which can have a devastating impact on the local economy,
- Inflationary pressure on utility rates, supplies and other costs,
- Unemployment rates which can have an affect on rent.

**Housing Authority of the Town of White Castle**  
**White Castle, Louisiana**  
**Statement of Net Assets**  
**As of September 30, 2011**

**ASSETS****Current assets**

Cash and cash equivalents	87,568
Receivables:	
HUD	10,247
Tenant rents, net of allowance	4,486
Prepaid insurance	29,516
Inventory, net of allowance	6,912
Restricted assets - cash and cash equivalents	<u>11,710</u>
<b>Total current assets</b>	<u><b>150,439</b></u>

**Noncurrent assets****Capital assets:**

<b>Nondepreciable capital assets:</b>	
Land	236,540
Construction in progress	<u>565,066</u>
<b>Total nondepreciable capital assets</b>	<u><b>801,606</b></u>
<b>Depreciable capital assets:</b>	
Buildings and improvements	6,243,500
Furniture and equipment	204,084
Less accumulated depreciation	<u>(4,692,449)</u>
<b>Total depreciable capital assets, net of accumulated depreciation</b>	<u><b>1,755,135</b></u>
<b>Total capital assets, net of accumulated depreciation</b>	<u><b>2,556,741</b></u>
<b>Total assets</b>	<u><b>2,707,180</b></u>

(continued)

**Housing Authority of the Town of White Castle**  
**White Castle, Louisiana**  
**Statement of Net Assets**  
**As of September 30, 2011**

**LIABILITIES****Current Liabilities**

Accounts payable	9,703
Payable to other governments	49,789
Accrued wages payable	5,871
Accrued compensated absences	8,457
Deferred revenue	1,834
Security deposit liability	<u>11,710</u>

**Total current liabilities** 87,364

**Noncurrent liabilities**

Accrued compensated absences	<u>14,798</u>
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**Total noncurrent liabilities** 14,798

**Total liabilities** 102,162

**NET ASSETS**

Invested in capital assets, net of related debt	2,556,741
Restricted	-
Unrestricted	<u>48,277</u>

**Total net assets** \$ 2,605,018

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

**Housing Authority of the Town of White Castle**  
**White Castle, Louisiana**  
**Statement of Revenues, Expenses, and Changes In Net Assets**  
**For the Year ended September 30, 2011**

<b>Operating Revenues</b>	
HUD Operating Grants	\$ 297,475
Dwelling Rental	<u>251,031</u>
<b>Total operating revenues</b>	<u>548,506</u>
<b>Operating Expenses</b>	
General and administrative	350,310
Repairs and maintenance	198,450
Utilities	14,339
Tenant services	39,927
Protection services	441
Depreciation and amortization	<u>269,413</u>
<b>Total operating expenses</b>	<u>872,880</u>
<b>Operating income (loss)</b>	(324,374)
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	514
Miscellaneous revenues	<u>17,002</u>
<b>Total nonoperating revenues (expenses)</b>	<u>17,516</u>
<b>Income (loss) before other revenues, expenses, gains, losses and transfers</b>	(306,858)
Capital contributions (grants)	256,668
<b>Increase (decrease) in net assets</b>	(50,190)
<b>Net assets, beginning of year</b>	<u>2,655,208</u>
<b>Net assets, end of year</b>	<u>\$ 2,605,018</u>

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

**Housing Authority of the Town of White Castle  
Statement of Cash Flows  
For the Year ended September 30, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from federal subsidies	\$ 347,337
Receipts from tenants	248,113
Payments to suppliers	(397,540)
Payments to employees	<u>(219,033)</u>
<b>Net cash provided by operating activities</b>	<u>(21,123)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Miscellaneous revenues	<u>17,002</u>
<b>Net cash provided by noncapital financing activities</b>	<u>17,002</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital grants	256,668
Purchase and construction of capital assets	<u>(259,121)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u>(2,453)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>514</u>
<b>Net cash provided by investing activities</b>	<u>514</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(6,060)</u>
<b>Cash and cash equivalents - beginning of year</b>	<u>105,338</u>
Cash and Cash equivalents - unrestricted	87,568
Cash and Cash equivalents - restricted	11,710
<b>Total Cash and Cash Equivalents - end of year</b>	<u>\$ 99,278</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating (loss)	\$ (324,374)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	269,413
Changes in assets and liabilities:	
HUD receivable	49,862
Tenant rents, net of allowance	(3,096)
Miscellaneous receivables	500
Prepaid insurance	11,637
Inventories	156
Accounts payable	(40,919)
Accrued wages payable	(7,488)
PILOT Payable	23,669
Accrued compensated absences	(554)
Other liability	393
Security deposit liability	<u>(322)</u>
<b>Net cash provided by operating activities</b>	<u>\$ (21,123)</u>

The accompanying notes are an integral part of the financial statements

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**  
White Castle, Louisiana  
Notes to the Basic Financial Statements  
September 30, 2011

**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 Town of White Castle (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 Town of White Castle, Louisiana. This formation was contingent upon the approval of the Town.

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

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by GASB 14 as other legally separate organizations for which the elected authority members are financially accountable.

## HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

The authority is a related organization of the Town of White Castle, Louisiana since the town appoints a voting majority of the authority's governing board. The town 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 town. Accordingly, the authority is not a component unit of the financial reporting entity of the Town.

### (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.

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 and tenant dwelling rents. Operating expenses include 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.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

**(3) Measurement focus and basis of accounting**

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

**(4) Assets, liabilities, and net assets**

**(a) Deposits**

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.

**(b) Inventory and prepaid items**

All inventories are valued at cost 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 is reflected as restricted.

**(d) Capital assets**

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. The capitalization threshold is \$500. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

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

Buildings	40 years
Modernization and improvements	10 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 grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2011, the management of the authority established an allowance for doubtful accounts of approximately \$1,456.

(g) Compensated absences

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

Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave.

(h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

(i) 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 – DEPOSITS**

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2011, the authority's carrying amount of deposits was \$99,278, which includes the following:

Cash and cash equivalents-unrestricted	\$87,568
Cash and cash equivalents- restricted	11,710
Total	\$99,278

**Interest Rate Risk**—The authority's policy does not address interest rate risk.

**Credit Rate Risk**—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

**Custodial Credit Risk**—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$111,640 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The bank balances at September 30, 2011 totaled \$111,640.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

**NOTE C - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2011 was as follows:

	<u>9 30 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>9 30 2011</u>
<b>Nondepreciable Assets:</b>					
Land	236,540				236,540
Construction in Progress	806,391	227,951	-	(469,276)	565,066
<b>Depreciable Assets:</b>					
Building and improvements	5,774,224	-	-	469,276	6,243,500
Furniture and equipment	<u>172,914</u>	<u>31,170</u>	<u>-</u>	<u>-</u>	<u>204,084</u>
<b>Total</b>	<u>6,990,069</u>	<u>259,121</u>	<u>-</u>	<u>-</u>	<u>7,249,190</u>
<b>Less accumulated depreciation</b>					
Building and improvements	4,284,173	254,101	-	-	4,538,274
Furniture and equipment	<u>138,862</u>	<u>15,313</u>	<u>-</u>	<u>-</u>	<u>154,175</u>
<b>Total accumulated depreciation</b>	<u>4,423,035</u>	<u>269,414</u>	<u>-</u>	<u>-</u>	<u>4,692,449</u>
<b>Net Capital Assets</b>	<u>2,567,034</u>	<u>(10,293)</u>	<u>-</u>	<u>-</u>	<u>2,556,741</u>

**NOTE D – CONSTRUCTION COMMITMENTS**

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$296,128 remaining until completion.

**NOTE E – COMPENSATED ABSENCES**

At September 30, 2011, employees of the authority have accumulated and vested \$23,255 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$14,798 is reported in long-term debt.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

**NOTE F – LONG TERM OBLIGATIONS**

As of September 30, 2011, long term obligations consisted of compensated absences in the amount of 14,798. The following is a summary of the changes in the long term obligations for the year ended September 30, 2011.

	<b>Compensated Absences</b>
Balance as of October 1, 2010	<u>\$15,415</u>
Additions	8,721
Deductions	(9,338)
Balance as of September 30, 2011 (Long term)	<u>14,798</u>
Amount due in one year (Short term)	<u>\$8,457</u>

**NOTE G – POST EMPLOYMENT RETIREMENT BENEFITS**

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

**NOTE H - RETIREMENT PLAN**

The authority participates in the Louisiana Housing Council Group Retirement Plan, administered by Broussard, Bush and Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities which are members of the Louisiana Housing Council. Through this plan, the authority provides pension benefits for all of its full-time employees. All full-time employees who have attained age 18 are eligible to participate in the plan on the first day of the month after completing three months of continuous and uninterrupted employment.

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 six percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute four percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The

## **HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

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. Early retirement may be elected on the first day of any month within 10 years of the employee's normal retirement date, provided the employee has completed five years of service with the authority. With the authority's consent, employees may defer retirement to the first day of any month beyond normal retirement date.

The authority's total payroll for the year ended September 30, 2011, was \$219,033. The authority's contributions were calculated using the base salary amount of \$168,583. The authority made the required contributions of \$10,115 for the year ended September 30, 2011.

### ***NOTE 1 – 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.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

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.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana

Notes to the Financial Statements, 2011 – Continued

***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. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

***NOTE K – SUBSEQUENT EVENTS***

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through January 24, 2012 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

***NOTE L – ECONOMIC DEPENDENCE***

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 \$554,143 to the authority, which represents approximately 67% of the authority's total revenue for the year.

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

Board of Commissioners  
**Housing Authority of the Town of White Castle**  
White Castle, Louisiana

I have audited the financial statements of the Housing Authority of the Town of White Castle (the authority), as of and for the year ended September 30, 2011 and have issued my report thereon dated January 24, 2012. 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 as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questions costs, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

## HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE

White Castle, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2011

Page Two

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. See Findings F-2011-1 and F-2011-3.

### 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items F-2011-1 and F-2011-3.

The authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. I did not audit the authority's response and, accordingly, I express no opinion on the responses.

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*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 24, 2012

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

Board of Commissioners  
Housing Authority of the Town of White Castle  
White Castle, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the Town of White Castle (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 could have a direct and material effect on each its major federal programs for the year ended September 30, 2011. 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 TOWN OF WHITE CASTLE

White Castle, Louisiana  
Report on Compliance...A-133, 2011  
Page Two

As described in item F-2011-2 in the accompanying schedule of findings and questioned costs, the authority did not comply with requirements regarding Cash Management that are applicable to its Capital Fund/ARRA Stimulus Program. Compliance with such requirements is necessary, in my opinion, for the authority to comply with the requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, the authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

### Internal Control Over Compliance

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, I identified a certain deficiency in internal control over compliance that I consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items F-2011-2 to be a material weakness.

**HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE**

White Castle, Louisiana  
Report on Compliance...A-133, 2011  
Page Three

The authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. I did not audit the authority's response and, accordingly, I express no opinion on the responses.

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*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 24, 2012

# HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE

White Castle, Louisiana  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended September 30, 2011

## Section I—Summary of Auditor's Results

### *Financial Statements*

Type of auditor's report issued unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?

  X   yes        no

### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

  X   yes        no

Identification of major programs:

14.872      Capital Fund Program  
14.885      ARRA- American Recovery and Reinvestment Act

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**  
White Castle, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2011

The threshold used for distinguishing between Type A and B programs was \$300,000.

Auditee qualified as a low-risk auditee?                     yes     no

**SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

**FINDING NUMBER F- 2011-1**

**CRITERIA:**

The 1937 Act of Congress (Act) which authorized the creation of Public Housing Authorities (PHA) and the Annual Contributions Contract (ACC) which regulates PHA's include provisions prohibiting PHA's from legally place PHA assets at risk without prior written HUD approval.

**CONDITION:**

On 7-6-2011 the White Castle Housing Authority (WCHA) Board of Commissioners, without prior written HUD approval, authorized the executed of an Oil, Gas, and Mineral Lease involving 19.7 acres of land owned by WCHA under the umbrella of the ACC. It is unclear if the property was previously encumbered by a Declaration of Trust in favor of HUD, as required by the ACC.

**CAUSE:**

It appears that WCHA did not realize that executing this document was possibly in violation of the Act of Congress and the ACC.

**EFFECT:**

WCHA may have violated provisions of the Act and the ACC. It is not clear whether the Mineral Lease was valid, legal, or enforceable given the possible violations described in this finding.

**QUESTIONED COSTS – NONE**

**PHA RESPONSE – SEE CORRECTIVE ACTION PLAN**

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2011

**FINDING NUMBER F- 2011-3**

**CRITERIA:**

The WCHA board minutes should properly document adequate internal controls over all financial statement issues in order to comply with Government Auditing Standards.

**CONDITION:**

The board minutes, in my opinion, do not adequately and/or properly describe board consideration of issues as required by Government Auditing Standards. Examples of specific deficiencies I noted include:

I noted numerous typographical errors in the board minutes.

Resolutions adopted are not always attached to the minutes. Since doing so is the normal practice of WCHA not doing so leaves an audit trail and internal control problem.

In One (1) case a Resolution was attached to the minutes but the minutes make no mention of the Resolution.

The Resolution mentioned immediately above appears to not include sufficient detail. The Resolution authorizes renting a unit to a WCHA employee and a unit to a City Police Officer but does not describe how the rent is to be calculated. I have confirmed that both HUD and the board approved the rent to be charged and that the board will ratify that in writing at the next board meeting.

At each meeting the Board routinely examines a list of checks issued and supporting documentation for each check but the list of checks is not attached to the minutes again causing an audit trail and internal control problem.

At One (1) meeting the Board reviewed and approved the 2012 Operating Budget but the minutes incorrectly described it as the 2010 Operating Budget. I am convinced this was just a typo error.

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2011

**CAUSE:**

It appears that the Board of Commissioners have not been properly trained on the requirements of board meetings/minutes in order to comply with GAS.

**EFFECT:**

The minutes of Board of Commissioner meetings do not document adequate internal controls in order to comply with requirements to satisfy GAS.

**QUESTIONED COSTS – NONE**

**PHA RESPONSE – SEE CORRECTIVE ACTION PLAN**

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2011

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COST**

**FINDING NUMBER F- 2011-2**

**FEDERAL PROGRAM IDENTIFICATION:**

Awarding Agency and Year – HUD CY 2010 & 2011

CFDA Title # 14.872, 14.885

Program Name – Capital Fund Program, ARRA Stimulus Grant

**CRITERIA:**

The Capital Fund Program requirements include that WCHA pay out all monies due vendors within 3 days of the draw-down of funds from the Federal Government.

**CONDITION:**

During the fiscal year, WCHA drew down \$42,794 of funds from the Federal Government but did not pay the vendor until approximately 3 months later.

**CAUSE:**

WCHA did not provide a cause for this delayed payment.

**EFFECT:**

It appears that WCHA did not comply with the timeliness provision of the CFP program in this case.

**QUESTIONED COSTS – NONE**

**PERSPECTIVE**

During the fiscal year WCHA expended \$244,799 using Capital Fund Program proceeds.

**PHA RESPONSE – SEE CORRECTIVE ACTION PLAN**

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana

Schedule of Prior Year Audit Findings  
Fiscal Year Ended September 30, 2011

There were no findings in the prior audit.

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana  
Corrective Action Plan for Current Year Findings  
For Fiscal Year Ended September 30, 2011

**FINDINGS—FINANCIAL STATEMENTS AUDIT**

**FINDING F-2011-1**

**CORRECTIVE ACTION PLAN**

Person Responsible—Mr. Don O'Bear, ED

Anticipated Completion Date—June 30-2012

**Corrective Action Planned:**

We will immediately request the written approval from HUD for the Oil, Gas, and Mineral Lease. We will from now on consider the Act and the ACC whenever any further business is presented to us that is affected by the Act and ACC. We intend to comply with all provisions of the Act and the ACC in the future. Once HUD approves or disapproves of WCHA executing the Mineral Lease, we will ask our attorney to determine if the Mineral Lease as previously executed requires any further modification or if it is OK as-is.

**FINDING F-2011-3**

**CORRECTIVE ACTION PLAN**

Person Responsible—Mr. Don O'Bear, ED

Anticipated Completion Date—April 30, 2012

**Corrective Action Planned:**

As the ED, I will ensure that the future board minutes describe more than adequate consideration of all internal control issues in order to satisfy GAS.

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana

Corrective Action Plan for Current Year Findings (Continued)  
For Fiscal Year Ended September 30, 2011

**FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

**FINDING F-2011-2**

**CORRECTIVE ACTION PLAN**

Person Responsible— Mr. Don O'Bear, ED

Anticipated Completion Date— March 31-2012

Corrective Action Planned:

We will make every effort to comply with the timeliness requirement for the CFP Program in the future.

**HOUSING AUTHORITY OF THE  
TOWN OF WHITE CASTLE**

White Castle, Louisiana  
Schedule of Compensation Paid to Board Members  
Fiscal Year Ended September 30, 2011

Board members serve without compensation

SCHEDULE 5

**Housing Authority of the Town of White Castle**  
 White Castle, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2011

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 265,800
Public Housing Capital Fund Program	14.872	244,799
ARRA - American Recovery and Reinvestment Act	14.885	43,544
<b>Total Federal Expenditures</b>		<b>\$ 554,143</b>

See accompanying notes to schedule of expenditures of federal awards.

# HOUSING AUTHORITY OF THE TOWN OF WHITE CASTLE

White Castle, Louisiana

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2011

### NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

### NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

### NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Low Rent Public Housing	265,800
Public Housing Capital Fund Program	244,799
ARRA - American Recovery and Reinvestment Act	43,544

### NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

### NOTE E - FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

Housing Authority of the Town of White Castle (LA093)  
 WHITE CASTLE, LA  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
111 Cash - Unrestricted	\$87,568		\$87,568	\$87,568
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$11,710		\$11,710	\$11,710
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$99,278	\$0	\$99,278	\$99,278
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$10,247		\$10,247	\$10,247
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$5,942		\$5,942	\$5,942
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,466		-\$1,466	-\$1,466
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$14,733	\$0	\$14,733	\$14,733
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$29,516		\$29,516	\$29,516
143 Inventories	\$7,276		\$7,276	\$7,276
143.1 Allowance for Obsolete Inventories	-\$364		-\$364	-\$364
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$150,439	\$0	\$150,439	\$150,439
161 Land	\$236,540		\$236,540	\$236,540
162 Buildings	\$5,124,146		\$5,124,146	\$5,124,146
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$204,084		\$204,084	\$204,084
165 Leasehold Improvements	\$1,119,352		\$1,119,352	\$1,119,352
166 Accumulated Depreciation	-\$4,692,449		-\$4,692,449	-\$4,692,449
167 Construction in Progress	\$565,066		\$565,066	\$565,066
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,556,741	\$0	\$2,556,741	\$2,556,741
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$2,556,741	\$0	\$2,556,741	\$2,556,741
190 Total Assets	\$2,707,180	\$0	\$2,707,180	\$2,707,180
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$9,703		\$9,703	\$9,703
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$5,871		\$5,871	\$5,871
322 Accrued Compensated Absences - Current Portion	\$8,457		\$8,457	\$8,457
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				

332	Account Payable - PHA Projects				
333	Accounts Payable - Other Government	\$49,789		\$49,789	\$49,789
341	Tenant Security Deposits	\$11,710		\$11,710	\$11,710
342	Deferred Revenues	\$1,834		\$1,834	\$1,834
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities				
346	Accrued Liabilities - Other				
347	Inter Program - Due To				
348	Loan Liability - Current				
310	Total Current Liabilities	\$87,364	\$0	\$87,364	\$87,364
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352	Long-term Debt, Net of Current - Operating Borrowings				
353	Non-current Liabilities - Other				
354	Accrued Compensated Absences - Non Current	\$14,798		\$14,798	\$14,798
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities				
350	Total Non-Current Liabilities	\$14,798	\$0	\$14,798	\$14,798
300	Total Liabilities	\$102,162	\$0	\$102,162	\$102,162
508.1	Invested in Capital Assets, Net of Related Debt	\$2,556,741		\$2,556,741	\$2,556,741
509.2	Fund Balance Reserved				
511.2	Unreserved, Designated Fund Balance				
511.1	Restricted Net Assets				
512.1	Unrestricted Net Assets	\$48,277	\$0	\$48,277	\$48,277
512.2	Unreserved, Undesignated Fund Balance				
513	Total Equity/Net Assets	\$2,605,018	\$0	\$2,605,018	\$2,605,018
600	Total Liabilities and Equity/Net Assets	\$2,707,160	\$0	\$2,707,160	\$2,707,160

Housing Authority of the Town of White Castle (LA093)  
 WHITE CASTLE, LA  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
70300 Net Tenant Rental Revenue	\$251,031		\$251,031	\$251,031
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$251,031	\$0	\$251,031	\$251,031
70600 HUD/PHA Operating Grants	\$297,475		\$297,475	\$297,475
70610 Capital Grants	\$213,124	\$43,544	\$256,668	\$256,668
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$514		\$514	\$514
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$17,002		\$17,002	\$17,002
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$778,146	\$43,544	\$822,690	\$822,690
91100 Administrative Salaries	\$120,122		\$120,122	\$120,122
91200 Auditing Fees	\$11,970		\$11,970	\$11,970
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$43,449		\$43,449	\$43,449
91600 Office Expenses	\$20,894		\$20,894	\$20,894
91700 Legal Expense	\$1,602		\$1,602	\$1,602
91800 Travel	\$4,752		\$4,752	\$4,752
91810 Allocated Overhead				
91900 Other	\$27,506		\$27,506	\$27,506
91000 Total Operating - Administrative	\$230,295	\$0	\$230,295	\$230,295
92000 Asset Management Fee				
92100 Tenant Services - Salaries	\$26,298		\$26,298	\$26,298
92200 Relocation Costs	\$441		\$441	\$441
92300 Employee Benefit Contributions - Tenant Services	\$13,188		\$13,188	\$13,188
92400 Tenant Services - Other				
92500 Total Tenant Services	\$39,927	\$0	\$39,927	\$39,927
93100 Water	\$1,153		\$1,153	\$1,153
93200 Electricity	\$12,770		\$12,770	\$12,770
93300 Gas	\$416		\$416	\$416
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$14,339	\$0	\$14,339	\$14,339
94100 Ordinary Maintenance and Operations - Labor	\$72,613		\$72,613	\$72,613
94200 Ordinary Maintenance and Operations - Materials and Other	\$26,030		\$26,030	\$26,030
94300 Ordinary Maintenance and Operations Contracts	\$51,899		\$51,899	\$51,899

94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,448		\$21,448	\$21,448
94000 Total Maintenance	\$171,890	\$0	\$171,890	\$171,890
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs	\$441		\$441	\$441
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$441	\$0	\$441	\$441
96110 Property Insurance	\$53,579		\$53,579	\$53,579
96120 Liability Insurance				
96130 Workmen's Compensation	\$15,265		\$15,265	\$15,265
96140 All Other Insurance	\$4,981		\$4,981	\$4,981
96100 Total Insurance Premiums	\$73,825	\$0	\$73,825	\$73,825
96200 Other General Expenses				
96210 Compensated Absences	\$13,627		\$13,627	\$13,627
96300 Payments In Lieu of Taxes	\$23,669		\$23,669	\$23,669
96400 Bad debt - Tenant Rents	\$8,894		\$8,894	\$8,894
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$48,190	\$0	\$48,190	\$48,190
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96800 Total Operating Expenses	\$577,007	\$0	\$577,007	\$577,007
97000 Excess of Operating Revenue over Operating Expenses	\$202,139	\$43,544	\$245,883	\$245,883
97100 Extraordinary Maintenance	\$26,460		\$26,460	\$26,460
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$269,413		\$269,413	\$269,413
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$872,880	\$0	\$872,880	\$872,880
10010 Operating Transfer In	\$25,875		\$25,875	\$25,875
10020 Operating transfer Out	-\$25,875		-\$25,875	-\$25,875
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$93,734	\$43,544	-\$50,190	-\$50,190
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,655,208	\$0	\$2,655,208	\$2,655,208
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$43,544	-\$43,544	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				

11070	Changes in Unrecognized Pension Transition Liability			
11080	Changes in Special Term/Severance Benefits Liability			
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100	Changes in Allowance for Doubtful Accounts - Other			
11170	Administrative Fee Equity			
11180	Housing Assistance Payments Equity			
11190	Unit Months Available	1608	1608	1608
11210	Number of Unit Months Leased	1541	1541	1541
11270	Excess Cash	-\$20,936	-\$20,936	-\$20,936
11610	Land Purchases	\$0	\$0	\$0
11620	Building Purchases	\$0	\$0	\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640	Furniture & Equipment - Administrative Purchases	\$28,717	\$28,717	\$28,717
11650	Leasehold Improvements Purchases	\$227,951	\$227,951	\$227,951
11660	Infrastructure Purchases	\$0	\$0	\$0
13510	CFFP Debt Service Payments	\$0	\$0	\$0
13901	Replacement Housing Factor Funds	\$0	\$0	\$0