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

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 04/18/01

**General Purpose Financial Statements and
Independent Auditors Reports
As of and for the Year Ending September 30, 2000
With Supplemental Information Schedules**

*WILLIAM DANIEL McCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION*

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

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

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

TELEPHONE NUMBER (504) 845-7772
FAX NUMBER (504) 845-1313
CELL NUMBER (504) 807-6498
E-MAIL DANNYMAC@CMQ.COM

MEMBER OF:
MISSISSIPPI SOCIETY OF CPA'S
LOUISIANA SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

I have audited the accompanying general purpose financial statements of the Housing Authority of the Town of White Castle, Louisiana (PHA) as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

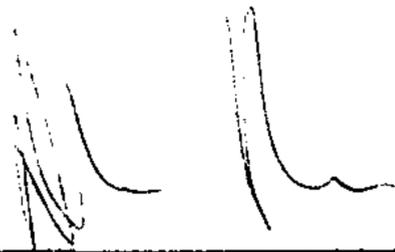
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 general purpose 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, 2000, the results of its operations, changes in its total net assets and statement of cash flows for the year then ended, in conformity with generally accepted accounting principles.

As described in Note A to the financial statements, the PHA has changed from the GAAP Governmental Funds to the GAAP Enterprise Funds method for the year ended September 30, 2000.

In accordance with Government Auditing Standards, I have also issued a report dated February 8, 2001 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The supplementary schedules are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are not a required part of the basic financial statements. Such information had been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 8, 2001

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Combined Balance Sheet - All Funds
As of September 30, 2000**

EXHIBIT A
Page 1 of 1

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 23,887
Total Accounts Receivable, Net of Allowance for Doubtful Accounts	1,479
Investments - Unrestricted	39,894
Interprogram Due From	-
Prepaid Expenses and Other Assets	10,308
Inventories	1,255
Total Current Assets	<u>\$ 76,823</u>
Noncurrent Assets:	
Total Fixed Assets, Net of Accumulated Depreciation	\$ 2,338,350
Other Assets	-
Total Noncurrent Assets	<u>\$ 2,338,350</u>
Total Assets	<u><u>\$ 2,415,173</u></u>

Liabilities and Equity

Current Liabilities:	
Accrued Compensated Absences	\$ 5,722
Accrued Wage/Payroll Taxes Payable	2,986
Accounts Payable < 90 Days	3,177
Accounts Payable - HUD PHA Programs	6,365
Accounts Payable - Other Government	35,755
Tenant Security Deposits	11,430
Deferred Revenues	4,422
Current Portion of LT Debt - Capital Projects	-
Accrued Liabilities - Other	-
Interprogram Due To	-
Total Current Liabilities	<u>\$ 69,857</u>
Total Noncurrent Liabilities	-
Total Liabilities	\$ 69,857
Total Fund Equity	<u>\$ 2,345,316</u>
Total Liabilities and Equity	<u><u>\$ 2,415,173</u></u>

See notes to financial statements

Housing Authority of the Town of White Castle
White Castle, Louisiana
Combined Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000

EXHIBIT B
Page 1 of 1

Revenues:	
Net Tenant Rental Revenue	\$ 189,939
HUD PHA Grants	74,523
Other Government Grants	-
Investment Income - Unrestricted	2,489
Other Revenue	-
Total Revenues	<u>\$ 266,951</u>
Operating Expenses:	
Administrative	\$ 117,489
Tenant Services	23,722
Utilities	8,744
Ordinary Maintenance & Operations	74,472
Protective Services	-
Insurance Premiums	25,044
Other General Expenses	16,845
Total Operating Expenses Before Depreciation	<u>\$ 266,316</u>
Excess Revenue Over Expenses Before Depreciation	\$ 635
Extraordinary Maintenance	34,210
Casualty Losses - Non-Capitalized	-
Housing Assistance Payments	-
Depreciation Expense	120,307
Operating Transfers - In	
Operating Transfers - Out	
Net Operating Income (Loss) After Depreciation	<u>\$ (153,882)</u>
Beginning Equity @ 9/30/99	\$ 2,487,905
Net Operating Income (Loss) After Depreciation	(153,882)
Prior Period Adjustments	4,868
Capital Outlays	-
Ending Equity @ 9/30/00	<u>\$ 2,338,891</u>

See notes to financial statements

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000**

EXHIBIT C
Page 1 of 2

Cash flows from operating activities:	
Cash received from tenants	\$ 189,939
Cash received from other income	-
Cash paid for goods and services	(179,020)
Cash paid to employees	<u>(83,653)</u>
Net cash provided by operating activities	<u>\$ (72,734)</u>
Cash flows from noncapital financing activities:	
Operating grants and subsidies - soft costs	\$ 37,853
Cash paid for goods and services	<u>(37,853)</u>
Net cash - soft costs	\$ -
State/Local Grants	\$ -
Operating subsidy - Low rent	36,670
Operating subsidy - Section 8	<u>-</u>
Net cash provided from noncapital financing activities	<u>\$ 36,670</u>
Cash flows from capital and related financing activities:	
Proceeds from grants	-
Acquisition of capital assets	-
Proceeds from financing	-
Acquisition of capital assets	<u>-</u>
Net cash used for capital and related financing activities	\$ -
Cash flows from investing activities:	
Interest on Investments	<u>\$ 2,489</u>
Total cash from investing activities	\$ 2,489
Total Cash Provided (Page 1)	\$ (33,575)

See notes to financial statements

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000**

EXHIBIT C
Page 2 of 2

Reconciliation of operating income to net cash provided by operating activities:

Adjustments to reconcile operating income to net cash	\$ 4,867
Total net adjustments -non cash	\$ 4,867
Adjustments to reconcile operating income to net cash:	
(Increase) Decrease in tenant rents receivable	\$ 1,957
(Increase) Decrease due from U.S. Department of HUD	-
(Increase) Decrease due in supplies inventory	(1,255)
(Increase) Decrease in prepaid expenses & other assets	27
(Increase) Decrease in undistributed debits	-
(Increase) Decrease in accounts receivable misc	-
Increase (Decrease) in accounts payable other governments	35,755
Increase (Decrease) in accounts payable and accrued liabilities	(20,044)
Increase (Decrease) in accrued PILOT	(19,096)
Increase (Decrease) in accounts payable HUD	1,824
Increase (Decrease) in accrued compensated absences	(733)
Increase (Decrease) in deferred revenue	4,422
Increase (Decrease) in tenant security deposits	(90)
Total adjustments to reconcile operating income to net cash	\$ 2,767
Net change (decrease) in cash and cash equivalents	\$ (25,941)
Cash and cash equivalents at beginning of year	89,722
Cash and cash equivalents at end of year (exhibit A)	\$ 63,781

See notes to financial statements

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Combined Statement of Revenues & Expenditures - Budget vs. Actual
Low Rent Public Housing
For Fiscal Year Ending September 30, 2000**

EXHIBIT D
Page 1 of 1

	Budget (HUD 52599)	Actual (Sch 3, Col B)	Variance Actual-Budget Over (Under)
Revenues			
Local Sources:			
Total Tenant Rental Revenue	\$ 179,800	\$ 189,939	\$ 10,139
Investment Income - Unrestricted	5,680	2,489	(3,191)
Receipts from Sale of Equipment	-	-	-
Other Revenue	6,900	-	(6,900)
Federal Sources:			
Operating Subsidy / HUD PHA Grants	38,494	36,670	(1,824)
Annual Contributions	-	-	-
Total Revenues	\$ 230,874	\$ 229,098	\$ (1,776)
Expenditures			
Administrative	\$ 80,160	\$ 71,929	\$ (8,231)
Tenant Services	18,340	17,600	(740)
Utilities	10,030	8,744	(1,286)
Ordinary Maintenance & Operations	74,670	57,489	(17,181)
Employee Benefit Contributions	31,490	30,812	(678)
Other General Expenses	33,970	25,230	(8,740)
Payments in Lieu of Taxes	16,980	16,659	(321)
Nonroutine Maintenance	34,880	34,210	(670)
Capital Expenditures	-	-	-
Housing Assistance Payments	-	-	-
Total Expenditures	\$ 300,520	\$ 262,673	\$ (37,847)
Excess Revenues (Deficiency) Over Expenses	\$ (69,646)	\$ (33,575)	\$ 36,071

See notes to financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

Housing Authorities are 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 White Castle, Louisiana. This creation was contingent upon the local governing body of the city, county, or parish as applicable. A five member Board of commissioners governs the PHA. The members, appointed by the Mayor of White Castle, Louisiana, serve a four year staggered term.

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

NOTE A - FINANCIAL REPORTING:

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of September 30, 2000, and for the fiscal year then ended, the PHA had no discretely presented component units or any component units that are required to be blended in these financial statements.

(2) Accounting Principle

For the year ending September 30, 2000, the PHA has changed from the GAAP Governmental Funds to the GAAP Enterprise Funds method of accounting.

The enterprise method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The enterprise method recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable.

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

Depreciation expense must be recognized for the enterprise method of accounting. Under the HUD regulatory method of accounting, depreciation was not recognized.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(3) Budgetary Data

The PHA is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS:

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 2000. The categories are described as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3: Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

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

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category 1	Category 2	Category 3
\$ 23,887	\$ 23,887	\$ 0	\$ 0

NOTE C - ACTIVITIES OF THE PHA:

At September 30, 2000, the PHA was managing 134 units of low-rent public housing under contract FW-1319 and a public housing comprehensive improvement assistance program.

NOTE D - CONTINGENCIES:

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

NOTE E - FIXED ASSETS:

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Non-dwelling structures	20 Years
Equipment	3-7 Years

Public Housing Low-Rent Program	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Land	\$ 882,258	-0-	-0-	\$ 882,258
Buildings	\$ 3,170,444	\$ 117,976	\$ 1,748,867	\$ 1,421,577
Furniture & Equipment -- Dwellings	\$ 38,415	\$ 1,429	\$ 21,190	\$ 17,225
Furniture & Equipment -- Administration	\$ 24,232	\$ 902	\$ 13,367	\$ 10,865
TOTAL	\$ 4,115,349	\$ 120,307	\$ 1,783,424	\$ 2,331,925

Public Housing CIAP	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Leasehold Improvements	\$ 6,425	-0-	-0-	\$ 6,425
TOTAL	\$ 6,425	-0-	-0-	\$ 6,425

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

The capitalization limit is \$5,000.

All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F - LONG-TERM DEBT:

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the authority, and accordingly, have not been reported in the accompanying financial statements. The amount of this debt that has been reclassified to HUD Equity is \$1,153,009.

NOTE G - RETIREMENT PLAN:

The entity provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-month exclusionary period. The employee contributes 5% and the entity contributes 8% of the employee's base monthly salary. The entity's contributions for each employee (and interest allocated to the employee's account) vest at 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll for the fiscal year ending September 30, 2000 was \$83,653. The entity's contributions were calculated using the base salary amount of \$83,653. Contributions to the plan were \$4,183 and \$6,692, by the employees and entity, respectively.

NOTE H - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

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

NOTE I - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE J - PRIOR PERIOD ADJUSTMENTS:

Low Rent Public Housing	
Lawsuit Claims Difference	\$ (4,875)
Correction	\$ 9,743
TOTAL	\$ 4,868

NOTE K - INTERFUND RECEIVABLES / PAYABLES:

None

NOTE L - COMPENSATED ABSENCES:

At September 30, 2000, employees of the PHA have accumulated and vested \$5,722 of employee-leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2000 was \$5,722.

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Expenditures of Federal Awards
For Fiscal Year Ending September 30, 2000**

SCHEDULE I
Page 1 of 1

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	36,670
14.852	Public Housing-Comprehensive Improvement Assistance Program	37,853
Total Federal Expenditures		<u>\$ 74,523</u>

See notes to financial statements

Housing Authority of the Town of White Castle
White Castle, Louisiana
Combining Balance Sheet - All Funds
As of September 30, 2000

SCHEDULE II
Page 1 of 2

<u>Assets</u>	<i>Public Housing Programs</i>		
	<i>Low Rent</i>	<i>CIAP</i>	<i>Total</i>
Current Assets:			
Cash - Unrestricted	\$ 23,887	\$ -	\$ 23,887
Total Cash	\$ 23,887	\$ -	\$ 23,887
Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -
Accounts Receivable - HUD Other Projects	-	-	-
Accounts Receivable - Tenants Dwelling Rents	2,210	-	2,210
Allowance for Doubtful Accounts - Dwelling Rents	(731)	-	(731)
Accrued Interest Receivable	-	-	-
Total Accounts Receivable, Net of Allowance	\$ 1,479	\$ -	\$ 1,479
Interprogram Due From	\$ -	\$ -	\$ -
Investments - Unrestricted	39,894	-	39,894
Prepaid Expenses and Other Assets	10,308	-	10,308
Inventories	1,255	-	1,255
Total Other Assets	\$ 51,457	\$ -	\$ 51,457
Total Current Assets	\$ 76,823	\$ -	\$ 76,823
Noncurrent Assets:			
Land	\$ 882,258	\$ -	\$ 882,258
Buildings	3,170,444	-	3,170,444
Furniture, Equipment & Machinery - Dwellings	38,415	-	38,415
Furniture, Equipment & Machinery - Administration	24,232	-	24,232
Leasehold Improvements	-	6,425	6,425
Accumulated Depreciation	(1,783,424)	-	(1,783,424)
Construction In Progress	-	-	-
Total Fixed Assets, Net of Accumulated Depreciation	\$ 2,331,925	\$ 6,425	\$ 2,338,350
Other Assets	\$ -	\$ -	\$ -
Total Noncurrent Assets	\$ 2,331,925	\$ 6,425	\$ 2,338,350
Total Assets	\$ 2,408,748	\$ 6,425	\$ 2,415,173

See notes to financial statements

Housing Authority of the Town of White Castle
White Castle, Louisiana
Combining Balance Sheet - All Funds
As of September 30, 2000

SCHEDULE II

Page 2 of 2

	<i>Public Housing Programs</i>		
	<u>Low Rent</u>	<u>CIAP</u>	<u>Total</u>
<u>Liabilities and Equity</u>			
Current Liabilities:			
Accrued Compensated Absences	\$ 5,722	\$ -	\$ 5,722
Accrued Wage/Payroll Taxes Payable	2,986	-	2,986
Accounts Payable < 90 Days	3,177	-	3,177
Accounts Payable - HUD PHA Programs	6,365	-	6,365
Accounts Payable - Other Government	35,755	-	35,755
Tenant Security Deposits	11,430	-	11,430
Deferred Revenues	4,422	-	4,422
Current Portion of LT Debt - Capital Projects	-	-	-
Accrued Liabilities - Other	-	-	-
Interprogram Due To	-	-	-
Total Current Liabilities	<u>\$ 69,857</u>	<u>\$ -</u>	<u>\$ 69,857</u>
Noncurrent Liabilities:			
Long-term Debt, Net of Current - Capital Projects	\$ -	\$ -	\$ -
Noncurrent Liabilities - Other	-	-	-
Total Noncurrent Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 69,857</u>	<u>\$ -</u>	<u>\$ 69,857</u>
Equity:			
Project Notes (HUD)	\$ -	\$ -	\$ -
Long-term Debt - HUD Guaranteed	1,153,009	-	1,153,009
Net HUD PHA Contributions	1,259,512	6,425	1,265,937
Other Contributions	-	-	-
Total Contributed Capital	<u>\$ 2,412,521</u>	<u>\$ 6,425</u>	<u>\$ 2,418,946</u>
Undesignated Fund Balance/Retained Earnings	\$ (73,630)	-	(73,630)
Total Equity	<u>\$ 2,338,891</u>	<u>\$ 6,425</u>	<u>\$ 2,345,316</u>
Total Liabilities and Equity	<u>\$ 2,408,748</u>	<u>\$ 6,425</u>	<u>\$ 2,415,173</u>

See notes to financial statements

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

SCHEDULE III
Page 1 of 2

**Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000**

	<i>Public Housing Programs</i>		
	<i>Low Rent</i>	<i>CIAP</i>	<i>Total</i>
	-----	-----	-----
Revenues:			
Net Tenant Rental Revenue	\$ 175,334	\$ -	\$ 175,334
Net Tenant Revenue - Other	14,605	-	14,605
Total Tenant Rental Revenue	\$ 189,939	\$ -	\$ 189,939
HUD PHA Grants	\$ 36,670	\$ 37,853	\$ 74,523
Gain/Loss on Sale of Fixed Assets	-	-	-
Investment Income - Unrestricted	2,489	-	2,489
Other Revenue	-	-	-
Total Other Revenue	\$ 39,159	\$ 37,853	\$ 77,012
Total Revenue	\$ 229,098	\$ 37,853	\$ 266,951
Operating Expenses:			
Administrative Salaries	\$ 34,779	\$ -	\$ 34,779
Auditing Fees	12,120	-	12,120
Compensated Absences	5,534	-	5,534
Employee Benefit Contributions-Administrative	7,707	-	7,707
Other Operating - Administrative	19,496	37,853	57,349
Tenant Services-Salaries	17,600	-	17,600
Employee Benefit Contributions-Tenant Services	6,122	-	6,122
Tenant Services-Other	-	-	-
Water	1,695	-	1,695
Electricity	6,899	-	6,899
Gas	150	-	150
Other Utilities Expense	-	-	-
Ordinary Maintenance & Operations-Labor	31,274	-	31,274
Ordinary Maintenance & Operations-Materials	15,497	-	15,497
Ordinary Maintenance & Operations-Contract	10,718	-	10,718
Employee Benefit Contributions-Maintenance	16,983	-	16,983
Insurance Premiums	25,044	-	25,044
Other General Expenses	186	-	186
Payments in Lieu of Taxes	16,659	-	16,659
Bad Debt - Other	-	-	-
Interest Expense	-	-	-
Total Operating Expenses Before Depreciation	\$ 228,463	\$ 37,853	\$ 266,316

See notes to financial statements

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

SCHEDULE III

Page 2 of 2

**Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000**

	<i>Public Housing Programs</i>		<i>Total</i>
	<i>Low Rent</i>	<i>CIAP</i>	
Excess Revenue Over Expenses Before Depreciation	\$ 635	\$ -	635
Extraordinary Maintenance	34,210	-	34,210
Casualty Losses - Non-Capitalized	-	-	-
Housing Assistance Payments	-	-	-
Depreciation Expense	120,307	-	120,307
Operating Transfers - In	-	-	-
Operating Transfers - Out	-	-	-
Net Operating Income (Loss) After Depreciation	\$ (153,882)	\$ -	\$ (153,882)
Beginning Equity @ 9/30/99	\$ 2,487,905	\$ -	\$ 2,487,905
Net Operating Income (Loss) After Depreciation	(153,882)	-	(153,882)
Prior Period Adjustments	4,868	-	4,868
Capital Outlays Enterprise Fund	-	-	-
Ending Equity @ 9/30/00	\$ 2,338,891	\$ -	\$ 2,338,891

See notes to financial statements

**Housing Authority of the Town of White Castle
White Castle, Louisiana
Per Diem Paid to Commissioners
For Fiscal Year Ending September 30, 2000**

**SCHEDULE IV
Page 1 of 1**

Hebert Starks	\$ 575
Gerland Clement	600
Allen O'Bear	600
Sandra Babin	600
Sam Agosta	300
	<hr/>
	2,675
	<hr/>

See notes to financial statements

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

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

TELEPHONE NUMBER (504) 845-7772
FAX NUMBER (504) 845-1313
CELL NUMBER (504) 807-6498
E-MAIL DANNYMAC@CMQ.COM

MEMBER OF:
MISSISSIPPI SOCIETY OF CPA'S
LOUISIANA SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL 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 Housing Authority of the Town of White Castle (PHA), as of and for the year ended September 30, 2000 and have issued my report thereon dated February 8, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item(s) 2000-1 through 2000-4.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA'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 assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operating that I consider to be reportable

conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design of operation of the internal control over financial reporting that, in my judgment, could adversely affect the PHA's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item(s) 2000-1 through 2000-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the 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. My consideration of the internal control that might be reportable conditions, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item(s) 2000-1 through 2000-4 to be material weaknesses.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 8, 2001

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

SCHEDULE OF PRIOR FINDINGS

The prior audit included the following findings that we consider cleared:

- 99-1 Duplicate payment of invoices.
- 99-2 The audit was late per State law.
- 99-3 Inadequate payroll records.
- 99-4 Tenant records with missing information.
- 99-5 PFS differences.
- 99-6 Untimely HQS inspections.

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

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS
WITH CORRECTIVE ACTION PLAN***

Finding 2000-1:

Condition - We noted a number of CIAP program deficiencies:

- LOCCS draws do not match with CIAP expenditures. It appears that the draws are “rounded up” and do not agree with account coding per the approved CIAP budget. Examples include account 1450 Site Improvements where \$12,900 was drawn but only \$6,425 was expended, account 1408 where \$17,300 was drawn but \$20,090 expended, and account 1430 where \$18,500 was drawn but \$17,763 was expended. Draws total \$48,700 whereas expenditures total \$44,278.
- LOCCS draws were made and the matching funds not expended timely. Examples include a draw for architectural fees on 8-16-2000 in the amount of \$3,500 where the architect was not paid until 9-21-2000 in the amount of \$3,553. Another example is a draw for architectural fees on 5-31-2000 in the amount of \$15,000 where the architect was not paid until 6-26-2000 in the amount of \$14,210.
- The CIAP funds security patrol. This includes 2 off duty city policemen. The policemen alternate weeks with each invoicing the PHA for 49 hours for the week that he patrols. We understand that the policemen work a 40-hour week for the city during the weeks that they also work for the PHA. It is unclear how someone works 89 hours per week every other week. Additionally, the PHA certifies each year that no worker works more than full time. The 2 timesheets that we tested had spaces for time in and time out each day but they were not filled in. The board minutes reflect comments by residents, commissioners, and the Executive Director questioning if the city police department is doing an adequate job.
- The contract for the architect requires that he make periodic inspections of the work at least every other week during construction, guard the PHA against defects and deficiencies in the work, and submit a written report to the PHA after each such visit. We could not locate any such written reports. We could not find any evidence that the PHA properly procured the architectural services.

Criteria –

- LOCCS draws should be made only for the amount of expenditures incurred and these amounts should be disbursed within 3 days of the PHA's receipt of the LOCCS monies per HUD regulations.
- It may be unreasonable for a policeman to patrol a total of 89 hours per week for the city and the PHA. Timesheets should be completed in full prior to any expenditure. Per the cooperation agreement between the PHA and the City, the city police department is required to provide the same level of police protection to all PHA residents as they provide to all city residents.
- The architect, per contract, must inspect construction and submit written reports to the PHA. The PHA should procure architectural services to comply with State and Federal law.

Effect –

- The PHA may not be complying with HUD regulations relative to the CIAP program.
- The PHA may be, in effect, subsidizing the city police force and violating the cooperation agreement as well as Federal law. Perhaps the PHA should consider withholding PILOT payments to the city until this matter is resolved, per the cooperation agreement.
- The PHA may not have proper monitoring of the construction related to the CIAP program.

Finding 2000-1 Corrective Action Plan:

Person Responsible – Bert Dugas

Completion Date – 3-1-2001

Action Planned – We will keep a register of CIAP expenditures and draws. We will only draw monies to be expended in the exact amounts due. We will draw monies only in the correct approved budget categories. We will disburse within 3 days of receipt of the LOCCS draw receipts.

Security - Timesheets are now completed by the patrol officers. We are looking into purchasing time clocks placed in each of our developments for these police to use. And even though we do have a cooperation agreement with the City, requiring the police department to provide the authority with the same level of police protection to our

residents as they provide to all city residents, they do not. While it may be unreasonable for a policeman to patrol a total of 89 hours per week for the city and for the PHA, Mr. Dugas stated that it is not uncommon for persons to work 16 hours a day.

Architectural – We've questioned the architect regarding reports. He stated that he has been driving through inspecting, but has not had time to submit reports to us. Since this questioning, he has submitted several reports to us, and if he cannot come to inspect, he has sent another co-worker to come and make inspections.

Finding 2000-2:

Condition – The PHA has filed a Management Assessment Sub System (MASS) report that is incorrect. PHA staff incorrectly entered data that included that the PHA did not lease any vacant apartments during the fiscal year. We attempted to trace responses to worksheets but the PHA was not able to provide worksheets for vacant unit turnaround and maintenance work orders. The work order response was that 778 non-emergency work orders were completed all within 1 day of receipt.

Criteria – The PHA should ensure that data entered is accurate. The PHA should compile and keep worksheets to document all entries. Entries should be reasonable and accurate. It may be unreasonable to think that 778 work orders could all be completed within 1 day each.

Effect – The MASS self-scoring is completely inaccurate. MASS is HUD's way of monitoring the management performance of staff. Per HUD regulations, when a PHA does not satisfy the auditor as to source documentation then the scores are to be replaced with a zero. A low enough MASS score can cause a PHA to be declared "Troubled."

Finding 2000-2 Corrective Action Plan:

Person Responsible – Bert Dugas

Completion Date – 3-15-2001

Action Planned – We will correct the MASS submission. We will institute record keeping to provide source documentation for each response on MASS. We do have our source documentation, but failed to attach to copies of MASS submission. We contacted REAC regarding MASS submission and asked if we could re-submit. We were told that once a submission was approved, it could not be changed.

AUDITORS FOLLOW UP – I specifically asked for MASS supporting documentation and the PHA was not able to provide it. This is not a matter of source documentation not being attached to anything. It is a matter of inadequate source documentation -- period. The PHA and I disagree on this matter. HUD regulations specify that if the auditor is not furnished adequate source documentation then the score will be changed to ZERO.

Finding 2000-3:

Condition – Three contracts totaling around \$1200 per month have been renewed over the years with out competitive bidding; one of the three has been in existence since 1991.

Criteria – HUD regulations require any contract over 2 years in length and/or with any extension at all be approved by HUD.

Effect – The PHA violated HUD regulations.

CPA comment – It is hereby noted that our impression of the 3 contracts in question include that the PHA is getting quality work for a reasonable cost. The finding is only that the PHA should properly bid the work.

Finding 2000-3 Corrective Action Plan:

Person Responsible – Bert Dugas

Completion Date – 4-30-2001

Action Planned – We realize that we are getting a good price for services provided. We will re-bid the work and contracts will be updated yearly.

Finding 2000-4:

Condition -- Commissioners are paid \$50 per board meeting for attendance. We noted 2 instances where commissioners were paid for board meetings that they did not attend.

Criteria – Commissioners should only be paid per diem for meetings that they attend.

Effect – These payments for meetings not attended violated State law.

Finding 2000-4 Corrective Action Plan:

Person Responsible – Bert Dugas

Completion Date – 2-28-2001

Action Planned – The instance of the 2 commissioners being paid for meetings they did not attend was an oversight. Effective immediately, each commissioner paid will be asked to sign an affidavit stating they are receiving said check for the previous meeting, which they attended.