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HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2001

REISSUED

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 8/20/02

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the **Housing Authority of the City of Slidell (the Authority)** as of and for the year ended March 31, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the **Authority's** management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Authority**, as of March 31, 2001, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2001, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. Also, this report contained instances of noncompliance.

As discussed in NOTE 17 to the financial statements, certain errors of both typographical and mathematical nature were discovered in the notes to the financial statements and in the supplementary information accompanying the previously issued statements. Accordingly, the necessary corrections have been made in the accompanying revised financial statements.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2001
(except for NOTE 17, as to
which the date is April 26, 2002)

Bruno & Tervalon LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE CITY OF SLIDELL
BALANCE SHEET - ENTERPRISE FUND
MARCH 31, 2001

ASSETS

Cash and temporary cash investments (NOTE 5)	\$ 1,180,427
Amounts receivable, net (NOTE 2)	120,683
Prepaid assets (NOTE 3)	52,036
Due from other funds (NOTE 11)	2,874,773
Land, structures and equipment, net (NOTES 4 and 8)	<u>3,879,411</u>
 Total assets	 <u>\$ 8,107,330</u>

LIABILITIES AND EQUITY

Liabilities:

Amounts and accrued liabilities payable (NOTE 6)	\$ 794,146
Compensated absences payable (NOTE 16)	9,367
Tenants security deposits held (NOTE 5)	14,695
Due to other funds (NOTE 11)	2,874,773
Deferred credit (NOTE 14)	<u>30,875</u>

Total liabilities 3,723,856

Equity:

Contributed capital (NOTE 8) 5,587,712

Retained deficit:

Unreserved retained deficit (1,204,238)

Total equity 4,383,474

Total liabilities and equity \$ 8,107,330

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

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2001

Operating Revenues:	
Dwelling rental	\$ <u>168,853</u>
Total operating revenues	<u>168,853</u>
Operating Expenses:	
Salaries and employee benefits	178,787
Materials	17,155
Contractual services	52,233
Utilities	78,974
Depreciation	162,121
Insurance	52,005
Housing assistance payments	878,297
Housing assistance payments - portability	23,007
Convention and travel	26,404
Bad debt expense	23,231
Audit	33,150
Telephone	13,604
Tenant services	9,907
Postage and printing	7,627
Supplies	7,987
Membership dues and fees	5,795
Other expenses	<u>19,251</u>
Total operating expenses	<u>1,589,535</u>
Operating loss	<u>(1,420,682)</u>
Non-operating Revenue:	
Federal grants and subsidies	1,222,272
State grant	1,000
Interest income	57,135
Portability income	15,717
Other	<u>59,888</u>
Total non-operating revenue	<u>1,356,012</u>
Net loss	<u>(64,670)</u>
Retained (deficit), beginning of year	(1,128,475)
Adjustment, net to beginning retained (deficit) (NOTE 12)	<u>(11,093)</u>
Beginning retained (deficit), as restated	<u>(1,139,568)</u>
Retained (deficit), end of year	<u>\$(1,204,238)</u>

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

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATEMENT OF CASH FLOWS--ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2001

Operating loss	\$(1,420,682)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:	
Depreciation	162,121
Bad debt expense	23,231
Increase in amounts receivable	(129,233)
Increase in prepaid and other assets	(37,461)
Increase in interfund receivables	(932,665)
Increase in amounts and accrued liabilities payable	505,826
Increase in compensated absences payable	515
Increase in tenant security deposits held	4,571
Increase in interfund payables	904,707
Other	<u>(11,093)</u>
Net cash used in operating activities	<u>(930,163)</u>
Cash Flows from Investing Activities:	
Interest received	<u>57,135</u>
Cash provided by investing activities	<u>57,135</u>
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	1,222,272
State grant	1,000
Portability income	15,717
Other	<u>59,888</u>
Cash provided by noncapital financing activities	<u>1,298,877</u>
Cash Flows from Capital Financing Activities:	
Acquisition of fixed assets	<u>(8,835)</u>
Net cash used in capital financing activities	<u>(8,835)</u>
Net decrease in cash and temporary cash investments	417,014
Cash and temporary cash investments, beginning of year	<u>763,413</u>
Cash and temporary cash investments, end of year	<u>\$ 1,180,427</u>
Interest paid during 2001	<u>\$ -0-</u>

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

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

NOTE 1 - Organization and Summary of Significant Accounting Policies:

General

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

As of March 31, 2001, the Authority had the following number of units under its management:

Under the "Low-Income" Program, the Authority provides eligible families housing under leasing arrangements. For the "Housing Voucher Choice" Program, (previously titled the Section 8 and Voucher programs) the Authority provides funds in the form of rental subsidies to owners on behalf of the tenants. Also, see NOTE 13.

<u>Contract</u>	<u>Program</u>	<u>No. of Units</u>
FW-1128	PHA Owned-Country Gardens	50
FW-1128	PHA Owned-Washington Heights	76
FW-2191	Section 8 Housing Certificate Program	50
FW-2234	Section 8 Housing Voucher Choice Program	254
FW-2254	Pearl River Section 8 Housing Voucher Choice Program	<u>70</u>
		<u>500</u>

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

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

Financial Reporting Entity

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

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

Basis of Presentation

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

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

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

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

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

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

Amounts Receivable

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

Due to/from

Amounts due from and due to the Annual Contribution Contracts are recorded on the books of the applicable Annual Contribution Contracts respectively as due to/from other Annual Contribution Contracts.

Land, Structures and Equipment

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

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

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

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

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

Structures and equipment are depreciated in the enterprise fund of the Authority using the following estimated useful life.

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

Depreciation is computed using the straight-line method.

Under generally accepted accounting principles long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. At March 31, 2001, management has not estimated the effect of adoption of Statement of Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of".

Compensated Absences

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

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

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

Compensated Absences, Continued

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current year expense in the enterprise fund when leave is earned.

Total Memorandum Only

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

Budgets

The Authority prepares an annual budget for its proprietary fund. Prior to the beginning of the fiscal year, April 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board.

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

Statement of Cash Flows

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

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

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

Estimates

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

NOTE 2 - Amounts Receivable:

Amounts receivable as of March 31, 2001, consist of the following:

	<u>Annual Contribution Contracts</u>				
	PHA Owned Program <u>FW-1128</u>	Housing Assistance Certificate Program <u>FW-2191</u>	Housing Assistance Voucher Choice Program <u>FW-2234</u>	Pearl River Housing Assistance Voucher Choice Program <u>FW-2254</u>	<u>Total</u>
HUD	\$ 26,099	\$19,505	\$17,269	\$ -0-	\$ 62,873
Other	<u>23,830</u>	<u>10,217</u>	<u>43,140</u>	<u>3,854</u>	<u>81,041</u>
	49,929	29,722	60,409	3,854	143,914
Less allowance for doubtful amounts	<u>(13,354)</u>	<u>(9,633)</u>	<u>-0-</u>	<u>(244)</u>	<u>(23,231)</u>
Total	<u>\$ 36,575</u>	<u>\$20,089</u>	<u>\$60,409</u>	<u>\$3,610</u>	<u>\$120,683</u>

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

NOTE 3 - Prepaid Assets:

Prepaid and other assets as of March 31, 2001, consist of prepaid insurance of \$52,036.

NOTE 4 - Land, Structures and Equipment:

At March 31, 2001, land, structures and equipment consisted of the following:

<u>Description</u>	<u>Balance</u> <u>April 1, 2000</u>	<u>Addition</u>	<u>Retirement</u>	<u>Adjustment,</u> <u>Net</u>	<u>Balance</u> <u>March 31, 2001</u>
Land, and land improvements	\$ 779,855	\$ -0-	\$ -0-	\$ -0-	\$ 779,855
Building and building improvements	4,721,639	-0-	-0-	-0-	4,721,639
Equipment	<u>86,218</u>	<u>8,835</u>	<u>(23,704)</u>	<u>5,433</u>	<u>76,782</u>
Land, structures and equipment	<u>5,587,712</u>	<u>8,835</u>	<u>(23,704)</u>	<u>5,433</u>	<u>5,578,276</u>
Less accumulated depreciation	<u>(1,555,015)</u>	<u>(162,121)</u>	<u>23,704</u>	<u>(5,433)</u>	<u>(1,698,865)</u>
Total	<u>\$ 4,032,697</u>	<u>\$(153,286)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,879,411</u>

NOTE 5 - Cash and Temporary Cash Investments:

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

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

NOTE 5 - Cash and Temporary Cash Investments, Continued

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

At various times during the Authority's fiscal year ended March 31, 2001, deposits in excess of FDIC insurance coverage were collateralized by the securities previously described.

At March 31, 2001, cash and temporary cash investments consist of the following:

	PHA Owned Program <u>FW-1128</u>	<u>Interest Rate</u>	<u>Maturity</u>
Demand deposits	<u>\$1,180,427</u>	Varying between (3.00% to 4.5%)	Daily

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

NOTE 5 - Cash and Temporary Cash Investments, Continued

Included in cash and temporary cash investments is \$14,695 of tenant deposits that represent restricted cash.

The temporary cash investments are categorized as Category 1. Category 1 represents cash insured or collateralized with securities held by the pledging financial institutions trust department or agent in name of the Authority. Also, at March 31, 2001, the carrying amount of the Authority's deposit was \$1,180,427 and the collected bank balance was \$1,240,256.

NOTE 6 - Amounts and Accrued Liabilities Payable:

Amounts and accrued liabilities payable at March 31, 2001, consist of the following obligations:

	<u>ANNUAL CONTRIBUTION CONTRACTS</u>				
	PHA Owned Program <u>FW-1128</u>	Housing Assistance Certificate Program <u>FW-2191</u>	Housing Assistance Voucher Choice Program <u>FW-2234</u>	Pearl River Housing Assistance Voucher Choice Program <u>FW-2254</u>	<u>Total</u>
HUD	\$ 5,492	\$245,578	\$418,045	\$97,456	\$766,571
Other	<u>4,534</u>	<u>3,835</u>	<u>18,485</u>	<u>721</u>	<u>27,575</u>
Total	<u>\$10,026</u>	<u>\$249,413</u>	<u>\$436,530</u>	<u>\$98,177</u>	<u>\$794,146</u>

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

NOTE 7 - Risk Management:

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

NOTE 8 - Contributed Capital:

At March 31, 2001, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of the Authority, payable by HUD and secured by annual contributions. The debt does not constitute an obligation of the Authority and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes net of accumulated expenses, grants and subsidies of the Authority. An analysis of contributed capital follows:

<u>Balance</u> <u>April 1, 2000</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>March 31, 2001</u>
<u>\$5,587,712</u>	<u>\$-0-</u>	<u>\$5,587,712</u>

NOTE 9 - Concentration of Credit Risk:

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

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

NOTE 10 - Contingencies:

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

NOTE 11 - Due To/From Other Funds:

Interfund activity at March 31, 2001, consists of the following:

	<u>Due from Other funds</u>	<u>Due to Other Funds</u>
Housing Assistance Voucher Choice Program FW-2234	\$1,553,309	\$1,007,093
Housing Assistance Certificate Program FW-2191	717,018	256,784
PHA Owned Program FW-1128	449,977	1,592,049
Pearl River Housing Assistance Voucher Choice Program FW-2254	<u>154,469</u>	<u>18,847</u>
	<u>\$2,874,773</u>	<u>\$2,874,773</u>

NOTE 12 - Adjustments to Retained Earnings:

The adjustments to retained earnings as of March 31, 2001, reflects the resolution of the balance of the Authority's general ledger out-of-balance condition. For the year ended March 31, 2000, the out-of-balance amount was \$980,000 before the effects of audit adjustments.

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

NOTE 13 - Management of Pearl River Section 8 Program:

In an agreement dated April 14, 1999, the Authority was engaged by the Town of Pearl River to provide administrative services related to the Section 8 Housing Program in the unincorporated areas within any municipality that does not operate its own Section 8 Housing Program and for the benefit of the Town of Pearl River. Those administrative services include any and all administrative services necessary to operate the Section 8 Housing Program, including but not limited to, the administration of all vouchers or certificates associated with housing programs, all budgetary matters, and the preparation of all reports. The agreement between the Authority and Town of Pearl River terminated on March 31, 2001. The Authority and the Town of Pearl River have agreed and submitted to HUD a resolution to facilitate the absorption of the Section 8 program into the Authority's program. Approval from HUD is currently pending.

NOTE 14 - Deferred Credit:

At March 31, 2001, the amount reflected as deferred credit of \$30,875, represents the proceeds from an insurance claim for damages to the Authority's building. Management anticipates complete restoration of the damages to the building in the current year at a cost within the amount of the insurance proceeds received.

NOTE 15 - Commitments:

At March 31, 2001, the Authority has executed agreements with HUD totaling \$746,827 for various modernization, capital fund and drug abatement projects. Balance of funds remaining at March 31, 2001 was \$574,686.

NOTE 16 - Changes in Compensated Absences Payable:

Analysis of compensated absences payable follows:

<u>Balance</u> <u>April 1, 2000</u>	<u>Addition</u>	<u>Reduction</u>	<u>Balance</u> <u>March 31, 2001</u>
<u>\$8,852</u>	<u>\$3,128</u>	<u>\$2,613</u>	<u>\$9,367</u>

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

NOTE 17 - Correction of Errors:

Subsequent to the issuance of the March 31, 2001 audit report, certain errors of both typographical and mathematical nature were discovered. The errors noted are as follows:

- a) The total number of units as shown in NOTE 1, "Organization Summary of Significant Accounting Policies" under the management of **the Authority** was previously reported as 466 and should have been reported as 500 based on management's determination of units under its management;
- b) Supplementary information as reflected on Schedule I "Schedule of Expenditures of Federal Awards" previously reported Federal Expenditures and Authorized Expenses in the amount of \$1,589,535 and should be reflected Federal Expenditures exclusive of authorized expenses for an amount of \$1,222,272;
- c) Several erroneous references were made to both an expired PIH Notice and findings in the accompanying Summary of Findings and Questioned Costs in the previous report; and
- d) On the "Summary Schedule of Findings and Questioned Costs", Section I - Summary of Auditor's Results, the response to the question of whether there were any reportable condition(s) identified that are not considered to be material weaknesses for financial statements and federal awards was previously reported as "No" when the correct response should have been "None Reported".

Accordingly, the March 31, 2001 financial statements have been revised to reflect correction of the errors.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

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

Our report on our audit of the March 31, 2001 financial statements of the **Housing Authority of the City of Slidell (the Authority)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

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

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

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION
(CONTINUED)**

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

As discussed in NOTE 17, to the financial statements, certain errors of both typographical and mathematical nature were discovered in the notes to the financial statements and in the supplementary information accompanying the previously issued financial statements. Accordingly, the necessary corrections have been made in the accompanying revised financial statements.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

September 27, 2001
(except for NOTE 17, as to
which the date is April 26, 2002)

HOUSING AUTHORITY OF THE CITY OF SLIDELL
COMBINING BALANCE SHEET -- ENTERPRISE FUND
MARCH 31, 2001

	PHA OWNED PROGRAM FW-1128	HOUSING ASSISTANCE CERTIFICATE PROGRAM FW-2191	HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2234	PEARL RIVER HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2254	TOTAL (MEMORANDUM ONLY)
Cash and temporary cash investments	\$ 1,180,427	\$ -0-	\$ -0-	\$ -0-	\$ 1,180,427
Amounts receivable, net of allowance for doubtful accounts of \$23,231	10,476	584	43,140	3,610	57,810
Due from other annual contribution contracts	449,977	717,018	1,553,309	154,469	2,874,773
Amounts receivable-HUD	26,099	19,505	17,269	-0-	62,873
Prepaid assets	52,036	-0-	-0-	-0-	52,036
Land, structures and equipment, net of accumulated depreciation of \$1,698,865	<u>3,879,411</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,879,411</u>
Total assets	<u>\$5,598,426</u>	<u>\$737,107</u>	<u>\$1,613,718</u>	<u>\$158,079</u>	<u>\$8,107,330</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
COMBINING BALANCE SHEET -- ENTERPRISE FUND, CONTINUED
MARCH 31, 2001

	<u>PHA OWNED PROGRAM FW-1128</u>	<u>HOUSING ASSISTANCE CERTIFICATE PROGRAM FW-2191</u>	<u>HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2234</u>	<u>PEARL RIVER HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2254</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
Due to other annual contribution contracts	\$ 1,592,049	\$256,784	\$1,007,093	\$ 18,847	\$ 2,874,773
Accounts payable - HUD	5,492	245,578	418,045	97,456	766,571
Compensated absences payable	5,195	1,669	1,669	834	9,367
Tenant security deposits held	14,695	-0-	-0-	-0-	14,695
Accrued liabilities	4,534	1,267	1,267	721	7,789
Deferred credits	30,875	-0-	-0-	-0-	30,875
Accounts payable	<u>-0-</u>	<u>2,568</u>	<u>17,218</u>	<u>-0-</u>	<u>19,786</u>
Total liabilities	<u>1,652,840</u>	<u>507,866</u>	<u>1,445,292</u>	<u>117,858</u>	<u>3,723,856</u>
Equity:					
Contributed capital	5,587,712	-0-	-0-	-0-	5,587,712
Retained earnings (deficit)	<u>(1,642,126)</u>	<u>229,241</u>	<u>168,426</u>	<u>40,221</u>	<u>(1,204,238)</u>
Total equity	<u>3,945,586</u>	<u>229,241</u>	<u>168,426</u>	<u>40,221</u>	<u>4,383,474</u>
Total liabilities and equity	<u>\$ 5,598,426</u>	<u>\$737,107</u>	<u>\$1,613,718</u>	<u>\$158,079</u>	<u>\$ 8,107,330</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2001

	PHA OWNED PROGRAM FW-1128	HOUSING ASSISTANCE CERTIFICATE PROGRAM FW-2191	HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2234	PEARL RIVER HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2254	TOTAL (MEMORANDUM ONLY)
<u>OPERATING REVENUES</u>					
Dwelling rentals	\$ 168,853	\$ -0-	\$ -0-	\$ -0-	\$ 168,853
Total operating revenues	<u>168,853</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>168,853</u>
<u>OPERATING EXPENSES</u>					
Salaries and employee benefits	105,758	28,868	28,868	15,293	178,787
Materials	17,155	-0-	-0-	-0-	17,155
Contractual services	52,233	-0-	-0-	-0-	52,233
Utilities	78,974	-0-	-0-	-0-	78,974
Depreciation	162,121	-0-	-0-	-0-	162,121
Insurance	52,005	-0-	-0-	-0-	52,005
Housing assistance payments	-0-	61,237	703,248	113,812	878,297
Housing assistance payments-portability	-0-	-0-	23,007	-0-	23,007
Convention and travel	25,423	19	943	19	26,404
Bad debt expense	13,354	9,633	-0-	244	23,231
Audit	12,007	1,362	16,221	3,560	33,150
Telephone	13,604	-0-	-0-	-0-	13,604
Tenant services	9,907	-0-	-0-	-0-	9,907
Postage and printing	7,227	-0-	200	200	7,627
Supplies	7,987	-0-	-0-	-0-	7,987
Membership dues and fees	5,795	-0-	-0-	-0-	5,795
Other expenses	<u>12,176</u>	<u>-0-</u>	<u>7,075</u>	<u>-0-</u>	<u>19,251</u>
Total operating expenses	<u>575,726</u>	<u>101,119</u>	<u>779,562</u>	<u>133,128</u>	<u>1,589,535</u>
Net operating loss	<u>(406,873)</u>	<u>(101,119)</u>	<u>(779,562)</u>	<u>(133,128)</u>	<u>(1,420,682)</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

	PHA OWNED PROGRAM FW-1128	HOUSING ASSISTANCE CERTIFICATE PROGRAM FW-2191	HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2234	PEARL RIVER HOUSING ASSISTANCE VOUCHER CHOICE PROGRAM FW-2254	TOTAL (MEMORANDUM ONLY)
<u>NON-OPERATING INCOME</u>					
Federal grants and subsidies	\$ 237,177	\$ 58,124	\$797,021	\$129,950	\$ 1,222,272
State grant	1,000	-0-	-0-	-0-	1,000
Portability income	-0-	3,825	11,892	-0-	15,717
Interest income	8,570	7,999	33,710	6,856	57,135
Other income	<u>40,948</u>	<u>9,470</u>	<u>9,470</u>	<u>-0-</u>	<u>59,888</u>
Total non-operating income	<u>287,695</u>	<u>79,418</u>	<u>852,093</u>	<u>136,806</u>	<u>1,356,012</u>
Net profit (loss)	<u>(119,178)</u>	<u>(21,701)</u>	<u>72,531</u>	<u>3,678</u>	<u>(64,670)</u>
Retained earnings (deficit), beginning of year	(1,378,709)	98,589	119,295	32,350	(1,128,475)
Adjustments to beginning retained earnings, net	<u>(144,239)</u>	<u>152,353</u>	<u>(23,400)</u>	<u>4,193</u>	<u>(11,093)</u>
Beginning retained earnings (deficit), as restated	<u>(1,522,948)</u>	<u>250,942</u>	<u>95,895</u>	<u>36,543</u>	<u>(1,139,568)</u>
Retained earnings (deficit), end of year	<u>\$ (1,642,126)</u>	<u>\$229,241</u>	<u>\$168,426</u>	<u>\$ 40,221</u>	<u>\$ (1,204,238)</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I

**HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2000**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development (HUD):			
<u>Subject to Annual Contribution Contracts</u>			
PHA Owned Housing Program	14.850	FW-1128	\$ 184,368
*Existing Housing Assistance Program	14.857	FW-2191	412,516
*Voucher Program	14.855	FW-2234	553,450
Modernization and Development Program	14.852	FW-1128	76,275
Pearl River Voucher Program	14.855	FW-2254	<u>121,102</u>
Total expenditures of federal awards			<u>\$1,347,711</u>

*Denotes major program as defined by OMB Circular A-133.

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Authority and is presented on an accrual basis of accounting. The information on this schedule is presented in accordance with other requirements of OMB Circular A-133 "Audits of States, Local Governments, and Non-profit organizations.

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET
MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
111	Cash - unrestricted	\$ 1,165,732	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,165,732
114	Cash - tenant security deposits	<u>14,695</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>14,695</u>
100	Total cash	<u>1,180,427</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,180,427</u>
122	Accounts receivable - HUD other projects	-0-	18,936	19,505	17,269	-0-	7,163	62,873
124	Accounts receivable - other government	2,169	-0-	-0-	-0-	-0-	-0-	2,169
125	Accounts receivable - miscellaneous	21,661	-0-	1,380	43,140	3,854	-0-	70,035
126	Accounts receivable - tenants dwelling rents	-0-	-0-	8,837	-0-	-0-	-0-	8,837
126.1	Allowance for doubtful accounts - dwelling rents	-0-	-0-	(8,253)	-0-	-0-	-0-	(8,253)
126.2	Allowance for doubtful accounts - other	<u>(13,354)</u>	<u>-0-</u>	<u>(1,380)</u>	<u>-0-</u>	<u>(244)</u>	<u>-0-</u>	<u>(14,978)</u>
120	Total receivables, net of allowance for doubtful accounts	<u>10,476</u>	<u>18,936</u>	<u>20,089</u>	<u>60,409</u>	<u>3,610</u>	<u>7,163</u>	<u>120,683</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED
MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
142	Prepaid expenses and other assets	\$ 52,036	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 52,036
144	Interprogram due from	449,977	-0-	717,018	1,553,399	154,469	-0-	2,874,773
150	Total current assets	1,692,916	18,936	737,107	1,613,718	158,079	7,163	4,227,919
161	Land	779,855	-0-	-0-	-0-	-0-	-0-	779,855
162	Buildings	4,721,639	-0-	-0-	-0-	-0-	-0-	4,721,639
164	Furniture, equipment & machinery-administration	71,349	-0-	3,738	1,695	-0-	-0-	76,782
166	Accumulated depreciation	(1,693,432)	-0-	(3,738)	(1,695)	-0-	-0-	(1,698,865)
160	Total fixed assets, net of accumulated depreciation	3,879,411	-0-	-0-	-0-	-0-	-0-	3,879,411
190	Total assets	\$ 5,572,327	\$ 18,936	\$ 737,107	\$ 1,613,718	\$ 158,079	\$ 7,163	\$ 8,107,330

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED
MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
312	Accounts payable ≤ 90 days	\$ -0-	\$ -0-	\$ -0-	\$ 271	\$ -0-	\$ -0-	\$ 271
313	Accounts payable ≥ 90 days	-0-	-0-	-0-	16,947	-0-	-0-	16,947
321	Accrued wage/payroll taxes payable	4,534	-0-	1,267	1,267	721	-0-	7,789
322	Accrued compensated absences	5,195	-0-	1,669	1,669	834	-0-	9,367
331	Accounts payable - HUD PHA programs	5,492	-0-	245,578	418,045	97,456	-0-	766,571
341	Tenant security deposits	14,695	-0-	-0-	-0-	-0-	-0-	14,695
345	Other current liabilities	30,875	-0-	2,568	-0-	-0-	-0-	33,443
347	Interprogram due to	<u>1,565,950</u>	<u>18,936</u>	<u>256,784</u>	<u>1,007,093</u>	<u>18,847</u>	<u>7,163</u>	<u>2,874,773</u>
310	Total current liabilities	1,626,741	18,936	507,866	1,445,292	117,858	7,163	3,723,856
350	Total non-current liabilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-
300	Total liabilities	<u>1,626,741</u>	<u>18,936</u>	<u>507,866</u>	<u>1,445,292</u>	<u>117,858</u>	<u>7,163</u>	<u>3,723,856</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED
MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
504	Net HUD PHA contributions	\$ 5,587,712	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,587,712
508	Total contributed capital	5,587,712	-0-	-0-	-0-	-0-	-0-	5,587,712
512	Undesignated fund balance/retained earnings (deficit)	(1,642,126)	-0-	229,241	168,426	40,221	-0-	(1,204,238)
513	Total equity	3,945,586	-0-	229,241	168,426	40,221	-0-	4,383,474
600	Total liabilities and equity	\$ 5,572,327	\$ 18,936	\$ 737,107	\$ 1,613,718	\$ 158,079	\$ 7,163	\$ 8,107,330

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
703	Net tenant rental revenue	\$168,853	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 168,853
705	Total tenant revenues	168,853	-0-	-0-	-0-	-0-	-0-	168,853
706	HUD PHA grants, net	211,530	18,484	58,124	797,021	129,950	7,163	1,222,272
708	Other government grants	1,000	-0-	-0-	-0-	-0-	-0-	1,000
711	Investment income-unrestricted	8,570	-0-	7,999	33,710	6,856	-0-	57,135
715	Other revenue	40,948	-0-	13,295	21,362	-0-	-0-	75,605
700	Total revenues	450,901	18,484	79,418	852,093	136,806	7,163	1,524,865

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
911	Administrative salaries	\$ 62,376	\$ -0-	\$ 24,916	\$ 24,916	\$ 13,315	\$ -0-	\$ 125,523
912	Auditing fees	12,007	-0-	1,362	16,221	3,560	-0-	33,150
914	Compensated absences	1,624	-0-	602	602	301	-0-	3,129
915	Employee benefit contributions-administrative	9,411	-0-	3,350	3,350	1,677	-0-	17,788
916	Other operating - administrative	-0-	10,211	-0-	-0-	-0-	-0-	10,211
921	Tenant services - salaries	4,291	-0-	-0-	-0-	-0-	-0-	4,291
924	Tenant service - others	2,017	-0-	-0-	-0-	-0-	7,163	9,180
931	Water	43,894	-0-	-0-	-0-	-0-	-0-	43,894
932	Electricity	6,268	-0-	-0-	-0-	-0-	-0-	6,268
933	Gas	28,811	-0-	-0-	-0-	-0-	-0-	28,811
938	Other utilities expense	13,604	-0-	-0-	-0-	-0-	-0-	13,604
941	Ordinary maintenance and operations-labor	24,577	-0-	-0-	-0-	-0-	-0-	24,577
945	Employee benefit contributions - ordinary maintenance	3,481	-0-	-0-	-0-	-0-	-0-	3,481
	Page total	212,361	10,211	30,230	45,089	18,853	7,163	323,907

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	TOTAL (MEMORANDUM ONLY)
942	Ordinary maintenance and operations-materials and other	\$ 17,155	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,155
943	Ordinary maintenance and operations-contract costs	37,103	-0-	-0-	-0-	-0-	-0-	37,103
952	Protective services - other contract cost	1,602	8,273	-0-	-0-	-0-	-0-	9,875
961	Insurance premiums	52,005	-0-	-0-	-0-	-0-	-0-	52,005
962	Other general expenses	50,822	-0-	19	8,217	219	-0-	59,277
964	Bad debt - tenant rents	13,354	-0-	8,253	-0-	244	-0-	21,851
966	Bad debt - other	-0-	-0-	1,380	-0-	-0-	-0-	1,380
969	Total operating expense	384,402	18,484	39,882	53,306	19,316	7,163	522,553
970	Excess (deficiency) of operating revenue over operating expenses	46,499	-0-	39,536	798,787	117,490	-0-	1,002,312

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM	PEARL RIVER RENTAL VOUCHER PROGRAM	PUBLIC HOUSING DRUG ELIMINATION PROGRAM	(TOTALS MEMORANDUM ONLY)
971	Other Expenses:	\$ 3,556	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 3,556
973	Extraordinary maintenance	-0-	-0-	61,237	726,256	113,812	-0-	901,305
974	Housing assistance payments	162,121	-0-	-0-	-0-	-0-	-0-	162,121
	Depreciation							
900	Total expenses	550,079	18,484	101,119	779,562	133,128	7,163	1,589,535
1000	Excess (deficiency) of operating revenue over expenses	\$(119,178)	\$ -0-	\$(21,701)	\$ 72,531	\$ 3,678	\$ -0-	\$ (64,670)

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATEMENT OF ACTUAL MODERNIZATION COST (INCOMPLETE)
FROM INCEPTION THROUGH MARCH 31, 2001

	<u>Annual Contribution Contract LA 48P103906-99</u>
Funds approved	\$221,864
Funds expended	<u>(94,758)</u>
Excess of funds approved	<u>\$127,106</u>
Funds advanced:	
Grant funding	<u>\$ 75,822</u>
Total funds advanced	75,822
Funds expended	<u>(94,758)</u>
Excess (deficiency) of funds advanced	<u>\$(18,936)</u>

See Independent Auditors' Report on Supplementary Information.



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

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

We have audited the financial statements of the **Housing Authority of the City of Slidell (the Authority)** as of and for the year ended March 31, 2001, and have issued our report thereon dated September 27, 2001 except for NOTE 17, as to which the date is April 26, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **the Authority's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses .

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we considered to be material weaknesses.

This report is intended solely for the information and use of **the Authority's** Board, management, the Legislative Auditor and its regulatory agencies and is not intended to, and should not be used by anyone other than these specified parties.


BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2001
(except for NOTE 17, as to
which the date is April 26, 2002)



Member
American Institute of
Certified Public Accountants
Society of Louisiana
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Michael B. Bruno, CPA
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the **Housing Authority of the City of Slidell (the Authority)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2001. **The Authority's** major federal programs are identified in the summary of auditor's results section of the accompanying Summary Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **the Authority's** management. Our responsibility is to express an opinion on **the Authority's** compliance based on our audit.

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

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

(CONTINUED)

Organizations. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements 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 we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **the Authority's** compliance with those requirements.

As described in items 2001-01 through 2001-04 in the accompanying Summary Schedule of Findings and Questioned Costs, **the Authority** did not comply with requirements regarding Section 15-Books of Accounts, Records and Government access of the Consolidated Annual Contribution Contracts that are applicable to FW-1128, FW-2191, FW-2234 and FW-2254 and certain provisions and requirements of OMB Circular A-133. Compliance with such requirements is necessary, in our opinion, for **the Authority** to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, **the Authority** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2001.

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

(CONTINUED)

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

(CONTINUED)

This report is intended solely for the information and use of the Authority's Board, management, the Legislative Auditor and its regulatory agencies and is not intended to, and should not be used by anyone other than these specified parties.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 27, 2001
(except for NOTE 17, as to
which the date is April 26, 2002)

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2001

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	None Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	Yes
Type of 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 Circular A-133?	Yes

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section I - Summary of Auditors' Results, Continued

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
14.857	Section 8 Housing Assistance Certificate Program
14.871	Section 8 Housing Assistance Voucher Choice Program
14.850	Public Housing Program
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001**

Section II - Financial Statement Findings

There were no financial statement findings for the audit period ending March 31, 2001.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Costs

Reference Number

2001-01

Federal Programs

HUD Annual Contributions Contract FW-2191, FW-2234 and FW-2254 (See Schedule of Expenditures of Federal Awards).

Criteria

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

Condition

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

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

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number, Continued

2001-01

Questioned Costs

\$4,292.

Context

The Authority at March 31, 2001, had approximately two hundred and sixty-seven (267) Section 8 program units under lease.

Effect

Non-compliance with the requirements of the Annual Contribution Contract.

Cause

Lack of an adequate tenant file documentation, effective follow-up and accountability system in place. The Authority also encountered computer software problems during the year ended March 31, 2001, that impacted the Section 8 re-certification process.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number, Continued

2001-01

Recommendation

We recommend that management of the Authority establish and implement the necessary procedures to ensure that tenant files contain all required documentation. In addition, management should develop procedures that ensures the timely follow-up and conclusion of the tenant certification or re-certification process, as applicable.

Management's Response

Subsequent to year-end, management has undertaken the following actions to resolve the referenced conditions:

- Established new procedures for staff regarding tenant file documentation, completeness and follow-up on all unresolved items;
- Hired an Administrative Assistant to enhance management oversight of the various programs and activities; and
- Provided training to all staff in the use of the new software.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number

2001-02

Federal Programs

HUD Annual Contribution Contract FW-2191, FW-2234, and FW-2254 (See Schedule of Expenditures of Federal Awards).

Criteria

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

Condition

The Authority could not locate a tenant file in connection with our review of three (3) selected Pearl River Housing Assistance Voucher Choice Program tenant files.

It is our understanding through discussion with management that during the year ended March 31, 2001, **the Authority** initiated a file reorganization process. As such, the file may be temporarily misplaced.

Questioned Costs

NONE.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number, Continued

2001-02

Context

At March 31, 2001, the Authority had under the Pearl River Section 8 Voucher Choice Program, approximately seventy (70) units under lease.

Effect

Non-compliance with the requirements of the Annual Contribution Contract.

Cause

Inadequate file maintenance system.

Recommendation

We recommend that management locate the file.

Management's Response

Currently, management has revised its file maintenance procedures to ensure the completeness of its filing system. Furthermore, staff is in the process of locating the misplaced file.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number

2001-03

Federal Programs

HUD Annual Contributions Contract FW-2191, FW-2234 and FW-2254.

Criteria

Pursuant to A-102, Common Rule section 21, OMB Circular A-110, section 22 and HUD regulations regarding the requisition of Section 8 funds.

Condition

Our review of documents to include HUD Form 52663 (Requisition for Partial Payment of Annual Contributions) revealed an over-requisition of Section 8 Certificate and Voucher Choice program funds in the amount of approximately \$702,214 for the year ended March 31, 2001.

In addition, the Authority was underleased by approximately 21% at March 31, 2001. It is our understanding through discussion with management that the under lease rate is currently 10%.

Questioned Costs

NONE.

Context

Total annual contribution earned for the Section 8 programs was approximately \$985,095 for the year ended March 31, 2001.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number, Continued

2001-03

Effect

Non-compliance with the provisions and requirements of A-102 Common Rule, section 21 OMB Circular A-110, Section 22 and HUD regulations pertaining to the requisition of funds.

Cause

Lack of an established procedure to monitor earned annual contribution to the requisitioned amount on a timely basis coupled with fluctuations in the level of participation in **the Authority's** housing programs.

Recommendation

We recommend that funds requisitioned should be based on **the Authority's** anticipated need. In addition, periodic comparison of the actual contribution earned to the requisitioned amount should be performed in order to minimize, if not eliminate, over-requisitioning. Also, management should continue its outreach program in an effort to increase the number of units leased.

Management's Response

Management has enhanced its outreach program which has resulted in a decrease of approximately 11% from 21% at March 31, 2001 in its underlease rate. In addition, management is currently evaluating its funds requisition processes to ascertain its adequacy. Anticipated completion date is November 15, 2001.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001**

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number

2001-04

Federal Program

HUD Annual Contributions Contract FW-2191, FW-2254 and FW-2234 (See Schedule of Expenditures of Federal Awards).

Criteria

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

Condition

The Authority was unable to provide its required annual and periodic "SEMAP", "MASS", "MTCS", etc.) for our review in connection with the March 31, 2001, audit. We obtained from management a filed copy of its "PFS" report. However, we were unable to verify the information included in the report to its source documents.

Questioned Costs

NONE.

Context

N/A

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section III - Federal Award Findings and Questioned Cost, Continued

Reference Number, Continued

2001-04

Effect

Non-compliance with requirements of the Annual Contribution Contract.

Cause

Lack of an adequate filing system coupled with software related problems.

Recommendation

Management should designate an individual with the responsibility to ensure that all reports filed with the approximate supporting documents are properly filed and secured.

Management's Response

The Authority has hired an Administrative Assistant and charged the individual with responsibility for ensuring that all filed reports and supporting documents are properly secured.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
00-1, 99-2, 98-2 and 98-10	Bank account reconciliations for the Operating, Certificate Voucher and Pearl River Voucher Programs were not prepared for the entire fiscal year by the designated staff. We noted subsequent to their preparation, a net cumulative out-of-balance condition before the effect of audit adjustments of approximately \$709,873 between the general ledger of \$53,540 to the reconciled amount of \$763,413 for the reference bank accounts.		X	
00-2	Collateral reports are submitted to the Authority by the bank on a daily basis. However, we noted no documentation to support review for adequacy and propriety of pledged security.	X		
00-3	Disbursements for travel were not in accordance with the Authority's board approved travel policy.			X

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
00-4, 00-11 and 99-15	<ul style="list-style-type: none"> • In adequate training in the use of existing software programs; • Timely submission of reports to regulatory agencies; and • Duplicate disbursement of housing assistance payments in the amount of \$6,015. 		<p>X</p> <p>X</p> <p>X</p>	
00-5	<p>Our review of seven (7) "PHA" owned housing program tenant files, revealed the following conditions:</p> <ul style="list-style-type: none"> • One (1) instance the tenants file lacked evidence of an executed HUD Form 9886 "Authorization of Release of Information" form; • Lack of proper social security documentation on file in an instance; 	<p>X</p> <p>X</p>		

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
	<ul style="list-style-type: none"> • Lack of documentation in one (1) instance to evidence the Authority's recertification of family income via independent third party verification; and 	X		
	<ul style="list-style-type: none"> • Absence of signed application form by a tenant. 	X		
00-6	Our review of seven (7) "PHA" owned housing program tenant files revealed the lack of documentation in seven (7) instances to evidence the Authority's submission of HUD Form 50058 (Family Report).	X		
00-7	Our review of seventeen (17) section of tenant files revealed two (2) instances where leased units failed inspection with no corrective action undertaken by the respective landlord to ensure compliance with housing quality standards.			X

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
00-8	Two (2) of seventeen (17) Section 8 tenant files reviewed revealed the lack of an executed lease agreement and/or addendum, as applicable in the respective tenant file.			X
00-9	Our review of seventeen (17) Section 8 files revealed the lack of documentation in one (1) instance to evidence the annual re-examination of a tenant's income.	X		
00-10 and 99-7	Our review of the "PFS" operating subsidy documents prepared and submitted to HUD to the Authority revealed unavailability of documents to support data included in the calculation. We were unable to determine the effect of this condition on the Authority's overall appropriation amount.			X
	In addition, we noted untimely submission of Form HUD 52723. HUD's timeline for submission is at least ninety (90) days prior to the beginning of the prospective fiscal year.			X

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
99-1 and 98-9	Subsidiary ledgers for significant accounts such as fixed assets, interfund activity, prepaid assets, etc. are not maintained and/or reconciled to the applicable general ledger control accounts.		X	
99-4	Our review of the Authority's banking relationship with a financial institution revealed the lack of an executed collateral agreement to secure deposited funds in excess of \$100,000.	X		
99-5	Shared cost allocated to the various programs managed by the Authority was not performed on a consistent basis by designated staff.		X	
99-8	Our review of sixteen (16) Section 8 tenant files revealed the following: <ul style="list-style-type: none"> • Fourteen (14) instances where the absence of an approved and executed lease or lease addendum (lease addendum for recertified tenants) was noted; and 			X

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
	<ul style="list-style-type: none"> • Twelve (12) instances where no HAP contract had been executed on behalf of the tenant. 			X
99-9	<p>Our review of sixteen (16) Section 8 tenant files revealed the following:</p> <ul style="list-style-type: none"> • Nine (9) instances where there was no inspection report applicable to the audit period in the tenant's file. • Nine (9) instances where there was no inspection report applicable to the audit period in the tenant's file as part of the re-certification process. 	X		
99-10	<p>Our review of sixteen (16) Section 8 tenant files revealed the lack of documentation in twelve (12) instances to evidence the Authority's re-certification of family income and composition.</p>	X		

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
99-11	The Housing Assistance Program (HAP) register did not contain the required information such as tenants name, owners name, address, HAP amount, etc.		X	
99-12	HUD form 52681 (Year end Settlement Statements) for FW-2191 and FW-2234 were not submitted on a timely basis.			X
99-16	Our review of sixteen (16) Section 8 tenant files revealed thirteen (13) instances in which the tenant files did not contain a HUD Form 50058 to support the tenants continued eligibility.	X		

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>STATUS</u>		
		<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
98-1	Subsidiary ledgers for tenants accounts receivable and tenant security deposits are not maintained and/or reconciled to the applicable general ledger control accounts.		X	
98-3	Currently, there is no system in place to ensure the proper and timely accounting for all portability payments made on behalf of other PHA's and related fees earned by the Authority.			X
98-5	We noted in an instance, no documentation on file to verify the re-inspection of a failed inspection and the untimely inspection of a unit.			X
98-6	Our review of fifteen (15) tenant files revealed an instance where a tenant repayment agreement executed on June 1, 1990 had only three (3) subsequent payments since the execution of the agreement. We further noted no system in place to prevent re-admittance of the tenant to the program.			X

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED MARCH 31, 2001

Section IV - Status of Prior Year's Audit Findings and Questioned Costs, Continued

<u>REFERENCE NUMBER</u>	<u>DESCRIPTION</u>	<u>STATUS</u>		
		<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
98-7	Our review of fifteen (15) tenant files revealed two (2) instances where tenant lease agreements had not been signed by the owner.			X
98-8	A tenant security deposit ledger was not maintained to support the general ledger control balance of tenant security deposits at March 31, 1998.		X	
97-2	Out of sequence disbursements.		X	
97-3	Formalized accounting procedure manual.		X	
97-5	No documentation regarding unit inspection.			X
97-8	Authority behind in its leasing schedule.			X
97-9	Owner contract.			X