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**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1.28.04

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
**Housing Authority of the Village of Parks**  
Parks, Louisiana

We have audited the accompanying balance sheet--enterprise fund of **Housing Authority of the Village of Parks (HAVP)**, as of and for the year ended June 30, 2003, and the related statements of revenues, expenses and changes in retained deficit and cash flows--enterprise fund for the year then ended. These financial statements are the responsibility of **HAVP's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the 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 **Housing Authority of the Village of Parks** as of June 30, 2003, and the results of its operations and the cash flows of its enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
**Housing Authority of the Village of Parks**  
Parks, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2003, on our consideration of HAVP'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 and reportable conditions.

Bruno & Tervalon LLP

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

October 23, 2003

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
BALANCE SHEET--ENTERPRISE FUND  
JUNE 30, 2003**

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**ASSETS**

Cash (NOTE 2)	\$ 23,716
Amounts receivable, net (NOTE 10)	1,469
Amounts receivable-HUD (NOTE 11)	350
Prepaid and other assets	4,234
Land, structures and equipment, net (NOTES 3 and 4)	<u>253,116</u>
 Total assets	 <u>\$ 282,885</u>

**LIABILITIES AND EQUITY**

**Liabilities:**

Amounts and other payables (NOTE 5)	\$ 9,228
Security deposits held for tenants (NOTE 2)	1,050
Accrued payment in lieu of taxes payable	<u>2,267</u>

Total liabilities 12,545

**Equity:**

Contributed capital (NOTES 3 and 4)	712,739
Unreserved retained deficit	<u>(442,399)</u>

Total equity 270,340

Total liabilities and equity \$ 282,885

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

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS**  
**PARKS, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**RETAINED DEFICIT--ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2003**

---

<b>Operating Revenues:</b>	
Dwelling rental	\$ 19,501
Fees and charges	<u>1,547</u>
 Total operating revenues	 <u>21,048</u>
 <b>Operating Expenses:</b>	
Salaries and employee benefits	21,427
Materials and supplies	3,891
Contractual services	12,739
Utilities	3,908
Garbage and trash removal	1,887
Depreciation	27,723
Insurance	6,934
Convention and travel	1,969
Payments in lieu of taxes	1,559
Other	<u>5,277</u>
 Total operating expenses	 <u>87,314</u>
 Operating loss	 <u>(66,266)</u>
 <b>Non-operating Revenues:</b>	
Grants and subsidies	86,232
Other income	<u>2,366</u>
 Total non-operating revenues	 <u>88,598</u>
 Net income	 22,332
 Retained deficit, beginning of year	 <u>(464,731)</u>
 Retained deficit, end of year	 <u>\$(442,399)</u>

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

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
STATEMENT OF CASH FLOWS--ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2003**

Operating loss	\$(66,266)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	27,723
Increase in amounts receivable, net	(691)
Decrease in amounts receivable - HUD	22,950
Increase in prepaid expenses and other assets	(123)
Increase in amounts and other payables	1,142
Increase in security deposits held for tenants	150
Decrease in accrued payment in lieu of taxes payable	<u>(1,236)</u>
Net cash used in operating activities	<u>(16,351)</u>
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	86,232
Other	<u>2,366</u>
Cash provided by noncapital financing activities	<u>88,598</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	(51,752)
Other	<u>(721)</u>
Cash used in capital and related financing activities	<u>(52,473)</u>
Net increase in cash	19,774
Cash, beginning of year	<u>3,942</u>
Cash, end of year	<u>\$ 23,716</u>
Interest paid during the year ended June 30, 2003	<u>\$ -0-</u>

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

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1 - Background and General Data:**

**Background**

The **Housing Authority of the Village of Parks (HAVP)** is a public corporation, legally separate and fiscally independent, and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. **HAVP** has been contracted by HUD to administer the Low-Income Housing Program under an Annual Contributions Contract.

As of June 30, 2003, **HAVP** was primarily engaged in the administration of a Low-Income Housing Program to low-income residents in Parks, Louisiana.

Under the above program, **HAVP** provides eligible families housing under leasing arrangements.

**Financial Reporting Entity**

**HAVP** 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 the Village of Parks.

Government Accounting Standards Board (GASB) Statement No. 14, "The 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 general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and General Data, Continued**

**Financial Reporting Entity, Continued**

**HAVP** 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 **HAVP** 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, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of **HAVP** 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 applied to governmental units.

**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 at the time liabilities are incurred. **HAVP** applies all applicable Financial Accounting Standards Board pronouncements in accounting and reporting for its proprietary operations. **HAVP's** fund includes 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.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and General Data, Continued**

**Basis of Presentation, Continued**

**HAVP** follows the provisions of GASB 33 (*Accounting and Financing Reporting for Non-Exchange Transactions*) effective for fiscal years that began after June 15, 2000.

Under GASB 33 Standards, **HAVP** recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

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

**Budgets**

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

**HAVP** does not present its budget to actual comparison for the enterprise fund as part of its financial statement as accounting principles generally accepted in the United States of America do not require such, despite adoption of an annual budget by the Board.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and General Data, 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 amount of assets and 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.

**Statement of Cash Flows**

For purposes of the statement of cash flows, HAVP considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments. At June 30, 2003, HAVP had no temporary cash investments.

**Land, Structures and Equipment**

Land, structures and equipment are recorded at cost. HAVP capitalizes all fixed asset acquisitions of \$250 and over. When no historical records are available, fixed assets are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

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

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

<u>Assets</u>	<u>Useful Lives</u>
Buildings	33
Building improvements	15
Equipment	7-15

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Background and General Data, Continued**

**Compensated Absences**

**HAVP employees are entitled to paid vacation and sick leave depending on length of service. Sick leave may be accumulated and carried forward to the subsequent years to a maximum of sixty (60) days. However, employees are not paid for any earned but unused sick leave at termination. Also vacation days may not be carried over from year to year and employees may not receive compensation in lieu of time off.**

**Amounts Receivable**

**Amounts receivable are stated at net realizable value as required by accounting principles generally accepted in the United States of America.**

**Interprogram Activities**

**Interprogram activities have been eliminated in the accompanying enterprise fund financial statements level.**

**NOTE 2 - Cash:**

**At June 30, 2003, the carrying amount of HAVP's cash deposits was \$23,716 and the cumulative bank balance was \$24,628. The bank balances are covered by federal depository insurance. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of HAVP. Cash is categorized as Category 1. Category 1 represents cash insured or collateralized with securities held by the pledging financial institution's trust department or agent in HAVP's name.**

**At June 30, 2003, cash includes deposits of \$1,050 received and held on behalf of tenants. These deposits are stated at cost, which approximates market.**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 3 - Land, Structures and Equipment:**

At June 30, 2003, land, structures and equipment consisted of the following:

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Other Changes</u>	<u>Balance June 30, 2003</u>
Land	\$ 16,027	\$ -0-	\$ -0-	\$ -0-	\$ 16,027
Building and improvements	635,917	655	-0-	130,475	767,047
Equipment	35,351	1,992	(5,646)	721	32,418
Construction in progress	<u>88,265</u>	<u>49,105</u>	<u>-0-</u>	<u>(130,475)</u>	<u>6,895</u>
Total	775,560	51,752	(5,646)	721	822,387
Less accumulated depreciation	<u>(547,194)</u>	<u>(27,723)</u>	<u>5,646</u>	<u>-0-</u>	<u>(569,271)</u>
	<u>\$ 228,366</u>	<u>\$ 24,029</u>	<u>\$ -0-</u>	<u>\$ 721</u>	<u>\$ 253,116</u>

**NOTE 4 - Contributed Capital:**

At June 30, 2003, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of HAVP, payable by HUD and secured by annual contributions. The debt does not constitute an obligation of HAVP and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of cumulative expenses, grants and subsidies of HAVP.

An analysis of contributed capital follows:

<u>Balance July 1, 2002</u>	<u>Changes</u>	<u>Balance June 30, 2003</u>
<u>\$712,739</u>	<u>\$-0-</u>	<u>\$712,739</u>

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 5 - Amounts and Other Payables:**

At June 30, 2003, amounts and other payables consisted of the following:

Accounts payable - vendors	\$ 329
Federal and State tax withholdings payable	<u>8,899</u>
	<u>\$9,228</u>

**NOTE 6 - Risk Management:**

**HAVP** is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HAVP** 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 7 - Concentration of Credit Risk:**

**HAVP** receives primarily all of its revenues from dwelling rentals and grants from HUD. If the amount of revenues received from rentals and grants fall below budgeted levels, **HAVP's** operating results could be adversely affected.

**NOTE 8 - Contingencies:**

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

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 9 - Commitments:**

**HAVP** has been awarded \$12,093 in capital program funds from HUD for the improvement of its buildings and to fund operations and management improvement activities.

**NOTE 10 - Amounts Receivable, net:**

At June 30, 2003, amounts receivable consisted of the following:

Amounts receivable - tenants	\$1,543
Less allowance for doubtful accounts	<u>(74)</u>
	<u>\$1,469</u>

**NOTE 11 - Amounts Receivable - HUD:**

At June 30, 2003, amounts receivable of \$350 from HUD represents reimbursable cost incurred by the capital fund program. See Schedule IV.

**SUPPLEMENTARY INFORMATION**



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**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners  
**Housing Authority of the Village of Parks**  
Parks, Louisiana

Our report on our audit of the financial statements of the **Housing Authority of the Village of Parks (HAVP)** 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 and is not a required part of the financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules II through V), which is 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 is 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 the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

October 23, 2003

**EXHIBIT I**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
COMBINING BALANCE SHEET--ENTERPRISE FUND  
JUNE 30, 2003**

	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
<b><u>ASSETS</u></b>			
Cash	\$ 23,716	\$ -0-	\$ 23,716
Amounts receivable, net	1,469	-0-	1,469
Amounts receivable - HUD	-0-	350	350
Prepaid expenses and other assets	4,234	-0-	4,234
Due from other program	350	-0-	350
Land, structures and equipment, net	<u>246,221</u>	<u>6,895</u>	<u>253,116</u>
Total assets	<u>\$275,990</u>	<u>\$7,245</u>	<u>\$283,235</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
Liabilities:			
Amounts and other payables	\$ 9,228	\$ -0-	\$ 9,228
Security deposits held for tenants	1,050	-0-	1,050
Accrued payment in lieu of taxes payable	2,267	-0-	2,267
Due to other program	<u>-0-</u>	<u>350</u>	<u>350</u>
Total liabilities	<u>12,545</u>	<u>350</u>	<u>12,895</u>
Equity:			
Contributed capital	712,739	-0-	712,739
Unreserved retained earnings (deficit)	<u>(449,294)</u>	<u>6,895</u>	<u>(442,399)</u>
Total equity	<u>263,445</u>	<u>6,895</u>	<u>270,340</u>
Total liabilities and equity	<u>\$ 275,990</u>	<u>\$7,245</u>	<u>\$ 283,235</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2003

	PHA Owned <u>Housing Program</u>	Capital Fund <u>Program</u>	Totals ( <u>Memorandum Only</u> )
Operating Revenues:			
Dwelling rental	\$ 19,501	\$ -0-	\$ 19,501
Fees and charges	<u>1,547</u>	<u>-0-</u>	<u>1,547</u>
Total operating revenues	<u>21,048</u>	<u>-0-</u>	<u>21,048</u>
Operating Expenses:			
Salaries and employee benefits	21,427	-0-	21,427
Materials and supplies	3,891	-0-	3,891
Contractual services	12,739	-0-	12,739
Utilities	3,908	-0-	3,908
Garbage and trash removal	1,887	-0-	1,887
Depreciation	27,723	-0-	27,723
Insurance	6,934	-0-	6,934
Convention and travel	1,969	-0-	1,969
Payment in lieu of taxes	1,559	-0-	1,559
Other	<u>5,277</u>	<u>-0-</u>	<u>5,277</u>
Total operating expenses	<u>87,314</u>	<u>-0-</u>	<u>87,314</u>
Operating loss	<u>(66,266)</u>	<u>-0-</u>	<u>(66,266)</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
Non-operating revenues:			
Grants and subsidies	\$ 33,177	\$ 53,055	\$ 86,232
Other income	<u>2,366</u>	<u>-0-</u>	<u>2,366</u>
Total non-operating revenues	<u>35,543</u>	<u>53,055</u>	<u>88,598</u>
Excess (deficiency) of revenues over expenses before other financing sources (uses)	(30,723)	53,055	22,332
Other financing sources (uses):			
Operating transfers in	52,225	-0-	52,225
Operating transfers out	<u>-0-</u>	<u>(52,225)</u>	<u>(52,225)</u>
Excess (deficiency) of revenues over expenses	21,502	830	22,332
Retained earnings (deficit), beginning of year	<u>(552,996)</u>	<u>88,265</u>	<u>(464,731)</u>
Equity transfer in	82,200	-0-	82,200
Equity transfer out	<u>-0-</u>	<u>(82,200)</u>	<u>(82,200)</u>
Retained earnings (deficit), end of year	<u>\$(449,294)</u>	<u>\$ 6,895</u>	<u>\$(442,399)</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003**

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<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:			
<u>Subject to Annual Contribution Contracts</u> PHA Owned Housing Program	14.850	FW-1057	\$33,177
Capital Fund Program	14.872	FW-1057	<u>53,055</u>
Total annual contribution contracts			<u>\$86,232</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HAVP and is presented on an accrual basis of accounting.

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE II**  
**Page 1 of 4**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET**  
**JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
111	Cash - unrestricted	\$ 22,666	\$ -0-	\$ 22,666
114	Cash - tenant security deposits	<u>1,050</u>	<u>-0-</u>	<u>1,050</u>
100	Total cash	<u>23,716</u>	<u>-0-</u>	<u>23,716</u>
122	Accounts receivable - HUD other projects	-0-	350	350
126	Accounts receivable - tenants dwelling rents	1,543	-0-	1,543
126.1	Allowance for doubtful accounts-dwelling rents	<u>(74)</u>	<u>-0-</u>	<u>(74)</u>
120	Total receivables, net of allowance for doubtful accounts	<u>1,469</u>	<u>350</u>	<u>1,819</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED**  
JUNE 30, 2003

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
142	Prepaid expenses and other assets	\$ 4,234	\$ -0-	\$ 4,234
144	Interprogram due from	<u>350</u>	<u>-0-</u>	<u>350</u>
150	Total current assets	<u>29,769</u>	<u>350</u>	<u>30,119</u>
161	Land	16,027	-0-	16,027
162	Buildings	767,047	-0-	767,047
163	Furniture, equipment & machinery- dwellings	14,469	-0-	14,469
164	Furniture, equipment & machinery- administration	17,949	-0-	17,949
166	Accumulated depreciation	(569,271)	-0-	(569,271)
167	Construction in progress	<u>-0-</u>	<u>6,895</u>	<u>6,895</u>
160	Total fixed assets, net of accumulated depreciation	<u>246,221</u>	<u>6,895</u>	<u>253,116</u>
180	Total non-current assets	<u>246,221</u>	<u>6,895</u>	<u>253,116</u>
190	Total assets	<u>\$ 275,990</u>	<u>\$ 7,245</u>	<u>\$ 283,235</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
312	Accounts payable < 90 days	\$ 329	\$ -0-	\$ 329
321	Accrued wage/payroll taxes payable	8,899	-0-	8,899
333	Accounts payable - other government	2,267	-0-	2,267
341	Tenant security deposits	1,050	-0-	1,050
347	Interprogram due to	<u>-0-</u>	<u>350</u>	<u>350</u>
310	Total current liabilities	<u>12,545</u>	<u>350</u>	<u>12,895</u>
300	Total liabilities	<u>12,545</u>	<u>350</u>	<u>12,895</u>
504	Net HUD PHA contributions	<u>712,739</u>	<u>-0-</u>	<u>712,739</u>
508	Total contributed capital	<u>712,739</u>	<u>-0-</u>	<u>712,739</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
 PARKS, LOUISIANA  
 FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
 JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
512	Undesignated fund balance/retained earnings (deficit)	<u>\$(449,294)</u>	<u>\$6,895</u>	<u>\$(442,399)</u>
513	Total equity	<u>263,445</u>	<u>6,895</u>	<u>270,340</u>
600	Total liabilities and equity	<u>\$ 275,990</u>	<u>\$7,245</u>	<u>\$ 283,235</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE PARKS  
 PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
703	Net tenant rental revenue	\$ 19,501	\$ -0-	\$ 19,501
704	Tenant revenue - other	<u>1,547</u>	<u>-0-</u>	<u>1,547</u>
705	Total tenant revenues	21,048	-0-	21,048
706	HUD PHA operating grants	33,177	3,118	36,295
706.1	Capital grants	-0-	49,937	49,937
715	Other revenue	<u>2,366</u>	<u>-0-</u>	<u>2,366</u>
700	Total revenues	<u>56,591</u>	<u>53,055</u>	<u>109,646</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE III**  
**Page 2 of 4**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
 PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
911	Administrative salaries	\$ 11,776	\$ -0-	\$ 11,776
912	Auditing fees	5,500	-0-	5,500
915	Employee benefit contributions- administrative	2,625	-0-	2,625
916	Other operating-administrative	4,069	-0-	4,069
931	Water	1,979	-0-	1,979
932	Electricity	460	-0-	460
938	Other utilities expense	1,469	-0-	1,469
941	Ordinary maintenance and operations- labor	<u>5,790</u>	<u>-0-</u>	<u>5,790</u>
	Page total	<u>33,668</u>	<u>-0-</u>	<u>33,668</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
942	Ordinary maintenance and operations- materials and other	\$ 3,891	\$ -0-	\$ 3,891
943	Ordinary maintenance and operations- contract costs	5,139	-0-	5,139
945	Employee benefit contributions- ordinary maintenance	1,236	-0-	1,236
961	Insurance premiums	6,934	-0-	6,934
962	Other general expenses	7,164	-0-	7,164
963	Payment in lieu of taxes	<u>1,559</u>	<u>-0-</u>	<u>1,559</u>
969	Total operating expenses	<u>59,591</u>	<u>-0-</u>	<u>59,591</u>
970	Excess (deficiency) of operating revenues over operating expenses	<u>(3,000)</u>	<u>53,055</u>	<u>50,055</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE III**  
**Page 4 of 4**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
 PARKS, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2003**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Capital Fund Program</u>	<u>Totals (Memorandum Only)</u>
974	Other Expenses: Depreciation expense	\$ <u>27,723</u>	\$ <u>-0-</u>	\$ <u>27,723</u>
900	Total expenses	<u>87,314</u>	<u>-0-</u>	<u>87,314</u>
1001	Other Financing Sources (Uses): Operating transfers in	3,118	-0-	3,118
1002	Operating transfers out	<u>-0-</u>	<u>(3,118)</u>	<u>(3,118)</u>
1000	Excess (deficiency) of revenues over (under) expenses	<u>\$(27,605)</u>	<u>\$49,937</u>	<u>\$ 22,332</u>
Memo Account Information				
1103	Beginning equity	<u>\$(552,996)</u>	<u>\$ 88,265</u>	<u>\$(464,731)</u>
1104	Prior period adjustments, equity transfers and corrections of errors	<u>\$ 131,307</u>	<u>\$(131,307)</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**

**STATEMENT OF CAPITAL FUND PROGRAM (INCOMPLETE)  
FROM INCEPTION THROUGH JUNE 30, 2003**

	<u>LA-48PO84501-01</u>	<u>LA 48PO84501-02</u>	<u>TOTAL</u>
Funds approved	\$ 25,474	\$12,093	\$ 37,567
Funds expended	(16,589)	(2,209)	(18,798)
Excess (deficiency) of funds approved	\$ <u>8,885</u>	\$ <u>9,884</u>	\$ <u>18,769</u>
Funds advanced: Grant funding	\$ <u>16,239</u>	\$ <u>2,209</u>	\$ <u>18,448</u>
Total funds advanced	16,239	2,209	18,448
Funds expended	(16,589)	(2,209)	(18,798)
Excess (deficiency) of funds advanced	\$ <u>(350)</u>	\$ <u>-0-</u>	\$ <u>(350)</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE V**

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**

**STATEMENT OF CAPITAL FUND PROGRAM (COMPLETED)  
FROM INCEPTION THROUGH JUNE 30, 2003**

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	<u>LA 48PO84502-01</u>	<u>LA 48PO84501-00</u>	<u>TOTAL</u>
Funds approved	\$ 131,384	\$ 24,977	\$ 156,361
Funds expended	<u>(131,384)</u>	<u>(24,977)</u>	<u>(156,361)</u>
Excess (deficiency) of funds approved	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Funds advanced: Grant funding	\$ <u>131,384</u>	\$ <u>24,977</u>	\$ <u>156,361</u>
Total funds advanced	131,384	24,977	156,361
Funds expended	<u>(131,384)</u>	<u>(24,977)</u>	<u>(156,361)</u>
Excess (deficiency) of funds advanced	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE: The costs as shown on the Actual Modernization Cost Certificate for LA 48PO84501-00 dated March 22, 2002 and LA 48PO84502-01 dated March 11, 2003 and submitted to HUD for approval are in agreement with HAVP's records and all cost and liabilities associated with it have been paid.

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**

**To the Board of Commissioners  
Housing Authority of the Village of Parks**

We have audited the financial statements of **Housing Authority of the Village of Parks (HAVP)** as of and for the year ended June 30, 2003, and have issued our report thereon dated October 23, 2003. 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 **HAVP's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2003-02, 2003-03 and 2003-04.

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered HAVP's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect HAVP's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2003-01 and 2003-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of HAVP in a separate letter dated October 23, 2003.

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)

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

*Bruno & Tervalon LLP*

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

October 23, 2003

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003**

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We have audited the financial statements of **Housing Authority of the Village of Parks** as of, and for the year ended June 30, 2003, and have issued our report thereon dated October 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits outlined in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**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? Yes

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal Control Over Major Programs:

- Material weakness(es) identified? N/A\*
- Reportable condition(s) identified that are not considered to be material weakness(es)? N/A\*

Type of auditor's report issued on compliance for major programs: N/A\*

\*Not Applicable

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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

*Federal Awards, Continued*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	N/A*
Identification of Major Program:	None
Dollar threshold used to distinguish between type A and type B programs:	N/A*
Auditee qualified as low-risk auditee?	N/A*

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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

**Reference Number**

2003-01

**Criteria**

The management of HAVP is responsible for establishing and maintaining an effective internal control system.

**Condition**

The operations of HAVP's internal control over financial reporting exhibited the following deficiencies:

- Our review of the detail of cash receipts for the month of November 2002, revealed the inclusion of dwelling rent collected for September and October 2002 totaling \$2,210 in a deposit made on November 10, 2002;
- Rent receipts used by HAVP were not issued or accounted for in sequential order; in four (4) instances the tenant's rent receipt copy was retained; and in three (3) instances the information on the rent receipt form was incomplete;
- Noted blank checks which were not properly voided to prevent negotiability by unauthorized personnel;
- Our review of thirty-three (33) cash disbursements revealed the following:
  - Two (2) instances where mathematical verification of invoices was not performed prior to disbursements;
  - Five (5) instances where disbursements were not properly supported by invoices; and

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number, Continued**

2003-01

**Condition, Continued**

- One (1) instance where disbursement was improperly coded and recorded in the general ledger.
- Lack of segregation of custodial and recordation functions or enhanced board oversight of all financial transactions and activities in instances where segregation of the custodial and recordation functions is not practical due to the size of HAVP's staff. Specifically, the Executive Director has both custodial and recordation functions due primarily to HAVP's personnel size; and
- No formal accounting policy and procedural manual. Such a manual will provide management with the necessary guidance and consistency in the application of Board policies and established practices in the operation of the day-to-day activities of HAVP.

**Questioned Costs**

None.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number, Continued**

2003-01

**Effect**

A weakened internal control system which increases the potential for misappropriation of assets and/or risk for errors.

**Cause**

Size and experience of personnel coupled with a lack of adequate Board oversight.

**Recommendation**

Management should re-evaluate the current internal control system with an aim toward the establishment of new procedures and enhancement of existing procedures and processes to include greater Board oversight and adequate training of personnel.

**Management's Response**

The new executive director hired on December 18, 2002 is evaluating the referenced internal control condition with an aim towards resolution by March 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number**

2003-02

**Criteria**

Federal and State regulations require the timely deposit of payroll taxes (Federal, State, social security, and medicare withholdings) and filing of all required tax reports.

**Condition**

We were unable to determine whether **HAVP** deposited and filed all required Federal, State income and unemployment and other payroll related taxes withheld from employees in accordance with the above referenced regulations. As such, we were unable to determine the financial statement impact of any potential penalties and interest. We did note that through the efforts of the new Executive Director hired effective December 18, 2002, the Internal Revenue Service (IRS) quarterly 941 forms for the quarters ended March 31, 2003 and June 30, 2003, were filed in a timely manner.

**Questioned Costs**

None.

**Effect**

Potential exposure to penalties and interest and noncompliance with required regulations.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number, Continued**

2003-02

**Cause**

Inadequate training of personnel assigned with payroll processing responsibilities coupled with lack of oversight by management and board.

**Recommendation**

HAVP should initiate discussions/correspondence with the respective Federal, State and local agencies to ensure the timely and most cost effective resolution of the delinquent tax payment and filing status.

**Management's Response**

The new executive director intends to file the appropriate returns and pay all outstanding obligations by no later than March 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number**

2003-03

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

“The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of financial statements and reports in accordance with HUD requirements and to permit timely and effective audits”.

**Condition**

The Public and Indian Low-Income Housing Program’s actual expenses for the year ended June 30, 2003, reflected an overrun over the approved budget in total operating expenditures by approximately \$5,168 before the effects of audit adjustments.

**Effect**

Noncompliance with its budget requirements as dictated by HAVP’s Board and HUD regulations.

**Cause**

Lack of an adequate budget to actual monitoring system.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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

**Reference Number, Continued**

2003-03

**Recommendation**

We recommend that management review its financial statements and project cost on a monthly basis to identify areas for potential overruns.

**Management's Response**

It is management's intent to review the referenced condition and implement the necessary corrective action plan by no later than April 30, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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

**Reference Number**

2003-04

**Criteria**

Section 9 of the Consolidated Annual Contributions Contract and the handbook for Low Rent Public Housing Program, require the execution of a General Depository Agreement (Form HUD 51999) with depository institutions.

**Condition**

At June 30, 2003, HAVP did not have a General Depository Agreement (HUD Form 51999) on file for its operating bank account.

**Effect**

Noncompliance with HUD depository agreement requirement.

**Cause**

Change in management coupled with inadequate training.

**Recommendation**

Management of HAVP should execute a depository agreement pursuant to HUD requirements with its financial institution.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

---

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

**Reference Number, Continued**

2003-04

**Management's Response**

Management will execute a depository agreement with its financial institution by no later than March 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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

No federal award findings and questioned costs were reported for the year ended June 30, 2003.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

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**Section IV - Status of Prior Years' Findings**

**Reference Numbers**

2002-01 and 2001-01

**Condition**

The operation of HAVP's internal control over financial reporting exhibited the following deficiencies:

- Lack of segregation of custodial and recordation functions or enhanced board oversight of all financial transactions and activities in instances where segregation of the custodial and recordation functions is not practical due to the size of HAVP's staff. Specifically, the Executive Director has both custodial and recordation functions due primarily to HAVP's personnel size;
- Untimely deposit of rents collected. Our review of rent collection during the month of May 2002, included funds totaling \$1,157 not deposited until June 13, 2002;
- Checks bearing the signature of the chairman of the Board of Commissioners was inconsistent with the signature on HAVP's bank signature card. Based on discussion with the previous Executive Director, we were advised that the checks were signed by her with the authorization of the Board Chairman. This process weakens the control element inherent in the use of dual signatures for all disbursements;

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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**Section IV - Status of Prior Years' Findings, Continued**

**Reference Number, Continued**

2002-01 and 2001-01

**Condition, Continued**

- Our review of twenty-two (22) cash disbursements revealed sixteen (16) instances where invoices were not cancelled to depict their status. Further discussion with management revealed an inconsistent application in the practice of cancelling invoices in order to reduce the potential for duplicate payment of bills;
- Our review of twenty-two (22) cash disbursements revealed fifteen (15) instances where mathematical verification of invoices were not performed;
- Our review of twenty-two (22) cash disbursements revealed four (4) instances where disbursements were coded to an incorrect account; and
- Our review of twenty-two (22) cash disbursements revealed two (2) instances where disbursements were not supported by proper invoices.

**Current Status**

See reference number 2003-01 for current year finding.

On December 18, 2002, the HAVP hired a new Executive Director. We noted no exceptions in the names inscribed on checks reviewed to the authorized checksigners.

Management intends to address the above described conditions by no later than May 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COST, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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**Section IV - Status of Prior Years' Findings, Continued**

**Reference Numbers**

2002-02, 2001-02, and 2000-01

**Condition**

HAVP has not filed or disbursed, Federal, State income and unemployment and other payroll related taxes withheld from employees. At June 30, 2002, the potential amount due for unemployment tax had not been recorded.

**Current Status**

See current year finding reference number 2003-02 for repeated condition.

**Reference Number**

2002-03

**Condition**

Our testing of dwelling rental revealed three (3) instances, where tenant dwelling rent amount changed between years without the appropriate documentation to support the revised amounts. As a result of such changes, total dwelling rental decreased from approximately \$30,550 for the year ended June 30, 2001, to approximately \$18,490 for the year ended June 30, 2002.

As a result of a change in management, we are unable to obtain an explanation for the above condition.

**Current Status**

Resolved. The HAVP during the year ended June 30, 2003, performed a one hundred percent re-certification.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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**Section IV - Status of Prior Years' Findings, Continued**

**Reference Number**

2002-04

**Condition**

Our audit of the books and accounts for the **HAVP** revealed the following conditions:

- No record of Board of Commissioners minutes for the audit period;
- Lack of an effective and formalized collection policy resulting in the write-off of tenants receivables of \$1,007 due from tenants subsequent to their move out from the **HAVP's** housing unit. Also, noted at June 30, 2002, a tenant receivable of approximately \$1,599 which represented about seventy-five (75) percentage of gross tenant receivable; and
- No formal accounting policy and procedural manual. Such a manual will provide management with the necessary guidance and consistency in the application of Board policies and established practices in the operation of the day-to-day activities of **HAVP**.

**Current Status**

Partially resolved.

Management anticipates the development of a collection and accounting policy and procedural manuals to include other required manuals and policies by June 30, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

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**Section IV - Status of Prior Years' Findings, Continued**

**Reference Number**

2002-05

**Condition**

The June 30, 2002, audited financial statements and reports for HAVP were not submitted within the timeframe dictated by Louisiana Revised Statute 24:513.

**Current Status**

Resolved.

**Reference Numbers**

2002-06, 2001-03 and 2000-02

**Condition**

The Public and Indian Low-Income Housing Program's actual expenses for the year ended June 30, 2002, reflected overruns over the approved budget in the total routine expense category by approximately \$8,169 before the effects of audit adjustments.

**Current Status**

See current year finding reference number 2003-03 for repeated condition.

Management anticipates resolution by no later than June 30, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

**Section IV - Status of Prior Years' Findings, Continued**

**Reference Number**

2001-04

**Condition**

Our audit of the accounting records prepared by HAVP's fee accountant revealed the following conditions:

- A receivable due from a former employee resulting from inappropriate disbursements during the fiscal year ending June 30, 2000, in the amount of \$1,507 (with an outstanding balance of \$1,312 at June 30, 2001), was not recorded in HAVP's financial statements prior to the effect of a current year audit adjustment;
- Noted journal entries made by HAVP's fee accountant for which the supporting documentation provided did not facilitate for an adequate audit trail; and
- Noted differences in accumulated depreciation and net equity balances between the June 30, 2000 audit report and HAVP's general ledger.

**Current Status**

Partially resolved. It is management's intent to work toward resolution of the above referenced conditions by no later than March 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA**

**EXIT CONFERENCE**

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The financial statements and all related reports were discussed at an exit conference and management is in agreement. Those persons who participated in the conference are as follows:

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS**

Ms. Helena Patt -- Executive Director

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

Mr. Paul K. Andoh, Sr., CPA, CGFM -- Partner  
Mrs. Latona R. Thomas, CPA -- Senior Accountant  
Mr. Victor G. Robinson -- In-Charge Accountant



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

## **INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

To the Board of Commissioners  
**Housing Authority of the Village of Parks**

In planning and performing our audit of the financial statements of the **Housing Authority of the Village of Parks (HAVP)** for the year ended June 30, 2003, we considered **HAVP's** internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during the audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on **HAVP's** internal control in our report dated October 23, 2003. This letter does not affect our report dated October 23, 2003, on the financial statements of **HAVP**.

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

## **INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

The following summarizes our comments and recommendations concerning those matters.

### **Condition**

We noted that all bank account reconciliations and financial statements prepared by HAVP's fee accountant were neither reviewed nor approved by an appropriate member of management.

### **Recommendation**

We recommend that management review and approve all work prepared by its fee accountant for HAVP.

### **Management's Response**

The new executive director, intends to initiate such a procedure by no later than June 30, 2004.

### **Condition**

Minutes prepared for the HAVP's Board of Commissioners meetings for the June 30, 2003 fiscal year were not signed by the Board's Secretary and appears to be incomplete.

### **Recommendation**

We recommend that all minutes of the HAVP's Board of Commissioners should be completely transcribed and signed by the Board's Secretary and Chairman.

### **Management's Response**

Effective immediately, all board minutes will be completely transcribed and signed by the respective parties.

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

**Condition**

Noted that the HAVP at June 30, 2003 lacked written and formalized policies and procedures for procurement of goods and services, employees, maintenance, fixed asset acquisition and disposition, et cetera.

**Recommendation**

We recommend that management develop the necessary written policies and procedures for Board approval.

**Management's Response**

The new executive director has initiated the development of policies and procedures and anticipates completion by no later than June 30, 2004.

\*\*\*\*\*

We wish to thank you and your staff for the support afforded us during our audit. This report is intended solely for the information and use of the Board of Commissioners, management, Legislative Auditor for the State of Louisiana and the United States Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

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

October 23, 2003

**PARKS HOUSING AUTHORITY**  
**1003 Charles St.**  
**St. Martinville, LA 70582**

PHONE (337) 845 - 4003

FAX (337) 845 - 4834

December 22, 2003

**Bruno & Tervalon LLP**  
**Certified Public Accountants**  
**4298 Elysian Fields Avenue**  
**New Orleans, LA 70122**

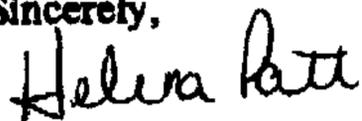
Dear Sirs:

Enclosed is the corrective action plan developed by the **Housing Authority of the Village of Parks** in response to the current and prior years' audit findings and management letter comments in connection with the audit as of and for the year ended June 30, 2003. The plan includes, where applicable, the corrective action plan and anticipated completion date.

In all findings attached, Ms. Helena Patt is the contact person.

If any further information is required, do not hesitate to contact me at (337)845-4003.

Sincerely,



**Helena Patt**  
**Executive Director**

HP/

Enclosure

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

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Reference Number

2003-01

Criteria

The management of **HAVP** is responsible for establishing and maintaining an effective internal control system.

Condition

The operations of **HAVP's** internal control over financial reporting exhibited the following deficiencies:

1. Our review of the detail of cash receipts for the month of November 2002, revealed the inclusion of dwelling rent collected for September and October 2002 totaling \$2,210 in a deposit made on November 10, 2002;
2. Rent receipts used by **HAVP** were not issued or accounted for in sequential order; in four (4) instances the tenant's rent receipt copy was retained; and in three (3) instances the information on the rent receipt form was incomplete;
3. Noted blank checks which were not properly voided to prevent negotiability by unauthorized personnel;
4. Our review of thirty-three (33) cash disbursements revealed the following:
  - Two (2) instances where mathematical verification of invoices was not performed prior to disbursements;
  - Five (5) instances where disbursements were not properly supported by invoices; and

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number, Continued  
2003-01

Condition, Continued

- One (1) instance where disbursement was improperly coded and recorded in the general ledger.
  
- 5. Lack of segregation of custodial and recordation functions or enhanced board oversight of all financial transactions and activities in instances where segregation of the custodial and recordation functions is not practical due to the size of **HAVP's** staff. Specifically, the Executive Director has both custodial and recordation functions due primarily to **HAVP's** personnel size; and
  
- 6. No formal accounting policy and procedural manual. Such a manual will provide management with the necessary guidance and consistency in the application of Board policies and established practices in the operation of the day-to-day activities of **HAVP**.

Questioned Costs

None.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number, Continued  
2003-01

Effect

A weakened internal control system which increases the potential for misappropriation of assets and/or risk for errors.

Cause

Size and experience of personnel coupled with a lack of adequate Board oversight.

Recommendation

Management should re-evaluate the current internal control system with an aim toward the establishment of new procedures and enhancement of existing procedures and processes to include greater Board oversight and adequate training of personnel.

Management's Response

The new executive director hired on December 18, 2002 is evaluating the referenced internal control condition with an aim towards resolution by March 31, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number

2003-02

Criteria

Federal and State regulations require the timely deposit of payroll taxes (Federal, State, social security, and medicare withholdings) and filing of all required tax reports.

Condition

We were unable to determine whether **HAVP** deposited and filed all required Federal, State income and unemployment and other payroll related taxes withheld from employees in accordance with the above referenced regulations. As such, we were unable to determine the financial statement impact of any potential penalties and interest. We did note that through the efforts of the new Executive Director hired effective December 18, 2002, the Internal Revenue Service (IRS) quarterly 941 forms for the quarters ended March 31, 2003 and June 30, 2003, were filed in a timely manner.

Questioned Costs

None.

Effect

Potential exposure to penalties and interest and noncompliance with required regulations.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number, Continued  
2003-02

Cause

Inadequate training of personnel assigned with payroll processing responsibilities coupled with lack of oversight by management and board.

Recommendation

**HAVP** should initiate discussions/correspondence with the respective Federal, State and local agencies to ensure the timely and most cost effective resolution of the delinquent tax payment and filing status.

Management's Response

The new executive director intends to file the appropriate returns and pay all outstanding obligations by no later than March 31, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

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Reference Number

2003-03

Criteria

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

“The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of financial statements and reports in accordance with HUD requirements and to permit timely and effective audits”.

Condition

The Public and Indian Low-Income Housing Program’s actual expenses for the year ended June 30, 2003, reflected an overrun over the approved budget in total operating expenditures by approximately \$5,168 before the effects of audit adjustments.

Effect

Noncompliance with its budget requirements as dictated by HAVP’s Board and HUD regulations.

Cause

Lack of an adequate budget to actual monitoring system.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number, Continued  
2003-03

Recommendation

We recommend that management review its financial statements and project cost on a monthly basis to identify areas for potential overruns.

Management's Response

It is management's intent to review the referenced condition and implement the necessary corrective action plan by no later than April 30, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

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Reference Number

2003-04

Criteria

Section 9 of the Consolidated Annual Contributions Contract and the handbook for Low Rent Public Housing Program, require the execution of a General Depository Agreement (Form HUD 51999) with depository institutions.

Condition

At June 30, 2003, HAVP did not have a General Depository Agreement (HUD Form 51999) on file for its operating bank account.

Effect

Noncompliance with HUD depository agreement requirement.

Cause

Change in management coupled with inadequate training.

Recommendation

Management of HAVP should execute a depository agreement pursuant to HUD requirements with its financial institution.

Management's Response

Management will execute a depository agreement with its financial institution by no later than March 31, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Numbers

2002-01 and 2001-01

Condition

The operation of HAVP's internal control over financial reporting exhibited the following deficiencies:

- Lack of segregation of custodial and recordation functions or enhanced board oversight of all financial transactions and activities in instances where segregation of the custodial and recordation functions is not practical due to the size of HAVP's staff. Specifically, the Executive Director has both custodial and recordation functions due primarily to HAVP's personnel size;
- Untimely deposit of rents collected. Our review of rent collection during the month of May 2002, included funds totaling \$1,157 not deposited until June 13, 2002;
- Checks bearing the signature of the chairman of the Board of Commissioners was inconsistent with the signature on HAVP's bank signature card. Based on discussion with the previous Executive Director, we were advised that the checks were signed by her with the authorization of the Board Chairman. This process weakens the control element inherent in the use of dual signatures for all disbursements;

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number, Continued  
2002-01 and 2001-01

Condition, Continued

- Our review of twenty-two (22) cash disbursements revealed sixteen (16) instances where invoices were not cancelled to depict their status. Further discussion with management revealed an inconsistent application in the practice of cancelling invoices in order to reduce the potential for duplicate payment of bills;
- Our review of twenty-two (22) cash disbursements revealed fifteen (15) instances where mathematical verification of invoices were not performed;
- Our review of twenty-two (22) cash disbursements revealed four (4) instances where disbursements were coded to an incorrect account; and
- Our review of twenty-two (22) cash disbursements revealed two (2) instances where disbursements were not supported by proper invoices.

Current Status

See reference number 2003-01 for current year finding.

On December 18, 2002, the **HAVP** hired a new Executive Director. We noted no exceptions in the names inscribed on checks reviewed to the authorized checksigners.

Management intends to address the above described conditions by no later than May 31, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COST, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Numbers

2002-02, 2001-02, and 2000-01

Condition

**HAVP** has not filed or disbursed, Federal, State income and unemployment and other payroll related taxes withheld from employees. At June 30, 2002, the potential amount due for unemployment tax had not been recorded.

Current Status

See current year finding reference number 2003-02 for repeated condition.

Reference Number

2002-03

Condition

Our testing of dwelling rental revealed three (3) instances, where tenant dwelling rent amount changed between years without the appropriate documentation to support the revised amounts. As a result of such changes, total dwelling rental decreased from approximately \$30,550 for the year ended June 30, 2001, to approximately \$18,490 for the year ended June 30, 2002.

As a result of a change in management, we are unable to obtain an explanation for the above condition.

Current Status

Resolved. The **HAVP** during the year ended June 30, 2003, performed a one hundred percent re-certification.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number

2002-04

Condition

Our audit of the books and accounts for the **HAVP** revealed the following conditions:

- No record of Board of Commissioners minutes for the audit period;
- Lack of an effective and formalized collection policy resulting in the write-off of tenants receivables of \$1,007 due from tenants subsequent to their move out from the **HAVP's** housing unit. Also, noted at June 30, 2002, a tenant receivable of approximately \$1,599 which represented about seventy-five (75) percentage of gross tenant receivable; and
- No formal accounting policy and procedural manual. Such a manual will provide management with the necessary guidance and consistency in the application of Board policies and established practices in the operation of the day-to-day activities of **HAVP**.

Current Status

Partially resolved.

Management anticipates the development of a collection and accounting policy and procedural manuals to include other required manuals and policies by June 30, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

---

Reference Number

2002-05

Condition

The June 30, 2002, audited financial statements and reports for **HAVP** were not submitted within the timeframe dictated by Louisiana Revised Statute 24:513.

Current Status

Resolved.

Reference Numbers

2002-06, 2001-03 and 2000-02

Condition

The Public and Indian Low-Income Housing Program's actual expenses for the year ended June 30, 2002, reflected overruns over the approved budget in the total routine expense category by approximately \$8,169 before the effects of audit adjustments.

Current Status

See current year finding reference number 2003-03 for repeated condition.

Management anticipates resolution by no later than June 30, 2004.

HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003

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Reference Number

2001-04

Condition

Our audit of the accounting records prepared by HAVP's fee accountant revealed the following conditions:

- A receivable due from a former employee resulting from inappropriate disbursements during the fiscal year ending June 30, 2000, in the amount of \$1,507 (with an outstanding balance of \$1,312 at June 30, 2001), was not recorded in HAVP's financial statements prior to the effect of a current year audit adjustment;
- Noted journal entries made by HAVP's fee accountant for which the supporting documentation provided did not facilitate for an adequate audit trail; and
- Noted differences in accumulated depreciation and net equity balances between the June 30, 2000 audit report and HAVP's general ledger.

Current Status

Partially resolved. It is management's intent to work toward resolution of the above referenced conditions by no later than March 31, 2004.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
MANAGEMENT LETTER COMMENTS**

---

**Condition**

We noted that all bank account reconciliations and financial statements prepared by HAVP's fee accountant were neither reviewed nor approved by an appropriate member of management.

**Recommendation**

We recommend that management review and approve all work prepared by its fee accountant for HAVP.

**Management's Response**

The new executive director, intends to initiate such a procedure by no later than June 30, 2004.

**Condition**

Minutes prepared for the HAVP's Board of Commissioners meetings for the June 30, 2003 fiscal year were not signed by the Board's Secretary and appears to be incomplete.

**Recommendation**

We recommend that all minutes of the HAVP's Board of Commissioners should be completely transcribed and signed by the Board's Secretary and Chairman.

**Management's Response**

Effective immediately, all board minutes will be completely transcribed and signed by the respective parties.

**HOUSING AUTHORITY OF THE VILLAGE OF PARKS**  
**MANAGEMENT LETTER COMMENTS, CONTINUED**

---

**Condition**

Noted that the **HAVP** at June 30, 2003 lacked written and formalized policies and procedures for procurement of goods and services, employees, maintenance, fixed asset acquisition and disposition, et cetera.

**Recommendation**

We recommend that management develop the necessary written policies and procedures for Board approval.

**Management's Response**

The new executive director has initiated the development of policies and procedures and anticipates completion by no later than June 30, 2004.