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**HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 1-19-00

WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

2313 LAKE SHORE DRIVE  
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**HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA 71327

I have audited the accompanying general purpose financial statements of the Housing Authority of The Town of Cottonport (PHA) as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of The Town of Cottonport as of June 30, 1999, and the results of its operations and changes in its surplus for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated September 10, 1999 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

September 10, 1999

Housing Authority of the Town of Cottonport,  
Cottonport, La. 71327  
ALL FUND TYPES AND ACCOUNT GROUPS  
COMBINED BALANCE SHEET AS OF JUNE 30, 1999

EXHIBIT A

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUNDS				FIDUCIARY			ACCOUNT GROUPS			Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Agency Funds	General Fixed Assets	General Long Term Obligations	General Long Term Obligations	General Long Term Obligations		
Assets:											
Cash and Cash Equivalents	67,029.78	0.00	0.00	0.00	4,290.00	0.00	0.00	0.00	0.00	0.00	71,319.78
Receivables	591.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	591.81
Interfund Receivables	0.00	0.00	0.00	51,681.86	0.00	0.00	0.00	0.00	0.00	0.00	51,681.86
Prepaid Insurance	7,024.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,024.14
Other	16,393.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,393.28
Land, Structures & Equipment	0.00	0.00	0.00	0.00	0.00	2,568,878.83	0.00	0.00	0.00	0.00	2,568,878.83
Other Debits:											
Amount Available in Debt Service Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount to be Provided for Retirement of General Long Term Obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,679.25	0.00	0.00	1,679.25
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$91,039.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$51,681.86</b>	<b>\$4,290.00</b>	<b>\$2,568,878.83</b>	<b>\$0.00</b>	<b>\$1,679.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,717,568.95</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>											
Liabilities:											
Accounts Payable	6,653.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,653.44
Interfund Payables	51,681.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,681.86
Deposits Due Others	0.00	0.00	0.00	0.00	4,290.00	0.00	0.00	0.00	0.00	0.00	4,290.00
Deferred Revenues	0.00	0.00	0.00	51,681.86	0.00	0.00	0.00	0.00	0.00	0.00	51,681.86
Compensated Absences Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,679.25	0.00	0.00	1,679.25
Notes & Bonds Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	\$58,335.30	\$0.00	\$0.00	\$51,681.86	\$4,290.00	\$0.00	\$0.00	\$1,679.25	\$0.00	\$0.00	\$115,986.41
Equity & Other Credits											
Investment in General Fixed Assets	0.00	0.00	0.00	0.00	0.00	2,568,878.83	0.00	0.00	0.00	0.00	2,568,878.83
Fund Balances:											
Reserved for Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserved for Debt Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unreserved & Undesignated	32,703.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,703.71
Total Equity & Other Credits	\$32,703.71	\$0.00	\$0.00	\$0.00	\$0.00	\$2,568,878.83	\$0.00	\$0.00	\$0.00	\$0.00	\$2,601,582.54
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$91,039.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$51,681.86</b>	<b>\$4,290.00</b>	<b>\$2,568,878.83</b>	<b>\$0.00</b>	<b>\$1,679.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,717,568.95</b>

see notes to financial statements and management letter

EXHIBIT B

Housing Authority of the Town of Cottonport  
 Cottonport, LA 71327  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1999

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
<b>REVENUES</b>					
Local Sources:					
Dwelling Rental	50,731.00	0.00	0.00	0.00	50,731.00
Interest Charges	1,026.27	0.00	0.00	0.00	1,026.27
Receipts from the Sale of Equipment					
Other	1,208.41	0.00	0.00	0.00	1,208.41
Federal Sources:					
Operating Subsidy	55,135.00	0.00	0.00	0.00	55,135.00
Annual Contributions					
Grants				497,340.00	497,340.00
<b>Total Revenues</b>	<b>108,100.68</b>	<b>0.00</b>	<b>0.00</b>	<b>497,340.00</b>	<b>605,440.68</b>
<b>EXPENDITURES</b>					
Current:					
Administration	36,703.35	0.00	0.00	0.00	36,703.35
Utilities	2,063.62	0.00	0.00	0.00	2,063.62
Ordinary Maintenance & Operations	54,776.72	0.00	0.00	0.00	54,776.72
Protective Services	0.00	0.00	0.00	0.00	0.00
General Expenditures	31,923.25	0.00	0.00	0.00	31,923.25
Nonroutine Maintenance	0.00	0.00	0.00	0.00	0.00
Housing Assistance Payments	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition & Construction	1,629.00	0.00	0.00	446,425.85	448,054.85
Debt Service:					
Principal Retirement			0.00		0.00
Interest & Bank Charges			0.00		0.00
<b>Total Expenditures</b>	<b>127,095.94</b>	<b>0.00</b>	<b>0.00</b>	<b>446,425.85</b>	<b>573,521.79</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(18,995.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>50,914.15</b>	<b>31,918.89</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In		0.00			0.00
Operating Transfers Out		0.00			0.00
<b>Total Other Financing Sources (Uses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES</b>	<b>(18,995.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>50,914.15</b>	<b>31,918.89</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>51,698.97</b>	<b>0.00</b>	<b>0.00</b>	<b>767.71</b>	<b>52,466.68</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>32,703.71</b>	<b>0.00</b>	<b>0.00</b>	<b>51,681.86</b>	<b>84,385.57</b>

see notes to financial statements

Housing Authority of the Town of Cottonport  
Cottonport, LA 71327

EXHIBIT C

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET VS. ACTUAL  
GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1999

*****GENERAL FUND*****			
	Budget	Actual	Favorable Variance
<b>REVENUES</b>			
Local Sources:			
Dwelling Rental	57,770.00	50,731.00	(7,039.00)
Interest Charges	930.00	1,026.27	96.27
Receipts from the Sale of Equipment			
Other	2,160.00	1,208.41	(951.59)
Federal Sources:			
Operating Subsidy	55,135.00	55,135.00	-
Annual Contributions			
Grants			
Total Revenues	115,995.00	108,100.68	(7,894.32)
<b>EXPENDITURES</b>			
Current:			
Administration	37,100.00	36,703.35	396.65
Utilities	2,080.00	2,063.62	16.38
Ordinary Maintenance & Operations	59,790.00	54,776.72	5,013.28
Protective Services	-	-	-
General Expenditures	26,500.00	31,923.25	(5,423.25)
Nonroutine Maintenance	-	-	-
Housing Assistance Payments			
Facilities Acquisition & Construction	2,970.00	1,629.00	1,341.00
Debt Service:			
Principal Retirement			
Interest & Bank Charges			
Total Expenditures	128,440.00	127,095.94	1,344.06
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(12,445.00)	(18,995.26)	(6,550.26)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers In			
Operating Transfers Out			
Total Other Financing Sources (Uses)	(12,445.00)	(18,995.26)	(6,550.26)
<b>NET EXCESS (DEFICIENCY) OF REVENUES</b>	51,698.97	51,698.97	-
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	39,253.97	32,703.71	(6,550.26)
<b>FUND BALANCES AT END OF YEAR</b>			

=====  
see notes to financial statements  
=====

**THE HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Cottonport, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Mayor of Cottonport, Louisiana, serve a four year staggered term.

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

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	FW-652	60

**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the PHA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

**C. FUND ACCOUNTING**

The PHA uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net spendable financial resources.

Funds of the PHA are classified in three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental funds**--Governmental funds account for all or most of the PHA's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. General Fund--the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.
3. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Fiduciary Funds**--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. Tenant Security Deposits--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating Statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the PHA.

**Expenditures**--Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)--Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

Deferred Revenues--The PHA reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the PHA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the PHA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

## **E. BUDGETS**

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

## **F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

## **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

## **H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short term interfund loans are classified as interfund receivables/payables.

## **I. INVENTORY**

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

## **J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

## **K. COMPENSATED ABSENCES**

The PHA follows Louisiana Civil Serviced regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits or employees with 10 years service to a maximum of 25 days at their current annual salary.

## **L. LONG TERM OBLIGATIONS**

Long term obligations expected to be financed from governmental funds are reported in the general long term obligations account group. Expenditures for principal and interest payments for long term obligations are recognized in the governmental funds when due.

### **M. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

### **N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

### **O. TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

### **NOTE 2 -- CASH AND CASH EQUIVALENTS**

At June 30, 1999, the PHA has cash and cash equivalents totaling \$72,008.76 as follows:

Interest Bearing Demand Deposits	\$72,008.76
Time Deposits	
Petty Cash	
Cash With Fiscal Agent	
Total	\$72,008.76

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the PHA has \$72,008.76 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$N/A of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

**NOTE 3--RECEIVABLES**

The receivables of \$591.81 at June 30, 1999 are as follows:

Class of Receivables	General Fund
Local Sources:	
Tenants	573.00
Other	18.81
Total	591.81

**NOTE 4--FIXED ASSETS**

The changes in general fixed assets are as follows:

<b>LAND, STRUCTURES, AND EQUIPMENT</b>	
Balance 6-30-98	2,080,016.82
Net Additions	3,203.87
Balance 6-30-99	2,083,220.69
<b>CIAP 97</b>	
Balance 6-30-98	39,232.29
Net Additions	347,203.78
Balance 6-30-99	386,436.07
<b>CIAP 98</b>	
Net Additions & Balance 6-30-99	99,222.07
Total	2,568,878.83

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$n/a of ineligible expenditures as determined by HUD.

**NOTE 5--ACCOUNTS PAYABLE**

The payables of \$6,653.44 at June 30, 1999 are as follows:

Payment in Lieu of Taxes	4,866.74
Other	1,786.70
Total	6,653.44

**NOTE 6--COMPENSATED ABSENCES**

At June 30, 1999, employees of the PHA have accumulated and vested \$1,679.25 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

**NOTE 7--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

Tenant Security Deposits	
Balance 6-30-98	4,077.50
Net Additions	212.50
Balance 6-30-99	4,290.00

**NOTE 8--CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of the long term obligation transactions of the year ended June 30, 1999:

Compensated Absences	
Balance 6-30-98	1,252.70
Net Additions	426.55
Balance 6-30-99	1,679.25

**NOTE 9--INTERFUND ASSETS/LIABILITIES**

Interfund receivables/payables at June 30, 1999 is as follows:

	Due From	Due To
General Fund	51,681.86	
Capital Project Funds		51,681.86

**NOTE 10-COMMITMENTS AND CONTINGENCIES**

There are certain major construction projects at September 10, 1999. As approved by HUD these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects totaled \$386,436.07 and \$99,222.07 as of June 30, 1999.

The PHA participates in a number of state and federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1996 through June 30, 1999, these programs are still subject to compliance audits. PHA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**NOTE 11-YEAR 2000 COMPLIANCE**

Since the PHA has bank accounts and other relationships that are dependent upon computers for normal function, it is impossible to properly determine the effect that Y-2K will have on the PHA until after January 2000. The computer software vendor utilized by the PHA indicates that they are in the Testing/Validation stage and that they are confident that the software utilized internally by the PHA will be Y-2K compliant by the end of the summer of 1999. The PHA is not performing any Testing/Validation at this time but plans to do so by September 1999. HUD indicates that their computer systems are better prepared for Y-2K than most Federal agencies and do not anticipate problems in this regard. The CPA firm hereby declares that we are not capable of evaluating the probability of what will really happen relative to Y-2K, does not believe that anyone else is, but that we do not believe that it will have a material long term effect on this PHA.

**NOTE 12-DEFERRED REVENUES**

The deferred revenues at June, 30 1999 are as follows:

Capital Projects Fund:	
Prepayment from HUD	51,681.86

Housing Authority of the Town of Cottonport  
 Cottonport, LA 71327

SCHEDULE I

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 1999

	PROJECT MOD 97	PROJECT MOD 98	TOTAL
REVENUES			
Local Sources			
Federal Sources--Grants	375,240.00	122,100.00	497,340.00
Total Revenues	375,240.00	122,100.00	497,340.00
EXPENDITURES			
Current:			
Administrative			
General Expenses			
Facilities Acquisition and Construction	347,203.78	99,222.07	446,425.85
Total Expenditures	347,203.78	99,222.07	446,425.85
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	28,036.22	22,877.93	50,914.15
FUND BALANCE AT BEGINNING OF YEAR	767.71	0.00	767.71
FUND BALANCE AT END OF YEAR	28,803.93	22,877.93	51,681.86

see notes to financial statements

Housing Authority of the Town of Cottonport  
 Town of Cottonport, Louisiana  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended June 30, 1999

SCHEDULE II

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		55,135.00
Leased		
Development		
Total Low Income Housing	14.850	55,135.00
Section 8 Cluster:		
Vouchers	14.855	
Certificates	14.857	
Moderate Rehabilitation	14.856	
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		_____
Comprehensive Grants	14.859	_____
CIAP	14.852	446,425.85
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14.854	_____
Shelter + Care	14.238	_____
HOPE	14.858	_____
HOME	14.239	_____
Child Care Food Program (USDA)	10.558	_____
 TOTAL FEDERAL EXPENDITURES		 501,560.85 =====

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

see notes to financial statements

Housing Authority of the Town of Cottonport  
Cottonport, LA 71327  
BALANCE SHEET HUD Regulatory Basis  
Annual Contributions Contract FW-652  
June 30, 1999

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SCHEDULE III

ASSETS

Cash	71,319.78
Investments	-
Accounts Receivable	591.81
Debt Amortization Funds	-
Deferred Charges	23,416.97
Land, Structures and Equipment	2,568,878.83
<b>TOTAL ASSETS</b>	<b>2,664,207.39</b>

LIABILITIES AND SURPLUS

LIABILITIES:	
Accounts Payable	6,076.70
Notes Payable	-
Accrued Liabilities	4,866.74
Deferred Credits	-
Fixed Liabilities	-
<b>TOTAL LIABILITIES</b>	<b>10,943.44</b>
Surplus	2,653,263.95
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>2,664,207.39</b>

see notes to financial statements

Housing Authority of the Town of Cottonport  
Cottonport, LA 71327

SCHEDULE IV

STATEMENT OF INCOME AND EXPENSES-PHA OWNED HOUSING

Annual Contributions Contract FW-652

HUD Regulatory Basis

For the year Ended June 30, 1999

OPERATING INCOME:

Dwelling Rental	50,731.00
Interest Income	1,026.27
Other Income	1,208.41
	-----
Total Operating Income	52,965.68

OPERATING EXPENSES:

Administration	36,703.35
Tenant Services	-
Utilities	2,063.62
Ordinary Maintenance and Operations	54,776.72
General Expense	31,923.25
Non-Routine Maintenance	-
	-----
Total Operating Expenses	125,466.94

NET OPERATING DEFICIT (72,501.26)

OTHER CHARGES:

Interest on Notes and Bonds	10,610.39
Prior Period Adjustments Affecting Residual Receipts	-
Gain or Loss from Disposition of Nonexpendable Equipment	(1,574.42)
	-----
TOTAL OTHER CHARGES	9,035.97

DEFICIT (81,537.23)

see notes to financial statements

Housing Authority of the Town of Cottonport  
Cottonport, LA 71327

SCHEDULE V

ANALYSIS OF SURPLUS HUD Regulatory Basis  
For the year Ended June 30, 1999

	ACC FW-652
Unreserved Surplus Balance 6-30-98	(1,216,193.42)
Deficit for the Year Ended 6-30-98	(81,537.23)
Provision for Operating Reserve	18,995.26
Balance 6-30-99	<u>(1,278,735.39)</u>
Reserved Surplus-Operating Reserve Balance per PHA 6-30-98	51,698.97
Provision for Operating Reserve	(18,995.26)
Balance 6-30-99	<u>32,703.71</u>
Cumulative HUD Contributions: Balance 6-30-98	3,278,939.11
Annual Contributions Required for 6-30-99	-
Operating Subsidy 6-30-99	55,135.00
Contributions for Modernization Activities	497,340.00
Adjustments During the Fiscal Year	67,881.52
Balance 6-30-99	<u>3,899,295.63</u>
Total Surplus	<u>2,653,263.95</u>

see notes to financial statements

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

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA 71327

I have audited the financial statements of the Housing Authority of The Town of Cottonport (PHA), as of and for the year ended June 30, 1999, and have issued my report thereon dated September 10, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

September 10, 1999



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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

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**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 TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA 71327

**Compliance**

I have audited the compliance of the Housing Authority of The Town of Cottonport (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

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

Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

In my opinion, the PHA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

**Internal Control Over Compliance**

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

September 10, 1999

THE HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings in the prior audit.

THE HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA

**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
  - ii. There were no reportable conditions in internal controls found required to be disclosed at the financial statement level.
  - iii. The audit disclosed no noncompliance which is material to the financial statements.
  - iv. No reportable conditions in internal control over major programs, as required by A-133, were disclosed by the audit.
  - v. The compliance report issued for major programs was unqualified.
  - vi. The report disclosed no audit findings required to be reported under Section 510a of A-133.
  - vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.852	Comprehensive Improvement Assistance Program
  - viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.00.
  - ix. The auditee was not considered a low risk auditee.
2. Findings relating to the financial statements required to be reported with GAGAS are as follows:  
None
3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a, all with HUD oversight:  
None

THE HOUSING AUTHORITY OF THE TOWN OF COTTONPORT  
COTTONPORT, LOUISIANA

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

NONE