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**HOUSING AUTHORITY OF GUEYDAN**  
**REPORT ON EXAMINATION OF**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**  
**(UNAUDITED)**  
**TWELVE MONTHS ENDED JUNE 30, 2004**

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 12-15-04

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY - SUITE 100  
FORT WORTH, TEXAS 76117

MIKE ESTES, CPA

(817) 831-3553  
METRO (817) 654-4063  
FAX (817) 831-3560  
e-mail: mestespc@swbell.net

MEMBER  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

Board of Commissioners  
Housing Authority of Gueydan  
Gueydan, Louisiana

We have compiled the accompanying financial statements of the business-type activities, each major fund, for the year ended June 30, 2004, which collectively comprise the Housing Authority of Gueydan, Louisiana's basic financial statements as listed in the table of contents, and the accompanying supplementary information, which are presented for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

*A compilation is limited to presenting in the form of financial statements and supplemental schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.*

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not *required to be a part of, the basic financial statements.*

We have also performed agreed-upon procedures to test representations included in the Louisiana Attestation Questionnaire for the year-ended June 30, 2004, all included therein.

Mike Estes, P.C.  
Fort Worth, Texas  
November 30, 2004

HOUSING AUTHORITY OF GUEYDAN  
 ENTERPRISE FUNDS - BALANCE SHEET  
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund Program	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 65,991	\$ 0	\$ 65,991
Accounts receivable net	222	0	222
Prepaid items and other assets	6,321	0	6,321
Total Current Assets	72,534	0	72,534
Restricted Assets			
Cash	2,975	0	2,975
Capital Assets, net			
Land	26,930	0	26,930
Buildings, and equipment (net)	475,502	81,882	557,384
Total Capital Assets, net	502,432	81,882	584,314
Total Assets	577,941	81,822	659,823
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 699	\$ 0	\$ 699
Compensated absences payable	1,046	0	1,046
Accrued PILOT	14,532	0	14,532
Total Current Liabilities	16,277	0	16,277
Current Liabilities - payable from Current Restricted Assets -			
Deposits due others	2,975	0	2,975
Noncurrent Liabilities			
Compensated absences payable	1,661	0	1,661
Total Liabilities	20,913	0	20,913
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	502,432	81,882	584,314
Unrestricted	54,596	0	54,596
Net Assets	557,028	81,822	638,910
Total Liabilities and Net Assets	577,941	81,822	659,823

See accompanying notes and accountants' reports

HOUSING AUTHORITY OF GUEYDAN  
 ENTERPRISE FUNDS – STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN FUND NET ASSETS  
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund Program	Total
	C	G	I
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 49,135	\$ 0	\$ 49,135
Other	20,700	0	20,700
Total Operating Revenues	<u>69,835</u>	<u>0</u>	<u>69,835</u>
<b>OPERATING EXPENSES</b>			
Administration	40,810	102	40,912
Tenant services	31	0	31
Utilities	21,313	0	21,313
Ordinary maintenance & operations	27,411	0	27,411
General expenses	15,474	0	15,474
Depreciation	59,768	0	59,768
Total Operating Expenses	<u>164,807</u>	<u>102</u>	<u>164,909</u>
Income (loss) from Operations	<u>(94,972)</u>	<u>(102)</u>	<u>(95,074)</u>
Non Operating Revenues (Expenses)			
Interest earnings	224	0	224
Federal grants	40,813	42,932	83,745
Total Non-Operating Revenues (Expenses)	<u>41,037</u>	<u>42,932</u>	<u>83,969</u>
Income (loss)	<u>(53,935)</u>	<u>42,830</u>	<u>(11,105)</u>
Change in net assets	<u>(53,935)</u>	<u>42,830</u>	<u>(11,105)</u>
Total net assets - beginning	<u>610,963</u>	<u>39,052</u>	<u>650,015</u>
Total net assets - ending	<u>557,028</u>	<u>81,882</u>	<u>638,910</u>

See accompanying notes and accountants' reports

HOUSING AUTHORITY OF GUEYDAN  
 ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	48,913	0	48,913
Other receipts	21,933	0	21,933
Payments to vendors	(60,756)	(102)	(60,858)
Payments to employees – net	(42,991)	0	(42,991)
Net cash provided (used) by operating activities	(32,901)	(102)	(33,003)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Federal grants	43,498	102	43,600
Net cash provided (used) by non- capital financing activities	43,498	102	43,600
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	0	(42,830)	(42,830)
Federal Capital Grants	0	42,830	42,830
Net cash provided (used) by capital and related financing activities	0	0	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	224	0	224
Net cash provided (used) by interest income net of purchases of investment	224	0	224
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	10,821	0	10,821
<b>CASH AND CASH EQUIVALENTS Beginning of Fiscal Year</b>	58,145	0	58,145
<b>CASH AND CASH EQUIVALENTS End of Fiscal Year</b>	68,966	0	68,966

Continued

HOUSING AUTHORITY OF GUEYDAN  
 ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Capital Fund Program</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	(94,972)	(102)	(95,074)
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation Expense	59,768	0	59,768
Change in assets and liabilities:			
Receivables	(222)	0	(222)
Prepaid items	618	0	618
Account payables	4,044	0	4,044
Accrued expenses	674	0	674
Deferred revenue	(2,811)	0	(2,811)
Net cash provided by operations	<u>(32,901)</u>	<u>(102)</u>	<u>(33,003)</u>
			Concluded

See accompanying notes and accountants' report

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

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HOUSING AUTHORITY OF GUEYDAN  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Gueydan, serve staggered multi-year terms.

The Housing Authority has the following units:

Program	Contract Number	Number Of Units
PHA owned housing	FW - 122	24

*GASB Statement 14* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in *GASB Statement 14*, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Gueydan since the City of Gueydan appoints a voting majority of the Housing Authority’s governing board. The City of Gueydan is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Gueydan. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Gueydan.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the Housing Authority to impose its will on that organization's body, and:
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.
2. Organizations for which the Housing Authority does not appoint a voting majority but are fiscally dependent on the Housing authority.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing Low Rent program. The Capital Funding program accounts for Capital Funding grants.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**New Accounting Standards Adopted** During the year ended June 30, 2004, the Authority adopted three new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

- Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*
- Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, an amendment of GASB Statements No.21 and 34.*
- Statement No. 38, *Certain Financial Statement Note Disclosures.*

Statement No. 34 (as amended by Statement No. 37) represents a very significant change in the financial reporting model used by state and local governments including special purpose governments such as the Housing Authority of the City of Gueydan. This new reporting model requires management to provide a narrative and analysis to the ordinary user called the Management's Discussion and Analysis (MD & A). This new reporting model also requires the financial statements to be presented on the entity as a whole (government-wide financial statements). The most significant changes to the financial statements are the format, classification of information and the classification of fund equity into various classes of net assets.

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2004

**PROPRIETARY FUNDS** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 13, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. CASH AND CASH EQUIVALENTS** Cash equivalents include amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority 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.

**E. INVESTMENTS** Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider markets rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. 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.

**G. INVENTORY** All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

**H. PREPAID ITEMS** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$250. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demand. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	10 years
Buildings	20 years
Building improvements	20 years
Furniture and fixtures	5 years
Computers	3 years

General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, sidewalks, and other infrastructure assets acquired subsequent to July 1, 2003.

**J. DEFERRED REVENUES** The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2004

**K. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred 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.

**L. RESTRICTED NET ASSETS** Net assets are reported as restricted when constraints placed on net asset use are either:

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

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

**M. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

All other interfund transfers are reported as operating transfers. Reimbursements are when one fund incurs cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS** Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name
- Category 3 - Uninsured and unregistered investments held by the counter-party, its trust department, or its agent, but not in the Authority's name

HOUSING AUTHORITY OF GUEYDAN  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

At June 30, 2004 the Housing Authority has Cash equivalents, totaling \$68,996 as follows:

Interest-bearing demand deposits	\$	68,966
Total	\$	68,966
Cash and cash equivalents	\$	65,991
Cash and cash equivalents – restricted		2,975
Total	\$	68,966

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, 2004, the Housing Authority's carrying amount of deposits was \$68,966 and the bank balance was \$70,216. Of the bank balance, \$70,216 was covered by federal depository insurance (GASB Category 1).

Investments during the year were solely in time deposits at banks.

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at June 30, 2004, are as follows:

Class of Receivables	General	Housing Choice Voucher Fund	Total
Local sources			
Tenants	222	0 \$	222
Total	222	0 \$	222

The tenants account receivable is net of an allowance for doubtful accounts of zero.

**NOTE 4 – CAPITAL ASSETS** The changes in capital assets are as follows:

	Balance 06/30/03	Additions	Deletions	Balance 06/30/04
Land	\$ 26,930	\$ 0	\$ 0	\$ 26,930
Buildings	1,566,308	0	0	1,566,308
Furniture and equipment	37,557	0	0	37,557
Construction in progress	39,052	42,830	0	81,882
Total	1,669,847	42,830	0	1,712,677
Less: accumulated depreciation				
Buildings	1,013,103	58,394	0	1,071,497
Furniture and equipment	55,492	1,374	0	56,866
Total	1,068,595	59,768	0	1,128,363
Fixed assets, net	\$ 601,252	\$ (16,938)	\$ 0	\$ 584,314

HOUSING AUTHORITY OF GUEYDAN  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2004

**NOTE 5 – RETIREMENT SYSTEM** The Housing Authority does not have a retirement plan.

**NOTE 6 – ACCOUNTS PAYABLE** The payables at June 30, 2004 are as follows:

	General		Total
Vendors	\$ 621	\$	621
Payroll taxes & Retirement withheld	78		78
Total	\$ 699	\$	699

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

**Litigation** The Housing Authority is not presently involved in litigation.

**Grant Disallowances** The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject periodically to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**Construction Projects** There are certain renovation or construction projects in progress at June 30, 2004. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Risk Management** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**NOTE 8 – COMPENSATED ABSENCES** At June 30, 2004, employees of the Housing Authority have accumulated and vested \$2,707 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 9 – GENERAL LONG – TERM OBLIGATIONS** The following is a summary of the long – term obligation transactions for the year ended June 30, 2004.

	Compensated Absences
Balance, beginning	\$ 2,027
Additions	680
Deductions	0
Balance, ending	2,707
Amounts due in one year	\$ 1,046

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF GUEYDAN  
STATEMENT OF MODERNIZATION COSTS – UNCOMPLETED

YEAR ENDED JUNE 30, 2004

CASH BASIS

	2001 <u>Capital Fund</u>	2002 <u>Capital Fund</u>	2003 <u>Capital Fund</u>
Funds approved	\$ 52,620	\$ 49,987	\$ 52,584
Funds expended	<u>52,620</u>	<u>47,439</u>	<u>2,500</u>
Excess of funds approved	<u>\$ 0</u>	<u>\$ 2,548</u>	<u>\$ 50,084</u>
Funds advanced	\$ 50,157	\$ 44,628	\$ 9,407
Funds expended	<u>52,620</u>	<u>47,439</u>	<u>2,500</u>
Excess (deficiency) of funds advanced	<u>\$ (2,463)</u>	<u>\$ (2,811)</u>	<u>\$ 6,907</u>

HOUSING AUTHORITY OF GUEYDAN  
STATEMENT OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850	<u>40,813</u>
Public Housing Capital Fund	14.872	<u>42,932</u>
Total United States Department of Housing and Urban Development	\$	<u>83,745</u>
Total Expenditures of Federal Awards	\$	<u>83,745</u>

Total Expenditures of Federal Awards

HOUSING AUTHORITY OF GUEYDAN  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

**NOTE 1 – GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Gueydan, Louisiana (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 – BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority’s general-purpose financial statements.

**NOTE 3 – RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority’s general-purpose financial statements as follows:

		Federal Sources
Enterprise funds:		
Public Housing	\$	40,813
Capital Fund		42,932
Total	\$	83,745

**NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 – FEDERAL AWARDS PROGRAMS** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, “federal awards” do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act “federal awards expended” threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY - SUITE 100  
FORT WORTH, TEXAS 76117

---

MIKE ESTES, CPA

(817) 831-3553  
METRO (817) 654-4063  
FAX (817) 831-3560  
e-mail: mestespc@swbell.net

MEMBER  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Board of Commissioners  
Housing Authority of Gueydan  
Gueydan, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Housing Authority of Gueydan, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Public Bid Law***

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was only one expenditure made during the year for materials and supplies exceeding \$20,000, which was for \$29,270. We examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the provisions of LAS-RS 38:2211-2251.

***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

### ***Budgeting***

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on March 27, 2003 which indicated that the budget had been adopted by the commissioners by unanimous consensus. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

### ***Accounting and Reporting***

8. Randomly select a minimum of 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the thirty-four selected disbursements (excluding payroll that was also reviewed) and found that payment was for the proper amount and made to the correct payee.

- b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

- c) determine whether payments received approval from proper authorities.

Inspection documentation supporting each of the thirty-four selected disbursements indicated approvals from the Executive Director and the chairman of the Board of Commissioners.

### ***Meetings***

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Housing Authority of Gueydan is only required to post a notice of each meeting and the accompanying agenda on the door of the PHA's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas. The Housing Authority is now publishing the proceedings of the Board meetings in a local newspaper.

### ***Debt***

10. Examine bank deposits for the period under examination to determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

### ***Advances and Bonuses***

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.

A reading of the minutes of the Authority for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

Our prior year report, dated October 30, 2003, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for use of management of the Housing Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike Estes, P. C.  
Fort Worth, Texas  
November 30, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

November 30, 2004 (Date Transmitted)

Mike Estes, P.C.

4200 Airport Freeway #100

Fort Worth, Texas 76117

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [ X ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LAS-RS 42:1101-1124.

Yes [ X ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [ X ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [ X ] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31 and 44:36.

Yes [ X ] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [ X ] No [ ]

We have had our financial statements audited or compiled in accordance with LAS-RS 24:513.

Yes [ X ] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [ X ] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [ X ] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [ X ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

*Gregoire B. Acosta*

Executive Director

11-30-04

Date

HOUSING AUTHORITY OF GUEYDAN  
GENERAL COMMENTS

YEAR ENDED JUNE 30, 2004

The prior year agreed-upon procedures engagement did not contain any findings. This report does not, either.

The Office of the Louisiana Legislative Auditor performed a limited examination of the PHA. Their report was dated January 7, 2004. The PHA has been conscientious in their consideration of those findings. It appears, from our perspective, that the findings have been reasonably addressed. It appears the PHA has complied with all the recommendations, except for one. The PHA has not tagged and listed its physical inventory. The PHA is in the process of doing this and hopes to complete the tagging by January 31, 2005.

Meanwhile, we note all material items are listed on the PHA's depreciation schedule, which management and also the fee accountant periodically review.