

CALDWELL HOUSING AUTHORITY
REPORT OF AUDIT
AS AT
OCTOBER 31, 1956

MIDDLETON, LEARNED & SMITH
CERTIFIED PUBLIC ACCOUNTANTS

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OCTOBER 31, 1956

MIDDLETON, LEARNED & SMITH
CERTIFIED PUBLIC ACCOUNTANTS
KING BUILDING
CALDWELL, IDAHO

GEORGE B. MIDDLETON, C. P. A.
MARCELL LEARNED, C. P. A.
HAROLD E. SMITH, C. P. A.
JAMES W. HEFLEY, C. P. A.
JAY D. CAMPBELL, C. P. A.

260 SONNA BUILDING
BOISE, IDAHO

November 5, 1956

Board of Directors
Caldwell Housing Authority
Caldwell, Idaho

Gentlemen:

We have made an examination of the balance sheet of the Caldwell Housing Authority of the City of Caldwell, Idaho, as of October 31, 1956, and the related statements of income and surplus for the period December 1, 1955, to October 31, 1956. Our examination was made in accordance with generally accepted auditing standards for operations of this type with the exception that accounts receivable were not confirmed, and accordingly included such tests of the accounting records and such other auditing procedures which we considered necessary in the circumstances.

BALANCE SHEET COMMENTS

ASSETS

Cash on deposit in the Idaho First National Bank and the First National Bank of Caldwell was verified by a detailed check of deposits and disbursements for the period under review. All items were reconciled for the year to the bank accounts.

The amounts shown as accounts receivable from tenants are based upon the charges and credits given on the books and have not been confirmed by the persons owing. It did not appear practical to make such verification since the accounts are no longer residents of the housing project and the reliability of replies would be doubtful.

An allowance for bad and doubtful accounts has been made equal to the total amount receivable from prior tenants. All of the accounts are at least ninety days past due and it would be impossible to estimate the probable amount that will be recovered in the future. The majority of the accounts have been turned over to the Credit Bureau but the collections have been very slow. During the current period, \$57.26 was recovered on accounts written off in prior years.

Advances to the Farm Labor Camp were verified by reconciliation with the books of the Farm Labor Camp and by a detailed check of receipts and expenditures of this account. The Farm Labor Camp is not currently making payments on the balance of \$405.35.

The Board of Directors of the Caldwell Housing Authority have submitted an offer to purchase certain property located at the Caldwell Farm Labor Camp from the Public Housing Administration. The offer stated that the purchase price is to be \$3,965.00, with a down payment of 15%, and the balance to be paid over a period not to exceed ten years with interest on the unpaid balance of 5%. The Caldwell Housing Authority has paid \$594.75 to date.

LIABILITIES

All known miscellaneous payable are reflected in the accounts payable of \$119.70.

The contract payable - P.H.A. represents the amount owing under the offer to purchase property mentioned above.

RESERVES

A reserve for contingencies is maintained pending final settlement with the Public Housing Administration of contingent liabilities arising from payments in lieu of taxes.

SURPLUS

A net unreserved surplus of \$3,234.69 is carried forward at October 31, 1956. The surplus indicates the excess of assets over liabilities as of that date. A statement analysis of surplus is presented in Exhibit C.

COMMENTS ON RESULTS OF OPERATIONS

The statement of income, profit and loss for the period December 1, 1955, to October 31, 1956, is presented in Exhibit B. This statement has been prepared on the accrual basis and all rent chargeable and expenses incurred prior to October 31, 1956, are reflected therein. This statement is prepared at this date rather than November 30, 1956, because of the termination of all rental activities. The only anticipated future income is from the collection of receivables; there should be no additional operating expenses.

A statement of cash receipts and cash disbursements is presented in Exhibit D. The purpose of this statement is to show your operations in cash for the period under review. Included in this statement is receipts from all sources; disbursements include all payments made during the year regardless of whether it pertains to the current period or the previous year.

OPINION

In our opinion, subject to the above comments, the accompanying balance sheet and related statements of income and surplus reflect fairly the financial position of the Housing Authority of the City of Caldwell, at October 31, 1956, and the results of its operations for the period December 1, 1955, to October 31, 1956, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Very truly yours,

MIDDLETON, LEARNED & SMITH

Middleton, Learned & Smith
Certified Public Accountants

Caldwell Housing Authority

BALANCE SHEET

As At

October 31, 1956

EXHIBIT A

ASSETS

Cash in Bank:			
Idaho First National Bank		360.13	
First National Bank of Caldwell		<u>8,686.50</u>	9,046.63
Accounts Receivable:			
Prior Tenants	1,890.05		
Less: Allowance for Doubtful Accounts	<u>1,890.05</u>	0.00	
Advances to Farm Labor Camp		<u>405.35</u>	405.35
Contract Price of Land Purchased At Farm Labor Camp			<u>3,965.00</u>
Total Assets			\$ <u>13,416.98</u>

LIABILITIES, RESERVES AND SURPLUS

Accounts Payable			119.70
Contract Payable - P.H.A.			3,370.25
Reserve for Contingencies *			6,692.34
Unreserved surplus			<u>3,234.69</u>
Total Liabilities, Reserves and Surplus			\$ <u>13,416.98</u>

* This reserve for contingencies represents the contingent liability pending final settlement with Public Housing Authority of payments in lieu of taxes. The contingent liability is shown at the total amount payable per correspondence with Mr. Silverman of Public Housing Authority, but the amount is in dispute.

Caldwell Housing Authority
 STATEMENT OF INCOME, PROFIT AND LOSS
 For The Period December 1, 1955 to October 31, 1956

EXHIBIT B

INCOME:

Rental Income	4,024.38	
Other Income	<u>57.26</u>	
Total Income		4,081.64

Operating Expenses:

Salaries and Labor	3,110.50	
Payroll Taxes	53.22	
Repairs and Maintenance	198.95	
Rent and Administrative Expenses		
Paid to Chamber of Commerce	4,300.00	
Office Supplies and Expense	19.20	
Garbage Disposal	200.00	
Water	773.00	
Electricity and Fuel	166.10	
Insurance	361.45	
Auto Expense	284.89	
Legal and Accounting	405.00	
Golf Tournament	50.00	
Collection Expense	98.12	
Cash Short	7.10	
Bad Debt Provision	<u>1,222.49</u>	
Total Operating Expenses		<u>11,250.02</u>

Net Loss For The Period

\$ 7,168.38

Caldwell Housing Authority
STATEMENT OF SURPLUS
For The Period December 1, 1955 to October 31, 1956

EXHIBIT C

Unreserved Surplus, Balance December 1, 1955	\$		\$	3,143.41
Additions:				
Proceeds from Sale of Housing Units				<u>13,450.00</u>
Total				16,593.41
Deductions:				
Net Loss For the Period December 1, 1955 to October 31, 1956		7,168.38		
Adjustment to Reserve for Contingencies		<u>6,190.34</u>		
Total Deductions				<u>13,358.72</u>
Unreserved Surplus, Balance October 31, 1956	\$		\$	<u>3,234.69</u>

Caldwell Housing Authority
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 For The Period December 1, 1955 to October 31, 1956

EXHIBIT D

Cash on Hand and in Bank, December 1, 1955			\$ 2,946.02
Add Cash Receipts:			
Rent	3,344.71		
Other Income	46.66		
Security Deposits	130.00		
From Farm Labor Camp	670.00		
From Sale of Dwelling Units	13,450.00		
Total Cash Receipts		<u>17,641.37</u>	
			<u>20,587.39</u>
Less Cash Disbursements:			
Payment on 1955 Payable (To Chamber)	1,105.00		
Security Deposits	163.00		
Salaries and Labor	3,149.87		
Payroll Taxes	50.18		
Repairs and Maintenance	251.01		
Office Supplies and Expense	19.20		
Administration (To Chamber)	4,300.00		
Garbage Disposal	250.00		
Water	932.45		
Fuel and Lights	190.70		
Insurance	361.45		
Auto Expense	292.68		
Legal and Accounting	330.00		
Collection Expense	88.12		
Golf Tournament	50.00		
Cash Short	7.10		
Total Cash Disbursements		<u>11,540.76</u>	
Cash on Hand and in Banks, October 31, 1956			\$ <u>9,046.63</u>