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

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 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 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 MAY 24 2000

*WILLIAM DANIEL MCCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION*

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

EXHIBITS—GENERAL PURPOSE FINANCIAL STATEMENTS

A COMBINED BALANCE SHEET AT SEPTEMBER 30, 1999, ALL FUNDS

B COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS—ALL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 1999

C COMBINED STATEMENT OF CASH FLOWS-ALL FUNDS

NOTES TO THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

SUPPLEMENTARY INFORMATION SCHEDULES—GAAP BASIS

I SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

II COMBINING BALANCE SHEET-ALL FUNDS

III COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS-ALL FUNDS

IV COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE-COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM FUND

SUPPLEMENTARY INFORMATION SCHEDULES—STATUTORY BASIS

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

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES-NONE

SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS

CORRECTIVE ACTION PLAN

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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 TOWN OF GRAMBLING
GRAMBLING, LOUISIANA 70806**

I have audited the accompanying general purpose financial statements of the Housing Authority of the Town of Grambling (PHA) as of and for the year ended September 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 applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards required 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.

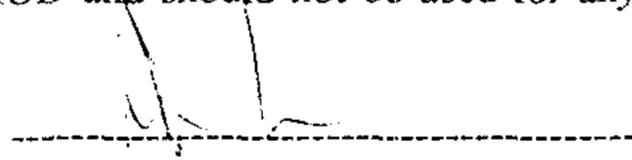
In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Town of Grambling as of September 30, 1999, and the results of its operations and changes in its total equity for the year ended in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

As described in Note A to the financial statements, the PHA has changed from the Governmental Funds to the Enterprise Funds method for the year ended September 30, 1999.

In accordance with Government Auditing Standards, I have also issued a report dated May 9, 2000 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 combining and individual fund financial statements and schedules, as well as 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

May 9, 2000

Housing Authority of the Town of Grambling
 COMBINED BALANCE SHEET -- ALL FUNDS
 September 30, 1999

EXHIBIT A

ALL FUNDS

ASSETS

Current assets:

Cash and cash equivalents	260,307
Tenants rents receivable(net)	648
Accounts and notes receivables	8,041
Prepaid expenses and other assets	14,005
Inventories	401
Interprogram due from	170,730

Total current assets ----- 454,132

Fixed assets (net) 1,352,896

Total assets ----- 1,807,028

=====

LIABILITIES AND FUND EQUITY

Current liabilities:

Accounts Payable and accrued liabilities	164,804
Deferred revenues	-
Current portion of long-term debt capital projects	-
Security deposits	9,550
Interprogram due to	170,730

Total current liabilities ----- 345,084

Noncurrent liabilities:

Noncurrent liabilities-other	-
Noncurrent portion of long-term debt	-

Total liabilities ----- 345,084

Fund equity:

Contributed capital (net)	1,429,681
Retained earnings	32,263

Total fund equity ----- 1,461,944

Total liabilities and fund equity 1,807,028

=====

see notes to financial statements

Housing Authority of the Town of Grambling
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGES IN RETAINED EARNINGS--ALL FUNDS
 For the year Ended September 30, 1999

EXHIBIT B

	ALL FUNDS
Operating revenues:	
Net tenant revenue	86,786
Tenant revenue-other	3,055
Interest income	9,969
Other income	10,612
HUD PHA grants	534,359
Other government grants	131

Total operating revenues	644,912

Operating expenses:	
Administration	136,063
Tenant services	357
Utilities	9,825
Ordinary maintenance	62,277
General expense	46,745
Protective services:	
Non-routine maintenance	
Housing assistance payments	383,276

Operating expenses before depreciation	638,543

Operating income/(loss) before depreciation	6,369
Depreciation expense	101,218
Net operating income/(loss) after depreciation	107,587

Retained earnings(operating reserve), 9-30-98	28,774
Add: HUD-REAC prior year GAAP adjustments	(2,880)
Operating income/(loss) before depreciation	6,369

Retained earnings (operating reserve), 9-30-99	32,263

Net HUD contribution, 9-30-98	3,853,363
Current year addition and REAC adjustments	(2,423,702)
Net HUD contribution, 9-30-99	1,429,661
Net other contribution, 9-30-99	20
Net contributions, 9-30-99	1,429,681

Total Equity, 9-30-99	1,461,944

see notes to financial statements

Housing Authority of the Town of Grambling
COMBINING STATEMENT OF CASH FLOWS -- ALL FUNDS
For the Year Ended September 30, 1999

EXHIBIT C
page 1 of 2

BAD DEBTS-TENANT RENT NOT INCLUDED	ALL FUNDS
Cash flows from operating activities:	
Cash received from tenants	89,841
Cash received from other income	131
Cash paid for goods and services	(560,589)
Cash paid to employees	(77,954)

Net cash provided by operating activities	(548,571)

Cash flows from noncapital financing activities:	
Operating grants and subsidies	534,359

Cash flows from capital and related financing activities:	
Proceeds from grants	
Acquisition of capital assets	
Proceeds from issuance of notes	
Acquisition of capital assets	

Net cash used for capital and related financing activities	

Cash flows from investing activities:	
Interest on investments	9,969

see notes to financial statements

Housing Authority of the Town of Grambling
COMBINING STATEMENT OF CASH FLOWS--ALL FLOWS
For the Year Ended September 30, 1999

EXHIBIT C
page 2 of 2

Reconciliation of operating income to net cash provided by operating activities:

Adjustments to reconcile operating income to net cash	
Net HUD-REAC Adjustments-Non Cash	(48,460.49)
(Increase) decrease in tenant rents receivable	1,463.20
(Increase) decrease due from US Dept of HUD	(5,494.00)
(Increase) decrease due in supplies inventory	(401.00)
(Increase) decrease in prepaid insurance	(1,578.08)
(Increase) decrease in undistributed debits	-
(Increase) decrease in accts receivable misc.	(151.00)
Increase (decrease) in accounts pay other govts.	
Increase (decrease) in accounts payable and accrued liabilities	8,721.94
Increase (decrease) in accounts payable HUD	26,115.00
Increase (decrease) in accrued vacation pay	
Increase (decrease) in deferred revenues	
Increase (decrease) in tenant security deposits	(3,600.00)

Total adjustments	(27,627.43)
Change in cash and equivalent	(27,627.43)
Beginning Cash	287,934.43

Cash and cash equivalents end of year-Exhibit A	260,307.00
	=====

see notes to financial statements

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

REVENUES	LOW RENT			SPECIAL REVENUE		
	Budget	Actual	Favorable Variance	Budget	Actual	Favorable Variance
Local Sources:						
Dwelling Rental	74,310.00	89,841.00	15,531.00	-	-	-
Interest Charges	2,010.00	1,828.00	(182.00)	-	8,272.00	8,272.00
Receipts from the Sale of Equipment						
Other	8,300.00	10,612.00	2,312.00	-	-	-
Federal Sources:						
Operating Subsidy	77,004.00	77,004.00	-	-	-	-
Annual Contributions				897,675.00	430,062.00	
Grants						
Total Revenues	181,624.00	179,285.00	17,681.00	897,675.00	438,334.00	8,272.00
EXPENDITURES						
Current:						
Administration	47,650.00	51,371.00	(3,821.00)	75,064.00	57,399.00	17,665.00
Utilities	11,030.00	9,825.00	1,205.00	-	-	-
Ordinary Maintenance & Operations	55,710.00	62,277.00	(6,567.00)	-	-	-
Protective Services	-	-	-	-	-	-
General Expenditures	35,450.00	42,823.00	(7,373.00)	-	3,922.00	(3,922.00)
Tenant Services	1,200.00	357.00	843.00	-	-	-
Housing Assistance Payments				555,384.00	383,276.00	
Facilities Acquisition & Construction	7,700.00	-	7,700.00	-	-	-
Debt Service:						
Principal Retirement						
Interest & Bank Charges						
Total Expenditures	158,640.00	168,653.00	(8,013.00)	630,448.00	444,597.00	13,743.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,984.00	12,632.00	9,648.00	267,227.00	(6,263.00)	22,015.00
OTHER FINANCING SOURCES (USES)						
HUD-REAC prior year GAAP adjustments	-	(1,350.00)	1,350.00	-	(1,530.00)	-
NET EXCESS (DEFICIENCY) OF REVENUES	2,984.00	12,632.00	(9,648.00)	267,227.00	(6,263.00)	22,015.00
RETAINED EARNINGS AT BEGINNING OF YEAR	28,816.43	28,816.43	-	(42.00)	(42.00)	-
RETAINED EARNINGS AT END OF YEAR	31,800.43	40,098.43	(9,648.00)	267,185.00	(7,835.00)	22,015.00

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 see notes to financial statements

THE HOUSING AUTHORITY OF THE TOWN OF GRAMBLING
GRAMBLING, 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 Grambling, 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 Grambling, 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.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of September 30, 1999, and for the fiscal then ended, the PHA had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Change in Accounting Principle

For the year ended September 30, 1999, the PHA has changed from the Government Funds Method to the Enterprise Method. This change was strongly recommended by the Real Estate Assessment Center (REAC) of the Department of HUD.

The Enterprise Funds Method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The Enterprise Fund recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable. In the prior method used, the Governmental Funds Method, the modified accrual method was necessary.

Depreciation expense must be recognized for the Enterprise Fund. Under the Governmental Funds Method, depreciation was optional and the PHA elected not to recognize it.

REAC suggests that accumulated depreciation be charged to HUD Capital Contributions, not Retained Earnings. REAC directs that soft costs from development and modernization be deleted from fixed assets and charged to HUD Capital Contributions.

REAC also directs PHA's to deleted outstanding debt owed to HUD, annual contributions and debt amortization funds receivable due from HUD, and close tem to HUD Capital Contributions.

The amount of the September 30, 1999 operating reserve becomes the beginning retained earnings. These is no cumulative effect on beginning retained earnings resulted from the accounting method change.

(3) Budgetary Data

The PHA is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The PHA is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables or depreciation. The budget does reflect furniture and equipment additions from operations.

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B – CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is entity's policy for deposits to be secured by collateral valued at market or par, which is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1999. The categories are described as follows:

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 -- Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total	Category		
	1	2	3
<u>Bank Balances</u>			
\$260,308	100,000		160,308
=====	=====	=====	=====

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 with 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C -- ACTIVITIES OF THE PHA

At September 30, 1999, the PHA was managing 98 units of low-rent under FW-1444, 115 units of vouchers program under FW-2130, 80 units of under FW-1444 under the existing program, and 6 units under the moderate rehabilitation program (FW-2141).

NOTE D -- CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE E -- FIXED ASSETS

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Nondwelling structures	20 Years
Equipment	3 to 7 Years

	9-30-99 Cost	9-30-98 Accumulated Depreciation	Current Depreciation	9-30-99 Accumulated Depreciation
Land	\$120,589			
Buildings and Improvements	2,646,221	1,347,574	85,374	1,432,948
Furn, equip & mach-dwellings	49,549	45,264	753	46,017
Furn, equip & mach-admin	211,869	69,448	533	69,981
Leasehold improvements	624,752	607,472	14,556	622,028
	<u>\$ 3,652,980</u>	<u>2,069,758</u>	<u>101,216</u>	<u>2,170,974</u>

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F -- LONG-TERM DEBT

As noted in Note A, long-term debt owed to HUD has been closed to HUD Capital Contributions. For the year ended September 30, 1999, Housing Agency bonds outstanding of \$192,140.88 were closed to capital contributions.

NOTE G -- RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employees contribute 5% and the entity contributes 8% of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll in fiscal year ended September 30, 1999 was \$89,170. The entity's contributions were calculated using the base salary amount of \$89,170. Contributions to plan were \$4,458.50 and \$7,133.60 by the employee and the entity, respectively.

NOTE H -- DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

NOTE I -- ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE J -- USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Housing Authority of the Town of Grambling
 Town of Grambling, Louisiana
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended Grambling, Louisiana

SCHEDULE I

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		77,004
Leased		
Development		
Total Low Income Housing	14.85 C	77,004
Section 8 Cluster:		
Vouchers	14.855	269,790
Certificates	14.857	157,269
Moderate Rehabilitation	14.856	2,708
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		429,767
Comprehensive Grants	14.859	<u> </u>
CIAP	14.852	43,310
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14.854	<u> </u>
Shelter + Care	14.238	<u> </u>
HOPE	14.858	<u> </u>
HOME	14.239	<u> </u>
Child Care Food Program (USDA)	10.558	<u> </u>
 TOTAL FEDERAL EXPENDITURES		 550,081 =====

NOTE: This schedule of expenditures of federal awards is prepared on the HUD GAAP accounting.

see notes to financial statements

	Low Rent	CIAP	Certificates	Vouchers	Moderate Rehab	Total
ASSETS:						
CURRENT ASSETS						
Cash-unrestricted	52,448		9	207,850		260,307
Cash-restricted-modernization and development						-
Cash-other restricted						-
Cash-tenant security deposits						-
Total Cash	52,448		9	207,850		260,307
Accounts and notes receivable:						-
Accounts receivable-PHA projects						-
Accounts receivable-HUD other projects	7,590					7,590
Accounts receivable-other governments						-
Accounts receivable-miscellaneous	451					451
Accounts receivable-tenant dwelling rents	1,780					1,780
Allowance for doubtful accounts-dwelling rents	(1,132)					(1,132)
Allowance for doubtful accounts-other						-
Notes and mortgages receivable-current						-
Fraud recovery						-
Allowance for doubtful accounts-fraud						-
Accrued interest receivable						-
Total Receivable, net of allowances for doubtful accounts	8,689					8,689
Current investments:						-
Investments-unrestricted						-
Investments-restricted						-
Prepaid Expenses and Other Assets	14,005					14,005
Inventories	401					401
Interprogram Due From	60,534		104,238		5,958	170,730
Amounts to be provided						-
TOTAL CURRENT ASSETS	136,077		104,247	207,850	5,958	454,132
NONCURRENT ASSETS:						
Fixed Assets:						-
Land	120,589					120,589
Buildings	2,641,823	4,398				2,646,221
Furniture, Equipment & Machinery-Dwellings	49,549					49,549
Furniture, Equipment & Machinery-Administration	70,513	10,647				81,160
Leasehold Improvements	624,752	1,600				626,352
Accumulated Depreciation	(2,170,974)	(1)				(2,170,975)
Total Fixed Assets, Net of Accumulated Depreciation	1,336,252	16,644				1,352,896
Notes and mortgages receivable-noncurrent						-
Notes and mortgages receivable-past due						-
Other assets						-
Undistributed debits						-
Investments in joint ventures						-
TOTAL NONCURRENT ASSETS	1,336,252	16,644	-	-	-	1,352,896
TOTAL ASSETS	1,472,329	16,644	104,247	207,850	5,958	1,807,028

see notes to financial statements

	Low Rent	CIAP	Certificates	Vouchers	Moderate Rehab	Total
LIABILITIES AND EQUITY:						
LIABILITIES:						
CURRENT LIABILITIES						
Bank overdraft						-
Accounts payable <=90 days	6,984					6,984
Accounts payable >=90 days						-
Accrued wages payroll taxes payable	278					278
Accrued compensated absences	2,382		2,003	1,530		5,915
Accrued contingency liability						-
Accrued interest payable						-
Accounts payable-HUD PHA programs			102,244	42,029	7,354	151,627
Accounts payable-PHA Projects						-
Accounts payable-other governments						-
Tenant security deposits	9,550					9,550
Deferred revenues						-
Current portion of L-T debt-capital projects						-
Current portion of L-T debt-operating borrowings						-
Other current liabilities						-
Accrued liabilities-other						-
Inter-program-due to				170,730		170,730
TOTAL CURRENT LIABILITIES	19,194	-	104,247	214,289	7,354	345,084
NONCURRENT LIABILITIES						
Long-term debt, net of current-capital projects						-
Long-term debt, net of current-operating borrowings						-
Noncurrent liabilities-other						-
TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-
TOTAL LIABILITIES	19,194	-	104,247	214,289	7,354	345,084
EQUITY						
Investment in general fixed assets						-
Contributed Capital:						-
Project notes (HUD)						-
Net HUD PHA contributions	1,413,017	16,644				1,429,661
Other HUD contributions						-
Other contributions	20					20
Total contributed capital						-
Reserved fund balance:						-
Reserved for operating activities						-
Reserved for capital activities						-
Total reserved fund balance						-
Undesignated fund balance/retained earnings	40,098			(6,439)	(1,396)	32,263
TOTAL EQUITY	1,453,135	16,644	-	(6,439)	(1,396)	1,461,944
TOTAL LIABILITIES AND EQUITY	1,472,329	16,644	104,247	207,850	5,958	1,807,028

see notes to financial statements

Housing Authority of the City of Grambling
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGE IN RETAINED EARNINGS-ALL FUNDS
 For the year ended September 30, 1999

SCHEDULE III

page 1 of 2

	Low Rent	CIAP	Certificates	Vouchers	Moderate Rehab	Total
REVENUE						
Net tenant revenue	86,786					86,786
Tenant revenue -other	3,055					3,055
Total tenant revenue	89,841					89,841
HUD PHA grants	77,004	27,293	157,269	269,790	3,003	534,359
Other government grants					131	131
Investment income-unrestricted	1,828		5,268	2,873		9,969
Mortgage interest income						-
Fraud recovery						-
Other revenue	10,612					10,612
Gain or loss of the sale of fixed assets						-
Investment income-restricted						-
TOTAL REVENUE	179,285	27,293	162,537	272,663	3,134	644,912
EXPENSES:						
Administrative:						
Administrative salaries	21,828		17,954	26,421		66,203
Auditing fees	5,649		4,190	1,098		10,937
Outside management fees						-
Compensated absences	1,032					1,032
Employee benefit contributions-administrative	5,242		2,856	2,021		10,119
Other operating-administrative	17,620	27,293	2,859			47,772
Tenant services:						
Tenant services-salaries						-
Relocation costs						-
Employee benefit contributions-tenant services						-
Tenant services-other	357					357
Utilities:						
Water	139					139
Electricity	9,121					9,121
Gas	479					479
Fuel						-
Labor						-
Employee benefit contributions-utilities						-
Other utilities expense	86					86
Ordinary maintenance and operations:						
Ordinary maintenance and operations-labor	22,967					22,967
Ordinary maintenance and operations-materials and other	15,726					15,726
Ordinary maintenance and operations-contract costs	20,255					20,255
Employee benefit contributions-ordinary maintenance	3,329					3,329
Protective services:						
Protective services-labor						-
Protective services-other contract costs						-
Protective services-other						-
Employee benefit contributions-protective services						-

see notes to financial statements

Housing Authority of the City of Grambling
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGES IN RETAINED EARNINGS-ALL FUNDS
 For the year ended September 30, 1999

SCHEDULE III

	Low Rent	CIAP	Certificates	Vouchers	Moderate Rehab	Total
General expenses:						
Insurance premiums	24,651					24,651
Other general expenses	9,344		604	3,318		13,266
Payments in lieu of taxes	7,696					7,696
Bad debt-tenant rents	1,132					1,132
Bad debt-mortgages						-
Bad debt-other						-
Housing assistance payments			139,784	240,784	2,708	383,276
Casualty loss-noncapitalized						-
OPERATING EXPENSES BEFORE DEPRECIATION	166,653	27,293	168,247	273,642	2,708	638,543
NET OPERATING INCOME BEFORE DEPRECIATION	12,632	27,293	-	(979)	426	39,372
Depreciation expense	101,217	1	-	-	-	101,218
Net operating income (loss) after depreciation	12,632	27,294	-	(979)	426	39,373
Retained earnings (operating reserve) 9-30-98	40,098					40,098
Retained earnings (operating reserve) 9-30-98	28,816	-	5,710	(3,930)	(1,822)	28,774
Add: HUD-REAC prior year GAAP adjustments	(1,350)			(1,530)		(2,880)
Operating Income before depreciation	12,632		(5,710)	(979)	426.00	6,369
Retained earnings (operating reserve) 9-30-99	40,098		-	(6,439)	(1,396)	32,263
Net HUD contributions, 9-30-98	3,852,735	628				3,853,363
Current year addition and REAC adjustments	(2,439,718)	16,016				(2,423,702)
Net HUD contributions, 9-30-99	1,413,017	16,644				1,429,661
Net other contribution, 9-30-99	20					20
Net contributions, 9-30-99	1,413,037	16,644	-	-	-	1,429,681
TOTAL EQUITY, 9-30-99	1,453,135	16,644	-	(6,439)	(1,396)	1,461,944

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 CITY OF GRAMBLING
GRAMBLING, LOUISIANA 70806**

I have audited the financial statements of the Housing Authority of the City of Grambling (PHA), as of and for the year ended September 30, 1999, and have issued my report thereon dated May 9, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit 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 and which are described in the accompanying schedule of findings and question costs as items 99-1.

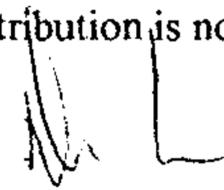
Internal Control Over Financial Reporting

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 cooperation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the 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. However, of the reportable conditions described above, we consider item 99-1 to be a material weakness.

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.

May 9, 2000



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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 GRAMBLING
GRAMBLING, LOUISIANA 70806

Compliance

I have audited the compliance of the Housing Authority of the Town of Grambling (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 September 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, 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.

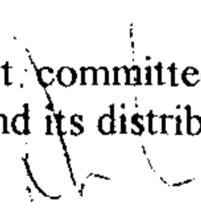
In my opinion, the PHA's complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended Month date, year.

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 matter in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation 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

May 9, 2000

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

SUMMARY SCHEDULE OF PRIOR FINDINGS

There were no findings in the prior audit.

**THE HOUSING AUTHORITY OF THE TOWN OF GRAMBLING
GRAMBLING, 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. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- 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
14.855	Vouchers
14.856	Moderate Rehabilitation
14.857	Certificates
14.852	Comprehensive Improvement Assistance Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- ix. The auditee was not considered a low risk auditee.

2. Finding relating to the financial statements required to be reported with GAGAS are as follows:

Finding Number 99-1

Statement of Conditions—This audit is late per State law.

Criteria—The audit is due within 6 months of the PHA's fiscal year end.

Effect—The PHA violated State law.

PHA Response—The Enterprise GAAP documentation was difficult to gather. We will ensure that the financial records are on the time this year.

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 GRAMBLING
GRAMBLING, LOUISIANA**

CORRECTIVE ACTION PLAN

Finding 99-1

Completion Date—June 30, 2000

Action Planned—I will see that the financial records are delivered to the fee accountant in a timely manner. I will see that the fee accountant processes the monthly and annual financial records in a timely manner. I will see that the IPA completes the audit in a timely manner.