

Housing Authority of the Town of Jonesboro
Jefferson, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1994

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated assets are valued at their estimated fair value on the date donated. The entity does not capitalize any "infrastructure" assets (roads, curbs, sidewalks, drainage systems, and similar assets that are irremovable) which are paid for by the entity. During project development, interest expenditures were capitalized under pre-1987 financing agreements. Post-1986 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to financed developments, interest expenditures are not accrued but are recorded when paid.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group. Expenditures related to such debt are reflected in the Debt Service Fund.

The (see above - named) account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

4. **Basis of accounting.** All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as set current assets. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The options in this general rule include: (1) accumulated unpaid vacation and sick pay which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Vacated and earned vacation and sick leave that are not accrued are reported in the general long-term debt account group. No expenditure is reported for those amounts. No liability is recorded for remaining accumulating rights to receive sick pay benefits.

The entity does not utilize securitization accounting.

In the current year, the entity implemented financial reporting under generally accepted accounting principles and discontinued regulatory basis reporting.

5. **Supplemental financial information - statutory basis.** The supplemental financial information - statutory basis has been prepared in conformity with the accounting practices prescribed by HUD, which differ from generally accepted accounting principles as follows:

- Governmental fund accounting principles are not applied.
- Accounts receivable are stated without an allowance for doubtful accounts. Accounts are written off as collection losses only after the tenant has vacated the unit and the entity has taken reasonable actions to collect.
- Annual Contributions and subsidies earned (and/or received from HUD) are recorded as contributions to surplus and are not included in the Statement of Income and Expenses.
- Items of routinely recurring expense are recognized when paid and are therefore not accrued.
- Premiums and/or discounts on bonds are recognized in income or expense in the year bonds are sold.
- The cost of accumulated unpaid vacation and sick leave is not accrued.
- Financial statement formats vary from GAAP.
- The entity does not utilize securitization accounting.
- Expenditures under HUD's Comprehensive Improvement Assistance Programs (CIAP) and similar housing programs are fully capitalized, notwithstanding the fact that expenditures are normally a mixture of repairs, replacements and improvements. Consequently, some amounts represented as Fixed Assets may include costs substantially in excess of value.
- During project development, interest expenditures are capitalized under pre-1987 financing agreements. Post-1986 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to completion of Pre-1987 financed developments, interest expenditures are not accrued but are recognized when paid.

SUPPLEMENTAL FINANCIAL INFORMATION - STATUTORY BASIS

NOTING ACTIVITY OF THE YEAR OF COMPANY
 BUSINESS, RESULTS

STATE OF TEXAS FINANCIAL STATEMENTS
 FOR YEAR ENDING DECEMBER 31, 1999

	Assets	Liabilities	Equity	Assets	Liabilities	Equity
	at	at	at	at	at	at
	12/31/99	12/31/98	12/31/97	12/31/99	12/31/98	12/31/97
Assets						
Current Assets	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Property, Plant and Equipment	200,000	200,000	200,000	200,000	200,000	200,000
Intangible Assets	100,000	100,000	100,000	100,000	100,000	100,000
Other Assets	100,000	100,000	100,000	100,000	100,000	100,000
Total Assets	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Liabilities						
Current Liabilities	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Long-Term Liabilities	100,000	100,000	100,000	100,000	100,000	100,000
Other Liabilities	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Equity						
Common Stock	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Retained Earnings	100,000	100,000	100,000	100,000	100,000	100,000
Accumulated Other Comprehensive Income	100,000	100,000	100,000	100,000	100,000	100,000
Total Equity	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000

* Major projects as indicated by the financial statements.
 as identified in 1999 & 2000 periods respectively. The 1999 & 2000 are following outstanding governmental loan
 balances were used in determining other program results. 1,000,000.00
 are stated in financial statements.

SUPPLEMENTAL FINANCIAL INFORMATION

Housing Authority of the Town of Jonestown
Jonestown, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1998

Changes in fixed liabilities are as follows:

	FTE Notes	HUD Notes	Debt	Payroll Related Costs
Bal., beg. of period	\$ 740,642.77	\$ 80,044.10	\$ 744,108.77	\$ 14,373.80
Principal retirement	(40,647.40)	0.00	(40,107.84)	0.00
Net Change	0.00	0.00	0.00	1,570.80
Bal., end of period	\$ 740,642.77	\$ 80,044.10	\$ 744,108.77	\$ 15,944.60

Scheduled retirements of fixed liabilities are as follows:

	FTE Notes	Debt	Interest	Total
Within one year	\$ 40,401.01	\$ 41,848.28	\$ 84,215.84	\$ 172,568.11
Within second year	40,598.80	40,701.48	78,500.80	171,049.80
Within third year	34,758.25	40,848.81	73,192.92	153,807.98
Within fourth year	37,858.16	40,205.81	68,805.84	153,351.81
Within fifth year	38,398.80	80,437.88	64,268.70	184,112.81
Thereafter	496,798.88	472,638.88	303,878.80	1,280,517.34

NOTE 5 - RETIREMENT PLAN

The entity provides pension 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 one-year exclusionary period. The employee contributes 5% and the entity contributes 7% 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, 1998 was \$146,676.82. The entity's contributions were calculated using the base salary amount of \$447,792.80. Contributions to the plan were \$7,355.04 and \$18,329.08 by the employee and the entity, respectively.

NOTE 7 - CONTINGENCIES

The entity is subject to possible examinations made by federal regulatory 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 refunds by the entity to federal grantors and/or program beneficiaries.

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Housing Authority of the Town of Jonesboro
Jonesboro, Louisiana

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Financial Statements and Supplemental Financial Information
Year Ended September 30, 1980
with
Reports of Certified Public Accountants
on Financial and Compliance Examinations

Under provisions of state law, this report is a public document. A copy of this report has been furnished to the auditor, or reviewer, and other appropriate public entities. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor, where appropriate, at the office of the parish clerk of court, or at the parish clerk of court.

McWhorter & Miller, L.L.C.
Certified Public Accountants
1180 East First Avenue
Baton Rouge, Louisiana 70802

Housing Authority of the Town of Johnston
Johnston, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1995

6. **Comparative data.** Comparative trial data for the prior year have not been presented in accompanying financial statements due to the conversion to GAAP financial reporting from statutory reporting in the prior fiscal year.
7. **Total columns on combined statements.** Total columns on the combined statements are captioned *Memo Totals* 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 generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.
- G. **Budget.** The entity follows these procedures in establishing its budgetary data reflected in the financial statements:
1. The entity prepares annual budgets for each fund (except Debt Service Fund). Prior to the beginning of each budget year, the entity's annual budget is approved by the entity's governing body. Budgetary amendments require approval by the governing body. Budget amounts shown in the financial statements are the final authorized amounts for the year. All budgetary appropriations lapse at the end of each fiscal year.
 2. Budgets for the Debt Service Fund are not prepared inasmuch as all revenues and expenditures of this fund are controlled by and processed by HLE. The entity records Debt Service Fund transactions from documents supplied by HLE.
- D. **Income taxes.** The entity is not subject to federal or state income taxes.
- E. **Cash and cash equivalents.** The entity defines cash to include certificates of deposit, money market funds, savings accounts, and demand deposits, and other short-term securities with maturities of three months or less. Consequently, the cost, carrying value, and market value are equivalent.
- F. **Investments.** The entity defines investments to include certificates of deposit with maturities of greater than three months; consequently, the cost, carrying value, and market value are equivalent.

NOTE 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever 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, 1995. 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.

Cash Deposits, categorized by level of risk, are:

	Category		
Total Cash Deposits	1	2	3
\$ 677,111.80	\$ 677,111.00	\$ 0.00	\$ 0.00

Financial statements of the trust of subsidiary
 COMPANY, LIMITED

Accounts of Surplus - Statutory Basis
 Year ended September 30, 1966

Annual contributions received 1965-1966

Statutory net surplus:	
Balance per 9-30-65 audit	\$ 14,094,001.00
Transfers and other adjustments booked	5,001.00
Net income (loss) FRS 9-30-66	1,000,444.00
Net provisions FRS 9-30-66	1,000,001.00
	\$ 14,094,445.00
Balance as of 9-30-66	
	\$ 14,094,445.00
Statutory surplus:	
Balance per 9-30-65 audit	\$ 100,000.00
Net provisions FRS 9-30-66	44,000.00
	\$ 144,000.00
Balance as of 9-30-66	
	\$ 144,000.00
Statutory contributions from 1966:	
Balance per 9-30-65 audit	\$ 5,000,000.00
Contributions FRS 9-30-66	10,000.00
Operating surplus 1966 9-30-66	30,000.00
	\$ 5,030,000.00
Balance as of 9-30-66	
	\$ 5,030,000.00
Total surplus	
	\$ 1,668,445.00

Housing Authority of the Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Organization.** The entity is chartered as a public corporation for the purpose of administering housing programs for low income families.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds.

- B. **Financial reporting.** The financial reporting policies of the entity conform to generally accepted accounting principles.

Specific accounting policies. The following is a summary of significant accounting policies:

1. **Financial reporting entity.** The entity is a public corporation, legally separate and fiscally independent. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of the Town of Jonesboro, a primary government. There are no component units to be included hereunder, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.
2. **Fund accounting.** The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised at each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type (governmental) and the following broad fund categories:

Governmental Fund Types

Special revenue fund - The special revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Special reporting treatment is also applied in governmental funds when prepaid items are present to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are often by fund balance reserve accounts.

3. **Fixed assets and long-term liabilities.** The accounting and reporting treatment applied to fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are used to present a summary of sources and uses of "available spending resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on such assets.

UNITED STATES OF THE CITY OF CHICAGO
COMPTROLLER, CONTROLLER

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
Year Ended September 30, 1998

	Governmental Fund Types		
	1998 Revenue	1997 Net Change	1998 Total
Revenues			
State	\$ 243,288,000	\$ -	\$ 243,288,000
Specialized subdivisions	297,000,000	177,000,000	474,000,000
Interest	13,000,000	-	13,000,000
Miscellaneous	70,000,000	-	70,000,000
Total Revenues	<u>\$ 623,288,000</u>	<u>\$ 177,000,000</u>	<u>\$ 800,288,000</u>
Expenditures			
Personnel			
Working conditions	\$ 200,000,000	\$ -	\$ 200,000,000
Capital outlay	40,000,000	-	40,000,000
Other services			
Contract	-	83,700,000	83,700,000
Materials	-	88,300,000	88,300,000
Total Expenditures	<u>\$ 240,000,000</u>	<u>\$ 172,000,000</u>	<u>\$ 412,000,000</u>
Excess of Revenues over			
(under) Expenditures	\$ 383,288,000	\$ 65,000,000	\$ 448,288,000
Fund Balances, beginning of period	180,170,000	183,100,000	363,270,000
Fund Balances, end of period	<u>\$ 563,478,000</u>	<u>\$ 248,100,000</u>	<u>\$ 811,578,000</u>

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

GENERAL PURPOSE FINANCIAL STATEMENTS

Independent Auditor Report

Board of Commissioners
Housing Authority of the Town of Jonesboro
606 Harvey Place
Jonesboro, LA 71281

We have audited the accompanying general purpose financial statements of Housing Authority of the Town of Jonesboro as of September 30, 1995, and for the year then-ended. These general purpose financial statements and the supplemental financial information and supplemental financial information - statutory basis referred to below are the responsibility of the authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments". These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether (a) financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, in the current year the authority implemented financial reporting under generally accepted accounting principles and discontinued regulatory basis financial reporting.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Housing Authority of the Town of Jonesboro as of September 30, 1995, and the results of its operations for the year then-ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 1995 on our consideration of Housing Authority of the Town of Jonesboro's internal control structure and a report dated December 15, 1995 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information based on supplemental financial information and supplemental financial information - statutory basis in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Housing Authority of the Town of Jonesboro. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. As described in Note 1, the supplemental financial information - statutory basis was prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Such supplemental financial information - statutory basis has been subjected to the auditing procedures applied in the audit of the general purpose statements and, in our opinion, is fairly presented in all material respects in conformity with the comprehensive basis of accounting described in Note 1.

December 15, 1995

Van Heenen & Miller, Ltd.
VanHeenen & Miller, Ltd.
Certified Public Accountants

EMANCIPAL SECTION

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Housing Authority of the Town of Jourd'honn
Jourd'honn, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1999

NOTE 3 - RESTRICTED CASH

Restricted cash consists of the following:

Debt Service Fund	Owned Housing Program
	<u>\$ 167,000</u>

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land inputs	\$ 880,737.82	\$ 0.00	\$ 0.00	\$ 880,737.82
Building	2,738,287.88	0.00	0.00	2,738,287.88
Equipment	214,783.87	43,915.00	(18,587.41)	239,998.08
Total	<u>\$ 3,833,730.87</u>	<u>\$ 43,915.00</u>	<u>\$ (18,587.41)</u>	<u>\$ 3,859,048.48</u>

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

NOTE 5 - FIXED LIABILITIES

Fixed liabilities consist of the following:

	Interest Rate	Principal Balance
Payroll related costs		\$ 15,842.80
HUD notes payable	various	98,044.18
FHA note dated March 11, 1982	6.80%	32,915.29
FHA note dated September 4, 1985	6.80%	875,983.08
Bonds payable, October 1, 1982 notes	3.00%	141,787.45
Bonds payable, August 1, 1979 notes	3.75%	960,238.28
Total		<u>\$ 1,821,584.06</u>

HUD notes payable are held and guaranteed by HUD. Under provisions of the federal Debt Forgiveness Act of 1985, these notes and accrued interest on these notes are to be forgiven by HUD. Timing of this action is uncertain.

The Federal Financing Bank note is payable in annual installments of \$62,025.82, including principal and interest. All annual installments to maturity are payable by HUD. The note matures November 1, 2009.

The bonds mature in series annually in varying amounts with the final maturity date in 2011. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

**Independent Auditor's Report on Compliance with Specific Requirements
Applicable to HUD Programs**

Board of Commissioners
Housing Authority of the Town of Jonesboro
509 Harvey Place
Jonesboro, LA 71261

We have audited the general purpose financial statements of Housing Authority of the Town of Jonesboro as of and for the year ended September 30, 1996, and have issued our report thereon dated December 16, 1996.

We have also audited Housing Authority of the Town of Jonesboro compliance with the specific program requirements governing types of services allowed or unallowed, eligibility, reporting, claims for advances and reimbursements, and special test and provisions that are applicable to each of its major HUD-assisted programs, for the year ended September 30, 1996. The management of Housing Authority of the Town of Jonesboro is responsible for the authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards: Government Auditing Standards issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, "Standards of State and Local Governments" and the provisions of the Public and Indian Housing Contracting Supplement, dated May 29, 1996. Those standards and the OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedure disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Housing Authority of the Town of Jonesboro complied, in all material respects, with the requirements described above that are applicable to each of its HUD-assisted programs for the year ended September 30, 1996.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

December 16, 1996

John Williamson & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Housing Authority of the Town of Jonesboro
Jonesboro, Louisiana

Independent Auditor's General Comments
September 30, 1988

1. There were no findings in the next preceding audit.
2. The PHA administers 105 units of public housing.

Housing Authority of the Town of Jeterboro
Jeterboro, Louisiana

Independent Auditor's Schedule of Findings and Questioned Costs
For the Year Ended September 30, 1998

Questioned
Costs

1. PHMAP ASSESSMENT FACTORS

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Findings

HUD Notice (PH) 98-32 requires auditors to review several PHMAP indicators as reported to HUD with the supporting documentation. Data provided in HUD 50872 for Indicator 5 was 3.32 days, audit calculation was 18.5 days and spring PHM worksheet data the number of days was 18.5. Audit calculation of Indicator 3 was 0% versus 1% shown on HUD 58072. Data was available for audit review on Indicator 7 for average days to bring 800-emergency maintenance items to HUD.

Recommendation

Review the requirements of HUD Notice (PH) 98-32 and comply with its objectives.

Date:

We will do so.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Commissioners, management and U.S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

December 18, 1998


VanThermon & Miller, Ltd.
Certified Public Accountants

Activity Cycles

- Treasury or financing
- Revenue receipts
- Purchases/disbursements
- External financial reporting
- Payroll/personnel

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Alternative methods/level principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of vendors allowed or unallowed
- Integrity
- Reporting
- Special tests and programs

Claims for Advances and Reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1985, Housing Authority of the Town of Jamaica operated 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the authority's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention involving significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Our study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a doctrine that must be made by management on a cost benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be considered as a failure in proper management. We discuss with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a controlled audit finding. Our study of the authority's internal control structure and its operation disclosed a reportable condition relating to P&MFP which is disclosed in the accompanying schedule of findings and questioned costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

**Independent Auditors' Report on the Internal Control Structure Used in
Administering Federal Financial Assistance Programs**

Board of Commissioners

Housing Authority of the Town of Jonesboro
818 Harvey Place
Jonesboro, LA 71251

We have audited the general purpose financial statements of Housing Authority of the Town of Jonesboro for the year ended September 30, 1996, and have issued our report thereon dated December 18, 1996. We have also audited Housing Authority of the Town of Jonesboro's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 18, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Builds of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Housing Authority of the Town of Jonesboro complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended September 30, 1996, we considered the authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the authority's general purpose financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures related to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures related to our audit of the general purpose financial statements in a separate report dated December 18, 1996.

The management of Housing Authority of the Town of Jonesboro is responsible for establishing and maintaining an internal control structure. It fulfills this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses, as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

December 10, 1990

Van Wazeren & Miller, Ltd.
Van Wazeren & Miller, Ltd.
Certified Public Accountants

**Working Balance Sheet of the Town of Dunmore
Dunmore, Louisiana**

**McCombs Street - Operating Basis
September 30, 1996**

Annual Distribution Statement 96-96b

ASSETS

Cash	\$	85,144.00
Accounts receivable		100.00
Prepaid insurance		17,004.00
Inventory		276,004.00
NET INVESTMENT FUNDS		380,000.00
Fixed assets		1,000,000.00
		<hr/>
Total Assets	\$	1,468,248.00
		<hr/>

LIABILITIES AND EQUITY

Bonds* maturity deposits	\$	1,000.00
Accounts payable		1,000.00
Debt and P.O.D.		10,000.00
Bonds* to equity ratio		700.00
Account interest		80,000.00
Fixed liabilities		1,000,000.00
		<hr/>
Total Liabilities	\$	1,182,000.00
Equity		2,100,000.00
		<hr/>
Total Liabilities and Equity	\$	4,182,000.00
		<hr/>

**Independent Auditor's Report on Compliance with the General Requirements
Applicable to Federal Financial Assistance Programs**

Board of Commissioners
Housing Authority of the Town of Jonesboro
509 Hanley Place
Jonesboro, LA 71261

We have audited the general purpose financial statements of Housing Authority of the Town of Jonesboro as of and for the year ended September 30, 1986, and have issued our report thereon dated December 16, 1986.

We have applied procedures to test Housing Authority of the Town of Jonesboro compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended September 30, 1986:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports (Claims for Advances and Reimbursements)
- Allowable Costs/Cost Principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single-Agency, State and Local Governments. Our procedures were substantially less in scope than are each, the objective of which is the expression of an opinion on the authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items listed, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Housing Authority of the Town of Jonesboro had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

December 18, 1986

Steven L. Miller, Ltd.
VanHeenen & Miller, Ltd.
Certified Public Accountants

Banking Authority of the City of Montreal
Banque, Société en

Statement of Income and Expenses - Operating Costs
Compte Rendu Opérationnel
Year ended September 30, 1986

Annual consolidated financial statements

Operating income	
Banking interest	\$ 193,200,00
Interest on general fund investments	33,000,11
Other income	9,052,00
	<hr/>
Total operating income	\$ 235,252,11
	<hr/>
Operating expenses	
Administration	\$ 86,074,11
Utilities	9,774,07
Building maintenance and operation	609,884,79
Professional services	19,490,00
General expenses	80,803,40
Miscellaneous expenditures	6,480,00
	<hr/>
Total operating expenses	\$ 1,102,506,17
	<hr/>
Net operating income (loss) before other items	\$ (869,254,06)
	<hr/>
Other charges (credits)	
Interest expense	\$ 84,373,41
Provision for adjustments affecting BR	(14,600,74)
Provision for adjustments not affecting BR	4,000,00
Loss from disposition of equipment	60,000,44
	<hr/>
Total other charges (credits)	\$ 93,773,11
	<hr/>
Net income (loss)	\$ (775,480,95)
	<hr/>

**Independent Auditors' Report on Compliance Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Board of Commissioners
Housing Authority of the Town of Jonestown
809 Harvey Place
Jonestown, LA 71251

We have audited the general purpose financial statements of Housing Authority of the Town of Jostown as of and for the year ended September 30, 1995, and have issued our report thereon dated December 16, 1995.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Housing Authority of the Town of Jostown is the responsibility of the authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

December 16, 1995

Van Heenen & Miller, Ltd.
Van Heenen & Miller, Ltd.
Certified Public Accountants

NON-FINANCIAL SECTION

Housing Authority of the Town of Jonesboro
Jonesboro, Louisiana

Debt Housing Program

Adjusting Journal Entries
September 30, 1998

Annual Contributions Contract #98-020

	Acct. # for debit 1998	Acct. # for posting by 1998	Debit	Credit
(1)				
HUD Annual Contribution	1176	1176	40,180.00	
Reservable	2042	2042	18,584.38	
Bonds Held	5070	5070	7,670.88	
Interest Expense	2132	2132	.25	
Interest Payable - Series	2040	2040		61,853.18
Guar. - HUD Annual Contrib.	1171	1171		20.00
Debt Service Fund	2133	2133		2,082.58
Interest Payable - Bonds				
To adjust debt service accounts as 9/30/98.				
(2)				
Prepaid Insurance	1211	1211	17,708.00	
Five Year Adjustments Aft. 8/91	6010	6010		17,708.00
To record prepaid insurance at 9/30/98.				
(3)				
Investments	1182	1182	1,478.55	
Interest	3610	3610		1,478.55
To record additional interest per Jonesboro State Bank confirmation for 9/30/98.				

Boarding Authority of the State of Louisiana
 SHREVEPORT, LOUISIANA

Statement of General Fund Cash Balance
 September 30, 1998

General Contributions Account 00-1111

Receipts and Other Items

Cash	\$	81,234.28
Accounts receivable/other		228.00
Prepaid insurance		21,788.00
Transfers		131,016.82
Total	\$	334,267.10

Disbursements, Reserves, and Other Items

General Fund liability deposits	\$	1,488.00
Accounts payable/other		5,040.00
Accrued payroll		28,282.00
General Fund prepaid items		778.00
Operating reserves per FAS		228,151.00
Adjustments affecting the General Fund		18,880.00
Total	\$	370,569.00

Working Statement of the Year of Accounts
 1965/66, 1966/67

Computation of Residual Receipts and Arrearing Annual Contributions
 Canal Drawing Program
 Year ended September 30, 1966

Residual Contributions Contract PR-1214

Computation of Residual Receipts

Operating receipts		
Operating income	\$	75,144.00
Net operating subsidy	\$	487,144.00
Total gross adjustments affecting residual receipts		562,288.00
Total operating receipts	\$	637,432.00
<hr/>		
Operating expenditures		
General expenses	\$	14,054.11
Capital expenditures	\$	41,800.00
Total operating expenditures	\$	55,854.11
<hr/>		
Net income available for reserves, per unit (with adjustments divided out)	\$	67,044.99
	\$	75,144.00
Net income provision for reserves, per unit provision for operating reserves	\$	46,000.00
	\$	66,000.00
Residual receipts per unit	\$.00
<hr/>		

Computation of Arrearing Annual Contributions

From annual contributions		
Less reserve savings	\$	175,004.00 *
		95.00
Total annual contribution covered	\$	175,099.00
Less amount available for reduction of annual contributions - 66, above		.00
Arrearing annual contribution	\$	175,099.00
<hr/>		

*Subject to adjustment by net.

County Authority of the Town of Jamaica
Jamaica, Louisiana

Financial Statement - All Fund Types and Account Groups
September 30, 1999

	Governmental Fund Types		Account Groups		
	Special Revenue	Main Purpose	General Fund Assets	General, Long-Term Debt	Non-Debt
ASSETS AND OTHER CREDIT					
ASSETS					
Cash	\$ 40,224.00	\$.00	\$.00	\$.00	\$ 40,224.00
Investments	179,426.00	.00	.00	.00	179,426.00
Receivables					
Other governments	.00	292,482.00	.00	.00	292,482.00
Other	200.00	.00	.00	.00	200.00
Unapplied funds	17,705.70	.00	.00	.00	17,705.70
Intergovernmental receivables:					
Main	.00	440.00	.00	.00	440.00
Other accounts	.00	.00	3,482,200.00	.00	3,482,200.00
Other credits					
Amount, credit, in debt service fund	.00	.00	.00	282,500.00	282,500.00
Am. to be provided for retirement of general long term debt	.00	.00	.00	1,400,411.00	1,400,411.00
TOTAL ASSETS AND OTHER CREDIT	\$ 279,356.00	\$ 742,882.00	\$ 3,482,200.00	\$ 1,682,500.00	\$ 6,007,411.00
LIABILITIES, DEFERRED ASSETS, AND OTHER CREDIT					
LIABILITIES					
Accounts Payables					
Trade	\$ 1,800.00	\$.00	\$.00	\$.00	\$ 1,800.00
Accruing deposits	7,400.00	.00	.00	.00	7,400.00
Accounts Payable	12,450.00	.00	.00	.00	12,450.00
Interest Payable	700.00	.00	.00	.00	700.00
Other liabilities	.00	.00	.00	1,821,500.00	1,821,500.00
Total Liabilities	\$ 22,350.00	\$.00	\$.00	\$ 1,821,500.00	\$ 1,821,500.00
Equity and Other Credits					
Investment in general fund assets					
Fund balances					
Assigned for debt service	.00	292,482.00	.00	.00	292,482.00
Assigned for projects	17,700.00	.00	.00	.00	17,700.00
Unassigned, unexpended	297,700.00	.00	.00	.00	297,700.00
Total Equity and Other Credits	\$ 297,400.00	\$ 292,482.00	\$ 3,482,200.00	\$.00	\$ 6,007,411.00
Net Liab., Equity and Other Credits	\$ 279,356.00	\$ 742,882.00	\$ 3,482,200.00	\$ 1,821,500.00	\$ 6,007,411.00

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

***Independent Auditor's Report on the Internal Control Structure Based on an Audit of
General Purpose Financial Statements Performed in Accordance with Government Auditing Standards***

Board of Commissioners
Housing Authority of the Town of Jonesboro
528 Harvey Place
Jonesboro, LA 71291

We have audited the general purpose financial statements of Housing Authority of the Town of Jonesboro as of and for the year ended September 30, 1995, and have issued our report thereon dated December 16, 1995.

We conducted our audit in accordance with generally accepted auditing standards and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Housing Authority of the Town of Jonesboro is responsible for establishing and maintaining an internal control structure. It fulfills this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nonetheless occur and will be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Housing Authority of the Town of Jonesboro for the year ended September 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Our study of the authority's internal control structure developed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost-benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. We concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a controlled audit finding.

Budgetary Authority of the Town of Andover
Andover, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - All Governmental Fund Types
Year Ended September 30, 2006

	Detail of Revenue Funds		
	Budget	Actual	Variance Favorable Unfavorable
Revenues:			
State	\$ 180,400.00	\$ 181,300.00	\$ 900.00
County/Local/Shared State Agency	287,124.00	301,370.00	.00
Interest	6,000.00	11,000.00	5,000.00
Miscellaneous	17,000.00	16,000.00	(1,000.00)
Total Revenues	<u>\$ 490,524.00</u>	<u>\$ 499,670.00</u>	<u>\$ 9,146.00</u>
Expenditures:			
Current:			
Salaries and benefits	\$ 31,000.00	\$ 31,000.00	\$.00
Professional fees	1,000.00	6,000.00	5,000.00
Travel	1,000.00	1,700.00	700.00
Printing and reproduction	11,000.00	6,000.00	(5,000.00)
Utilities	6,000.00	6,700.00	(700.00)
Repairs and maintenance	60,000.00	70,000.00	10,000.00
Repairs and maintenance - other	20,000.00	20,000.00	.00
Other maintenance costs	1,000.00	6,000.00	(5,000.00)
Construction materials	24,000.00	10,000.00	14,000.00
Insurance	40,000.00	40,000.00	.00
Other	17,000.00	10,000.00	(7,000.00)
Depreciation - tangible	30,000.00	10,000.00	(20,000.00)
Depreciation - intangible	100.00	100.00	.00
Other	100.00	.00	100.00
Capital - required source	50,000.00	60,000.00	10,000.00
Total Expenditures	<u>\$ 400,000.00</u>	<u>\$ 375,000.00</u>	<u>\$ 25,000.00</u>
Excess of Revenues over Expenditures	<u>\$ 90,524.00</u>	<u>\$ 24,670.00</u>	<u>\$ 65,854.00</u>
Fund Balances, beginning of period		140,170.00	
Fund Balances, end of period		<u>\$ 164,840.00</u>	

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