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Release Date NOV 26 1998

**HOUSING AUTHORITY OF THE TOWN OF NEW ROADS, LOUISIANA**

**REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

**TWENTY FOUR MONTHS ENDED JUNE 30, 1998**

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**ESTES & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Commissioners  
Housing Authority of the  
Town of New Roads  
New Roads, Louisiana

Regional Inspector General for Audit  
Office of Inspector General  
Department of Housing and Urban  
Development

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of the Town of New Roads, Louisiana at and for the twenty-four months ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the Town of New Roads, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 described in Note A, the authority's policy is to prepare its financial statements on the basis of accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the general-purpose financial statements and the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of New Roads, Louisiana as of June 30, 1998 and the results of its operations and changes in its surplus for the years ended, June 30, 1997 and June 30, 1998, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 1998 on our consideration of Housing Authority of the Town of New Roads's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement of the Housing Authority of the Town of New Roads, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, 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 our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Estes and Associates*

Fort Worth, Texas  
November 2, 1998

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1998

|   | Governmental Fund Types |                    |                     | Fiduciary Fund Types |                     | Account Groups             |                              |                        | Total<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|---------------------|----------------------|---------------------|----------------------------|------------------------------|------------------------|-------------------------------|
|   | General                 | Special<br>Revenue | Debt<br>Service     | Capital<br>Projects  | Trust<br>and Agency | General<br>Fixed<br>Assets | General<br>Long-Term<br>Debt |                        |                               |
|   |                         |                    |                     |                      |                     |                            |                              |                        |                               |
| <b>ASSETS</b>   |                         |                    |                     |                      |                     |                            |                              |                        |                               |
| Cash and cash equivalents   | \$ 61,818.15            | \$                 | \$                  |                      | \$ 3,360.00         | \$                         | \$                           | \$                     | \$ 65,178.15                  |
| Investments   | 6,632.04                |                    |                     |                      |                     |                            |                              |                        | 6,632.04                      |
| Receivables, net of allowances:                                   |                         |                    |                     |                      |                     |                            |                              |                        |                               |
| Rentals   | 2,628.42                |                    |                     |                      |                     |                            |                              |                        | 2,628.42                      |
| Other   | 935.00                  |                    |                     |                      |                     |                            |                              |                        | 935.00                        |
| Due from:   |                         |                    |                     |                      |                     |                            |                              |                        |                               |
| Other funds   |                         |                    |                     | 852.78               |                     |                            |                              |                        | 852.78                        |
| Other governments   |                         |                    | 60,024.98           |                      |                     |                            |                              |                        | 60,024.98                     |
| Prepaid expenditures  | 5,955.62                |                    |                     |                      |                     |                            |                              | 1,055,047.78           | 5,955.62                      |
| Property, plant and equipment                                     |                         |                    |                     |                      |                     |                            |                              |                        |                               |
| Amount to be provided for retirement<br>of general long-term debt |                         |                    |                     |                      |                     |                            | 571,123.79                   |                        | 571,123.79                    |
| <b>Total Assets</b>   | <u>\$ 77,969.23</u>     | <u>\$ 0.00</u>     | <u>\$ 60,024.98</u> | <u>\$ 852.78</u>     | <u>\$ 3,360.00</u>  | <u>\$ 1,055,047.78</u>     | <u>\$ 571,123.79</u>         | <u>\$ 1,768,378.56</u> | <u>\$ 1,768,378.56</u>        |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)  
JUNE 30, 1998

|  | Governmental Fund Types |                    |                     |                     | Fiduciary Fund Types |                            | Account Groups               |                      | Total<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------|----------------------|-------------------------------|
|  | General                 | Special<br>Revenue | Debt<br>Service     | Capital<br>Projects | Trust<br>and Agency  | General<br>Fixed<br>Assets | General<br>Long-Term<br>Debt |                      |                               |
| <b>LIABILITIES AND FUND EQUITY</b>       |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| <b>LIABILITIES</b>                       |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| Accounts payable                         | \$ 226.19               | \$                 | \$                  | \$                  | \$                   | \$                         | \$                           | \$                   | 226.19                        |
| Due to:                                  |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| Tenants                                  |                         |                    |                     |                     | 3,360.00             |                            |                              |                      | 3,360.00                      |
| Other funds                              | 852.78                  |                    |                     |                     |                      |                            |                              |                      | 852.78                        |
| Deferred revenue                         | 3,656.32                |                    |                     |                     |                      |                            |                              |                      | 3,656.32                      |
| Bonds payable                            |                         |                    |                     |                     |                      | 571,123.79                 |                              |                      | 571,123.79                    |
| <b>Total Liabilities</b>                 | <u>4,735.29</u>         | <u>0.00</u>        | <u>0.00</u>         | <u>0.00</u>         | <u>3,360.00</u>      | <u>571,123.79</u>          | <u>0.00</u>                  | <u>571,123.79</u>    | <u>579,219.08</u>             |
| <b>FUND EQUITY</b>                       |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| Investment in general fixed assets       |                         |                    |                     |                     |                      |                            | 1,055,047.78                 |                      | 1,055,047.78                  |
| Fund balances:                           |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| Reserved for debt service                |                         |                    | 60,024.98           |                     |                      |                            |                              |                      | 60,024.98                     |
| Reserved for capital projects            |                         |                    |                     | 852.78              |                      |                            |                              |                      | 852.78                        |
| Unreserved:                              |                         |                    |                     |                     |                      |                            |                              |                      |                               |
| Undesignated                             | 73,233.94               |                    |                     |                     |                      |                            |                              |                      | 73,233.94                     |
| <b>Total Fund Equity</b>                 | <u>73,233.94</u>        | <u>0.00</u>        | <u>60,024.98</u>    | <u>852.78</u>       | <u>0.00</u>          | <u>0.00</u>                | <u>1,055,047.78</u>          | <u>0.00</u>          | <u>1,189,159.48</u>           |
| <b>Total Liabilities and Fund Equity</b> | <u>\$ 77,969.23</u>     | <u>\$ 0.00</u>     | <u>\$ 60,024.98</u> | <u>\$ 852.78</u>    | <u>\$ 3,360.00</u>   | <u>\$ 571,123.79</u>       | <u>\$ 1,055,047.78</u>       | <u>\$ 571,123.79</u> | <u>\$ 1,768,378.56</u>        |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 1998

|  | Governmental Fund Types |                    |                     |                     | Total<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|---------------------|---------------------|-------------------------------|
|  | General                 | Special<br>Revenue | Debt<br>Service     | Capital<br>Projects |                               |
| <b>REVENUES</b>  |                         |                    |                     |                     |                               |
| Rentals  | \$ 68,333.00            | \$                 | \$                  | \$                  | \$ 68,333.00                  |
| Intergovernmental  | 19,951.00               |                    | 57,779.15           | 6,278.25            | 84,008.40                     |
| Interest   | 1,285.03                |                    |                     |                     | 1,285.03                      |
| Other  | 54,673.67               |                    |                     |                     | 54,673.67                     |
| <b>Total Revenues</b>  | <b>144,242.70</b>       | <b>0.00</b>        | <b>57,779.15</b>    | <b>6,278.25</b>     | <b>208,300.10</b>             |
| <b>EXPENDITURES</b>  |                         |                    |                     |                     |                               |
| Administration   | 31,049.37               |                    |                     |                     | 31,049.37                     |
| Utilities  | 3,354.53                |                    |                     |                     | 3,354.53                      |
| Ordinary maintenance   | 31,124.49               |                    |                     |                     | 31,124.49                     |
| General expenditures   | 32,769.43               |                    |                     |                     | 32,769.43                     |
| Capital expenditures   |                         |                    |                     | 44,897.88           | 44,897.88                     |
| Debt service:  |                         |                    |                     |                     |                               |
| Principal retirement   |                         |                    | 27,675.61           |                     | 27,675.61                     |
| Interest   |                         |                    | 29,939.98           |                     | 29,939.98                     |
| <b>Total expenditures</b>                                    | <b>98,297.82</b>        | <b>0.00</b>        | <b>57,615.59</b>    | <b>44,897.88</b>    | <b>200,811.29</b>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | 45,944.88               | 0.00               | 163.56              | (38,619.63)         | 7,488.81                      |
| <b>OTHER FINANCING SOURCES(USES)</b>                         |                         |                    |                     |                     |                               |
| Operating transfers in                                       |                         |                    |                     |                     | 0.00                          |
| Operating transfers out                                      |                         |                    |                     |                     | 0.00                          |
| <b>Total other financing sources(uses)</b>                   | <b>0.00</b>             | <b>0.00</b>        | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>                   |
| <b>FUND BALANCE, beginning of year</b>                       | <b>27,289.06</b>        |                    | <b>59,861.42</b>    | <b>39,472.41</b>    | <b>126,622.89</b>             |
| <b>FUND BALANCE, end of year</b>                             | <b>\$ 73,233.94</b>     | <b>\$ 0.00</b>     | <b>\$ 60,024.98</b> | <b>\$ 852.78</b>    | <b>\$ 134,111.70</b>          |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 1997

|  | Governmental Fund Types |                    |                     |                     | Total<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|---------------------|---------------------|-------------------------------|
|  | General                 | Special<br>Revenue | Debt<br>Service     | Capital<br>Projects |                               |
| <b>REVENUES</b>  |                         |                    |                     |                     |                               |
| Rentals  | \$ 62,697.52            | \$                 | \$                  | \$                  | \$ 62,697.52                  |
| Intergovernmental  | 21,492.00               |                    | 57,779.11           | 51,310.44           | 130,581.55                    |
| Interest   | 932.42                  |                    |                     |                     | 932.42                        |
| Other  | 2,465.00                |                    |                     |                     | 2,465.00                      |
| <b>Total Revenues</b>  | <u>87,586.94</u>        | <u>0.00</u>        | <u>57,779.11</u>    | <u>51,310.44</u>    | <u>196,676.49</u>             |
| <b>EXPENDITURES</b>  |                         |                    |                     |                     |                               |
| Administration   | 30,718.61               |                    |                     |                     | 30,718.61                     |
| Utilities  | 3,256.62                |                    |                     |                     | 3,256.62                      |
| Ordinary maintenance   | 33,034.77               |                    |                     |                     | 33,034.77                     |
| General expenditures   | 26,301.53               |                    |                     |                     | 26,301.53                     |
| Capital expenditures   | 1,860.00                |                    |                     | 48,152.76           | 50,012.76                     |
| Debt service:  |                         |                    |                     |                     |                               |
| Principal retirement   |                         |                    | 27,675.61           |                     | 27,675.61                     |
| Interest   |                         |                    | 31,323.76           |                     | 31,323.76                     |
| <b>Total expenditures</b>                                    | <u>95,171.53</u>        | <u>0.00</u>        | <u>58,999.37</u>    | <u>48,152.76</u>    | <u>202,323.66</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(7,584.59)</u>       | <u>0.00</u>        | <u>(1,220.26)</u>   | <u>3,157.68</u>     | <u>(5,647.17)</u>             |
| <b>OTHER FINANCING SOURCES(USES)</b>                         |                         |                    |                     |                     |                               |
| Operating transfers in                                       |                         |                    |                     |                     | 0.00                          |
| Operating transfers out                                      |                         |                    |                     |                     | 0.00                          |
| <b>Total other financing sources(uses)</b>                   | <u>0.00</u>             | <u>0.00</u>        | <u>0.00</u>         | <u>0.00</u>         | <u>0.00</u>                   |
| <b>FUND BALANCE, beginning of year</b>                       | <u>34,873.65</u>        |                    | <u>61,081.72</u>    | <u>36,314.73</u>    | <u>132,270.10</u>             |
| <b>FUND BALANCE, end of year</b>                             | <u>\$ 27,289.06</u>     | <u>\$ 0.00</u>     | <u>\$ 59,861.46</u> | <u>\$ 39,472.41</u> | <u>\$ 126,622.93</u>          |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND AND SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 1998

|  | General Fund  |              |                           | Special Revenue Funds |         |                           |
|--|---------------|--------------|---------------------------|-----------------------|---------|---------------------------|
|  | Budget        | Actual       | Over<br>(Under)<br>Budget | Budget                | Actual  | Over<br>(Under)<br>Budget |
| <b>REVENUES</b>  |               |              |                           |                       |         |                           |
| Rentals  | \$ 64,740.00  | \$ 68,333.00 | \$ 3,593.00               | \$                    | \$      | \$ 0.00                   |
| Intergovernmental  | 18,798.00     | 19,951.00    | 1,153.00                  |                       |         | 0.00                      |
| Interest   | 2,940.00      | 1,285.03     | (1,654.97)                |                       |         | 0.00                      |
| Other income   | 7,980.00      | 54,673.67    | 46,693.67                 |                       |         | 0.00                      |
| Total Revenues   | 94,458.00     | 144,242.70   | 49,784.70                 | 0.00                  | 0.00    | 0.00                      |
| <b>EXPENDITURES</b>  |               |              |                           |                       |         |                           |
| Administration   | 35,180.00     | 31,049.37    | (4,130.63)                |                       |         | 0.00                      |
| Utilities  | 2,990.00      | 3,354.53     | 364.53                    |                       |         | 0.00                      |
| Ordinary maintenance   | 32,900.00     | 31,124.49    | (1,775.51)                |                       |         | 0.00                      |
| General expenditures   | 31,330.00     | 32,769.43    | 1,439.43                  |                       |         | 0.00                      |
| Total Expenditures   | 102,400.00    | 98,297.82    | (4,102.18)                | 0.00                  | 0.00    | 0.00                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (7,942.00) | 45,944.88    | \$ 53,886.88              | \$ 0.00               | \$ 0.00 | \$ 0.00                   |
| Transfer of net income to<br>unreserved deficit              |               |              |                           |                       |         |                           |
| FUND BALANCES, beginning of year                             |               | 27,289.06    |                           |                       |         |                           |
| FUND BALANCES, end of year                                   |               | \$ 73,233.94 |                           | \$                    | 0.00    |                           |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND AND SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 1997

|  | General Fund     |                     | Special Revenue Funds |                | Over<br>(Under)<br>Budget |
|--|------------------|---------------------|-----------------------|----------------|---------------------------|
|  | Budget           | Actual              | Budget                | Actual         |                           |
| <b>REVENUES</b>  |                  |                     |                       |                |                           |
| Rentals  | \$ 60,660.00     | \$ 62,697.52        | \$ 2,037.52           | \$             | \$ 0.00                   |
| Intergovernmental  | 21,492.00        | 21,492.00           | 0.00                  |                | 0.00                      |
| Interest   | 2,570.00         | 932.42              | (1,637.58)            |                | 0.00                      |
| Other income   | 8,310.00         | 2,465.00            | (5,845.00)            |                | 0.00                      |
| <b>Total Revenues</b>  | <b>93,032.00</b> | <b>87,586.94</b>    | <b>(5,445.06)</b>     | <b>0.00</b>    | <b>0.00</b>               |
| <b>EXPENDITURES</b>  |                  |                     |                       |                |                           |
| Administration   | 31,960.00        | 30,718.61           | (1,241.39)            |                | 0.00                      |
| Utilities  | 3,580.00         | 3,256.62            | (323.38)              |                | 0.00                      |
| Ordinary maintenance   | 32,590.00        | 33,034.77           | 444.77                |                | 0.00                      |
| General expenditures   | 27,210.00        | 26,301.53           | (908.47)              |                | 0.00                      |
| Capital expenditures   | 1,950.00         | 1,860.00            | (90.00)               |                | 0.00                      |
| <b>Total Expenditures</b>                                    | <b>97,290.00</b> | <b>95,171.53</b>    | <b>(2,118.47)</b>     | <b>0.00</b>    | <b>0.00</b>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (4,258.00)    | (7,584.59)          | \$ (3,326.59)         | \$ 0.00        | \$ 0.00                   |
| Transfer of net income to<br>unreserved deficit              |                  |                     |                       |                |                           |
| <b>FUND BALANCES, beginning of year</b>                      |                  | <b>34,873.65</b>    |                       |                |                           |
| <b>FUND BALANCES, end of year</b>                            |                  | <b>\$ 27,289.06</b> |                       | <b>\$ 0.00</b> |                           |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 1998

|  | Debt Service Fund |                     |                           | Capital Projects Funds |                    |                           |
|--|-------------------|---------------------|---------------------------|------------------------|--------------------|---------------------------|
|  | Budget            | Actual              | Over<br>(Under)<br>Budget | Budget                 | Actual             | Over<br>(Under)<br>Budget |
| <b>REVENUES</b>  |                   |                     |                           |                        |                    |                           |
| Intergovernmental  | \$ 57,779.15      | \$ 57,779.15        | \$ 0.00                   | \$ 6,278.25            | \$ 6,278.25        | \$ 0.00                   |
| Total Revenues   | <u>57,779.15</u>  | <u>57,779.15</u>    | <u>0.00</u>               | <u>6,278.25</u>        | <u>6,278.25</u>    | <u>0.00</u>               |
| <b>EXPENDITURES</b>  |                   |                     |                           |                        |                    |                           |
| Capital expenditures   |                   |                     |                           |                        |                    |                           |
| Debt Service:  |                   |                     |                           |                        |                    |                           |
| Principal retirement   | 27,675.61         | 27,675.61           | 0.00                      | 6,278.25               | 44,897.88          | (38,619.63)               |
| Interest   | 29,939.98         | 29,939.98           | 0.00                      |                        |                    | 0.00                      |
| Total Expenditures   | <u>57,615.59</u>  | <u>57,615.59</u>    | <u>0.00</u>               | <u>6,278.25</u>        | <u>44,897.88</u>   | <u>(38,619.63)</u>        |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>163.56</u>  | 163.56              | \$ <u>0.00</u>            | <u>0.00</u>            | <u>(38,619.63)</u> | <u>\$ (38,619.63)</u>     |
| Transfer of net income to<br>unreserved deficit              |                   |                     |                           |                        |                    |                           |
| FUND BALANCES, beginning of year                             |                   | <u>59,861.42</u>    |                           |                        | <u>39,472.41</u>   |                           |
| FUND BALANCES, end of year                                   |                   | <u>\$ 60,024.98</u> |                           |                        | <u>\$ 852.78</u>   |                           |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 1997

|  | Debt Service Fund |              | Capital Projects Funds |              | Over<br>(Under)<br>Budget |
|--|-------------------|--------------|------------------------|--------------|---------------------------|
|  | Budget            | Actual       | Budget                 | Actual       |                           |
| <b>REVENUES</b>  |                   |              |                        |              |                           |
| Intergovernmental  | \$ 57,779.11      | \$ 57,779.11 | \$ 51,310.44           | \$ 51,310.44 | \$ 0.00                   |
| Total Revenues   | 57,779.11         | 57,779.11    | 51,310.44              | 51,310.44    | 0.00                      |
| <b>EXPENDITURES</b>  |                   |              |                        |              |                           |
| Capital expenditures   |                   |              | 0.00                   | 48,152.76    | 3,157.68                  |
| Debt Service:  |                   |              |                        |              |                           |
| Principal retirement   | 27,675.61         | 27,675.61    | 0.00                   |              | 0.00                      |
| Interest   | 31,323.76         | 31,323.76    | 0.00                   |              | 0.00                      |
| Total Expenditures   | 58,999.37         | 58,999.37    | 0.00                   | 51,310.44    | 3,157.68                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (1,220.26)     | (1,220.26)   | \$ 0.00                | \$ 0.00      | \$ 3,157.68               |
| Transfer of net income to<br>unreserved deficit              |                   |              |                        |              |                           |
| FUND BALANCES, beginning of year                             |                   | 61,081.72    |                        | 36,314.73    |                           |
| FUND BALANCES, end of year                                   |                   | \$ 59,861.46 |                        | \$ 39,472.41 |                           |

The Notes to Financial Statements are an integral part of these statements.

# HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of New Roads, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the Town of New Roads, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of June 30, 1998, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and broad categories in the financial statements as follows:

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS

(Continued)  
JUNE 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(3) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain revenues which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) Budgetary Data

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority 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, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. The difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

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

(7) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at June 30, 1998.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not recorded on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS

(Continued)  
JUNE 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - 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 June 30, 1998. 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:

| Total<br>Bank Balances | Category            |                |                |
|------------------------|---------------------|----------------|----------------|
|                        | 1                   | 2              | 3              |
| \$ <u>71,810.19</u>    | \$ <u>71,810.19</u> | \$ <u>0.00</u> | \$ <u>0.00</u> |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS

(Continued)  
JUNE 30, 1998

NOTE C - ACTIVITIES OF THE PHA

At June 30, 1998, the PHA was managing 59 units of low-rent in one project under Program FW — 2004.

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 - PROPERTY, PLANT AND EQUIPMENT

Changes in the general fixed assets account group are as follows:

|                    | <u>Beg. of Period</u>  |    | <u>Additions</u> |    | <u>Deletions</u> |    | <u>End of Period</u> |
|--------------------|------------------------|----|------------------|----|------------------|----|----------------------|
| Land, land impvts. | \$ 204,697.34          | \$ |                  | \$ |                  | \$ | 204,697.34           |
| Buildings          | 788,786.36             |    |                  |    |                  |    | 788,786.36           |
| Equipment          | 59,704.08              |    | 1,860.00         |    |                  |    | 61,564.08            |
| Total              | <u>\$ 1,053,187.78</u> | \$ | <u>1,860.00</u>  | \$ | <u>0.00</u>      | \$ | <u>1,055,047.78</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.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 1998

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

|                                  | <u>Interest<br/>Rate</u> |    | <u>Principal<br/>Balance</u> |
|----------------------------------|--------------------------|----|------------------------------|
| Bond payable, May 1, 1971 series | 5 %                      | \$ | <u>571,123.79</u>            |

The bonds mature in series annually in varying amounts with the final maturity date in 2012. 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.

Long-term debt is secured by the land and buildings of the entity.

Changes in long-term debt is as follows:

|                                |    | <u>Bonds</u>      |
|--------------------------------|----|-------------------|
| Balance, beginning of period   | \$ | 626,475.01        |
| Principal retirement, 06/30/97 |    | 27,675.61         |
| Principal retirement, 06/30/98 |    | <u>27,675.61</u>  |
| Balance, end of period         | \$ | <u>571,123.79</u> |

Schedule retirements of long-term debt is as follows:

|            |    |            |
|------------|----|------------|
| 1999       | \$ | 28,933.59  |
| 2000       |    | 30,191.57  |
| 2001       |    | 32,707.53  |
| 2002       |    | 33,965.52  |
| 2003       |    | 35,223.50  |
| Thereafter |    | 410,102.08 |

The Notes to Financial Statements are an integral part of these statements.

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 1998

#### 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 employee contributes 15 % 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.

#### 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.

##### Long Term Debt

It is not possible to estimate the fair value of long term debt owed to the federal government by this governmental entity, a housing authority. The housing authority is unable, by law, to secure long term financing from any other source. FASB 107 describes fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

#### 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 NEW ROADS

CAPITAL PROJECT FUND TYPES  
 COMBINING BALANCE SHEET  
 JUNE 30, 1998

|                                   | CIAP Housing Programs |            |           |
|-----------------------------------|-----------------------|------------|-----------|
|                                   | CIAP<br>93            | CIAP<br>95 | Total     |
| ASSETS                            |                       |            |           |
| Due from:                         |                       |            |           |
| Other funds                       | \$ 100.02             | \$ 752.76  | \$ 852.78 |
| Total Assets                      | \$ 100.02             | \$ 752.76  | \$ 852.78 |
| LIABILITIES AND FUND EQUITY       |                       |            |           |
| LIABILITIES                       |                       |            |           |
| Total liabilities                 | \$ 0.00               | \$ 0.00    | \$ 0.00   |
| FUND EQUITY                       |                       |            |           |
| Reserved for capital projects     | 100.02                | 752.76     | 852.78    |
| Total fund equity                 | 100.02                | 752.76     | 852.78    |
| Total liabilities and fund equity | \$ 100.02             | \$ 752.76  | \$ 852.78 |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

CAPITAL PROJECT FUND TYPES  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 JUNE 30, 1998

|  | CIAP Housing Programs |             |             |             |
|--|-----------------------|-------------|-------------|-------------|
|  | CIAP<br>92            | CIAP<br>93  | CIAP<br>95  | Total       |
| REVENUES   |                       |             |             |             |
| Intergovernmental  | \$                    | \$ 4,778.25 | \$ 1,500.00 | \$ 6,278.25 |
| Total Revenues   | 0.00                  | 4,778.25    | 1,500.00    | 6,278.25    |
| EXPENDITURES   |                       |             |             |             |
| Capital expenditures   | 15,701.13             | 28,449.51   | 747.24      | 44,897.88   |
| Total Expenditures   | 15,701.13             | 28,449.51   | 747.24      | 44,897.88   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (15,701.13)           | (23,671.26) | 752.76      | (38,619.63) |
| FUND BALANCE, beginning of year                              | 15,701.13             | 23,771.28   |             | 39,472.41   |
| FUND BALANCE, end of year                                    | \$ 0.00               | \$ 100.02   | \$ 752.76   | \$ 852.78   |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

CAPITAL PROJECT FUND TYPES  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 JUNE 30, 1997

|  | CIAP Housing Programs |              |              |
|--|-----------------------|--------------|--------------|
|  | CIAP<br>92            | CIAP<br>93   | Total        |
| REVENUES   |                       |              |              |
| Intergovernmental  | \$                    | \$ 51,310.44 | \$ 51,310.44 |
| Total Revenues   | 0.00                  | 51,310.44    | 51,310.44    |
| EXPENDITURES   |                       |              |              |
| Capital expenditures   | 14,009.16             | 34,143.60    | 48,152.76    |
| Total Expenditures   | 14,009.16             | 34,143.60    | 48,152.76    |
| Excess (deficiency) of revenues<br>over (under) expenditures | (14,009.16)           | 17,166.84    | 3,157.68     |
| FUND BALANCE, beginning of year                              | 29,710.29             | 6,604.44     | 36,314.73    |
| FUND BALANCE, end of year                                    | \$ 15,701.13          | \$ 23,771.28 | \$ 39,472.41 |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

FIDUCIARY FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1998

|                           | <u>Agency Funds</u>                              |                                      |
|---------------------------|--|--------------------------------------|
|                           | <u>Tenant<br/>Security<br/>Deposit<br/>Funds</u> | <u>Total<br/>Fiduciary<br/>Funds</u> |
| <b>ASSETS</b>             |  |                                      |
| Cash and cash equivalents | \$ 3,360.00                                      | \$ 3,360.00                          |
| Total Assets              | <u>\$ 3,360.00</u>                               | <u>\$ 3,360.00</u>                   |
| <b>LIABILITIES</b>        |  |                                      |
| Due to tenants            | \$ 3,360.00                                      | \$ 3,360.00                          |
| Total Liabilities         | <u>\$ 3,360.00</u>                               | <u>\$ 3,360.00</u>                   |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS  
 JUNE 30, 1998

|                                       | <u>Agency Funds</u>                              |                                      |
|---------------------------------------|--|--------------------------------------|
|                                       | <u>Tenant<br/>Security<br/>Deposit<br/>Funds</u> | <u>Total<br/>Fiduciary<br/>Funds</u> |
| DEPOSIT BALANCES AT BEGINNING OF YEAR | \$ 3,350.00                                      | \$ 3,350.00                          |
| ADDITIONS                             |  |                                      |
| Received from tenants                 | 10.00  | 10.00                                |
| Total Additions                       | <u>10.00</u>                                     | <u>10.00</u>                         |
| DEPOSIT BALANCES AT END OF YEAR       | <u>\$ 3,360.00</u>                               | <u>\$ 3,360.00</u>                   |

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS  
 JUNE 30, 1997

|                                       | <u>Agency Funds</u>                              |                                      |
|---------------------------------------|--|--------------------------------------|
|                                       | <u>Tenant<br/>Security<br/>Deposit<br/>Funds</u> | <u>Total<br/>Fiduciary<br/>Funds</u> |
| DEPOSIT BALANCES AT BEGINNING OF YEAR | \$ 2,840.00                                      | \$ 2,840.00                          |
| ADDITIONS                             |  |                                      |
| Received from tenants                 | 510.00   | 510.00                               |
| Total Additions                       | 510.00   | 510.00                               |
| DEPOSIT BALANCES AT END OF YEAR       | \$ <u>3,350.00</u>                               | \$ <u>3,350.00</u>                   |

The Notes to Financial Statements are an integral part of these statements.

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

BALANCE SHEET – STATUTORY BASIS  
JUNE 30, 1998ANNUAL CONTRIBUTION CONTRACT  
FW – 2004ASSETS

|                                |    |                     |
|--------------------------------|----|---------------------|
| Cash - Exhibit F               | \$ | 65,178.15           |
| Accounts receivable - tenants  |    | 2,628.42            |
| Accounts receivable - HUD      |    | 935.00              |
| Investments - Note B           |    | 6,632.04            |
| Debt amortization funds        |    | 60,024.98           |
| Deferred charges               |    | 5,955.62            |
| Land, structures and equipment |    | <u>1,739,322.56</u> |
| Total Assets                   | \$ | <u>1,880,676.77</u> |

LIABILITIES AND SURPLUS

|                               |    |                     |
|-------------------------------|----|---------------------|
| Accounts payable              | \$ | 3,586.19            |
| Deferred credits              |    | 3,656.32            |
| Fixed liabilities             |    | <u>571,123.79</u>   |
| Total Liabilities             |    | 578,366.30          |
| Surplus - Exhibit C           |    | <u>1,302,310.47</u> |
| Total Liabilities and Surplus | \$ | <u>1,880,676.77</u> |

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT  
FW – 2004

|   | <u>Year Ended</u><br><u>06-30-97</u> |    | <u>Year Ended</u><br><u>06-30-98</u> |
|---|--------------------------------------|----|--------------------------------------|
| Operating Income  |                                      |    |                                      |
| Dwelling rental   | \$ 62,697.52                         | \$ | 68,333.00                            |
| Interest on general fund investments                    | 932.42                               |    | 1,285.03                             |
| Other income  | 2,465.00                             |    | 5,285.15                             |
| Total Operating Income -<br>Exhibit D                   | <u>66,094.94</u>                     |    | <u>74,903.18</u>                     |
| Operating Expenses                                      |                                      |    |                                      |
| Administration  | 30,718.61                            |    | 31,049.37                            |
| Utilities   | 3,256.62                             |    | 3,354.53                             |
| Ordinary maintenance and operation                      | 33,034.77                            |    | 31,124.49                            |
| General expense   | 26,301.53                            |    | 32,769.43                            |
| Total Operating Expense -<br>Exhibit D                  | <u>93,311.53</u>                     |    | <u>98,297.82</u>                     |
| Net Operating Income (Loss)                             | <u>(27,216.59)</u>                   |    | <u>(23,394.64)</u>                   |
| Other Charges   |                                      |    |                                      |
| Interest on notes and bonds payable                     | 31,323.76                            |    | 29,939.98                            |
| Total Other Charges                                     | <u>31,323.76</u>                     |    | <u>29,939.98</u>                     |
| Other Credits   |                                      |    |                                      |
| Prior year adjustments - affecting<br>residual receipts | 0.00                                 |    | 49,388.82                            |
| Total Other Credits                                     | <u>0.00</u>                          |    | <u>49,388.82</u>                     |
| Net Loss - Exhibit C                                    | <u>\$ (58,540.35)</u>                | \$ | <u>(3,945.80)</u>                    |

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED JUNE 30, 1998ANNUAL CONTRIBUTION CONTRACT  
FW — 2004Unreserved Surplus

|  |    |                       |
|--|----|-----------------------|
| Balance per prior audit at 06-30-96  | \$ | (1,161,763.63)        |
| Net loss for the year ended 06-30-97 - Exhibit B(1)                                      |    | (58,540.35)           |
| (Provision for) reduction of Operating Reserve<br>for year ended 06-30-97 - Exhibit D(1) |    | 7,584.59              |
| Net loss for the year ended 06-30-98 - Exhibit B(2)                                      |    | (3,945.80)            |
| (Provision for) reduction of Operating Reserve<br>for year ended 06-30-98 - Exhibit D(2) |    | 4,392.35              |
| Balance at 06-30-98  |    | <u>(1,212,272.84)</u> |

Reserved Surplus - Operating Reserve

|  |    |                  |
|--|----|------------------|
| Balance per prior audit at 06-30-96  |    | 34,873.65        |
| Provision for (reduction of) Operating Reserve<br>for the year ended 06-30-97 - Exhibit D(1) |    | (7,584.59)       |
| Provision for (reduction of) Operating Reserve<br>for the year ended 06-30-98 - Exhibit D(2) |    | (4,392.35)       |
| Balance at 06-30-98 - Exhibit F  | \$ | <u>22,896.71</u> |

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED JUNE 30, 1998ANNUAL CONTRIBUTION CONTRACT  
FW — 2004Cumulative HUD Contributions

|   |    |                     |
|---|----|---------------------|
| Balance per prior audit at 06-30-96                           | \$ | 1,680,936.89        |
| Annual contribution for year ended<br>06-30-97 - Exhibit D(1) |    | 57,779.11           |
| Operating subsidy for year ended<br>06-30-97                  |    | 21,492.00           |
| Annual contribution for year ended<br>06-30-98 - Exhibit D    |    | 57,779.11           |
| Operating subsidy for year ended<br>06-30-98                  |    | 19,951.00           |
| Balance at 06-30-98   |    | <u>1,837,938.11</u> |

Cumulative HUD Grants

|                                     |    |                            |
|-------------------------------------|----|----------------------------|
| Balance per prior audit at 06-30-96 |    | 596,160.10                 |
| Advances for year ended 06-30-97    |    | 51,310.44                  |
| Advances for year ended 06-30-98    |    | 6,277.95                   |
| Balance at 06-30-98                 |    | <u>653,748.49</u>          |
| Total Surplus - Exhibit A           | \$ | <u><u>1,302,310.47</u></u> |

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT  
FW — 2004

|  | <u>Year Ended</u><br><u>06-30-97</u> | <u>Year Ended</u><br><u>06-30-98</u> |
|--|--------------------------------------|--------------------------------------|
| <u>Computation of Residual Receipts</u>                            |                                      |                                      |
| <u>Operating Receipts</u>  |                                      |                                      |
| Operating Income - Exhibit B                                       | \$ 66,094.94                         | \$ 74,903.18                         |
| HUD operating subsidy  | 21,492.00                            | 19,951.00                            |
| Prior year adjustments - affecting residual receipt                | 0.00                                 | 49,388.82                            |
| Total Operating Receipts   | <u>87,586.94</u>                     | <u>144,243.00</u>                    |
| <u>Operating Expenditures</u>                                      |                                      |                                      |
| Operating expenses - Exhibit B                                     | 93,311.53                            | 98,297.82                            |
| Capital expenditures:  |                                      |                                      |
| Replacement of nonexpendable equipment                             | 1,860.00                             | 0.00                                 |
| Total Operating Expenditures                                       | <u>95,171.53</u>                     | <u>98,297.82</u>                     |
| Residual receipts (deficit) per audit before provision for reserve | (7,584.59)                           | 45,945.18                            |
| Audit adjustments (backed out)                                     |                                      | <u>(50,337.53)</u>                   |
| Residual receipts per PHA before provision for reserve             | (7,584.59)                           | (4,392.35)                           |
| (Provision for) or reduction of operating reserve - Exhibit C      | 7,584.59                             | 4,392.35                             |
| Residual receipts per PHA  | <u>\$ 0.00</u>                       | <u>\$ 0.00</u>                       |

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT  
FW — 2004

|   | <u>Year Ended</u><br><u>06-30-97</u> | <u>Year Ended</u><br><u>06-30-98</u> |
|---|--------------------------------------|--------------------------------------|
| <u>Computation of Accruing Annual Contributions</u> |                                      |                                      |
| Fixed annual contribution                           | \$ <u>57,779.11</u>                  | \$ <u>57,779.11</u>                  |
| Total Annual Contribution -<br>Exhibit C            | \$ <u><u>57,779.11</u></u>           | \$ <u><u>57,779.11</u></u>           |

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
 ANNUAL CONTRIBUTION CONTRACT  
FW — 2004

1. The Actual Modernization Costs of are as follows:

|                             |        | <u>48P-902-92</u> |
|-----------------------------|--------|-------------------|
| Funds Approved              | \$     | 396,711.00        |
| Funds Expended              |        | <u>396,711.00</u> |
| Excess of Funds<br>Approved | \$     | <u>0.00</u>       |
| <br>Funds Advanced          | <br>\$ | <br>396,711.00    |
| Funds Expended              |        | <u>396,711.00</u> |
| Excess of Funds<br>Advanced | \$     | <u>0.00</u>       |

2. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated June 26, 1997 accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS  
 STATEMENT OF MODERNIZATION COSTS – UNCOMPLETED  
 JUNE 30, 1998

|   | Project<br>1995  | Project<br>1993    |
|---|------------------|--------------------|
| Funds Approved                          | \$ 1,500.00      | \$ 259,300.00      |
| Funds Expended                          | <u>747.24</u>    | <u>255,437.77</u>  |
| Excess of Funds<br>Approved             | <u>\$ 752.76</u> | <u>\$ 3,862.23</u> |
| <br>                                    |                  |                    |
| Funds Advanced                          | \$ 1,500.00      | \$ 255,537.79      |
| Funds Expended                          | <u>747.24</u>    | <u>255,437.77</u>  |
| Excess of Funds<br>Advanced - Exhibit F | <u>\$ 752.76</u> | <u>\$ 100.02</u>   |

## HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

## ANALYSIS OF GENERAL FUND CASH BALANCE

## ANNUAL CONTRIBUTION CONTRACT

FW — 2004Composition Before Adjustments

## Net operating receipts retained:

|   |    |                  |
|---|----|------------------|
| Operating reserves - Exhibit C              | \$ | 22,896.71        |
| Deferred credits                            |    | 3,656.32         |
| Excess modernization funds - Exhibit E(2)   |    | 852.78           |
| Audit adjustments to net operating receipts |    | 50,337.53        |
|   |    | <u>77,743.34</u> |

## Adjustments

## Expenses/costs not paid:

|                   |  |          |
|-------------------|--|----------|
| Accounts payable  |  | 3,586.19 |
| Current imbalance |  | (0.30)   |

## Income not received:

|                     |  |                   |
|---------------------|--|-------------------|
| Accounts receivable |  | <u>(3,563.42)</u> |
|---------------------|--|-------------------|

## General Fund Cash Available

77,765.81

## General Fund Cash:

|   |  |                   |
|---|--|-------------------|
| Invested  |  | (6,632.04)        |
| Applied to deferred charges<br>(prepaid insurance, inventories, etc.) |  | <u>(5,955.62)</u> |

## General Fund Cash - Exhibit A

\$ 65,178.15

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 1998

| <u>FEDERAL GRANTOR<br/>PROGRAM TITLE</u>         | <u>CDFA<br/>NO.</u> | <u>GRANT<br/>ID NO.</u> | <u>AWARD<br/>AMOUNT</u> | <u>PROGRAM<br/>EXPENDITURES</u> |
|--|---------------------|-------------------------|-------------------------|---------------------------------|
| U.S. Department of Housing and Urban Development |                     |                         |                         |                                 |
| Direct Programs:                                 |                     |                         |                         |                                 |
| Low-Income Housing                               |                     |                         |                         |                                 |
| Annual Contribution                              | 14.850              | FW- 2004                | \$ 57,779.11            | \$ 57,779.11                    |
| Operating Subsidy                                | 14.850              | FW- 2004                | 19,951.00               | 19,951.00                       |
| Major Program Total 1/                           |                     |                         | <u>77,730.11</u>        | <u>77,730.11</u>                |
| Comprehensive Improvement Assistance Program     |                     |                         |                         |                                 |
| Project 1992                                     | 14.852              | FW- 2004                |                         | 15701.13                        |
| Project 1993                                     | 14.852              | FW- 2004                | 4,478.25                | 28,449.31                       |
| Project 1995                                     | 14.852              | FW- 2004                | 1,500.00                | 747.24                          |
| Major Program Total                              |                     |                         | <u>5,978.25</u>         | <u>44,897.68</u>                |
| Total HUD  |                     |                         | \$ <u>83,708.36</u>     | \$ <u>122,627.79</u>            |

1/ The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of New Roads's bonded indebtedness. This bonded indebtedness was \$ 571,123.79 at June 30, 1998.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 1997

| <u>FEDERAL GRANTOR<br/>PROGRAM TITLE</u>         | <u>CDFA<br/>NO.</u> | <u>GRANT<br/>ID NO.</u> | <u>AWARD<br/>AMOUNT</u> | <u>PROGRAM<br/>EXPENDITURES</u> |
|--|---------------------|-------------------------|-------------------------|---------------------------------|
| U.S. Department of Housing and Urban Development |                     |                         |                         |                                 |
| Direct Programs:                                 |                     |                         |                         |                                 |
| Low-Income Housing                               |                     |                         |                         |                                 |
| Annual Contribution                              | 14.850              | FW- 2004                | \$ 57,779.11            | \$ 57,779.11 1/                 |
| Operating Subsidy                                | 14.850              | FW- 2004                | 21,492.00               | 21,492.00                       |
| Major Program Total 1/                           |                     |                         | <u>79,271.11</u>        | <u>79,271.11</u>                |
| Comprehensive Improvement Assistance Program     |                     |                         |                         |                                 |
| Project 1992                                     | 14.852              | FW- 2004                |                         | 14,009.16                       |
| Project 1993                                     | 14.852              | FW- 2004                | 51,310.44               | 34,143.60                       |
| Major Program Total                              |                     |                         | <u>51,310.44</u>        | <u>48,152.76</u>                |
| Total HUD  |                     |                         | \$ <u>130,581.55</u>    | \$ <u>127,423.87</u>            |

1/ The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of New Roads's bonded indebtedness. This bonded indebtedness was \$ 598,799.40 at June 30, 1997.

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PUBLIC ACCOUNTANTS

MIKE ESTES, CPA/PFS, CFP

Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance with Governmental Auditing Standards

Housing Authority of the  
Town of New Roads  
New Roads, Louisiana

We have audited the financial statements of the Housing Authority of the Town of New Roads, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated November 2, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of New Roads, Louisiana's financial statements are free of material misstatement, we 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 a opinion on compliance with those provisions was not an objective of our audit and, 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 *Governmental Auditing Standards*, or the Louisiana Governmental Audit Guide.

Internal Control Over Financial Reporting

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

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Estes and Associates*

Fort Worth, Texas  
November 2, 1998

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES

JUNE 30, 1998

|     |   | ACCT. # FOR<br>AUDIT<br>PURPOSES | DR        | CR        | ACCT. # FOR<br>POSTING TO<br>PHA BOOKS |
|-----|---|----------------------------------|-----------|-----------|--|
| <1> | Accrued PILOT   | 2137                             | 12,441.94 |           | 2137                                   |
|     | Prior year adjustments -<br>affecting residual receipts | 6010                             |           | 12,441.94 | 6010                                   |
|     | To adjust for waived PILOT.                             |                                  |           |           |  |
| <2> | CIAP-92   | 1400                             | 15,561.23 |           | 1400                                   |
|     | CIAP-93   | 1400                             | 23,487.36 |           | 1400                                   |
|     | CIAP Advances   | 2845                             |           | 1,153.00  | 2845                                   |
|     | Prior year adjustments -<br>affecting residual receipts | 6010                             |           | 37,895.59 | 6010                                   |

To reclassify CIAP costs and advances.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 1998

Prior Audit Findings

None.

Current Audit Findings

The PHA did not have either an audit or compiled, attested unaudited financial statements prepared timely for the year ended June 30, 1997, as required by Louisiana's state law.

Recommendation

The PHA should have financial statements prepared in a timely manner for the Legislative Auditor.

Reply

We maintained contact with the Legislative Auditor's office on this situation. The changes in the federal mandate, and what type of audit, if any, the federal government would pay for was unclear until recently. Except for the year ended 06/30/97, we have complied timely, and we will do so in the future.