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**HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally and given appropriate public notice. The report is available for public inspection at the East Carroll Parish Board of Supervisors Auditor and, when it is requested, at the office of the parish clerk of court.

Release Date:

WILLIAM DANIEL MCCASKEY, CPA
ATTORNEY AT LAW

OFFICE: MEMPHIS
ADDRESS: 2000 W. 5TH

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MANAGEMENT LETTER

WILLIAM DANIEL MCCASKILL, CPA
INDEPENDENT FINANCIAL EXAMINER

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA 71154

I have audited the accompanying general purpose financial statements of the Housing Authority of the Parish of East Carroll (HPA) as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the HPA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Parish of East Carroll as of June 30, 1997, and the results of its operations and changes in its surplus for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 22, 1997 on my consideration of the FHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the FHA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-113, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the FHA, and for filing with the Department of HUD and should not be used for any other purpose.

William Daniel McNeill, CPA
A Professional Accounting Corporation

October 22, 1997

Bank of Montreal of the British Columbia Branch

1000-1000, Vancouver, B.C.
 (Incorporated in Canada) - Chartered as Bank of Montreal
 P.O. Box 100, New York, N.Y.

ASSETS

	1954-55	1953-54	1952-53	1951-52	1950-51
Real Estate					
Land	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Buildings	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Furniture	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Equipment	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Loans					
Mortgages	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Commercial	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Personal	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Investments					
Government	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Corporate	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other Assets					
Cash	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Accounts Receivable	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Prepaid Expenses	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Assets	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00

See notes to financial statements

**THE HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:150) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of East Carroll Parish. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the East Carroll Parish Police Jury, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	FW-108	40

East Carroll Rural Housing, Inc.
A nonprofit organization which
is a component unit of the PHA:

PmHA	N/A	4
Other	N/A	11

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PRESENTATION

The accompanying financial statements of the PHA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including: (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

The PHA has a component unit, East Carroll Rural Housing, Inc. The financial statements of the component unit are included in this reporting package. In a GAAP departure, the PHA had no process the component unit's financial statements as of the component unit's year end, December 31, 1996.

C. FUND ACCOUNTING

The PHA uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net spendable financial resources.

Funds of the PHA are classified in three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds: Governmental funds account for all or most of the PHA's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. **General Fund**--the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service Fund**--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.
3. **Capital Projects Funds**--accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. **Tenants Security Deposits**--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating Statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the PHA.

Expenditures--Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)—Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

Deferred Revenues—The PHA reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the PHA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the PHA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

6. BUDGETS

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any

function. However, when actual revenues within a fund fail to meet budgeted revenues by 3% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. INCURRANCES

Incurrence accounting, under which purchase orders are recorded in order to ensure that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to ensure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short term interfund loans are classified as interfund receivables/payables.

I. INVENTORY

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructure such as sidewalks and

parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

K. COMPENSATED ABSENCES

The PBA follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits of employees with 10 years service to a maximum of 25 days at their current annual salary.

L. LONG TERM OBLIGATIONS

Long term obligations expected to be financed from governmental funds are reported in the general long term obligations account group. Expenditures for principal and interest payments for long term obligations are recognized in the governmental funds when due.

M. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. TOTAL COLUMNS ON COMBINED STATEMENTS

The 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 GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 -- CASH AND CASH EQUIVALENTS

At June 30, 1997, the PHA has cash and cash equivalents totaling \$15,719.67 as follows:

Interest Bearing Demand Deposits	\$15,719.67
Time Deposits	0.00
Petty Cash	0.00
Cash With Fiscal Agent	0.00
Total	\$15,719.67

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the PHA has \$15,719.67 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and SNA.

of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledger securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10-days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3--RECEIVABLES

The receivables of \$5,873.43 at June 30, 1997 are as follows:

General Fund:	
Tenants Accounts Receivable	596.23
Special Revenue Fund:	
Tenants Accounts Receivable	219.00
Capital Projects Fund:	
Receivable From HUD	5,058.20
Total Receivable	5,873.43

NOTE 4--FIXED ASSETS

The changes in general fixed assets are as follows:

General Fund:**Land, Structures and Equipment**

Beginning Balance	1,711,383.83
Net Additions	648.00
Beginning Balance	1,713,234.83

CIAP

Beginning and Ending Balance	39,458.00
------------------------------	-----------

CIAP 1992

Beginning and Ending Balance	91,817.00
------------------------------	-----------

CIAP 1994

Beginning and Ending Balance	180,000.00
------------------------------	------------

CIAP 1996

Net Additions and Ending Balance	28,633.20
----------------------------------	-----------

Total General Fund	2,049,156.83
---------------------------	---------------------

Special Revenue Fund:**PHA**

Beginning Balance	26,683.79
Net Changes	-9,997.99
Ending Balance	16,685.80

Other Non HUD

Beginning & Ending Balance	142,938.61
----------------------------	------------

TOTAL LAND, STRUCTURES & EQUIPMENT	2,206,782.26
---	---------------------

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes PHA of ineligible expenditures as determined by HUD.

NOTE 5--RETIREMENT SYSTEM

Except for the Social Security System, the PHA does not participate in any retirement plan.

NOTE 6--ACCOUNTS PAYABLE

The payables of \$6,712.90 at June 30, 1997 are as follows:

General Fund	6,418.42
Special Revenue Fund	294.48
Total	6,712.90

NOTE 7--COMPENSATED ABSENCES

At June 30, 1997, employees of the PRA have accumulated and vested \$558.88 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

Tenant Security Deposits

General Fund:

Beginning Balance	2,840.00
Net Deletions	430.00
Ending Balance	2,410.00

FmHA:

Beginning Balance	400.00
Net Additions	100.00
Ending Balance	500.00

Non HUD:

Beginning Balance	530.00
Net Deletions	83.00
Ending Balance	445.00

NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS

The following is a summary of the long term obligation transactions of the year ended June 30, 1997:

Compensated Absences	558.88
Note Payable to FmHA @ 12-31-96	89,946.82
Balance June 30, 1997	90,505.70

In a departure from GAAP, the PRA does not have available note maturities for future years nor the interest rate payable on the note.

NOTE 10--INTERFUND ASSETS/LIABILITIES

Interfund receivables/payables at June 30, 1997 is as follows:

	Due From	Due To
General Fund	3,058.20	
Special Revenue Fund	32,150.04	32,150.04
Capital Project Funds		3,058.20
Total	37,208.24	37,208.24

NOTE 11--COMMITMENTS AND CONTINGENCIES

There are certain major construction projects at June 30, 1997. As approved by HUD these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects and estimated cost to complete these projects totaled \$24,655.20 and \$210,344.80 as of June 30, 1997.

The PHA participates in a number of state and federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1994 through June 30, 1997, these programs are still subject to compliance audits. PHA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 12--GOING CONCERN

The PHA's resources remain dangerously low. It is entirely possible that the PHA could fail financially unless something positive is done about it. A problem is that the PHA is of such a small size that it cannot support the staff that is needed to operate it. Please see finding number 2 for more detail on this.

NOTE 13 -- UNCONFIRMED ACCOUNTS

The following accounts could not be confirmed:

Low Income Housing Program:

Tenant Accounts Receivable	996.23
Deposits With HUD	5,089.38
Tenant Security Deposits	1,410.00
Fund Balances	7,428.33

EMHA Non-Hud Program:

Tenant Accounts Receivable	219.00
Building Depreciation	75,840.30
Equipment Depreciation	616.91
Tenant Security Deposits	500.00
Interest Expense	0.00
Fund Balances	37,469.99

Other Non-HUD Program:

Investments	506.48
Tenant Security Deposits	443.00
Fund Balances	31,483.36

Reserve Adequacy of Bank Capital: Review
 Late 1990s, Comments 7/29
 SPECIAL REPORT 7/90
 CONTINUED FROM REPORT OF 1/28/91, 1/97

TABLE 1

	1990	1991	1992
	in \$	in \$	Total
	as of 12-31-90	as of 12-31-91	as of 12-31-92
ASSETS TO BE REVIEWED			
Assets:			
Cash and Cash Equivalents	1,790.00	700.00	1,090.00
Receivables	100.00		100.00
Prepaid Reserves	11,000.00		11,000.00
Prepaid Expenses			1.00
CFO			1.00
Land, Structures & Equipment			1.00
Other Assets:			1.00
Amount Available in Bank Service Plans		1.00	1.00
Amount to be Provided for Settlement of General Long Term Obligations		1.00	1.00
TOTAL ASSETS TO BE REVIEWED	12,890.00	701.00	12,463.00
LIABILITIES, NET OF OTHER ASSETS			
Liabilities:			
Accounts Payable	200.00	200.00	200.00
Contract Payables		2,100.00	2,100.00
Deposits for Checks		1.00	1.00
Deferred Income		1.00	1.00
Unearned Income Payable		1.00	1.00
Notes & Bonds Payable		1.00	1.00
Total Liabilities	200.00	2,103.00	2,405.00
Equity & Other Credits			
Increase in General Fund Assets		1.00	1.00
Fund Balances:			
Reserved for Other		1.00	1.00
Reserved for Debt Payment		1.00	1.00
Amount not Re-assessed	27,000.00	10,400.00	5,000.00
Total Equity & Other Credits	27,000.00	10,403.00	5,003.00
TOTAL LIABILITIES (NET)			
as of 12-31-1992	27,000.00	701.00	10,403.00

see notes to financial statements

Issuing Authority of East Carol. Period

XXXXXX in

Case No. XXXXX, XXXXXXX XXXX

CHANGING CHARACTER OF SPENDING, DISBURSEMENTS AND CHARGES TO FUND BALANCE

FOR THE YEAR 2000 AND FOR 11, 2001

SPECIAL SPENDING FUND

	2000	2001	2001
		for '01	as of 12-31-01
EXPENSES			
Local Revenue:			
Local Levy (total)	19,718.41	20,004.01	44,722.42
Insurance - Charms	45.31	13.59	18.90
Revenues from the sale of Equipment:			1.00
Other	100.00	100.00	100.00
Federal Revenue:			1.00
Operating subsidy			1.00
Special contribution		1.00	1.00
Grants			1.00
Total Revenue	20,008.72	20,324.51	44,844.32
DISBURSEMENTS			
Salaries:			
- full academic	1,750.11	13,024.71	21,000.00
- all other	100.00	100.00	100.00
Retiree Salaries and Operations	5,000.00	5,000.00	2,000.00
Capital Expenditures		1.00	1.00
General Expenditures	100.00	1,000.00	1,750.00
Audit Expenses General Services	20,000.00	700.00	21,000.00
Prior Year adjustments		1,000.00	1,000.00
adjustments during the Year	3,000.00	1.00	1,000.00
Other Services:			
- Principal Retirement			
- Interest & Bank Charges			
- Total Investment	10,000.00	10,000.00	10,000.00
Total DISBURSEMENTS OF SPENDING WITH DISBURSEMENTS	32,000.11	27,125.71	32,751.00
FUND BALANCE - SPECIAL SPENDING FUND			
- Balance Forward 10		1.00	1.00
- Balance Forward 09		1.00	1.00
- Total other "Special Spending Fund"	1.00	1.00	1.00
FUND BALANCE - DISBURSEMENTS OF SPENDING WITH DISBURSEMENTS	12,000.61	7,128.01	12,754.01
FUND BALANCE - DISBURSEMENTS OF -000	10,000.00	10,000.00	10,000.00
Total Issued to BO of BO	22,000.61	17,128.01	22,754.01

see notes to financial statements

Housing Authority of the Parish of East Carroll
 Lake Providence, Louisiana 71254
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 1997

SCHEDULE 11

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U.S. Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		37,088.00
Capped Development		
Total Low Income Housing	14-880	37,088.00
Section 8 Cluster:		
Vouchers	14-885	
Certificates	14-887	
Moderate Rehabilitation	14-886	
New Construction	14-182	
Substantial Rehabilitation	14-182	
Total section 8 cluster		
Comprehensive Grants	14-889	
CIAP	14-882	34,855.00
Public Housing Drug Elimination Program:		
PRDEP		
Youth Sports		
Total PRDEP	14-884	
Shelter - Care	14-238	
HOPE	14-838	
HOME	14-239	
Child Care Food Program (USDA)	18-998	
TOTAL FEDERAL EXPENDITURES		61,733.00

NOTE: This schedule of expenditures of Federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

see notes to financial statements

Notes to Statement of the Financial Statements

 City of Phoenix, Arizona
 Fiscal Year - 2020 and 2019

NOTE 10
Due to City

	2020	2019	2018
	\$	\$	\$
Due to City	10,000,000	10,000,000	10,000,000
Accounts Receivable	1,000,000	1,000,000	1,000,000
Accounts Payable	1,000,000	1,000,000	1,000,000
Other Assets	1,000,000	1,000,000	1,000,000
Other Liabilities	1,000,000	1,000,000	1,000,000
Total Due to City	14,000,000	14,000,000	14,000,000

LIABILITIES AND EQUITY

Accounts Payable	1,000,000	1,000,000	1,000,000
Accounts Receivable	1,000,000	1,000,000	1,000,000
Other Assets	1,000,000	1,000,000	1,000,000
Other Liabilities	1,000,000	1,000,000	1,000,000
Other Equity	1,000,000	1,000,000	1,000,000
Other Liabilities	1,000,000	1,000,000	1,000,000
Total Liabilities	5,000,000	5,000,000	5,000,000
Equity	1,000,000	1,000,000	1,000,000
Total Liabilities and Equity	6,000,000	6,000,000	6,000,000

See Note 12 for financial statements

Business Activities of the People of East Carroll
 Last Periods, Louisiana 1924

EXHIBIT 17A

STATEMENT OF INCOME AND EXPENSE—CUMULATIVE BASIS

To the Year Close June 30, 1927

	1927	1926	1925
	1927	1926	1925
	1927	1926	1925
REVENUE RECEIVED			
Admission Ticket	11,775.00	10,224.00	10,280.00
Concessions	27.00	14.00	14.00
Other	11,280.00	10,000.00	10,000.00
Total operating income	<u>23,082.00</u>	<u>20,238.00</u>	<u>20,294.00</u>
OPERATING EXPENSES			
Administrative	1,425.00	1,750.00	1,225.00
Board Services	0.00	0.00	0.00
Oil and Gas	1,475.00	125.00	875.00
Delivery Expenses (no specific charges)	17,280.00	1,225.00	14,250.00
Oil and Gas	2,000.00	200.00	1,000.00
Oil-Related Maintenance	0.00	0.00	0.00
Total operating expenses	<u>13,180.00</u>	<u>3,100.00</u>	<u>17,480.00</u>
Net operating income	<u>9,902.00</u>	<u>17,138.00</u>	<u>2,814.00</u>
OTHER INCOME			
Interest on Notes and Bonds	0.00	0.00	0.00
Other Income (Statement of Income)	(1,425.00)	0.00	(1,275.00)
Net Income (Statement of Income)	0.00	11,713.00	15.00
Total other income	<u>(1,425.00)</u>	<u>11,713.00</u>	<u>15.00</u>
Balance	<u>(14,898.00)</u>	<u>(1,862.00)</u>	<u>(1,280.00)</u>

see notes to financial statements

Operating Activities of the Periods of Best Capital
 Life Insurance, Louisiana 7226

STATEMENT

STATEMENT OF SURPLUS -- OPERATING SURPLUS
 For the Year Ended June 30, 1997

	1997 AS AT 6-30-97	1996 AS AT 6-30-96	1995 AS AT 6-30-95
Operating Surplus			
Net Per 100 Beginning of Year	(77,124.40)	(78,224.27)	(78,224.27)
Deficit for Year	(16,428.27)	(1,422.67)	0.00
Balance for Operating Reserve	0.00	0.00	0.00
Adjustments during the year	0.00	(1,422.67)	0.00
Balance at End of Year	(93,552.67)	(80,069.61)	(78,224.27)
Operating Surplus-Operating Reserve			
Net Per 100 Beginning of Year	4,227.44	0.00	20,224.44
Provision for Operating Reserve	(45.27)	0.00	(7,127.20)
Balance at End of Year	4,182.17	0.00	13,097.24
Capital and Contributions			
Balance for the Beginning of Year	1,241,279.24	0.00	0.00
Operating Surplus	21,228.00	0.00	0.00
Contributions for Federal estate	21,227.20	0.00	0.00
Balance at End of Year	1,283,734.44	0.00	0.00
Capital and Contributions			
Balance at End of Year	1,179,507	0.00	100,000.00
Total Surplus at Year End	<u>1,086,151.80</u>	<u>(79,799.61)</u>	<u>121,872.73</u>

see notes to financial statements

WILLIAM DANIEL MCCASKILL, CPA
LOUISIANA ACCOUNTING BOARD

MEMPHIS OFFICE
MEMPHIS, MISSISSIPPI 38401

REPORT NO. 87-10
DATE 10-27-87
ISSUE 10-27-87
PAGE 10-27-87

MEMPHIS
MEMPHIS OFFICE OF THE
LOUISIANA BOARD OF ACCOUNTS
MEMPHIS OFFICE OF THE

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA 71264

I have audited the financial statements of the Housing Authority of the Parish of East Carroll (HAA), as of and for the year ended June 30, 1987, and have issued my report thereon dated October 21, 1987. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the HAA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 97-1, 97-2, 97-3, 97-4, 97-5, 97-6, 97-8 and 97-9.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PMA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the PMA's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-3, 97-4, 97-5, 97-7, 97-8 and 97-9.

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. My consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions listed above, I consider items 97-3, 97-4, 97-5, 97-7, 97-8 and 97-9 to be material weaknesses.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

October 22, 1987

William Daniel McCaskill, CPA
A Professional Accounting Corporation

WILLIAM DANIEL MCCASKILL, CPA
| HOUSING AUTHORITIES GROUP

100 LAFAYETTE BLVD.
SUITE 1000
NEW ORLEANS, LOUISIANA 70112

REPORT NO. 2-71
ISSUED 1-1-71
DATE OF AUDIT
1970

OMB
COMPLIANCE WITH
ATTORNEY GENERAL
ORDER 1-1-71

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA 71254

Compliance

I have audited the compliance of the Housing Authority of the Parish of East Carroll (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 1971. The PHA's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

As described in items 97-4a, 97-5a, 97-6a and 97-7a in the accompanying schedule of findings and questioned costs, the FMA did not comply with requirements regarding Administrative Requirements for 97-4a, Real Property Acquisition for 97-5a, Cost Principles for 97-6a, and Administrative Requirements for 97-7a that are applicable to its Low Income Housing Program. Compliance with such Requirements is necessary, in my opinion, for the FMA to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, the FMA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the FMA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the FMA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-333.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the FMA's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-4a, 97-5a, 97-6a and 97-7a.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 97-4a, 97-5a, 97-6a, and 97-7a to be material weaknesses.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
& Professional Accounting Corporation

October 22, 1997

THE HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA

SUMMARY SCHEDULE OF PRICE AUDIT FINDINGS

The following is a list of prior audit findings that have been corrected:

86-1 There were conflicts of interest at the PMA. This finding has been cleared.

86-2 There was inadequate documentation to support payments made to individuals identified as having conflicts of interest in finding number 86-1. While some similar transactions occurred during this fiscal year, this practice stopped when the individuals resigned from the PMA. I consider this finding cleared.

86-7 The PMA paid a terminated staff member in excess of the Civil Service allowed 100 hours of annual leave. The PMA has discontinued this procedure. I consider this finding cleared even though none of the overpayment has been recovered.

AND

The following prior audit findings were not corrected or partially corrected:

86-3 The East Carroll Rural Housing, Inc., a component unit of the PMA, was in violation of USDA policies (USDA has a mortgage on the property with restrictions).

This is repeated as finding 87-1.

86-4 The PMA was questioned as a going concern.

This is repeated as finding 87-2.

86-5 The PMA operated without proper budgetary methodology.

This is repeated as finding 87-3.

86-6 The PMA did not have adequate control over it's tenant accounting.

This is repeated as finding 87-4.

96-8 The PMA did not take a physical inventory and balance the general ledger to it.

This is repeated as finding 97-1.

96-9 The audit was late by State law.

This is repeated as finding 97-8.

96-10 The component unit's financial records were in very poor condition.

This is repeated as finding 97-7.

96-1 Describe the finding and planned and/or partial corrective action.

If the action taken was significantly different from that planned, provide an explanation.

Booming Authority of the Parish of East Carroll
 Lake Providence, Louisiana 71254
 Schedule of Adjusting Journal Entries

June 30, 1997

Account Number	Description	Debit	Credit
FMSA PROGRAM			
	(1)		
2061.00	Notes Payable -- FMSA	488.18	
2382.00	Notes Payable -- FMSA -- Reductions		30,889.84
6019.00	Prior Year Adjustments Affecting Residual Receipts	18,881.18	

The fee accountant has been recording all note payments to FMSA as principal reductions, whereas almost all of the payments have been interest. This reconciles the principal balance as of 12-31-96.

	(2)		
1129.00	Accounts Receivable-MED		800.00
1129.00	Accounts Receivable-Other		5,874.86
1129.00	AM MN Due from ED		18,889.88
3119.00	Other Payable	1,398.00	
1129.00	Accounts Receivable Max HUD	12,158.04	
6019.00	Prior Year Adjustments Affecting Residual Receipts		8,888.72

This is to correct the Lafayette receivables between the component unit's funds. The net receivable from the Max HUD balance sheet is 12,158.04.

THESE ADJUSTMENTS ARE SIMILAR TO THOSE IN THE PRIOR AGENT THAT THE FEE ACCOUNTANT DID NOT MAKE.

Housing Authority of the Parish of East Carroll
Lake Providence, Louisiana 71254
Schedule of Adjusting Journal Entries

June 30, 1997

Account Number	Description	debit	credit
	NON HUD PROGRAM		
	(3)		
1129.02	AR Other	13,015.00	
2119.08	Account Payable FMAA Program		13,015.00

This is to correct the interfund receivables between the component unit's funds. The net payable to the FMAA balance sheet is 13,180.00.

	(4)		
1123.00	Investments		1,768.12
2119.08	Other Liabilities	871.08	
2298.00	Other Deferred Credits	847.45	
6010.00	Prior Year Adjustments Affecting Residual Receipts	718.00	

This is to zero out odd, unidentified balance sheet accounts.

THESE ADJUSTMENTS ARE SIMILAR TO THOSE IN THE PRIOR AUDIT EXCEPT THE FEE ACCOUNTANT DID NOT MAKE.

THE HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAFAYETTE, LOUISIANA

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

PAR A-113, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- iii. The audit disclosed noncompliance which is material to the financial statements.
- iv. Reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was qualified.
- vi. The report disclosed audit findings required to be reported under section 505 of A-113.
- vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.850	Low Income Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$100,000.00.
- ix. The auditee was not considered a low risk auditee.

2. Findings relating to the financial statements required to be reported with CASH are as follows:

Finding Number 97-1

Statement of Conditions--The East Carroll Rural Housing, Inc. owns 4 houses that have FHA Mortgages. The USDA indicates that the entity is not in compliance with the USDA loan requirements, as follows:

1. No waiting list maintained by project management.
2. No applications maintained by project management.
3. No incomes verified by project management.
4. No leases with original signatures maintained by project management.
5. No tenant certification with signatures maintained by project management.
6. No project sign at office.
7. No New Management Plan or Management Agreement.
8. No Identity of Interest forms maintained.

Criteria--The above conditions are self explanatory as to what should be maintained.

Effect--The entity is in non compliance with USDA policies and the mortgage agreements.

Cause--For items 1 through 3, the entity indicates that the 4 houses are on the Police Jury administered Section 8 Program. As such, the Police Jury should keep the waiting list, complete and verify applications, provide leases and tenant certification. The Police Jury's position is that the tenant information is confidential and they refuse to release it.

My position is that, if the entity cannot house these tenants in a lawful manner, then the entity should not participate in the Section 8 Program and should abide by the USDA requirements.

For items 4 through 8, the entity should comply with the loan requirements.

FHA Response--

As of the publication date of the audit, the Police Jury Section 8 Program is no longer funding the 4 rental houses. We are considering turning the houses back into FHA since they can only be sold in one group, which is not a realistic probability.

Finding Number 97-3

Statement of Conditions--The PMA's operating reserves are dangerously low and have been going in a negative direction for at least the last 3 years. Operating Reserves have decreased \$8,344.08 in 1995, \$4,969.24 in 1996, and \$19,771.04 in 1997.

The PMA has been contracting out maintenance services both for the PMA and the component unit that could be handled by the PMA maintenance man, saving the entity money. The PMA has 40 units and the component unit has 16 units. HUD guidelines are that 1 maintenance man should be able to handle up to 75 units.

The component unit never charges tenants for damages to units.

Criteria--The PMA should operate at a level to ensure positive operating reserves and positive cash in the bank. A strict budget providing for a net profit should be adopted and strictly adhered to. The board should review current financials with each board meeting.

Effect--Unless the PMA reverses these trends, it could face bankruptcy.

Cause--The PMA has spent more than it earns for the last number of years.

PMA Response--As a short term solution, we have requested another infusion of cash into our operating reserves from our current Modernization Program.

Finding Number 97-1

Statement of Conditions--The PMA did not set an annual budget for the special revenue fund.

Criteria--As noted in finding number 4 above, the PMA should operate at a level to ensure positive operating reserves and positive cash in the bank. A strict budget providing for a net profit should be adopted and strictly adhered to. The board should review current financials with each board meeting.

Effect--The PMA is operating without controlling its budgeted expenditures.

PMA Response-- We will have the staff present and describe the monthly financials at each board meeting. We will erect a strict budget PMA wide.

Finding Number 97-4

Statement of Conditions--The PMA has not had adequate control over it's tenant accounting.

Criteria--The general ledger should equal the rent register at all times. Account 1120 should only have deposits in transit recorded in it and they should zero out the following month.

Effect--The PMA is exposed to unnecessary loss due to inadequate control.

Cause--The computer software that the PMA purchased has not included adequate training to allow the staff to rely on it. The staff has not balanced the rent register to the general ledger.

PMA Response--The new management is now balancing each month's rental register with the general ledger.

Finding Number 97-5

Statement of Conditions--The PMA does not have a physical inventory balanced with the general ledger.

Criteria--The PMA should take an annual physical inventory and balance it to the general ledger.

Effect--The PMA does not have adequate control over it's physical assets.

PMA Response--We will take a physical inventory this year and balance the general ledger to it.

Finding Number 97-6

Statement of Conditions--This audit is late per state law.

Criteria--State law requires governmental audits to be completed within 4 months of the end of the entity's fiscal year.

Cause--The PMA changed Executive Director's 4 times during the period subsequent to the end of the fiscal year. That was when the auditor needed information that we could not provide.

PMA Response--We are determined to have the next audit timely. Even though we do not have an audit responsibility under the Single Audit Act of 1984, we elected to have one. Even though our component unit has no audit responsibility, we elected to have one.

Finding Number 97-7

Statement of Conditions--The component unit's financial records are in very poor shape. There are a number of balance sheet accounts that have accumulated incorrect amounts for years. We did the best that we could to correct the balance sheet as of the audit date but could not confirm all accounts, as described in Note 12. The fee accountant did not make any of the prior year audit adjusting journal entries.

Criteria--The entity should review the financial records and assure that they are correct.

Effect--The entity lacks control over it's assets.

PEA Response--We have hired a new fee accountant. If the records for the next fiscal year are not greatly improved, we will replace him with someone who will get it right.

Finding Number 97-8

Statement of Conditions--The cost allocation method employed by the PEA has no reasonable basis.

Criteria--Cost allocation between the Federal Program and the Non Federal Programs should have a reasonable basis, such as the "number of units" percentage.

Effect--The programs do not share a proper allocation of costs.

PEA Response--We will correct this matter.

Finding Number 97-9

Statement of Conditions--In fulfilling the audit responsibilities as outlined in the PEA compliance supplement, I determined that the PFMAP report was incomplete and incorrect. I do not believe that the PEA has adequate documentation to support entries to indicators # 1, Component 1 f, Component 2 b, f, g, & h; Indicator 3 a, Indicator 4, Component 1 b; Indicator 5, Component 1 f, g, & h; Component 1 f & g; Indicator 6 Component 1 a, Component 2, Option A a, and Option B

Criteria--The PEA should have adequate records to accurately complete the PFMAP report.

Effect--The PEA should receive a presumptive "F" for any indicator with inadequate documentation.

Cause--Neither the old management nor the new ones have organized an adequate system to report for PFMAP purposes.

PEA Response--We have scheduled for staff to undergo 3 days of HED PFMAP training in March of 1998.

1. Findings and questioned costs for Federal awards as defined in A-133, Section 3104, all with HUD oversight.

The Single Audit Act of 1996 requires findings to be duplicated in the case where they apply both to GRAS and A-133. Accordingly, all findings in this section are duplicative of section 2.

Findings under section 2 are numbered 97-9, findings under section 3 are labeled 97-9 a, b, c, and so on

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.880, FM-1200
Federal Award Number & Year--1997
Name of Federal Agency--HUD
Name of Pass Through Entity--None

2. criteria--

Finding 97-4a--The PEA does not have adequate control over it's tenant accounting.

Finding 97-5a-- The PEA did not take a physical inventory and adjust the general ledger to it.

Finding 97-6a--the PEA does not use a reasonable cost allocation method.

Finding 97-7a--The PEA does not have adequate documentation to report certain program indicators.

3. condition--see section 2 for condition of each finding
4. Amount of questioned costs and how they were computed--No questioned costs
5. In order to provide a perspective and the consequences of the audit findings, I offer the following:

97-4a--This is in such bad shape that it is not possible to determine how many dollars could be lost.

97-5a--Until the PEA takes a good physical inventory, which it has not done in a number of years, it is not possible to determine how much equipment is missing.

97-6a--The cost allocation method utilized by the PEA may not be unrealistic as to the end result, but the reasoning for the allocation is faulty.

97-8a--If recording presumptive "P's" in certain indicators may cause the PMA to be declared PMSAP Trobbed by NTP.

4. Effect--see section 2 for the effect of each finding
7. Recommendations to prevent future occurrences of the finding include

97-4a -- Balancing the rent register to the general ledger each month.

97-5a -- Take a good physical inventory and balance the general ledger to it.

97-6a -- Adopt an acceptable cost allocation method.

97-8a -- Provide PMSAP training for staff and enact policies that will provide proper documentation to record PMSAP data.

8. PMA officials agree with the findings.

THE HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA

CORRECTIVE ACTION PLAN

our corrective action plan is as follows:

Finding 97-14

Contact Person Responsible for Action--Stephanie Threata

Anticipated Completion Date--March 11, 1998

Corrective Action Planned--We will balance the rent registers with the general ledger each month beginning immediately.

Finding 97-24

Contact Person Responsible for Action--Arthur Newsome

Anticipated Completion Date--June 30, 1998

Corrective Action Planned--We will take an accurate physical inventory and have the general ledger adjusted accordingly.

Finding 97-34

Contact Person Responsible for Action--Stephanie Threata

Anticipated completion date--May 11, 1998

Corrective Action Planned--The Board will adopt an acceptable cost allocation plan. This is somewhat complicated by the fact that we are contemplating selling and demolishing some of the run down houses and that will affect the cost allocation.

Finding 97-34

Contact Person Responsible for Action--Stephanie Threata

Anticipated Completion Date--May 11, 1998

corrective Action Planned--We have scheduled to attend 2 days of HUD FPMR training on March 24 and 25, 1998. We will then adopt policies to ensure that we comply with the FPMR reporting requirements.

THE HOUSING AUTHORITY OF THE PARISH OF EAST CARROLL
LAKE PROVIDENCE, LOUISIANA

MANAGEMENT LETTER

I believe that the current management can make the necessary improvements at this PMA given time and support.

I suggest that the PMA consider giving the four (4) FMAA homes back to FMAA. Selling them would be difficult since FMAA indicates that they cannot release the mortgage on one house at a time. PMA staff indicated that they do not believe that they can be rented for reasonable amounts. The Police Jury Section 8 Program has not fulfilled it's part of the bargain on these homes.

I suggest that the PMA consider selling or demolishing the units located in Sandhollow if they cannot be brought up to HQS standards.

I question if the Low Income Housing Program homes were properly inspected using HQS standards. The forms appeared to find no deficiencies in any homes. This does not seem reasonable.

It is important that the Board adopt a budget that will provide for net residual receipts. The PMA is dangerously close to insolvency.