

RECEIVED
LEGISLATIVE AUDITOR

00 MAY -4 AM 11:15

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

Financial Statements and Supplemental Financial Information
Year Ended September 30, 1999
with
Reports of Certified Public Accountants
on Financial and Compliance Examination

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 1 0 2000

VanRheenen & Miller, Ltd.
Certified Public Accountants
1309 East Race Avenue
Searcy, Arkansas 72143

TABLE OF CONTENTS

	PAGE
<u>Financial Section</u>	
Independent Auditors' Report	4
<u>General Purpose Financial Statements</u>	
Combined Balance Sheet - Enterprise Fund	6
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - Enterprise Fund	7
Combined Statement of Cash Flows - Enterprise Fund	8
Notes to the Financial Statements	9
<u>Supplemental Financial Information</u>	
Financial Data Schedule - Balance Sheet	16
Financial Data Schedule - Income Statement	19
Schedule of Governmental Awards	22
<u>Non-Financial Section</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	24
Schedule of Findings and Questioned Costs	26
Summary Schedule of Prior Audit Findings	27

Financial Section

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the Town of Haynesville
Haynesville, Louisiana

We were engaged to audit the accompanying general purpose financial statements of Housing Authority of the Town of Haynesville, as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Housing Authority of the Town of Haynesville's management.

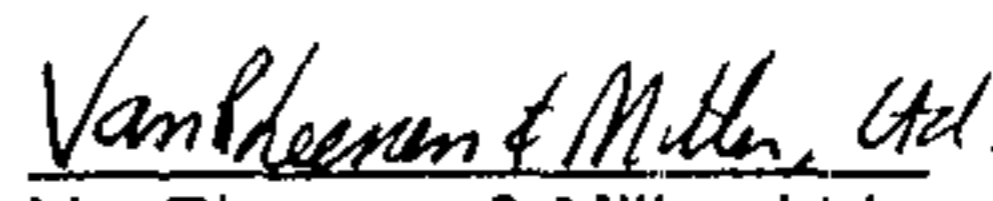
We were unable to obtain certain financial records for periods subsequent to September 30, 1999 because they were not made available to us. We were unable to satisfy ourselves about cash and investment balances, accounts payable and other liabilities and subsequent events by means of other auditing procedures.

Because we were unable to obtain certain financial records for periods subsequent to September 30, 1999, and we were unable to apply other auditing procedures regarding cash and investment balances, accounts payable and other liabilities and subsequent events as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these general purpose financial statements.

As discussed in Note 5, in 1999 the Housing Authority of the Town of Haynesville changed its method of presentation of its financial statements from a governmental funds presentation to an enterprise fund presentation.

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2000 on our consideration of Housing Authority of the Town of Haynesville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

We were engaged to audit the general purpose financial statements for the purpose of forming an opinion on those statements taken as a whole. The accompanying financial information listed in the table of contents as supplemental financial information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Housing Authority of the Town of Haynesville. As discussed in the second paragraph above, the scope of our work was not sufficient to enable us to express an opinion on the general purpose financial statements. *Similarly, we are unable to express, and do not express, an opinion on the accompanying supplemental financial information.*


VanRheenen & Miller, Ltd.
January 26, 2000

General Purpose Financial Statements

**Housing Authority of the Town of Haynesville
 Combined Balance Sheet - Enterprise Fund
 September 30, 1999**

Assets

Current Assets

Cash	\$	70,237
Investments		38,501
Accounts receivable, net of allowance for doubtful accounts		2,953
Accrued interest receivable		690
Other receivables		1,023
Prepaid expenses		10,108
Inventories, at cost (FIFO)		129
Total current assets		123,641

Property and Equipment, at cost:

Land and improvements		524,777
Buildings		4,014,570
Furniture & equipment - dwellings		20,211
Furniture & equipment - administration		100,486
Total property and equipment		4,660,044
Less accumulated depreciation		(3,066,331)
Net property and equipment		1,593,713

Total Assets

\$ 1,717,354

Liabilities and Fund Equity

Current Liabilities Payable from Current Assets

Accounts payable	\$	14,312
Security deposits		3,075
Accrued salaries, wages and payroll taxes		5,837
Accrued compensated absences		12,416
Deferred revenue		27,023
Total current liabilities payable from current assets		62,663

Fund Equity

Contributed capital		1,589,424
Retained earnings:		
Unreserved		65,267
Total fund equity		1,654,691

Total Liabilities and Fund Equity

\$ 1,717,354

**Housing Authority of the Town of Haynesville
 Combined Statement of Revenues, Expenses and
 Changes in Retained Earnings - Enterprise Fund
 Year Ended September 30, 1999**

Operating Revenues	
Dwelling rentals	\$ 111,560
Other tenant revenue	4,371
Operating subsidy	147,341
Miscellaneous income	<u>1,167</u>
Total operating revenue	<u>264,439</u>
Operating Expenses	
Administrative	111,787
Tenant services	10,652
Utilities	69,916
Maintenance costs	57,937
General expenses	37,698
Depreciation and amortization	<u>235,092</u>
Total other operating expense	<u>523,082</u>
Operating Income (Loss)	(258,643)
Non-Operating Revenues (Expenses)	
Interest income	2,628
Net income (loss) before cumulative effect of change in accounting principle	<u>(256,015)</u>
Cumulative effect of change in presentation (Note 5)	<u>(6,699)</u>
Net Income (Loss)	(262,714)
Depreciation transferred to contributed capital	<u>235,092</u>
Increase in retained earnings	(27,622)
Retained Earnings, at Beginning of Year	<u>92,889</u>
Retained Earnings, at End of Year	<u>\$ 65,267</u>

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

**Housing Authority of the Town of Haynesville
 Combined Statement of Cash Flows - Enterprise Fund
 Year Ended September 30, 1999**

Increase (Decrease) in Cash and Cash Equivalents

*Reconciliation of Operating Income (Loss) to Net Cash
 Provided by (Used In) Operating Activities*
 Operating income (loss)

\$ (258,643)

Adjustments Not Affecting Cash

Depreciation and amortization

235,092

Provision for allowance for doubtful accounts

6,167

Change in Assets and Liabilities

(Increase) Decrease in accounts receivable - tenants

(3,103)

(Increase) Decrease in other receivables

(496)

(Increase) Decrease in inventories

(129)

(Increase) Decrease in prepaid expenses

(244)

Increase (Decrease) in accounts payable

5,672

Increase (Decrease) in compensated absences

5,717

Increase (Decrease) in accrued expenses

3,343

Increase (Decrease) in security deposits

(90)

Increase (Decrease) in due to other payables

(7,679)

Increase (Decrease) in deferred revenue

27,023

Total adjustments

271,273

Net Cash Provided by (Used In) Operating Activities

12,630

Cash Flows Used by Capital and Related Financing Activities

Additions to property, plant, and equipment

(6,684)

Cash Flows Provided by Investing Activities

Interest earned on invested cash

2,628

Net Increase (Decrease) in Cash and Cash Equivalents

8,574

Cash and Cash Equivalents at Beginning of Year

61,663

Cash and Cash Equivalents at End of Year

\$ 70,237

Supplemental Disclosures of Cash Flow Information

Cash paid during the year for:

Interest expense

0

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction.

The financial statements of the Housing Authority of the Town of Haynesville have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary activities apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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

The following is a summary of significant accounting policies:

A. Reporting Entity.

The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of the Town of Haynesville, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.

B. Basis of Presentation.

Funds and Account Groups. The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various accounts are grouped, in the financial statements in this report, into the following categories:

Proprietary Fund Type

Enterprise Fund - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses (including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The Housing Authority of the Town of Haynesville does not utilize encumbrance accounting.

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget.

Enterprise Fund service delivery levels are determined by the extent of consumer demand. Because Enterprise Fund revenues and expenses fluctuate with changing service delivery levels, generally accepted accounting principles do not require the financial statements to include budgetary comparisons and, accordingly, these comparisons have not been included.

E. Assets, Liabilities and Equity.

1. Cash and Cash Equivalents. The Housing Authority of the Town of Haynesville defines cash to include certificates of deposit, money market funds, savings accounts, demand deposits, and other short-term securities with maturities of three months or less, consequently, the cost, carrying value, and market value are equivalent. Restricted cash is excluded from cash and cash equivalents.
2. Investments. The authority defines investments to include certificates of deposit with maturities of greater than three months, consequently, the cost, carrying value, and market value are equivalent.
3. Accounts Receivable. Accounts receivable consists of amounts due from tenants for rental, excess utilities and repair charges. The accounts receivable are stated net of an allowance for doubtful accounts of \$6,617.
4. Inventories. Inventories consists of materials used in the maintenance and repair of the rental dwellings. Inventories are stated at cost determined by the first-in, first-out (FIFO) method.
5. Fixed Assets. Property and equipment purchased or acquired is carried at historical cost in enterprise funds. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	33 Years
Furniture and equipment - dwelling	7 Years
Furniture and equipment - administrative	3-5 Years
Buildings - refurbishing and improvements	15 Years

6. Security Deposit. Security deposits consists of amounts held in trust with the Housing Authority of the Town of Haynesville in order for tenants to secure apartment leases.
7. Accrued Compensated Absences. Accrued compensated absences consists of estimated amounts of future benefits for services rendered.
8. Contributed Capital. An allocable portion of the annual depreciation is charged against contributed capital from grants received to finance construction of the utility system (as per NCGA Statement #2). Consequently, over the useful life of the system, equity initially arising from grants is effectively reclassified prorata-annually into equity arising from retained earnings.

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues, Expenditures, and Expenses

1. Revenues. All authority revenues are accrued. These revenues consist of user charges for rents, utilities, repairs and other miscellaneous charges. Monies received from customers for security deposits are recorded as a liability upon receipt.
2. Grant Revenue. Grant revenues are recorded when (1) the earnings process is complete or (2) an exchange has taken place and (3) no qualifying restrictions are imposed by the grant.
3. Operating Subsidies. Operating subsidies are accrued. The subsidies are calculated by use of current charges to users.
4. Expenditures. Expenditures are recognized when the liability is incurred.
5. Depreciation. Depreciation expense of \$235,902 has been recognized during the year ended September 30, 1999.
6. Compensated Absences. The authority accrues accumulated unpaid vacation and sick leave when earned by the employee.
7. Income taxes. The authority is not subject to federal or state income taxes.
8. Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

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 (FDIC) insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1999. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 - Uncollateralized. (This includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Cash Deposits, categorized by level of risk, are:

	Category		
Total Bank Balances	1	2	3
\$ 38,501	\$ 38,501	\$ 0	\$ 0

B. Investments

Investing is performed in accordance with HUD regulations and State Statues. Funds may be invested in the following type of investments:

1. Direct obligations of the United States pledged by its full faith and credit
2. Obligations of Federal government agencies and government sponsored agencies
3. Demand, savings, money-market, certificates of deposit, and Super NOW deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC or the National Credit Union Share Insurance Fund (NCUSIF) and any deposits in excess of insured amounts are adequately collateralized.
4. Certain municipal depository funds and local government investment pools provided that all investments made by these funds or pools are on the HUD-approved list of investment securities. The entity must limit its investments in this category to no more than 30 percent of the entity's available investment funds.
5. Repurchase agreements for a term of 30 days or less entered into with Federally insured depository institutions for purchase and sale of securities identified in 1 and 2 above.
6. Certain no-load, open-end mutual funds investing in only HUD-approved investment securities. The entity must limit its investment in this category to no more than 20 percent of the entity's available investment funds.

The entity's investments are categorized to give an indication of the level of risk assumed by the entity at September 30, 1999. The categories are:

- Category 1 - Insured or registered, with securities held by the entity or its agent in the entity's name
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name
- Category 3 - Uninsured and Unregistered, with securities held by the counterparty, or its trust department or agent but not in the entity's name

Investments, categorized by level of risk, are:

	Category				
Types of Investments	1	2	3	Fair Value/ Carrying Value	Cost
Deposits at federally insured depositories	\$ 70,460	\$ 0	\$ 0	\$ 70,460	\$ 70,460

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 3 - PROPERTY AND EQUIPMENT

Changes in property and equipment are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land impvts.	\$ 523,243	\$ 1,534	\$ 0	\$ 524,777
Building	4,555,873	0	(541,303)	4,014,570
Equipment	233,798	6,684	(119,785)	120,697
Total	5,312,914	8,218	(661,088)	4,660,044
Accumulated depreciation	(2,831,239)	(235,092)	0	(3,066,331)
Net	<u>\$ 2,481,675</u>	<u>\$ (226,874)</u>	<u>\$ (661,088)</u>	<u>\$ 1,593,713</u>

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

Beginning "Accumulated Depreciation" has been restated for the PHA's change in presentation of its financial statements from a "governmental funds" presentation to an "enterprise fund" presentation. See Note 5.

NOTE 4 - CONDUIT DEBT OBLIGATIONS

To provide for the development and modernization of low rent housing units, the authority issued New Housing Authority Bonds and Permanent Notes - F.F.B. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the authority and accordingly have not been reported in the accompanying financial statements.

As of September 30, 1999, there was one series of New Housing Authority Bonds outstanding. The aggregate principal amount payable for the Bond series was \$619,521. As of September 30, 1999, Permanent Notes - F.F.B. outstanding totaled \$666,210.

NOTE 5 - CHANGE IN PRESENTATION OF FINANCIAL STATEMENTS

The authority has changed the presentation of its financial statements from a "governmental fund type" presentation to an "enterprise fund" presentation. Management has determined that the "enterprise fund" presentation more clearly represents the operating characteristics of the authority. The U.S. Department of Housing and Urban Development (HUD) has published regulations requiring presentation of the authority financial statements in conformity with generally accepted accounting principles. HUD further expounded on these regulations by indicating that their preferred method of reporting would be the enterprise fund accounting. With all the facts considered above, the authority has determined that the change in presentation is justifiable.

The difference between the "governmental fund type" and enterprise fund accounting would include the following:

1. Enterprise fund accounting utilizes a classified balance sheet.
2. Enterprise fund accounting presentation includes a statement of cash flows.
3. Governmental fund accounting presentation includes a budget versus actual comparison.
4. Enterprise fund accounting utilizes full accrual accounting versus the previous use of the modified accrual accounting under governmental fund accounting.
5. Enterprise fund accounting requires that all depreciable property must be depreciated. Under the authority previous governmental fund accounting, no depreciation was recorded.

As a result of the change in presentation, the authority has included the cumulative effect of the change in presentation as a separate caption in the Statement of Revenues, Expense and changes in Retained Earnings - Enterprise Fund before net income (loss).

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Notes to the Financial Statements
September 30, 1999**

NOTE 6 - CONTINGENCIES

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

As described in item 99-1 of the Schedule of Findings and Questioned Costs, the PHA did not comply with eligibility requirements regarding the verification of tenants income and the conduction of annual re-examinations. The effect of this non-compliance with the annual contributions contract with HUD on the financial statements cannot readily be determined at this time, and accordingly, no provision for any liability has been made in the general purpose financial statements.

The entity failed to submit all payroll tax liabilities timely and may be subject to related penalties and interest. No provision for these potential liabilities has been made due to the uncertainty of their occurrence and amount.

Supplemental Financial Information

Housing Authority of the Town of Haynesville
Financial Data Schedule
Balance Sheet
September 30, 1999

Line Item #	Account Description	Low Rent 14.850
ASSETS:		
CURRENT ASSETS:		
Cash:		
111	Cash - unrestricted	70,237
112	Cash - restricted - modernization and development	
113	Cash - other restricted	
0	Cash - tenant security deposits	
0	Total cash	70,237
Accounts and notes receivables:		
121	Accounts receivable - PHA projects	
122	Accounts receivable - HUD other projects	
0	Accounts receivable - other government	
125	Accounts receivable - miscellaneous	1,023
126	Accounts receivable- tenants - dwelling rents	9,120
126.1	Allowance for doubtful accounts - dwelling rents	(6,167)
126.2	Allowance for doubtful accounts - other	
127	Notes and mortgages receivable- current	
128	Fraud recovery	
128.1	Allowance for doubtful accounts - fraud	
129	Accrued interest receivable	690
120	Total receivables, net of allowances for doubtful accounts	4,666
Current investments		
131	Investments - unrestricted	38,501
132	Investments - restricted	
142	Prepaid expenses and other assets	10,108
143	Inventories	129
143.1	Allowance for obsolete inventories	
144	Interprogram - due from	
146	Amounts to be provided	
150	TOTAL CURRENT ASSETS	123,641
NONCURRENT ASSETS:		
Fixed assets:		
161	Land	524,777
162	Buildings	4,014,570
163	Furniture, equipment & machinery - dwellings	20,211
164	Furniture, equipment & machinery - administration	100,486
165	Leasehold improvements	
166	Accumulated depreciation	(3,066,331)
	Total fixed assets, net of accumulated depreciation	1,593,713
Other non-current assets:		
171	Notes and mortgages receivable - non-current	
172	Notes and mortgages receivable-non-current - past due	

Housing Authority of the Town of Haynesville
Financial Data Schedule
Balance Sheet
September 30, 1999

Line Item #	Account Description	Low Rent 14,850
174	Other assets	
175	Undistributed debits	
176	Investment in joint ventures	
180	TOTAL NONCURRENT ASSETS	1,593,713
190	TOTAL ASSETS	1,717,354
LIABILITIES AND EQUITY:		
Liabilities:		
Current Liabilities:		
311	Bank overdraft	
312	Accounts payable < 90 days	14,312
313	Accounts payable > 90 days past due	
321	Accrued wage/payroll taxes payable	5,837
322	Accrued compensated absences	12,416
324	Accrued contingency liability	
325	Accrued interest payable	
331	Accounts Payable - HUD PHA Programs	
332	Accounts Payable - PHA projects	
333	Accounts payable - other government	
341	Tenant security deposits	3,075
342	Deferred revenue	27,023
343	Current portion of L-T debt - capital projects	
344	Current portion of L-T debt - operating borrowings	
345	Other current liabilities	
346	Accrued liabilities - other	
347	Interprogram - due to	
310	TOTAL CURRENT LIABILITIES	62,663
NONCURRENT LIABILITIES:		
351	Long-term debt, net of current - capital projects	
352	Long-term debt, net of current - operating borrowings	
353	Non-current liabilities- other	
350	TOTAL NONCURRENT LIABILITIES	-
300	TOTAL LIABILITIES	62,663
EQUITY:		
501	Investment in general fixed assets	
Contributed Capital:		
502	Project notes (HUD)	
503	Long-term debt - HUD guaranteed	
504	Net HUD PHA contributions	1,589,424
505	Other HUD contributions	
507	Other contributions	

Housing Authority of the Town of Haynesville
Financial Data Schedule
Balance Sheet
September 30, 1999

Line Item #	Account Description	Low Rent 14,850
508	Total contributed capital	1,589,424
	Reserved fund balance:	
509	Reserved for operating activities	
510	Reserved for capital activities	
511	Total reserved fund balance	-
512	Undesignated fund balance/retained earnings	65,267
513	TOTAL EQUITY	1,654,691
600	TOTAL LIABILITIES AND EQUITY	1,717,354
	Proof of concept	-

Housing Authority of the Town of Haynesville
Financial Data Schedule
Income Statement
Year Ended September 30, 1999

Line Item #	Account Description	Low Rent 14.850
REVENUE:		
703	Net tenant rental revenue	111,560
704	Tenant revenue - other	4,371
705	Total tenant revenue	115,931
706	HUD PHA grants	147,341
708	Other government grants	
711	Investment income - unrestricted	2,628
712	Mortgage interest income	
714	Fraud recovery	
715	Other revenue	1,167
716	Gain or loss on sale of fixed assets	
720	Investment income - restricted	
0		
700	TOTAL REVENUE	267,067
EXPENSES:		
Administrative		
911	Administrative salaries	83,817
912	Auditing fees	1,975
913	Outside management fees	
914	Compensated absences	5,718
915	Employee benefit contributions- administrative	5,445
916	Other operating- administrative	14,832
Tenant services		
921	Tenant services - salaries	10,093
922	Relocation costs	
923	Employee benefit contributions- tenant services	559
924	Tenant services - other	
Utilities		
931	Water	38,862
932	Electricity	8,508
933	Gas	1,345
934	Fuel	
935	Labor	
937	Employee benefit contributions- utilities	
938	Other utilities expense	21,201
Ordinary maintenance & operation		
941	Ordinary maintenance and operations - labor	37,778
942	Ordinary maintenance and operations - materials & other	6,535
943	Ordinary maintenance and operations - contract costs	11,599
945	Employee benefit contributions- ordinary maintenance	2,025

Housing Authority of the Town of Haynesville
Financial Data Schedule
Income Statement
Year Ended September 30, 1999

Line Item #	Account Description	Low Rent 14,850
	Protective services	
951	Protective services - labor	
952	Protective services- other contract costs	
953	Protective services - other	
955	Employee benefit contributions- protective services	
	General expenses	
961	Insurance premiums	27,748
962	Other general expenses	
963	Payments in lieu of taxes	3,565
964	Bad debt - tenant rents	6,385
965	Bad debt- mortgages	
966	Bad debt - other	
967	Interest expense	
968	Severance expense	
969	TOTAL OPERATING EXPENSES	287,990
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(20,923)
971	Extraordinary maintenance	
972	Casualty losses - non capitalized	
973	Housing assistance payments	
974	Depreciation expense	235,092
975	Fraud losses	
976	Capital outlays- governmental funds	
977	Debt principal payment- governmental funds	
978	Dwelling units rent expense	
900	TOTAL EXPENSES	523,082
	OTHER FINANCING SOURCES (USES)	
1001	Operating transfers in	
1002	Operating transfers out	
1003	Operating transfers from/to primary government	
1004	Operating transfers from/to component unit	
1005	Proceeds from notes, loans and bonds	
1006	Proceeds from property sales	
1010	TOTAL OTHER FINANCING SOURCES (USES)	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	(256,015)
	MEMO ACCOUNT INFORMATION:	
1101	Capital contributions	
1102	Debt principal payments - enterprise funds	
1103	Beginning equity	1,910,706

**Housing Authority of the Town of Haynesville
Financial Data Schedule
Income Statement
Year Ended September 30, 1999**

Line Item #	Account Description	Low Rent 14.850
1104	Prior period adjustments and equity transfers	
1105	Changes in compensated absence liability (in the GLTDAG)	
1106	Changes in contingent liability balance (in the GLTDAG)	
1107	Changes in unrecognized pension transition liability in the GLTDAG)	
1108	Changes in special term/severance benefits liability (in the GLTDAG)	
1109	Changes in allowance for doubtful accounts - dwelling rents	
1110	Changes in allowance for doubtful accounts - other	
1112	Depreciation "add back"	235,092
1113	Maximum annual contributions commitment (per ACC)	
1114	Prorata maximum annual contributions applicable to a period of less than twelve months	
1115	Contingency reserve, ACC program reserve	
1116	Total annual contributions available	
1120	Unit months available	1,440
1121	Number of unit months leased	1,416
	Equity Roll Forward Test	
	Calculation from R/E Statement	1,654,691
	B/S Line 513	1,654,691
		-

Housing Authority of the Town of Haynesville
Schedule of Expenditures of Federal Awards
Schedule of Expenditures of Governmental Awards
Year Ended September 30, 1999

<u>Grantor/Program Title</u>	<u>Grant ID Number</u>	<u>Current Year Program or Award Amount</u>	<u>Grant Receipts or Revenue Recognized</u>	<u>Grant Disbursements/ Expenditures</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low - Income Housing				
Operating Subsidies	FW-1421	\$ 147,341.00	\$ 147,341.00	\$ 147,341.00

See Note 1 to Financial Statements for a discussion of accounting principles applied to this statement.

See Notes to Financial Statements.

Non-Financial Section

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

Board of Commissioners
Housing Authority of the Town of Haynesville
P.O. Box 751
Haynesville, LA 71038

We were engaged to audit the general purpose financial statements of Housing Authority of the Town of Haynesville as of and for the year ended September 30, 1999, and have issued our report thereon dated January 26, 2000. We did not express an opinion on the financial statements because certain financial records for periods subsequent to September 30, 1999 were not made available to us and were unable to satisfy ourselves about cash, investments, accounts payable and other liabilities, and subsequent events by means of other auditing procedures. Our report on the general purpose financial statements included an explanatory paragraph which described a change in presentation of the financial statements, disclosed in Note 5 to the financial statements, from a "governmental funds" presentation to an "enterprise fund" presentation. 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.

Compliance

As part of obtaining reasonable assurance about whether Housing Authority of the Town of Haynesville's general purpose 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 an 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 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 99-1 and 99-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the Town of Haynesville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Housing Authority of the Town of Haynesville'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 99-1 and 99-2.

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. Our consideration of the internal control over financial reporting 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, items 99-1 and 99-2 are considered to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these restricted parties.

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

January 26, 2000

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Schedule of Findings and Questioned Costs
Year Ended September 30, 1999**

FINDINGS - FINANCIAL STATEMENT AUDIT

Reportable Conditions

99-1 Tenant Files

Condition and Criteria: During a test of twelve tenant files, the following deficiencies were noted:

1. Five files did not contain signed applications.
2. Seven files did not contain adequate income verification documentation.
3. Seven files did not contain documentation supporting medical deductions.
4. Six files contained errors in rental income calculations
5. Twelve files did not have annual re-examinations performed.
6. Seven files did not contain HUD Form 50058 for the period tested.
7. No evidence of transmittal of HUD Forms 50058 were noted.

Effect: The amount of dwelling rental income may be materially misstated and the PHA may be subject to certain sanctions for its lack of compliance with HUD regulations.

Recommendation: *The PHA should immediately perform re-examinations for every active tenant, including the use of a comprehensive checklist showing every document required by HUD to be included in each tenant's file and obtain the required documentation.*

Response: *We are making efforts to institute the auditors' recommendations. We are stressing to the residents the importance of reporting changes in income.*

99-2 Late Submission of Audit Report

Criteria: Louisiana Revised Statutes (LSA-RS) 24:513 requires governmental entities to submit annual audits within six months after their fiscal year end.

Condition: The audit report was not submitted by March 31, 2000.

Effect: The PHA may be found in non-compliance with LSA-RS 24:513 and be subject to certain fines and other corrective action.

Recommendation: The PHA should submit its audit within the statutory defined time frame.

Response: *We have submitted the required report. Certain information was needed by auditor prior to March 31, 2000. Our fee accountant indicated that they had provided the information but could not provide the specific date mailed or any mailing tracking numbers. Our auditor indicated that he never received the required information.*

**Housing Authority of the Town of Haynesville
Haynesville, Louisiana**

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1998 - FINDING NO.1 (97-1, 97-3)

TENANT FILES

Condition: This finding was a reportable condition stating a deficiency in the documentation of Form HUD-9886, lack of income verifications, lack of signed applications, lack of medical expense deductions documentation, lack of annual re-examinations, and deficiencies in the completion and transmittal of HUD Form 50058.

Recommendation: The auditor recommended an immediate examination of tenants' files should be made for the purpose of eliminating the deficiencies.

Current Status: Similar findings were noted in the 1999 audit. This finding is not resolved.