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**HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31 , 1999  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

Release Date JUL 12 2000

*WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION*

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

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**WILLIAM DANIEL MCCASKILL, CPA  
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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 PARISH OF SABINE  
MANY, LOUISIANA 70806**

I have audited the accompanying general purpose financial statements of the Housing Authority of the Parish of Sabine (PHA) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

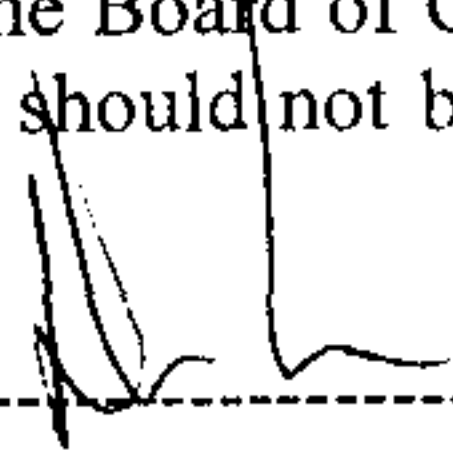
In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Parish of Sabine as of December 31, 1999, and the results of its operations and changes in its total equity for the year ended in conformity with generally accepted accounting principles.

As described in Note A to the financial statements, the PHA has changed from the Governmental Funds to the Enterprise Funds method for the year ended December 31, 1999.

In accordance with Government Auditing Standards, I have also issued a report dated June 22, 2000 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying schedule of expenditures of federal awards and the Financial Data schedules (II and III) are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

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

  
-----  
William Daniel McCaskill, CPA  
A Professional Accounting Corporation

June 22, 2000

Housing Authority of the Parish of Sabine  
COMBINED BALANCE SHEET -- ALL FUNDS  
December 31, 1999

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EXHIBIT A

ALL FUNDS

ASSETS

Current assets:

Cash and cash equivalents	41,368
Tenants rents receivable(net)	-
Accounts and notes receivables	3,243
Prepaid expenses and other assets	55,707
Inventories	-
Interprogram due from	29,977
Investments-unrestricted	392,226

Total current assets 522,521

Fixed assets (net) 1,232,043

Total assets 1,754,564  
=====

LIABILITIES AND FUND EQUITY

Current liabilities:

Accounts Payable and accrued liabilities	40,806
Deferred revenues	28,414
Current portion of long-term debt capital projects	-
Security deposits	14,746
Interprogram due to	29,977

Total current liabilities 113,943

Noncurrent liabilities:

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

Total liabilities 113,943

Total fund equity 1,640,621

Total liabilities and fund equity 1,754,564  
=====

see notes to financial statements



Housing Authority of the Parish of Sabine  
**COMBINING STATEMENT OF REVENUES, EXPENSE AND  
 CHANGES IN EQUITY--ALL FUNDS**  
 For the year ended December 31, 1999

EXHIBIT B

	ALL FUNDS
Operating revenues:	
Net tenant revenue	173,956
Tenant revenue-other	
Interest income	10,349
Other income	10,309
HUD PHA grants	624,782
Gain or loss of the sale of fixed assets	96
	-----
Total operating revenues	819,492
	-----
Operating expenses:	
Adminstration	247,137
Tenant services	2,500
Utilities	8,124
Ordinary maintenance	197,425
General expense	78,435
Protective services	
Non-routine maintenance	(2,614)
Housing assistance payments	259,019
	-----
Operating expenses before depreciation	790,026
	-----
Operating income/(loss) before depreciation	29,466
Depreciation expense	32,867
Net operating income/(loss) after depreciation	(3,401)
Net Equity, 12-31-98	1,129,055
Net Operating Income (loss) after depreciation	(3,401)
Current year adjustments	119,992
Capital outlays	394,975
Total Equity, 12-31-99	1,640,621

see notes to financial statements

Housing Authority of the Parish of Sabine  
COMBINING STATEMENT OF CASH FLOWS -- ALL FUNDS  
For the Year Ended December 31, 1999

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EXHIBIT C  
page 1 of 2

ALL FUNDS

Cash flows from operating activities:	
Cash received from tenants	173,956
Cash received from other income	10,309
Cash paid for goods and services	(548,204)
Cash paid to employees	(217,336)
	-----
Net cash provided by operating activities	(581,275)
	-----
Cash flows from noncapital financing activities:	
Operating grants and subsidies	600,296
	-----
Cash flows from capital and related financing activities:	
Proceeds from grants	378,572
Acquisition of capital assets	(378,572)
Proceeds from issuance of notes	
Acquisition of capital assets	
	-----
Net cash used for capital and related financing activities	-
	-----
Cash flows from investing activities:	
Interest on investments	10,445
	-----

see notes to financial statements



Housing Authority of the Parish of Sabine  
 COMBINING STATEMENT OF CASH FLOWS--ALL FLOWS  
 For the Year Ended December 31, 1999

EXHIBIT C  
 page 2 of 2

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

Adjustments to reconcile operating income to net cash	
Net Adjustments-Non Cash	(6,043.72)
(Increase) decrease in tenant rents receivable	1,435.99
(Increase) decrease due from US Dept of HUD	1,012.00
(Increase) decrease due in supplies inventory	20,901.36
(Increase) decrease in prepaid assets	(54,755.00)
(Increase) decrease in undistributed debits	
(Increase) decrease in accts receivable misc.	2,465.00
Increase (decrease) in accounts pay other govts.	-
Increase (decrease) in accounts payable and accrued liabilities	62,878.04
Increase (decrease) in accounts payable HUD	(3,273.00)
Increase (decrease) in accrued vacation pay	20,432.00
Increase (decrease) in deferred revenues	28,414.00
Increase (decrease) in tenant security deposits	481.00
	-----
Total adjustments	73,947.67
Change in cash and equivalents	103,413.67
Beginning Cash	330,180.33
	-----
Cash and cash equivalents end of year-Exhibit A	433,594.00
	=====

see notes to financial statements

COMBINED STATEMENT OF REVENUES AND EXPENDITURES—BUDGET VS. ACTUAL  
 GENERAL FUND AND SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 1999

REVENUES	LOW RENT		Favorable Variance
	Budget	Actual	
Local Sources:			
Dwelling Rental	183,800.00	173,955.81	(9,844.19)
Interest Charges	9,380.00	9,374.26	(5.74)
Receipts from the Sale of Equipment			
Other	10,310.00	10,308.63	(1.37)
Federal Sources:			
Operating Subsidy	300,298.00	300,298.00	-
Annual Contributions			
Grants			
Total Revenues	<u>503,788.00</u>	<u>493,936.70</u>	<u>(9,851.30)</u>
EXPENDITURES			
Current:			
Administration	122,870.00	120,566.51	2,303.49
Utilities			
Ordinary Maintenance & Operations	178,740.00	174,599.79	4,140.21
Tenant Services	8,130.00	8,124.21	5.79
General Expenditures	143,010.00	136,828.21	6,181.79
Tenant Services	2,500.00	2,500.00	-
Housing Assistance Payments			
Facilities Acquisition & Construction	4,510.00	4,506.32	3.68
Nonroutine Maintenance	(2,620.00)	(2,614.04)	(5.96)
Pr Yr Adj Affecting Res. Receipts	25,320.00	25,311.14	8.86
Debt Service:			
Principal Retirement			
Interest & Bank Charges			
Total Expenditures	<u>482,460.00</u>	<u>469,822.14</u>	<u>12,637.86</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,328.00</u>	<u>24,114.56</u>	<u>2,786.56</u>
OTHER FINANCING SOURCES (USES)			

see notes to financial statements

**THE HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana. for the purpose of providing safe and sanitary dwelling accommodations for the residents of Sabine Parish, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Parish President of Sabine Parish 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.*

NOTE A

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of December 31, 1999, and for the fiscal then ended, the PHA had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Change in Accounting Principle

For the year ended December 31, 1999, the PHA has changed from the GAAP Government Funds Method to the Enterprise Method.

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

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

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

(3) Budgetary Data

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

(4) Cash and Cash Equivalents

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

(5) Tenant Receivables

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

(6) Compensated Absences

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

NOTE B -- CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is entity's policy for deposits to be secured by collateral valued at market or par, which is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at December 31, 1999. The categories are described as follows:

Category 1 -- Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 -- Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 -- Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.



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

Total Bank Balances	Category		
	1	2	3
\$433,594	100,000		333,594

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

#### NOTE C -- ACTIVITIES OF THE PHA

At December 31, 1999, the PHA was managing low-rent program, vouchers program, certificates program, and a comprehensive grant program.

#### NOTE D -- CONTINGENCIES

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

#### NOTE E -- FIXED ASSETS

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

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

	1-1-99 Cost	Current Depreciation	Prior Depreciation	12-31-99 Net
Land	\$171,442	-	-	171,442
Buildings	6,922,479	-	6,276,602	645,877
Equipment-Dwelling	158,768	11,925	146,843	-
Equipment-Admin	172,575	20,942	132,509	19,124
Leasehold Improvements	1,260,826	-	1,260,826	-
	-----	-----	-----	-----
	\$ 8,686,090	32,867	7,816,780	836,443
	=====	=====	=====	=====

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

#### NOTE F -- LONG-TERM DEBT

Long-term debt owed to HUD or guaranteed and services by HUD has been closed to HUD equity accounts. For the year ended Series A Notes & Bonds outstanding of \$635,563.84 were reclassified.

#### NOTE G -- RETIREMENT PLAN

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

The entity's total payroll in fiscal year ended December 31, 1999 was \$217,336. The entity's contributions were calculated using the base salary amount of \$217,336. Contributions to plan were \$10,867 and \$17,387 by the employee and the entity, respectively.



## NOTE H -- DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

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

### Cash and Investments

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

## NOTE I -- USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Housing Authority of the Parish of Sabine  
 City of Many, Louisiana 71449  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended December 31, 1999

SCHEDULE I

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		300,298
Leased		
Development		
Total Low Income Housing	14.85	300,298
Section 8 Cluster:		
Vouchers	14.855	243,406
Certificates	14.857	81,703
Moderate Rehabilitation	14.856	
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		325,109
Comprehensive Grants	14.859	378,572
CIAP	14.852	_____
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14.854	_____
Shelter + Care	14.238	_____
HOPE	14.858	_____
HOME	14.239	_____
Child Care Food Program (USDA)	10.558	_____
 TOTAL FEDERAL EXPENDITURES		 1,003,979 =====

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

see notes to financial statements

	Low Rent	Vouchers	Certificates	CGP	Total
<b>ASSETS:</b>					
<b>CURRENT ASSETS</b>					
Cash-unrestricted	41,368				41,368
Cash-restricted-modernization and development	-				-
Cash-other restricted	-				-
Cash-tenant security deposits	41,368				41,368
<b>Total Cash:</b>					
Accounts and notes receivable:					
Accounts receivable-PHA projects	1,960				1,960
Accounts receivable-HUD other projects		1,012			1,012
Accounts receivable-other governments					
Accounts receivable-miscellaneous	271				271
Accounts receivable-tenant dwelling rents					
Allowance for doubtful accounts-dwelling rents					
Allowance for doubtful accounts-other					
Notes and mortgages receivable-current					
Fraud recovery					
Allowance for doubtful accounts-fraud					
Accrued interest receivable					
<b>Total Receivable, net of allowances for doubtful accounts</b>	<b>2,231</b>	<b>1,012</b>	<b>-</b>	<b>-</b>	<b>3,243</b>
<b>Current investments:</b>					
Investments-unrestricted	302,021	56,143	34,062		392,226
Investments-restricted					
Prepaid Expenses and Other Assets	55,380	327			55,707
Inventories					
Interprogram Due From	625	29,352			29,977
Amounts to be provided					
<b>TOTAL CURRENT ASSETS</b>	<b>401,625</b>	<b>86,834</b>	<b>34,062</b>	<b>-</b>	<b>522,521</b>
<b>NONCURRENT ASSETS:</b>					
<b>Fixed Assets:</b>					
Land	171,442				171,442
Buildings	6,922,479			368,134	7,290,613
Furniture, Equipment & Machinery-Dwellings	158,768				158,768
Furniture, Equipment & Machinery-Administration	172,575			24,485	197,060
Leasehold Improvements	1,260,826			2,982	1,263,808
Accumulated Depreciation	(7,849,647)			(1)	(7,849,648)
<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>836,443</b>	<b>-</b>	<b>-</b>	<b>395,600</b>	<b>1,232,043</b>
Notes and mortgages receivable-noncurrent					
Notes and mortgages receivable-past due					
Other assets					
Undistributed debits					
Investments in joint ventures					
<b>TOTAL NONCURRENT ASSETS</b>	<b>836,443</b>	<b>-</b>	<b>-</b>	<b>395,600</b>	<b>1,232,043</b>
<b>TOTAL ASSETS</b>	<b>1,238,068</b>	<b>86,834</b>	<b>34,062</b>	<b>395,600</b>	<b>1,754,564</b>

see notes to financial statements

	Low Rent	Vouchers	Certificates	CGP	Total
<b>LIABILITIES AND EQUITY:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft	-	-	-	-	-
Accounts payable <=90 days	-	-	-	-	-
Accounts payable >=90 days	-	-	-	-	-
Accrued wages payroll taxes payable	-	-	-	-	-
Accrued compensated absences	20,432	-	-	-	20,432
Accrued contingency liability	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Accounts payable-HUD PHA programs	3,484	764	136	-	4,384
Accounts payable-PHA Projects	-	-	-	-	-
Accounts payable-other governments	-	-	-	-	-
Tenant security deposits	14,746	-	-	-	14,746
Deferred revenues	28,414	-	-	-	28,414
Current portion of L-T debt-capital projects	-	-	-	-	-
Current portion of L-T debt-operating borrowings	-	-	-	-	-
Other current liabilities	15,990	-	-	-	15,990
Accrued liabilities-other	-	-	-	-	-
Inter-program-due to	-	-	29,352	625	29,977
<b>TOTAL CURRENT LIABILITIES</b>	<b>83,066</b>	<b>764</b>	<b>29,488</b>	<b>625</b>	<b>113,943</b>
<b>NONCURRENT LIABILITIES</b>					
Long-term debt, net of current-capital projects	-	-	-	-	-
Long-term debt, net of current-operating borrowings	-	-	-	-	-
Noncurrent liabilities-other	-	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>83,066</b>	<b>764</b>	<b>29,488</b>	<b>625</b>	<b>113,943</b>
<b>EQUITY</b>					
Investment in general fixed assets	-	-	-	-	-
Contributed Capital:	-	-	-	-	-
Long Term Debt-HUD guaranteed	2,460,000	-	-	-	2,460,000
Net HUD PHA contributions	836,443	-	-	394,975	1,231,418
Other HUD contributions	-	-	-	-	-
Other contributions	-	-	-	-	-
Total contributed capital	3,296,443	-	-	394,975	3,691,418
Reserved fund balance:	-	-	-	-	-
Reserved for operating activities	-	-	-	-	-
Reserved for capital activities	-	-	-	-	-
Total reserved fund balance	-	-	-	-	-
Undesignated fund balance/retained earnings	(2,141,441)	86,070	4,574	-	(2,050,797)
<b>TOTAL EQUITY</b>	<b>1,155,002</b>	<b>86,070</b>	<b>4,574</b>	<b>394,975</b>	<b>1,640,621</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,238,068</b>	<b>86,834</b>	<b>34,062</b>	<b>395,600</b>	<b>1,754,564</b>

see notes to financial statements

Housing Authority of the Parish of Sabine  
 COMBINING STATEMENT OF REVENUES, EXPENSE AND  
 CHANGE IN EQUITY-ALL FUNDS  
 For the year ended December 31, 1999

SCHEDULE III

REVENUE	Low Rent	Vouchers	Certificates	CGP	Total
Net tenant revenue	173,956	-	-	-	173,956
Tenant revenue -other	-	-	-	-	-
Total tenant revenue	173,956	-	-	-	173,956
HUO PHA grants	300,298	242,771	57,227	24,486	624,782
Other government grants	-	-	-	-	-
Investment income-unrestricted	9,374	900	75	-	10,349
Mortgage interest income	-	-	-	-	-
Fraud recovery	-	-	-	-	-
Other revenue	10,309	-	-	-	10,309
Gain or loss of the sale of fixed assets	-	-	-	-	-
Investment income-restricted	-	96	-	-	96
<b>TOTAL REVENUE</b>	<b>493,937</b>	<b>243,767</b>	<b>57,302</b>	<b>24,486</b>	<b>819,492</b>
<b>EXPENSES:</b>					
Administrative:					
Administrative salaries	100,397	15,600	4,400	-	120,397
Auditing fees	1,562	484	154	-	2,200
Outside management fees	-	-	-	-	-
Compensated absences	20,432	-	-	-	20,432
Employee benefit contributions-administrative	38,676	2,655	1,002	-	42,333
Other operating-administrative	18,607	11,988	6,694	24,486	61,775
Tenant services:					
Tenant services-salaries	-	-	-	-	-
Relocation costs	2,500	-	-	-	2,500
Employee benefit contributions-tenant services	-	-	-	-	-
Tenant services-other	-	-	-	-	-
Utilities:					
Water	247	-	-	-	247
Electricity	7,112	-	-	-	7,112
Gas	621	-	-	-	621
Fuel	-	-	-	-	-
Labor	-	-	-	-	-
Employee benefit contributions-utilities	144	-	-	-	144
Other utilities expense	-	-	-	-	-
Ordinary maintenance and operations:					
Ordinary maintenance and operations-labor	94,939	1,560	440	-	96,939
Ordinary maintenance and operations-materials and other	36,567	-	-	-	36,567
Ordinary maintenance and operations-contract costs	43,094	-	-	-	43,094
Employee benefit contributions-ordinary maintenance	20,825	-	-	-	20,825
Protective services:					
Protective services-labor	-	-	-	-	-
Protective services-other contract costs	-	-	-	-	-
Protective services-other	-	-	-	-	-
Employee benefit contributions-protective services	-	-	-	-	-
see notes to financial statements					

Housing Authority of the Parish of Sabine  
 COMBINING STATEMENT OF REVENUES, EXPENSE AND  
 CHANGES IN EQUITY-ALL FUNDS

For the year ended December 31, 1999

SCHEDULE III

page 2 of 2

	Low Rent	Vouchers	Certificates	CGP	Total
General expenses:					
insurance premiums	58,961	982			59,943
Other general expenses	1,823	129			1,952
Payments in lieu of taxes	16,580				16,580
Bad debt-tenant rents	(40)				(40)
Bad debt-mortgages					-
Bad debt-other					-
Housing assistance payments		210,005	49,014		259,019
Casualty loss-noncapitalized	(2,614)				(2,614)
					-
OPERATING EXPENSES BEFORE DEPRECIATION	460,433	243,403	61,704	24,486	790,026
NET OPERATING INCOME BEFORE DEPRECIATION	33,504	364	(4,402)	-	29,466
Depreciation expense	32,867				32,867
Net operating income (loss) after depreciation	637	364	(4,402)	-	(3,401)
					-
Beginning Equity, 12-31-98	1,129,055	-	-	-	1,129,055
Net Operating Income (loss) after depreciation	637	364	(4,402)	-	(3,401)
Current year adjustments	25,310	85,706	8,976	-	119,992
Capital outlays				394,975	394,975
TOTAL EQUITY, 12-31-99	1,155,002	86,070	4,574	394,975	1,640,621

see notes to financial statements



Housing Authority of the Parish of Sabine  
 Many, Louisiana  
 PHA's Statement and Certification of Actual Modernization Costs  
 COMPLETED PROJECT LA48P07470698  
 Annual Contributions Contract FW-741  
 For the Year Ended December 31, 1999

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SCHEDULE IV

1. The actual modernization costs of the project are as follows:

	PROJECT LA48P07470698
Funds Approved	284,601.00
Funds Expended	284,601.00
Excess of Funds Approved	----- 0.00 =====
<b>FUNDS ADVANCED</b>	
HUD	284,601.00
Funds Expended	284,601.00
Excess of Funds Advanced	----- 0.00 =====

1. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated 11-1-99 accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.

2. All modernization costs have been paid and all related liabilities have been discharged through payment.

*see notes to financial statements*

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

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA 71449

I have audited the financial statements of the Housing Authority of the Parish of Sabine (PHA), as of and for the year ended December 31, 1999, and have issued my report thereon dated June 22, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

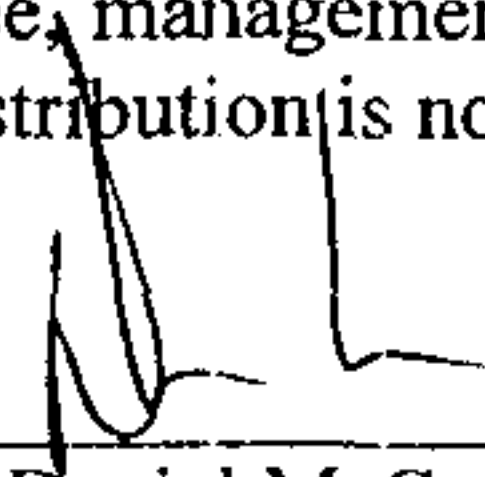
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or 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. I noted no matters involving the internal control over financial reporting and its operation that I consider 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.

June 22, 2000



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

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA 70806

Compliance

I have audited the compliance of the Housing Authority of the Parish of Sabine (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 December 31, 1999. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular, Audits of States, Local Governments, and Non Profit Organizations.

Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

In my opinion, the PHA's complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matter in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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



-----  
William Daniel McCaskill, CPA

A Professional Accounting Corporation

June 22, 2000



**THE HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR FINDINGS**

There were no findings in the prior audit.



**THE HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA**

**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

The report includes an unqualified opinion on the financial statements.

- i. There were reportable conditions in internal controls found required to be disclosed at the financial statement level.
- ii. The audit disclosed noncompliance which is material to the financial statements.
- iii. No reportable conditions in internal control over major programs, as required by A-133, were disclosed by the audit.
- iv. The compliance report issued for major programs was unqualified.
- v. The report disclosed no audit findings required to be reported under Section 510a of A-133.
- vi. All major programs have oversight by HUD and are identified as follows:

CFDA#	Name of Program
14.855	Vouchers
14.457	Certificates
- vii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- viii. The auditee was considered a low risk auditee.

2. Finding relating to the financial statements required to be reported with GAGAS are as follows:  
None

3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a all with HUD oversight:  
None

**THE HOUSING AUTHORITY OF THE PARISH OF SABINE  
MANY, LOUISIANA**

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

NONE