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PARK PLACE OF DEQUINCY, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 1999 and 1998

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 APR 12 2000
~~APR 12 2000~~

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Mires & Company
A Professional Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

To the Board of Directors
Park Place of DeQuincy, Inc.

We have audited the accompanying statements of financial position of Park Place of DeQuincy, Inc. (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Place of DeQuincy, Inc. as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2000, on our consideration of Park Place of DeQuincy, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Park Place of DeQuincy, Inc. taken as a whole. The accompanying financial information listed as supplementary reports and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Organization. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the basic financial statements of the Organization. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements referred to above; and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
February 16, 2000

	<u>1999</u>	<u>1998</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 884	\$ 3,437
Payroll taxes payable	981	300
Interest payable	2,053	2,074
Security deposits payable	2,700	2,700
Current portion of long-term debt	<u>3,079</u>	<u>2,813</u>
TOTAL CURRENT LIABILITIES	9,697	11,324
LONG-TERM DEBT, net of current portion	<u>1,060,247</u>	<u>1,063,328</u>
TOTAL LIABILITIES	<u>1,069,944</u>	<u>1,074,652</u>
NET ASSETS:		
Unrestricted - operating	(344,276)	(319,372)
Temporarily restricted:		
Insurance	167	206
Debt service	<u>81,222</u>	<u>73,053</u>
TOTAL NET ASSETS	<u>(262,887)</u>	<u>(246,113)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 807,057</u>	<u>\$ 828,539</u>

FINANCIAL STATEMENTS

PARK PLACE OF DEQUINCY, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,052	\$ 731
Rental assistance receivable	2,381	1,733
Prepaid insurance	<u>788</u>	<u>847</u>
TOTAL CURRENT ASSETS	<u>4,221</u>	<u>3,311</u>
RESTRICTED ASSETS:		
Cash	<u>84,089</u>	<u>75,959</u>
PROPERTY AND EQUIPMENT:		
Land	65,000	65,000
Apartments	952,462	952,462
Furniture and fixtures	10,702	8,073
Machinery and equipment	<u>6,281</u>	<u>6,281</u>
	1,034,445	1,031,816
Less accumulated depreciation	<u>345,977</u>	<u>314,176</u>
	<u>688,468</u>	<u>717,640</u>
OTHER ASSETS:		
Construction period interest, net	24,810	26,020
Loan origination cost, net	<u>5,469</u>	<u>5,609</u>
	<u>30,279</u>	<u>31,629</u>
TOTAL ASSETS	<u>\$ 807,057</u>	<u>\$ 828,539</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 STATEMENTS OF ACTIVITIES
 Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
UNRESTRICTED NET ASSETS		
Public Support, Revenues, and Reclassifications		
Rental income	\$ 40,188	\$ 37,836
Federal subsidy - rental income	55,377	49,557
Federal subsidy - interest income	71,120	71,072
Other	1,306	304
Interest	66	1,290
Transfer from reserve account	<u>-</u>	<u>-</u>
Total Unrestricted Public Support, Revenues, and Reclassifications	<u>168,057</u>	<u>160,059</u>
Expenses		
Administrative expenses	182,194	180,275
Transfer to restricted accounts	<u>10,767</u>	<u>9,876</u>
Total Expenses	<u>192,961</u>	<u>190,151</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(24,904)</u>	<u>(30,092)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Insurance	(39)	97
Debt service	<u>8,169</u>	<u>11,160</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>8,130</u>	<u>11,257</u>
DECREASE IN NET ASSETS	(16,774)	(18,835)
NET ASSETS AS OF BEGINNING OF YEAR	<u>(246,113)</u>	<u>(227,278)</u>
NET ASSETS AS OF END OF YEAR	<u>\$ (262,887)</u>	<u>\$ (246,113)</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 STATEMENTS OF ACTIVITIES
 BUDGET (BUDGETARY BASIS) AND ACTUAL
 Years Ended December 31, 1999 and 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
UNRESTRICTED NET ASSETS				
Public Support, Revenues, And Reclassifications				
Rental income	\$ 41,548	\$ 40,188	\$ (1,360)	\$ 37,836
Federal subsidy - rental income	57,252	55,377	(1,875)	49,557
Federal subsidy - interest income	-	71,120	71,120	71,072
Other	(360)	1,306	1,666	304
Interest	1,260	66	(1,194)	1,290
Transfer from reserve account	-	-	-	-
Total Unrestricted Public Support, Revenues, and Reclassifications	<u>99,700</u>	<u>168,057</u>	<u>68,357</u>	<u>160,059</u>
Expenses				
Administrative expenses	57,960	182,194	(124,234)	180,275
Transfer to restricted accounts	<u>11,900</u>	<u>10,767</u>	<u>1,133</u>	<u>9,876</u>
Total Expenses	<u>69,860</u>	<u>192,961</u>	<u>(123,101)</u>	<u>190,151</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>29,840</u>	<u>(24,904)</u>	<u>(54,744)</u>	<u>(30,092)</u>
TEMPORARILY RESTRICTED NET ASSETS				
Insurance	-	(39)	(39)	97
Debt service	-	<u>8,169</u>	<u>8,169</u>	<u>11,160</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>8,130</u>	<u>8,130</u>	<u>11,257</u>
INCREASE (DECREASE) IN NET ASSETS	29,840	(16,774)	(46,614)	(18,835)
NET ASSETS AS OF BEGINNING OF YEAR	<u>(246,113)</u>	<u>(246,113)</u>	<u>-</u>	<u>(227,278)</u>
NET ASSETS AS OF END OF YEAR	<u>\$ (216,273)</u>	<u>\$ (262,887)</u>	<u>\$ (46,614)</u>	<u>\$ (246,113)</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (16,774)	\$ (18,835)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	31,801	31,816
Amortization	1,350	1,350
(Increase) decrease in operating assets		
(Increase) decrease in rental receivable .	(648)	148
Decrease in prepaid expenses	59	41
Increase (decrease) in operating liabilities		
Decrease in accounts payable	(2,553)	(1,538)
Increase (decrease) in payroll taxes payable	681	(84)
Decrease in other payables	(21)	(19)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>13,895</u>	<u>12,879</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(2,629)</u>	<u>(1,427)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(2,629)</u>	<u>(1,427)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	<u>(2,815)</u>	<u>(2,753)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(2,815)</u>	<u>(2,753)</u>
NET INCREASE (DECREASE) IN CASH	8,451	8,699
CASH AT BEGINNING OF YEAR	<u>76,690</u>	<u>67,991</u>
CASH AT END OF YEAR	<u>\$ 85,141</u>	<u>\$ 76,690</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Park Place of DeQuincy, Inc. was formed in 1987 to provide low income housing to the elderly, handicapped, and low-income individuals. The apartment complex was built with a Department of Agriculture Rural Rental Housing Loan. Rental assistance is provided by the Farmers Home Administration based on tenants' ability to pay. In addition, the Farmers Home Administration provides an interest subsidy which aids in the loan payments. The more significant accounting policies applied in the preparation of the accompanying statements follows.

Basis of Accounting

The financial statements of Park Place of DeQuincy, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under (SFAS) No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

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.

Income Taxes

Park Place of DeQuincy, Inc. is a not-for-profit organization exempt from income tax under Section 501(C) (3) of the U.S. Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flow, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

PARK PLACE OF DEQUINCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At December 31, 1999, the carrying amount of Park Place of DeQuincy, Inc.'s deposits was \$85,141 and the bank balance was \$85,438. The deposits were fully covered by FDIC insurance.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Acquisitions of property and equipment in excess of \$50 are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Apartments	31.5
Furniture and fixtures	5
Machinery and equipment	5

Amortization

Costs associated with the FHA loan are being amortized over the life of the loan, fifty years, using the straight-line method. Amortization for each year was \$140. Accumulated amortization totaled \$1,542 and \$1,402 for 1999 and 1998, respectively.

Interest expense incurred during the construction period is being amortized over the life of the property, thirty-one and a half years, using the straight-line method. Amortization for each year was \$1,210. Accumulated amortization totaled \$13,310 and \$12,100 for 1999 and 1998, respectively.

Basis of Revenue Recognition

Revenue is recognized monthly for the applicable monthly rental income.

NOTE 2 - RESTRICTED ASSETS

As required in the loan agreement, Park Place of DeQuincy, Inc. contributes \$10,767 annually into a reserve account until \$107,670 is attained. With prior written consent, funds in the reserve account may be used as follows: (1) loan payments if amounts for debt service are not sufficient; (2) costs of repairs or replacements caused by catastrophe or long-range depreciation; (3) improvements to housing project without creating new living units; (4) for other purposes which in the judgement of the Government will promote the loan purpose; and (5) to pay a return on investment at the end of the operating year, provided that after such disbursement the amount in the reserve will not be less than the required amount. The balance in the reserve account at December 31, 1999 and 1998 was \$81,222 and \$73,053, respectively.

PARK PLACE OF DEQUINCY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1999 and 1998

NOTE 2 - RESTRICTED ASSETS

An insurance escrow account is maintained with monthly deposits equal to one-twelfth of the total anticipated insurance payments for the year. The balance in the insurance escrow account at December 31, 1999 and 1998 was \$167 and \$206, respectively.

A rental deposit account is maintained at a level equal to total security deposits on hand. The balance at December 31, 1999 and 1998 was \$2,700 and \$2,700, respectively.

Reconciliation of reserve account:

	<u>1999</u>	<u>1998</u>
Beginning balance at January 1	\$ 73,053	\$ 63,689
Additions	13,664	9,364
Paid out	<u>(5,495)</u>	<u>-</u>
Ending balance at December 31	81,222	73,053
Add:		
Insurance Escrow	167	206
Security Deposits	<u>2,700</u>	<u>2,700</u>
Total Restricted Cash	<u>\$ 84,089</u>	<u>\$ 75,959</u>

NOTE 3 - LONG-TERM DEBT

Long-term debt at December 31, 1999 and 1998 consisted of the following:

	<u>1999</u>	<u>1998</u>
Note payable to FHA in monthly installments of \$7,966 including interest at 9.0%, maturity March 1, 2039	\$ 1,030,212	\$ 1,032,951
Note payable to FHA in monthly installments of \$269 including interest at 9.5%, maturity March 1, 2039	<u>33,114</u>	<u>33,190</u>
	1,063,326	1,066,141
Less: current portion	<u>3,079</u>	<u>2,813</u>
	<u>\$ 1,060,247</u>	<u>\$ 1,063,328</u>

PARK PLACE OF DEQUINCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 1999 and 1998

NOTE 3 - LONG-TERM DEBT

Maturities of long-term debt, including interest, are as follows:

2000	98,819
2001	98,819
2002	98,819
2003	98,819
2004	98,819

NOTE 4 - NET ASSET DEFICIT

At December 31, 1999 and 1998, Park Place of DeQuincy, Inc. reports an unrestricted net asset fund deficit in the amounts of \$344,276 and \$319,372, respectively.

The deficit is a result of depreciation expense which is an unfunded expenditure under Farmers Home Administration's Rental Assistance Guidelines. Park Place of DeQuincy, Inc. intends to increase rental fees over future years to minimize annual operating deficits.

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of bank accounts restricted for insurance coverage, repayment of debt, and repairs and maintenance of the Organization's facilities.

NOTE 6 - NONCASH FINANCING ACTIVITIES

Interest expense of \$95,871 and \$96,067 on FHA loans was paid by the U.S. Department of Agriculture for the year ended December 31, 1999 and 1998, respectively.

NOTE 7 - CONCENTRATION

The Organization is dependent on the U. S. Department of Agriculture for subsidies to operate its facilities and pay its debt.

SUPPLEMENTAL INFORMATION

PARK PLACE OF DEQUINCY, INC.
 SCHEDULES OF FUNCTIONAL EXPENSES
 Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Advertisements	\$ -	\$ -
Amortization	1,350	1,350
Auto expense	-	274
Bank charges	227	220
Contract labor	1,200	-
Depreciation	31,801	31,816
Dues and subscriptions	822	-
Insurance	6,387	5,818
Interest	95,871	96,067
Office supplies	1,591	591
Pest control	2,475	1,545
Professional fees	5,000	2,600
Refunds	148	94
Repairs and maintenance	11,038	17,199
Salaries	17,270	15,300
Supplies	-	-
Taxes - payroll	1,321	983
Telephone	1,667	1,697
Utilities	<u>4,026</u>	<u>4,721</u>
	<u>\$ 182,194</u>	<u>\$ 180,275</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
BUDGET (BUDGETARY BASIS) AND ACTUAL
Years Ended December 31, 1999 and 1998

	1999			1998 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
Advertisements	\$ 200	\$ -	\$ 200	\$ -
Amortization	-	1,350	(1,350)	1,350
Auto expense	-	-	-	274
Bank charges	-	227	(227)	220
Contract labor	1,500	1,200	300	-
Depreciation	-	31,801	(31,801)	31,816
Dues and subscriptions	-	822	(822)	-
Insurance	8,500	6,387	2,113	5,818
Interest	-	95,871	(95,871)	96,067
Office supplies	1,700	1,591	109	591
Pest control	-	2,475	(2,475)	1,545
Professional fees	2,650	5,000	(2,350)	2,600
Refunds	-	148	(148)	94
Repairs and maintenance	21,280	11,038	10,242	17,199
Salaries	14,400	17,270	(2,870)	15,300
Supplies	-	-	-	-
Taxes - payroll	2,500	1,321	1,179	983
Telephone	1,000	1,667	(667)	1,697
Utilities	4,230	4,026	204	4,721
	<u>\$ 57,960</u>	<u>\$ 182,194</u>	<u>\$ (124,234)</u>	<u>\$ 180,275</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)
December 31, 1999

<u>Insurer</u>	<u>Kind of Insurance</u>
American Rural Housing Old Republic Surety Co.	Employee Dishonesty - Blanket
American Rural Housing Travelers Insurance Company	Commercial Package - Property Liability
Louisiana Workman's Compensation Corporation	Workers Compensation

See accompanying notes.

<u>Property Covered</u>	<u>Amount of Insurance</u>	<u>Expiration Date</u>
Property Manager Treasurer Board President	50,000	3/1/2000
Building and contents	1,287,280 2,000,000	3/1/2000
N/A	N/A	N/A

PARK PLACE OF DEQUINCY, INC.
 SUPPLEMENTAL SCHEDULE
 BALANCE SHEET - SECTION 515 RURAL RENTAL HOUSING PROJECTS FORMAT

	<u>1999</u>
ASSETS	
Current Assets	
Cash	\$ 1,052
Rental assistance receivable	2,381
Prepaid insurance	<u>788</u>
	<u>4,221</u>
Restricted Cash and Funded Reserves	
Cash	<u>84,089</u>
Property and Equipment	
Land	65,000
Apartments	952,462
Furniture and fixtures	10,702
Machinery and equipment	<u>6,281</u>
	1,034,445
Less accumulated depreciation	<u>345,977</u>
	<u>688,468</u>
Other Assets	
Construction period interest, net	24,810
Loan origination cost, net	<u>5,469</u>
	<u>30,279</u>
Total Assets	<u>\$ 807,057</u>

See accompanying notes.

1999

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable	\$ 884
Payroll taxes payable	981
Interest payable	2,053
Current portion of long-term debt	<u>3,079</u>
	<u>6,997</u>

Deposits and Prepayment Liabilities

Security deposits payable	<u>2,700</u>
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Long-Term Liabilities

Long-term debt, net of current portion	<u>1,060,247</u>
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Equity

Restricted - insurance	167
Restricted - debt service	81,222
Unrestricted - undesignated	<u>(344,276)</u>
	<u>(262,887)</u>

Total Liabilities and Equity \$ 807,057

PARK PLACE OF DEQUINCY, INC.
 SUPPLEMENTAL SCHEDULE
 STATEMENT OF OPERATIONS - SECTION 515 RURAL
 RENTAL HOUSING PROJECTS FORMAT

	<u>1999</u>
Revenues	
Tenant rents	\$ 40,188
Rental assistance	55,377
Late fees, miscellaneous, etc.	1,306
Interest reduction subsidy	<u>71,120</u>
Total Revenues	<u>167,991</u>
Expenses	
Administrative	30,483
Operating and maintenance	19,010
Utilities	4,026
Taxes and insurance	5,192
Interest	95,871
Depreciation	<u>33,151</u>
Total Expenses	<u>187,733</u>
Income (Loss) From Rental Operations	<u>(19,742)</u>
Other Income and Expenses	
Interest income	2,968
Entity expense	-
Tenants utility allowance expenses	<u>-</u>
	<u>2,968</u>
Net Income (Loss)	<u>\$ (16,774)</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 SUPPLEMENTAL SCHEDULE
 DETAIL OF EXPENSES - SECTION 515 RURAL RENTAL HOUSING PROJECTS FORMAT

	<u>1999</u>
Maintenance and Operating	
Maintenance and repairs - payroll	\$ -
Maintenance and repairs - supply	2,248
Maintenance and repairs - contract	14,287
Painting and decorating	-
Grounds	-
Services	2,475
Furniture and furnishing replacement	-
Other operating expenses	<u>-</u>
	<u>\$ 19,010</u>
Utilities	
Electricity	\$ 3,369
Water, sewer, trash removal	<u>657</u>
	<u>\$ 4,026</u>
Administrative	
Site management payroll	\$ 17,270
Project auditing expense	5,000
Legal expenses	-
Advertising	-
Telephone and answering service	1,667
Office supplies	924
Office furniture and equipment	-
Payroll taxes	1,321
Workman's compensation	1,195
Other administrative expenses	<u>3,106</u>
	<u>\$ 30,483</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULE OF ACCOUNTS PAYABLE - AMOUNTS AND AGING
 December 31, 1999

<u>Expense Category</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>
Maintenance and repairs supply	\$ 300	\$ -	\$ -
Electricity	301	-	-
Water and sewer	126	-	-
Telephone	157	-	-
	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULE OF RENTAL INFORMATION
 December 31, 1999

<u>Size of Unit</u>	<u>Basic Note Rental Rate</u>	<u>Market Note Rate</u>	<u>Number of Units</u>	<u>Number Occupied at Year-End</u>
One Bedroom	230	387	20	19
Two Bedroom	310	520	12	12
Occupancy rate for year	99%			
Occupancy rate at year-end	97%			

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SUPPLEMENTAL SCHEDULE
BOARD OF DIRECTORS AND INCORPORATORS OF PARK PLACE OF DEQUINCY, INC.
Year Ended December 31, 1999

Mr. Keith Browning, President
Post Office Box 597
DeQuincy, LA 70633

Mrs. Colleen Pinder, Treasurer
1113 Galsspool Road
DeQuincy, LA 70633

Mr. Mike Daiken, Director
Post Office Box 1166
266 Coward Road
DeQuincy, LA 70633

Mrs. Verline Williams, Director
814 Paul Robertson Road
DeQuincy, LA 70633

Mr. David Buxton, Director
206 East Fourth Street
DeQuincy, LA 70633

Mr. Wilbern Gene Smith, Incorporator
Post Office Box 1262
108 LeBlanc Street
DeQuincy, LA 70633

Mr. Gary Cooper, Incorporator
106 Azalea Drive
DeQuincy, LA 70633

Mrs. Janis Brown, Incorporator
483 Peach Street
DeQuincy, LA 70633

Mrs. Gwen Chapper, Incorporator
Post Office Box 37
DeQuincy, LA 70633

Mr. Paul Holt, Vice President
Post Office Box 32
DeQuincy, LA 70633

Rev. Jesse Adams, Director
1103 Richard Allen Road
DeQuincy, LA 70633

Mrs. Sara Pat Shaheen, Director
700 North Grand Avenue
DeQuincy, LA 70633

Mrs. Carol Dowers, Director
Post Office Box 55
100 Orchard Avenue
DeQuincy, LA 70633

Mr. Preston Dougharty, Incorporator
576 Holbrook Park Road
DeQuincy, LA 70633

Mr. Loren Rollo, Incorporator
507 Yoakum Avenue
DeQuincy, LA 70633

Mrs. Debbie Walker, Incorporator
307 Gordon Avenue
DeQuincy, LA 70633

Mrs. Sue Yellott, Incorporator
419 Peach Street
DeQuincy, LA 70633

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SUPPLEMENTAL SCHEDULE
COMPENSATION OF DIRECTORS
Year Ended December 31, 1999

During the period covered by our audit, there were no payments made to or on behalf of directors.

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 1999

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Rental Income Subsidy	10.415	\$ 55,377
Interest Subsidy	10.415	71,120
Rural Rental Housing Loans (Note B)	10.415	<u>1,063,326</u>
Total Expenditures of Federal Awards .		<u>\$1,189,823</u>

NOTE A: The accompanying schedule of expenditures of federal awards is a summary of the activity of Park Place of DeQuincy, Inc.'s federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE B: Outstanding loan balances at December 31, 1999.

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1999

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- * Material weakness(es) identified? Yes No
- * Reportable condition(s) identified that are not considered to be material weaknesses(es)? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified Yes No
- * Reportable condition(s) identified that are not considered to be material weakness(es)? Yes No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.415	Department of Agriculture Rural Rental Housing Loans

Dollar threshold used to distinguish between type A and B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1999

Section II - Financial Statement Findings

99-1 I/C - (Material weakness)

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. We do note that this situation is inherent to most agencies of this type and is difficult to solve due to the funding limitations of Park Place of DeQuincy, Inc. We recommend that the President and other directors take an active interest in the review of all of the financial information. This was also a prior year finding.

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN (Unaudited)
For the Year Ended December 31, 1999

99-1 I/C - Segregation of Duties:

Contact Person - Keith Browning, President

Corrective action - The President of the board of directors will continue to take an active role in the day to day operations of Park Place of DeQuincy, Inc. This corrective action plan is in effect as of February 16, 2000.

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 1999

98-1 I/C - (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 99-1 I/C.

98-2 I/C (12/31/98) Theft of funds:

Corrective action taken - Yes.

98-3 I/C (12/31/98) Authorized signatures on checks:

Corrective action taken - Yes.

98-4I/C (12/31/97) Reserve Transfers:

98-1 C

Corrective action taken - Yes.

98-2 C (12/31/98) Issuance of IRS Form 1099-MISC:

Corrective action taken - Yes.

See accompanying notes.

SINGLE AUDIT REQUIRED REPORTS



Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

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

To the Board of Directors
Park Place of DeQuincy, Inc.
DeQuincy, Louisiana

We have audited the financial statements of Park Place of DeQuincy, Inc., (a nonprofit organization), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated February 16, 2000. We conducted our audits 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 Park Place of DeQuincy, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Park Place of DeQuincy, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 judgement, could adversely affect Park Place of DeQuincy, Inc.'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 item 99-1 I/C.

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, we consider item 99-1 I/C to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
February 16, 2000



Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

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

Board of Directors
Park Place of DeQuincy, Inc.
DeQuincy, Louisiana

Compliance

We have audited the compliance of Park Place of DeQuincy, Inc., (a nonprofit organization), 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. Park Place of DeQuincy, Inc.'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 Park Place of DeQuincy, Inc.'s management. Our responsibility is to express an opinion on Park Place of DeQuincy, Inc.'s compliance based on our audit.

We conducted our 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 we 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 Park Place of DeQuincy, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Park Place of DeQuincy, Inc.'s compliance with those requirements.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Board of Directors
Park Place of DeQuincy, Inc.
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This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
February 16, 2000

M & Co.