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LOUISIANA DISABLED PERSONS FINANCE CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FEDERAL HOUSING ADMINISTRATION
PROJECT NUMBER 064-EH139/LA48-T841-013

June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~SEP 04 1996~~

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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SEP 04 1996
FEDERAL HOUSING ADMINISTRATION
Baton Rouge, Louisiana

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GRAGSON, CASIDAY & GUILLORY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A. (APC)
RAYMOND GUILLORY, JR., C.P.A.

JULIA W. PORTUS, C.P.A.
CRAIG A. CHILDRESS, C.P.A.
CAMUS CASTILLE, C.P.A.
DAWN REDD, C.P.A.
MICHELLE BOURNE, C.P.A.
COY VINCENT, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (318) 439-1986
FACSIMILE (318) 439-1366

August 1, 1996

INDEPENDENT AUDITORS' REPORT

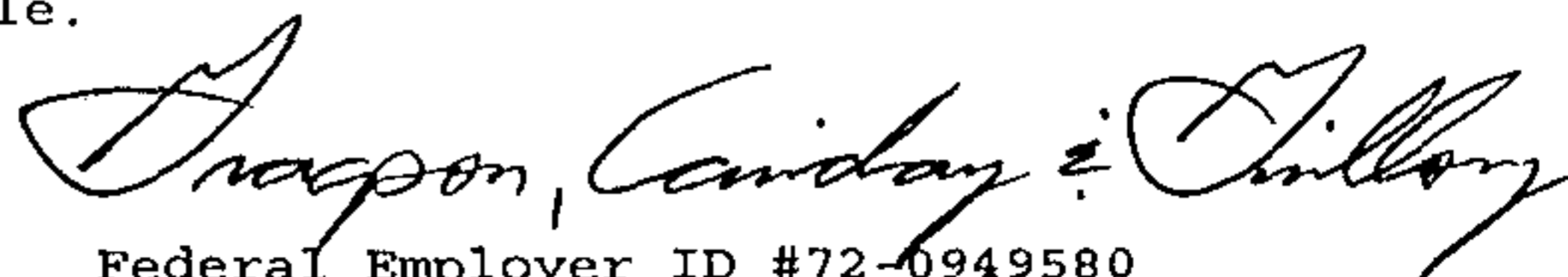
The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the accompanying balance sheet of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013 as of June 30, 1996, and the related statements of operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 audit provides 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 Louisiana Disabled Persons Finance Corporation as of June 30, 1996 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information required by the U.S. Department of Housing and Urban Development on pages 11 through 20 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of Louisiana Disabled Persons Finance Corporation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Federal Employer ID #72-0949580
Lead Auditor: Raymond Guillory, Jr., CPA

Louisiana Disabled Persons Finance Corporation
U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

BALANCE SHEET

June 30, 1996

ASSETS

CURRENT ASSETS			
Cash			
1120	Unrestricted		\$ 24,337
1191	Restricted for tenants' deposits		950
	Accounts receivable - tenants, net of uncollectible accounts of \$0		<u>30</u>
	Total current assets		25,317
RESTRICTED DEPOSITS AND FUNDED RESERVES			
1320	Reserve for replacements		14,899
PROPERTY AND EQUIPMENT			
1420	Buildings	\$ 528,002	
1460	Fixed equipment	22,947	
1470	Portable equipment	<u>19,456</u>	
		570,405	
4100	Less accumulated depreciation	<u>138,476</u>	
		431,929	
1410	Land	<u>56,696</u>	<u>488,625</u>
			\$ <u>528,841</u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES		
2320	Current maturities of long term debt	\$ 3,002
2110	Accounts payable	776
2191	Tenants' security deposits	950
2130	Accrued interest payable	4,387
2190	Due to affiliate	<u>31,400</u>
	Total current liabilities	40,515
LONG-TERM OBLIGATIONS		
2320	Mortgage note payable	581,978
3130 FUND BALANCE (DEFICIT)		
	Unreserved and undesignated	<u>(93,652)</u>
		<u>\$ 528,841</u>

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation

U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

STATEMENT OF OPERATIONS AND FUND BALANCE

For the year ended June 30, 1996

Revenues			
Housing assistance payments	\$ 47,971		
Rental	36,939		
Other	<u>1,217</u>	\$ 86,127	
Expenses			
Administrative	5,663		
Utilities	13,334		
Operating and maintenance	4,265		
Depreciation	19,352		
Insurance	7,674		
Interest	<u>52,763</u>	<u>103,051</u>	
NET INCOME (LOSS)			(16,924)
Fund balance (deficit), June 30, 1995			<u>(76,728)</u>
Fund balance (deficit), June 30, 1996			\$ <u>(93,652)</u>

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation
U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

STATEMENT OF CASH FLOWS

For the year ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the year		\$(16,924)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	\$ 19,352	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(30)	
(Increase) decrease in reserve for replacements	(867)	
Increase (decrease) in accounts payable	776	
Increase (decrease) in accrued interest	<u>(21)</u>	<u>19,210</u>
Net cash provided (used) by operating activities		2,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(1,255)</u>	
Net cash provided (used) by investing activities		(1,255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payment of long-term debt	<u>(2,745)</u>	
Net cash provided (used) by financing activities		<u>(2,745)</u>
Net increase (decrease) in cash		(1,714)
Unrestricted cash and cash equivalents at June 30, 1995		<u>26,051</u>
Unrestricted cash and cash equivalents at June 30, 1996		\$ <u>24,337</u>

Interest paid for the year ended June 30, 1996 amounted to \$52,784.

The accompanying notes are an integral part of this statement.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation

U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Louisiana Disabled Persons Finance Corporation (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, which may require certain estimates by management, and have been consistently applied in the preparation of the financial statements.

1. Organization

Louisiana Disabled Persons Finance Corporation was organized as a nonprofit organization formed to acquire and operate an apartment project, located in Lake Charles, Louisiana, under the provisions of Section 221(d)(4) of the National Housing Act. The Corporation acquired the apartment project on July 1, 1989 and rents apartments to mentally and physically-handicapped individuals in Southwest Louisiana. A portion of the tenants' rents are subsidized by the U.S. Department of Housing and Urban Development (HUD).

2. Depreciation

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of assets to operations over the following estimated useful lives on the straight-line method.

	<u>Years</u>
Building	5-30
Fixed equipment	15
Portable equipment	5

The property and equipment of the Organization may not be disposed of without the prior approval of HUD.

3. Income Taxes

The Corporation is a nonprofit organization generally not subject to income taxes according to the provisions of Federal Internal Revenue Code Section 501(c)3 and Louisiana State income tax laws and regulations and is classified as a private operating foundation as defined in Federal Internal Revenue Code Section 4942(j)(3).

Continued

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation
 U.S. Department of Housing and Urban
 Development Project Number 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less.

5. Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$158 into the reserve fund. The funds may only be used after approval is obtained from HUD.

NOTE B - MORTGAGE NOTE PAYABLE

U.S. Department of Housing and Urban Development:	
First mortgage note, insured by the U.S. Department of Housing and Urban Development; secured by property and equipment, payable in monthly installments of principal and interest of \$4,627 (including interest at 9% per annum) to the year 2029	\$ 584,980
Less current maturities	<u>3,002</u>
	<u>\$ 581,978</u>

The following are maturities of long-term debt for each of the next five years:

June 30, 1997	\$ 3,002
June 30, 1998	\$ 3,284
June 30, 1999	\$ 3,592
June 30, 2000	\$ 3,929
June 30, 2001	\$ 4,298

Continued

Louisiana Disabled Persons Finance Corporation

U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE C - COMMITMENTS AND CONTINGENCIES

Louisiana Disabled Persons Finance Corporation receives a substantial amount of its support from the U.S. Department of Housing and Urban Development. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Corporation's programs and activities.

NOTE D - RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with Calcasieu Association for Retarded Citizens, Inc. (CARC). Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements. Included in the financial statements is a liability to CARC of \$31,400, representing amounts advanced by CARC for operations in previous years. These amounts are due on demand by CARC.

CARC also contributes a substantial amount of support to the Corporation in the form of employee services, which support has not been recorded in the financial statements. A significant reduction in the level of this support, if this were to occur, may have an effect on the Corporation's programs and activities.

SUPPLEMENTAL INFORMATION REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation
U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

June 30, 1996

Accounts and notes receivable other than tenants:

None \$ -0-

Delinquent tenant accounts receivable:

Delinquent 30 days \$ -0-

Mortgage escrow deposits:

None

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by First Federal Savings and Loan Association, Lake Charles, Louisiana.

Reserve for replacements:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by First Federal Savings and Loan Association to be used for replacement of property with the approval of HUD as follows:

Balance, July 1, 1995	\$ 14,032
Deposits	1,896
Interest earned	226
Disbursements	<u>(1,255)</u>
Balance, June 30, 1996	\$ <u>14,899</u>

Continued

Louisiana Disabled Persons Finance Corporation

U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT - CONTINUED

June 30, 1996

Accounts payable:

As of June 30, 1996, accounts payable totaled \$776 and were for air conditioner and heater repairs.

Accrued taxes:

As of June 30, 1996, there were no accrued taxes.

Compensation of Officers

There was no compensation of officers for the year ended June 30, 1996.

Identity-of-Interest Companies

None

Statement of Profit and Loss

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0052 (Exp. 1/31/95)

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For Month/Period Beginning: 07-01-95 | Ending: 06-30-96 | Project Number: 064-EH139 | Project Name: Louisiana Disabled Persons Finance Corp.

Part I	Description of Account	Acct. No.	Amount*	
Rental Income 5100	Apartments or Member Carrying Charges (Coops)	5120	\$ 47,069	
	Tenant Assistance Payments	5121	\$ 47,971	
	Furniture and Equipment	5130	\$	
	Stores and Commercial	5140	\$	
	Garage and Parking Spaces	5170	\$	
	Flexible Subsidy Income	5180	\$	
	Miscellaneous (specify)	5190	\$	
	Total Rent Revenue Potential at 100% Occupancy			
Vacancies 5200	Apartments	5220	(10,130)	
	Furniture and Equipment	5230	()	
	Stores and Commercial	5240	()	
	Garage and Parking Spaces	5270	()	
	Miscellaneous (specify)	5290	()	
	Total Vacancies		(10,130)	
Net Rental Revenue Rent Revenue Less Vacancies			\$ 84,910	
Elderly and Congregate Services Income—5300	Total Service Income (Schedule Attached)	5300	\$	
Financial Revenue 5400	Interest Income—Project Operations	5410	\$ 531	
	Income from Investments—Residual Receipts	5430	\$	
	Income from Investments—Reserve for Replacement	5440	\$	
	Income from Investments—Miscellaneous	5490	\$	
	Total Financial Revenue			
Other Revenue 5900	Laundry and Vending	5910	\$ 686	
	NSF and Late Charges	5920	\$	
	Damages and Cleaning Fees	5930	\$	
	Forfeited Tenant Security Deposits	5940	\$	
	Other Revenue (specify)	5990	\$	
	Total Other Revenue			
Total Revenue			\$ 86,127	
Administrative Expenses 6200/6300	Advertising	6210	\$	
	Other Administrative Expense	6250	\$	
	Office Salaries	6310	\$	
	Office Supplies	6311	\$ 60	
	Office or Model Apartment Rent	6312	\$	
	Management	6320	\$	
	Manager or Superintendent Salaries	6330	\$	
	Manager or Superintendent Rent Free Unit	6331	\$	
	Legal Expenses (Project)	6340	\$ 10	
	Auditing Expenses (Project)	6350	\$ 4,115	
	Bookkeeping Fees/Accounting Services	6351	\$	
	Telephone and Answering Service	6360	\$ 426	
	Bad Debts	6370	\$	
	Miscellaneous Administrative Expenses (specify) Seminars, dues	6390	\$ 1,052	
Total Administrative Expenses			\$ 5,663	
Utilities Expense 6400	Fuel Oil/Coal	6420	\$	
	Electricity (Light and Misc. Power)	6450	\$ 9,258	
	Water	6451	\$ 1,258	
	Gas	6452	\$ 2,523	
	Sewer	6453	\$ 295	
	Total Utilities Expense			

* All amounts must be rounded to the nearest dollar; \$.50 and over, round up—\$.49 and below, round down.

Operating and Maintenance Expenses 6500	Janitor and Cleaning Payroll	6510	\$	
	Janitor and Cleaning Supplies	6515	\$	
	Janitor and Cleaning Contract	6517	\$	
	Exterminating Payroll/Contract	6519	\$	1,460
	Exterminating Supplies	6520	\$	
	Garbage and Trash Removal	6525	\$	1,186
	Security Payroll/Contract	6530	\$	
	Grounds Payroll	6535	\$	
	Grounds Supplies	6536	\$	
	Grounds Contract	6537	\$	
	Repairs Payroll	6540	\$	
	Repairs Material	6541	\$	686
	Repairs Contract	6542	\$	
	Elevator Maintenance/Contract	6545	\$	
	Heating/Cooling Repairs and Maintenance	6546	\$	776
	Swimming Pool Maintenance/Contract	6547	\$	
	Snow Removal	6548	\$	
	Decorating Payroll/Contract	6560	\$	
	Decorating Supplies	6561	\$	
	Other	6570	\$	
Miscellaneous Operating and Maintenance Expenses	6590	\$	157	
Total Operating and Maintenance Expenses				\$ 4,265
Taxes and Insurance 6700	Real Estate Taxes	6710	\$	
	Payroll Taxes (FICA)	6711	\$	
	Miscellaneous Taxes, Licenses and Permits	6719	\$	
	Property and Liability Insurance (Hazard)	6720	\$	7,674
	Fidelity Bond Insurance	6721	\$	
	Workmen's Compensation	6722	\$	
	Health Insurance and Other Employee Benefits	6723	\$	
	Other Insurance (specify)	6729	\$	
Total Taxes and Insurance				\$ 7,674
Financial Expenses 6800	Interest on Bonds Payable	6810	\$	
	Interest on Mortgage Payable	6820	\$	52,763
	Interest on Notes Payable (Long-Term)	6830	\$	
	Interest on Notes Payable (Short-Term)	6840	\$	
	Mortgage Insurance Premium/Service Charge	6850	\$	
	Miscellaneous Financial Expenses	6890	\$	
Total Financial Expenses				\$ 52,763
Elderly & Congregate Service Expenses 6900	Total Service Expenses—Schedule Attached	6900		\$
	Total Cost of Operations Before Depreciation			\$ 83,699
	Profit (Loss) Before Depreciation			\$ 2,428
	Depreciation (Total)—6600 (specify)	6600		\$ 19,352
	Operating Profit or (Loss)			\$ (16,924)
Corporate or Mortgagor Entity Expenses 7100	Officer Salaries	7110	\$	
	Legal Expenses (Entity)	7120	\$	
	Taxes (Federal-State-Entity)	7130-32	\$	
	Other Expenses (Entity)	7190	\$	
	Total Corporate Expenses			
Net Profit or (Loss)				\$ (16,924)

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Miscellaneous or other income and expense sub-account groups. If miscellaneous or other income and/or expense sub-accounts (5190, 5290, 5490, 5990, 6390, 6590, 6729, 6890, and 7190) exceed the Account Groupings by 10% or more, attach a separate schedule describing or explaining the miscellaneous income or expense.

Part II

1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	\$ 2,745
2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	\$ 1,896
3. Replacement or Painting Reserve releases which are included as expense items on this Profit and Loss statement	\$ -0-
4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.	\$ -0-

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING - FEDERAL HOUSING COMMISSIONER
OFFICE OF MULTIFAMILY HOUSING MANAGEMENT AND OCCUPANCY
**COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND
RESIDUAL RECEIPTS**

PROJECT NAME Louisiana Disabled Persons Finance Corporation	FISCAL PERIOD ENDED: <u>06 / 30 / 96</u>	PROJECT NUMBER 064-EH139
---	---	-----------------------------

PART A - COMPUTE SURPLUS CASH

CASH	1. Cash (Accounts 1110, 1120, 1191, 1192)	\$ 25,287	
	2. Tenant subsidy vouchers due for period covered by financial statement	\$	
	3. Other (describe)	\$	
	(a) Total Cash (Add Lines 1, 2, and 3)	\$ 25,287	
CURRENT OBLIGATIONS	4. Accrued mortgage interest payable	\$ 4,387	
	5. Delinquent mortgage principal payments	\$	
	6. Delinquent deposits to reserve for replacements	\$	
	7. Accounts payable (due within 30 days)	\$	
	8. Loans and notes payable - - (due within 30 days)	\$ 240	
	9. Deficient Tax Insurance or MIP Escrow Deposits	\$	
	10. Accrued expenses (not escrowed)	\$	
	11. Prepaid Rents (Account 2210)	\$	
	12. Tenant security deposits liability (Account 2191)	\$ 950	
	13. Other (Describe)	\$ 31,400	
	(b) Less Total Current Obligations (Add Lines 4 through 13)	\$ 36,977	
	(c) Surplus Cash (Deficiency) (Line (a) minus Line (b))	\$ (11,690)	

PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS

	1. Surplus Cash	\$ --0--	
LIMITED DIVIDEND PROJECTS	2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	\$	
	2b. Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	\$	
	2c. Distributions Paid During Fiscal Period Covered by Statement	\$	
	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	\$	
	4. Amount Available for Distribution During Next Fiscal Period	\$ --0--	
	5. Deposit Due Residual Receipts (Must be deposited with Mortgagee within 60 days after Fiscal Period ends)	\$	

PREPARED BY	REVIEWED BY
LOAN TECHNICIAN	LOAN SERVICER
DATE	DATE

(See Reverse for Instructions)

HUD-93486 (12-80)

Louisiana Disabled Persons Finance Corporation
 U.S. Department of Housing and Urban
 Development Project Number 064-EH139/LA48-T841-013

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Year ended June 30, 1996

Cash receipts		
Housing assistance payments	\$ 47,971	
Rental of apartments	36,909	
Other income	<u>1,217</u>	\$ 86,097
Cash disbursements		
Administrative	5,663	
Utilities	13,334	
Operating and maintenance	3,489	
Insurance	7,674	
Interest	52,784	
Purchases of fixed assets	1,255	
Principal payments on mortgage	2,745	
Increase in reserve for replacements	<u>867</u>	<u>87,811</u>
EXCESS OF DISBURSEMENTS OVER RECEIPTS		(1,714)
Unrestricted cash balance at June 30, 1995*		<u>26,051</u>
Unrestricted cash balance at June 30, 1996*		\$ <u>24,337</u>

*This does not include tenants' security deposits held in trust.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS

<u>Accumulated Depreciation</u>				<u>Net Carrying</u>
<u>Balance</u> <u>July 1,</u> <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>1996</u>	<u>Amount</u> <u>June 30,</u> <u>1996</u>
\$ 91,648	\$ 17,822	\$ -	\$ 109,470	\$ 418,532
8,020	1,530	-	9,550	13,397
<u>19,456</u>	<u>-</u>	<u>-</u>	<u>19,456</u>	<u>-</u>
119,124	19,352	-	138,476	431,929
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
\$ <u>119,124</u>	\$ <u>19,352</u>	\$ <u>-</u>	\$ <u>138,476</u>	\$ <u>488,625</u>

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Louisiana Disabled Persons Finance Corporation

U.S. Department of Housing and Urban
Development Project Number 064-EH139/LA48-T841-013

SCHEDULE OF FUNDS IN FINANCIAL INSTITUTIONS

June 30, 1996

Funds held by Mortgagor:

First Federal Savings and Loan Association, Rental Agency Account	\$ 24,299
First Federal Savings and Loan Association, Security Deposit Account	1,105
First Federal Savings and Loan Association, Replacement Reserve Account	<u>14,899</u>
Total funds held by mortgagor	<u>40,303</u>

TOTAL FUNDS IN FINANCIAL INSTITUTIONS \$ 40,303

GRAGSON, CASIDAY & GUILLORY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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COY VINCENT, C.P.A.

ONE LAKESIDE PLAZA, SUITE 700
P.O. DRAWER 1847
LAKE CHARLES, LOUISIANA 70602-1847
TELEPHONE (318) 439-1986
FACSIMILE (318) 439-1366

August 1, 1996

Independent Auditors' Combined Report on the Internal Control Structure

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 1996. We have also audited the Corporation's compliance with requirements applicable to HUD-assisted programs and have issued our reports thereon dated August 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the Consolidated Audit Guide for Audits of HUD Programs, (the Guide), issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General in July 1993. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Corporation complied with laws and regulations, noncompliance with which would be material to a HUD-assisted program.

In planning and performing our audit of the financial statements of the Louisiana Disabled Persons Finance Corporation, HUD Project Number 064-EH139/LA48-T841-013, for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and on its compliance with specific requirements applicable to its major HUD-assisted programs and not to provide assurance on the internal control structure.

The management of the Louisiana Disabled Persons Finance Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's

authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and that HUD-assisted programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Revenue/receipts
- Purchase/disbursements
- General ledger
- Administration of compliance with laws and regulations

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

We performed tests of controls as required by the Guide to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements applicable to the Corporation's major HUD-assisted programs. Our procedures were less in scope than would be necessary to render an opinion on internal control structure policy and procedures. Accordingly, we do not express an opinion on those policies and procedures.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a HUD-assisted program 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.


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August 1, 1996

Independent Auditors' Report on Compliance with Laws
and Regulations Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation as of and for the year ended June 30, 1996 and have issued our report thereon dated August 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to Louisiana Disabled Persons Finance Corporation is the responsibility of the Corporation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.



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August 1, 1996

Independent Auditors' Report on Compliance With
Specific Requirements Applicable to Major HUD Programs

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 1996. In addition, we have audited the Louisiana Disabled Persons Finance Corporation's compliance with the specific program requirements governing federal financial reports, mortgage status, the replacement reserve, the residual receipts, tenant security deposits, cash receipts and disbursements, tenant application, eligibility and recertification, and management functions that are applicable to its major HUD-assisted program, for the year ended June 30, 1996. The management of the Louisiana Disabled Persons Finance Corporation is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the July 1993 Consolidated Audit Guide for Audits of HUD Programs, (the Guide), issued by the United States Department of Housing and Urban Development, Office of Inspector General. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 complied, in all material respects, with the requirements described above that are applicable to its major HUD-assisted program for the year ended June 30, 1996.

This report is intended for the information of the board of directors, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Gragson, Casiday & Guillory

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August 1, 1996

Independent Auditors' Report on Compliance With Specific
Requirements Applicable to Nonmajor HUD Program Transactions

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 1996.

In connection with our audit of the 1995 financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 and with our consideration of the Corporation's internal control structure used to administer HUD programs, as required by the Consolidated Audit Guide for Audits of HUD Programs, (the Guide), issued by the U.S. Department of Housing and Urban Development in July 1993, we selected certain transactions applicable to its nonmajor HUD program for the year ended June 30, 1996.

As required by the Guide, we performed auditing procedures to test compliance with the requirements governing marketing/nondiscrimination, management, maintenance and replacement reserve, federal financial reports, application, eligibility and reexamination of tenants, and security deposits, that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Corporation's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Corporation had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

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GRAGSON, CASIDAY & GULLORY, L.L.P.
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FACSIMILE (318) 439-1366

August 1, 1996

Independent Auditors' Report on Compliance With Specific
Requirements Applicable to Affirmative Fair Housing

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 1996.

We have applied procedures to test the Corporation's compliance with the Affirmative Fair Housing requirements applicable to its HUD-assisted programs, for the year ended June 30, 1996.

Our procedures were limited to the applicable compliance requirement described in the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of Inspector General in July 1993. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Corporation's compliance with the Affirmative Fair Housing requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the Affirmative Fair Housing requirements. With respect to items not tested, nothing came to our attention that caused us to believe that the Corporation had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

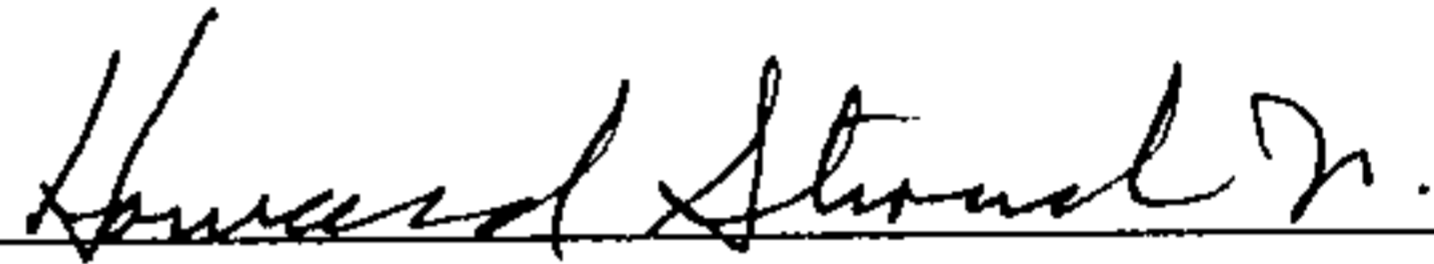
Gragson, Casiday & Gullory

Louisiana Disabled Persons Finance Corporation

Federal Housing Administration
Project Number 064-EH139/LA48-T841-013

CERTIFICATE OF MORTGAGOR

I hereby certify that I have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation, and to the best of my knowledge and belief, the same is complete and accurate.



Howard Stroud, Jr., Ed.D.
Executive Director
Corporation EIN 72-0979554