

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

Governmental Funds

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

1. General Fund - the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.
2. Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 Housing Assistance Programs administered by the authority.
3. Debt service funds - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes, federal financing bonds, and bonds payable (if applicable).
4. Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the authority.

The Tenants Security Deposits Agency Fund consists of various tenant security deposit accounts.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

	General Fund					Special Revenue Fund						
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis
SURPLUS CREDITS / CHARGES:												
Prior Year Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Surplus Credits / Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY:												
Replacement of Non-expendable Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Betterments & Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER EXPENDITURES:												
Debt Service												
Principal												
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	47,860.00	52,783.76	0.00	52,783.76	(4,923.76)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess of Revenues Over (Under) Expenditures	(26,680.00)	(29,161.27)	0.00	(29,161.27)	(2,481.27)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES:												
Rental Assistance Subsidy	29,241.00	29,241.00	0.00	29,241.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources	29,241.00	29,241.00	0.00	29,241.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources Over (Under) Expenditures	\$2,561.00	\$79.73	\$0.00	\$79.73	(\$2,481.27)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

D. BASIS OF ACCOUNTING

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

Revenues

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

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

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

Expenditures

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

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

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

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

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
 AS OF SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

	Governmental Fund Types					Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Agency and Expendable Trust		General Fixed Assets	General Long-Term Debt	1996	1995
Assets and Other Debits										
CURRENT ASSETS:										
Cash	\$18,620.47									
Tenant Accounts Receivable	263.00									
Other Accounts Receivable										
Total Current Assets	<u>19,883.47</u>	0.00	0.00	0.00	575.00	0.00	0.00	19,883.47	263.00	0.00
INVESTMENTS:										
General Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
PREPAID EXPENSES:										
Prepaid Taxes	4,336.00									
Prepaid Insurance										
Prepaid Interest	4,336.00	0.00	0.00	0.00	0.00	0.00	0.00	4,336.00	214.59	0.00
Total Prepaid Expenses	<u>4,336.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,336.00</u>	<u>214.59</u>	<u>0.00</u>
DEBT SERVICE FUNDS:										
Debt Service Fund			\$214.59							
HUD Annual Contributions Receivable	0.00	0.00	214.59	0.00	0.00	0.00	0.00	0.00	214.59	0.00
Total Debt Service Funds	<u>0.00</u>	<u>0.00</u>	<u>214.59</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>214.59</u>	<u>0.00</u>
FIXED ASSETS:										
Land, Structures, & Equipment										
CIAP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	669,848.13	0.00
Total Fixed Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>669,848.13</u>	<u>0.00</u>
OTHER DEBITS:										
Amount to be Provided for Retirement of General Long Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	322,659.11	0.00
Total Other Debits	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>322,659.11</u>	<u>0.00</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$23,219.47</u>	<u>\$0.00</u>	<u>\$214.59</u>	<u>\$0.00</u>	<u>\$975.00</u>	<u>\$669,848.13</u>	<u>\$322,659.11</u>	<u>\$1,016,916.30</u>	<u>\$0.00</u>	<u>\$0.00</u>

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

II. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORIES

All purchased inventory items are valued at cost. Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased. Housing Authorities of less than 500 units do not record the inventory in the general ledger.

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

K. COMPENSATED ABSENCES

The authority has the following policy relating to vacation and sick leave:

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the authority is legally separate and fiscally independent, the authority is a separate governmental reporting entity.

The authority is a related organization of the Town of Elton, Louisiana since the Mayor appoints a voting majority of the authority's governing board. The Town of Elton is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the Town of Elton. Accordingly, the authority is not a component unit of the financial reporting entity of the Town of Elton.

The authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the authority.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

C. FUND ACCOUNTING

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

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

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

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA

Notes to the Financial Statements
As of and for the Year Ended September 30, 1996

INTRODUCTION

The Housing Authority of the Town of Elton (authority) was created pursuant to the U.S. Housing Act of 1937 to engage in the acquisition, development, and administration of a low income housing program to provide safe, sanitary, and affordable housing to the citizens of Elton, Louisiana. The Housing Authority must comply with Louisiana State reporting laws (LSA - R.S. 24:513 and 24:514) which requires financial statements to be prepared in accordance with generally accepted accounting principles (GAAP).

The authority is administered by a five member board appointed by the Mayor. Members of the board serve staggered-year terms.

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

At September 30, 1996, the authority manages 18 public housing units and provides assistance to-0-Section 8 Certificate housing units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

Agency Funds: Tenants Security Deposits	
Balance, September 30, 1995	\$ 1,375.00
Additions - Net	(<u>400.00</u>)
Balance September 30, 1996	\$ <u>975.00</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 1996:

Compensated Absences:	
Balance September 30, 1995	N/A
Balance September 30, 1996	N/A

Long-term Debt:	
Housing Agency Bonds Payable	\$ 109,169.63
Permanent Notes - HUD	<u>213,489.48</u>
Total Long-term Debt	\$ <u>322,659.11</u>

The notes and bonds mature in series annually in varying amounts. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

Long-term debt is secured by the land and buildings of the entity.

Change in long-term debt is as follows:

Balance September 30, 1995	\$ 348,326.99
Principal retirement	(<u>25,667.88</u>)
Balance September 30, 1996	\$ <u>322,659.11</u>

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
 AS OF SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

	Governmental Fund Types				Fiduciary Fund Types	Account Groups		Totals [Memorandum Only]	
	General	Special Revenue	Debt Service	Capital Projects		Agency and Expendable Trust	General Fixed Assets	General Long-Term Debt	1996
FUND EQUITY:									
Operating Reserve	16,693.27					16,693.27		16,693.27	
Investments in Fixed Assets						669,848.13		669,848.13	
Reserve for Debt Service			214.59					214.59	
Cumulative Grants - HUD	5,016.82					5,016.82		5,016.82	
Cumulative Donations								0.00	
Total Fund Equity	21,710.09	0.00	214.59	0.00	0.00	669,848.13	0.00	691,772.51	0.00
OTHER CREDITS:									
Other Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FUND EQUITY & OTHER CREDITS	21,710.09	0.00	214.59	0.00	0.00	669,848.13	0.00	691,772.51	0.00
TOTAL LIABILITIES, FUND EQUITY, & OTHER CREDITS	\$23,219.47	\$0.00	\$214.59	\$0.00	\$975.00	\$669,848.13	\$322,659.11	\$1,016,916.30	\$0.00

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be 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 specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in financial statements being audited may occur and not be detected within a timely period by employees in amounts that would be material in relation to the general purpose 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 structure and its operations that I consider to be material weaknesses as defined above.

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



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

Ex. 25 (b)
29-27

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
[NO REPORTABLE CONDITIONS NOTED]**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Housing Authority 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities 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.

In planning and performing my audit of the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, for the year ended September 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

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



CERTIFIED PUBLIC ACCOUNTANT

Pensacola, Florida

December 23, 1996

Ex. 23 (a)

**BREWSTER & ASSOCIATES
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P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**SINGLE AUDIT UNQUALIFIED REPORT ON
COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996.

I have applied procedures to test the Housing Authority of the Town of Elton, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1996:

General Requirements:

Political Activity
Civil Rights
Cash Management
Federal Financial Reports
Allowable Costs/Cost Principles
Drug-Free Workplace Act
Administrative Requirements

My procedures were limited to the applicable procedures described in the "Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the Town of Elton, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, I 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 requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Housing Authority of the Town of Elton, Louisiana, had not complied, in all material respects, with those requirements.

Ex. 17(a)
29-22

**BREWSTER & ASSOCIATES
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Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**UNQUALIFIED REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS - NO REPORTABLE
INSTANCES OF NONCOMPLIANCE**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996.

My audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Housing Authority of the Town of Elton, Louisiana, is the responsibility of the Housing Authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards except for immaterial instances of noncompliance as described in the accompanying Schedule of Findings and Questioned Costs.

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



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

Ex. 24

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**REPORT ON COMPLIANCE WITH CERTAIN
SPECIFIC REQUIREMENTS OF NONMAJOR
FEDERAL FINANCIAL ASSISTANCE
PROGRAMS**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996.

In connection with my audit of the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, and with my consideration of the Authority's control structure used to administer federal financial assistance programs, as required by the Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and Public and Indian Housing Compliance Supplement, dated May 29, 1996, I selected certain transactions applicable to certain nonmajor federal financial assistance program(s) for the year ended September 30, 1996. As required by OMB Circular A-128 and PIH Compliance Supplement, I have performed auditing procedures to test compliance with the requirements governing:

Specific Requirements:

Notice 96-32
Modernization and Development Program
Procurement Policy
Performance Funding System
Public Housing Management Assessment Program
Occupancy Function

that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the compliance of the Housing Authority of the Town of Elton, Louisiana, with these requirements. Accordingly, I 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 requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Housing Authority of the Town of Elton, Louisiana, had not complied, in all material respects, with those requirements.

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

4. FIXED ASSETS

The changes in general fixed assets are as follows:

Land, Structures, and Equipment	
Balance September 30, 1995	\$ 669,848.13
Additions - LS&E	0.00
Additions - CIAP	0.00
Deletions	<u>0.00</u>
Balance September 30, 1996	<u>\$ 669,848.13</u>

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the U.S. Government.

5. RETIREMENT SYSTEMS

The authority does not participate in a retirement plan.

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables at September 30, 1996, are as follows:

General Fund:	
Payment in Lieu of Taxes	\$ <u>1,509.38</u>
Total	<u>\$ 1,509.38</u>

7. COMPENSATED ABSENCES

At September 30, 1996, employees of the authority have accumulated and vested \$-0.00- of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long-term obligations account group.

8. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due other follows:

However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

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

A handwritten signature in black ink, reading "Tom E. Brewster". The signature is written in a cursive style with a large, sweeping initial "T".

CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

Schedule retirements of long-term debt is as follows:

1997	\$
1998	
1999	INFORMATION NOT AVAILABLE
2000	
2001	
Thereafter	

All principal and interest requirements are funded in accordance with Federal Law by the annual contributions contract from HUD. At September 30, 1996, the authority has accrued \$0 in the debt service funds for future debt requirements.

10. INTERFUND ASSETS/LIABILITIES

Interfund receivables/payables at September 30, 1996 are as follows: NONE

11. COMMITMENTS AND CONTINGENCIES

The authority participates in a number of federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1994 through September 30, 1996, these programs are still subject to cognizant agency program compliance audits and reviews.

12. GOING CONCERN

The authority receives a major portion of its funding from HUD. While it is unlikely to happen, discontinuation of this funding source would seriously affect the authority's ability to continue operations.

Ex. 16

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996. These general purpose financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule 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 general purpose financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

SEPTEMBER 30, 1996

<u>PROGRAM</u>	<u>CFA NO.</u>	<u>ASSISTANCE</u>	<u>EXPENDITURES</u>
U.S. Dept. of Housing and Urban Development:			
Conventional Public Housing Program			
HUD Operating Subsidy		\$ 29,241.00	\$ 29,241.00
HUD Annual Contribution	14.850*	<u>30,229.12</u>	<u>30,229.12</u>
Total Federal Financial Assistance		\$ <u>59,470.12</u>	\$ <u>59,470.12</u>

* As defined by OMB Circular A-128: This is a nonmajor program.

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Notes to Financial Statements (Continued)

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

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

L. LONG-TERM OBLIGATIONS

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

M. FUND EQUITY

Reserves

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

N. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 1996

STATUS OF PRIOR AUDIT FINDINGS

The prior audit of September 30, 1995, disclosed no findings of noncompliance with laws, rules and regulations.

CURRENT AUDIT FINDINGS AND ITEMS OF NONCOMPLIANCE

The current audit, for the year ended September 30, 1996, disclosed one (1) findings and/or noncompliance with HUD rules and regulations, contracts and agreements. These were discussed with the Executive Director at the exit conference.

1. BUDGET OVERRUN IN MAINTENANCE

The ACC requires the PHA to spend monies within the HUD-approved budget limits for 'controlled' categories of expenses, and maintenance is a defined 'controlled' category of expenses.

During the fiscal year, the PHA spent more money on maintenance materials and contract costs than was originally budgeted. As a result, it overspent the approved budget.

While there is no violation of law or statute nor adverse effect of this action, the PHA should keep its expenditures within approved budget limits or adopt appropriate budget revisions if necessary.

REPLY: We experienced several badly damaged units during the year and had to incur unanticipated repairs to refurbish the units so they could be re-rented. We usually keep all expenditures within the budget, but this was unusual and certainly not foreseen. In the future, we will consider preparing budget revisions as necessary.

QUESTIONED COSTS

None.

GENERAL COMMENTS

The Board is not meeting regularly, and meetings are held only for budget approval and PHMAP approval. The Board should meet at least quarterly to review the financial information and to stay informed of PHA matters.

The PHA also needs to update its tenant selection and occupancy policies, its maintenance charge list, etc.

assistance under the nonmajor federal financial assistance program(s) as disclosed in the Schedule of Federal Financial Assistance.

I performed tests of controls, as required by OMB Circular A-128 and PIH Compliance Supplement, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Authority's nonmajor federal financial assistance program(s), which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

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



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
 Notes to Financial Statements (Continued)

O. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At September 30, 1996, the authority has cash and cash equivalents (book balances) totaling \$19,595.47 as follows:

Demand deposits	\$ 19,585.47
Interest-bearing demand deposits	0.00
Money market accounts	0.00
Petty Cash	10.00
Time deposits	<u>0.00</u>
Total	<u>\$ 19,595.47</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1996, the authority has \$19,585.47 in deposits (collected bank balances). These deposits are secured from risk by \$100,000.00 of federal deposit insurance.

3. RECEIVABLES

The receivables of \$263.00 at September 30, 1996, are as follows:

General Fund Local Sources:

Tenants	\$ 263.00
Other	<u>0.00</u>
Total	<u>\$ 263.00</u>

29-16

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

U.S. Department of Housing
And Urban Development
Area Field Office

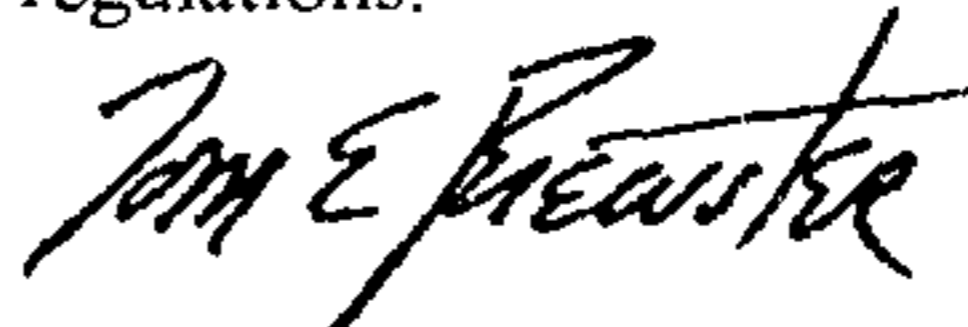
INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying general purpose financial statements listed in the Table of Contents of the Housing Authority of the Town of Elton, Louisiana, as of September 30, 1996. These general purpose financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these *general purpose financial statements based on my audit.*

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and 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 statement referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Elton, Louisiana, as of September 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 23, 1996 on my consideration of the Housing Authority's internal control structure and a report dated December 23, 1996 on its compliance with laws and regulations.



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 23, 1996

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Expenditures	General Fund				Special Revenue Fund							
	1995	1995	1995	1995	1995	1995	1995	1995				
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis
ADMINISTRATIVE:												
Administrative Salaries	5,700.00	5,700.00		5,700.00	0.00							
Travel	1,500.00	1,500.00		1,500.00	0.00							
Accounting and Audit Costs	3,100.00	3,015.50		3,015.50	84.50							
Sundry	1,400.00	854.86		854.96	545.14							
Total Administrative	11,700.00	11,070.36	0.00	11,070.36	629.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TENANT SERVICES:												
Salaries - Tenant Services												
Recreation, Publications, etc.												
Travel - Tenant Service Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tenant Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UTILITIES:												
Water	1,080.00	1,253.88		1,253.88	(173.88)							
Electricity	1,230.00	1,121.30		1,121.30	108.70							
Gas	5,920.00	5,712.76		5,712.76	207.24							
Sewerage	9,780.00	9,780.00		9,780.00	0.00							
Other Utilities Expense	18,010.00	17,867.94	0.00	17,867.94	142.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Utilities	18,010.00	17,867.94	0.00	17,867.94	142.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ORDINARY MAINTENANCE:												
Labor	3,000.00	4,810.73		4,810.73	(1,810.73)							
Materials	4,780.00	8,560.47		8,560.47	(3,780.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Costs	7,780.00	13,371.20	0.00	13,371.20	(5,591.20)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Ordinary Maintenance	7,780.00	13,371.20	0.00	13,371.20	(5,591.20)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Schedule C

Revenue	General Fund										Special Revenue Fund				
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis			
RENTAL INCOME:															
Dwelling Rent	\$20,730.00	\$23,178.00		\$23,178.00	\$2,448.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Excess Utilities	20,730.00	23,178.00	0.00	23,178.00	2,448.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total Rental Income															
NON-RENTAL INCOME:															
Interest on General Funds	450.00	444.49	0.00	444.49	(5.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Other	450.00	444.49	0.00	444.49	(5.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total Non-rental Income															
OTHER INCOME:															
Intergovernmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total Other Income															
TOTAL REVENUE	21,180.00	23,622.49	0.00	23,622.49	2,442.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00			

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

	Governmental Fund Types				Fiduciary Fund Types		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Memorandum Only	1996	1995
Other Credits / Charges								
SURPLUS CREDITS / CHARGES:								
Prior Year Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Surplus Credits / Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY:								
Modernization								
Replacement of Non-expendable Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Betterment and Additions								
Total Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	52,783.76	0.00	30,229.12	0.00	0.00	0.00	83,012.88	0.00
Excess of Revenues Over (Under) Expenditures	(29,161.27)	0.00	(0.00)	0.00	0.00	0.00	(29,161.27)	0.00
OTHER FINANCING SOURCES:								
Rental Assistance Subsidy	29,241.00	0.00	0.00	0.00	0.00	0.00	29,241.00	0.00
Total Other Financing Sources	29,241.00	0.00	0.00	0.00	0.00	0.00	29,241.00	0.00
Excess of Revenues and Other Sources Over (Under) Expenditures	\$79.73	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.00	\$79.73	\$0.00

** - 1995 Memorandum totals not included in this first year CAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Expenditures (cont.)	Governmental Fund Types					Fiduciary Fund Types		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	[Memorandum Only]		1996	1995
GENERAL:									
Insurance	7,685.67							7,685.67	
Payment in Lieu of Taxes	531.00							531.00	
Terminal Leave Payments									
Employee Benefit Contributions	2,190.00							2,190.00	
Collection Losses									
Other General Expenses	67.59							67.59	
Total General	10,474.26	0.00	0.00	0.00	0.00			10,474.26	0.00
NON-ROUTINE ITEMS:									
Non-routine Maintenance	0.00							0.00	
Total Non-routine Items	0.00	0.00	0.00	0.00	0.00			0.00	0.00
OTHER EXPENDITURES:									
Debt Service			25,667.88					25,667.88	
Principal			4,561.24					4,561.24	
Interest	0.00		30,229.12					30,229.12	0.00
Total Other Expenditures	0.00	0.00	30,229.12	0.00	0.00			30,229.12	0.00
SUBTOTAL EXPENDITURES	52,783.76	0.00	30,229.12	0.00	0.00			83,012.88	0.00

-- 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Expenditures	Governmental Fund Types				Fiduciary Fund Types	Totals	
	General	Special Revenue	Debt Service	Capital Projects		Expendable Trust	Memorandum Only
	1996	1995					
ADMINISTRATIVE:							
Administrative Salaries	5,700.00					5,700.00	
Travel	1,500.00					1,500.00	
Accounting and Audit Costs	3,015.50					3,015.50	
Sundry	854.86					854.86	
Total Administrative	11,070.36					11,070.36	
TENANT SERVICES:							
Salaries - Tenant Services							
Recreation, Publications, etc.							
Travel - Tenant Service Coordinator							
Total Tenant Services	0.00					0.00	
UTILITIES:							
Water	1,253.88					1,253.88	
Electricity	1,121.30					1,121.30	
Gas	5,712.76					5,712.76	
Labor	9,780.00					9,780.00	
Other Utilities Expense							
Total Utilities	17,867.94					17,867.94	
ORDINARY MAINTENANCE:							
Labor	4,810.73					4,810.73	
Materials	8,580.47					8,580.47	
Contract Costs							
Total Ordinary Maintenance	13,371.20					13,371.20	

-- 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
 AS OF SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

	Governmental Fund Types				Fiduciary Fund Types		Account Groups		Totals [Memorandum Only]	
	General	Special Revenue	Debt Service	Capital Projects	Agency and Expendable Trust	General Fixed Assets	General Long-Term Debt	1996	1995	**
Liabilities, Fund Equity, & Other Credits										
ACCOUNTS PAYABLE:					\$975.00			\$975.00		
Tenant Security Deposits					\$75.00	0.00	0.00	975.00		0.00
P/R Tax Withheld	0.00	0.00	0.00	0.00						
Total Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,509.38		0.00
ACCRUED LIABILITIES:										
Payments in Lieu of Taxes	\$1,509.38	0.00	0.00	0.00	0.00	0.00	0.00	1,509.38		0.00
Total Accrued Liabilities	1,509.38	0.00	0.00	0.00	0.00	0.00	0.00	1,509.38		0.00
DEFERRED CREDITS:										
Prepaid Contribution					0.00	0.00	0.00	0.00		0.00
Other Deferred Credits	0.00	0.00	0.00	0.00						
Total Deferred Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
FIXED LIABILITIES:										
Permanent Notes Payable - HUD									270,000.00	
Notes Payable - FFB									(160,830.37)	
Bonds Issued									322,659.11	
Bonds Retired										0.00
Total Fixed Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	322,659.11		325,143.49
TOTAL LIABILITIES	1,509.38	0.00	0.00	0.00	975.00	0.00	0.00	325,143.49		0.00

** - 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Expenditures (cont.)	General Fund					Special Revenue Fund						
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	1995 Actual GAAP Basis
GENERAL:												
Insurance	6,860.00	7,685.67		7,685.67	(825.67)							
Payment in Lieu of Taxes	320.00	531.00		531.00	(211.00)							
Terminal Leave Payments				0.00	0.00							
Employee Benefit Contributions	2,190.00	2,190.00		2,190.00	0.00							
Collection Losses				0.00	0.00							
Other General Expenses	1,000.00	67.59		67.59	932.41							
Total General	10,370.00	10,474.26	0.00	10,474.26	(104.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON-ROUTINE ITEMS:												
Non-routine Maintenance	0.00	0.00		0.00	0.00							
Total Non-routine Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUBTOTAL EXPENDITURES	47,860.00	52,783.76	0.00	52,783.76	(4,923.76)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

-- 1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements

TRANSMITTAL LETTER

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

December 23, 1996

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the general purpose financial statements, with supplemental information schedules, for the Housing Authority of the Town of Elton as of and for the year ended September 30, 1996. The report includes all funds under the control and authority of the housing authority. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Executive Director

Enclosure

HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA
Contents, September 30, 1996

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**HOUSING AUTHORITY OF THE TOWN OF ELTON
ELTON, LOUISIANA**

General Purpose Financial Statements
As of and for the Year Ended September 30, 1996
With Supplemental Information Schedules

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FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF ELTON

ELTON, LOUISIANA

SEPTEMBER 30, 1996

4033

TOM E. BREWSTER
CERTIFIED PUBLIC ACCOUNTANT

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FINANCIAL STATEMENTS

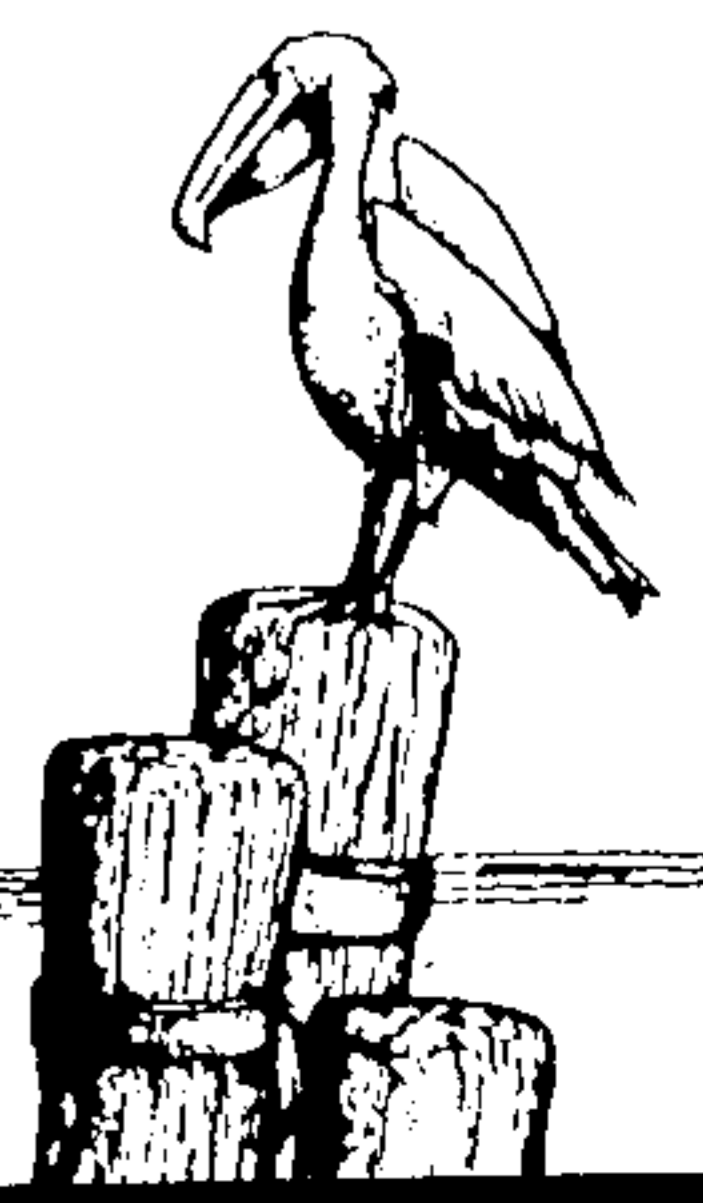
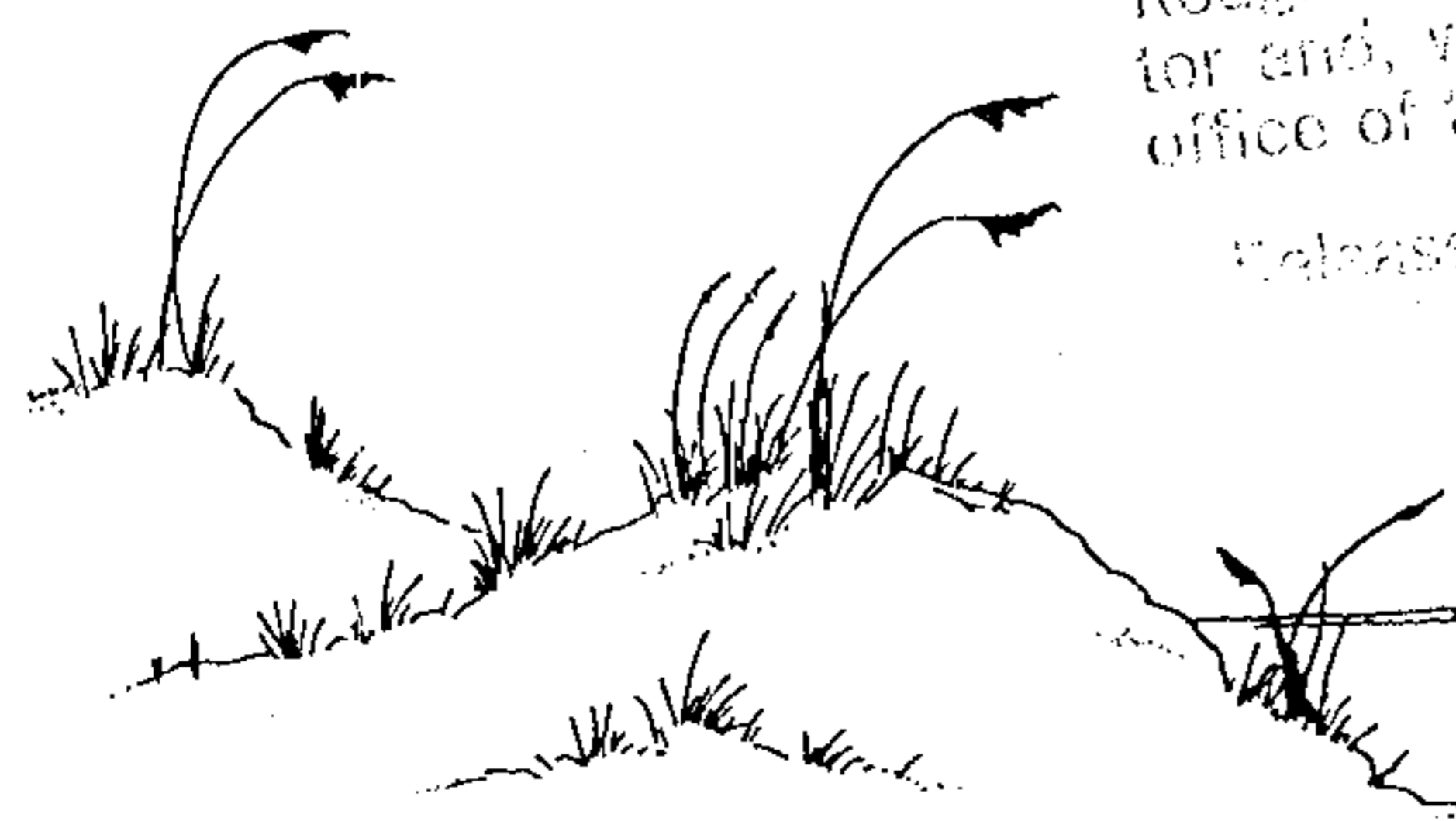
HOUSING AUTHORITY OF THE TOWN OF ELTON

ELTON, LOUISIANA

SEPTEMBER 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the public by the reporting entity and is available to all public officials. This report is for public inspection at the Elton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date ~~APR 30 1997~~



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, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

ACCOUNTING CONTROLS

Operating Budget	General Ledger
Cash Disbursements	Journal Vouchers
Cash Receipts	Operating Subsidy/PFS System
Purchasing and Procurement	Payroll

ADMINISTRATIVE CONTROLS

General Requirements:

Political Activity	Administrative Requirements
Cash Management and Policies	including Minutes, Resolutions
Drug-Free Workplace Act	and policies of the Board of
Civil Rights	Commissioners
Federal Financial Reports	Allowable Costs/Cost Principles
Davis-Bacon Act	

Specific Requirements:

- Notice 96-32
- Modernization and Development Program
- Procurement Policy
- Performance Funding System
- Public Housing Management Assessment Program
- Occupancy Function

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

During the year ended September 30, 1996, the Housing Authority of the Town of Elton, Louisiana, had no major federal financial assistance program(s) and expended 100% of its total federal financial

Ex. 26(e)

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
Town of Elton
P. O. Box 190
Elton, Louisiana 70532

**SINGLE AUDIT REPORT ON THE
INTERNAL CONTROL STRUCTURE USED
IN ADMINISTERING FEDERAL
FINANCIAL ASSISTANCE PROGRAMS -
NO MAJOR PROGRAMS**

I have audited the general purpose financial statements of the Housing Authority of the Town of Elton, Louisiana, as of and for the year ended September 30, 1996, and have issued my report thereon dated December 23, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, "Audits of State and Local Governments"; and Public and Indian Housing Compliance Supplement, dated May 29, 1996. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Housing Authority of the Town of Elton, Louisiana, complied with laws and regulations, noncompliance with which would be material to its federal financial assistance program(s).

In planning and performing my audit for the year ended September 30, 1996, I considered the internal control structure of the Housing Authority of the Town of Elton, Louisiana, in order to determine my auditing procedures for the purpose of expressing my opinions on the Authority's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128 and PIH Compliance Supplement. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 23, 1996.

The management of the Housing Authority of the Town of Elton, Louisiana, 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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance program(s) are managed in compliance with applicable laws and regulations. Because of inherent

HOUSING AUTHORITY OF THE TOWN OF ELTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995

Schedule B

Revenue	Governmental Fund Types				Fiduciary Fund Types		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Memorandum Only	1996	1995
RENTAL INCOME:								
Dwelling Rent	\$23,178.00						23,178.00	0.00
Excess Utilities	23,178.00	0.00	0.00	0.00	0.00		23,178.00	0.00
Total Rental Income								
							23,178.00	0.00
NON-RENTAL INCOME:								
Interest on General Funds	444.49						444.49	0.00
Other	444.49	0.00	0.00	0.00	0.00		444.49	0.00
Total Non-rental Income								
							444.49	0.00
OTHER INCOME:								
Federal Sources								
Grants - CIAP								
Grants							30,229.12	
Annual Contributions							30,229.12	0.00
Total Other Sources								
							30,229.12	0.00
TOTAL REVENUE								
	23,622.49	0.00	30,229.12	0.00	0.00		53,851.61	0.00

1995 Memorandum totals not included in this first year GAAP presentation
 See Notes to Financial Statements