

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996
VOUCHERANNUAL CONTRIBUTION CONTRACT
FW — 2266Project Account

Balance per prior audit at 06-30-95	\$	321,124.29
Provision for (reduction of) Project Account for year ended 06-30-96 - Exhibit D(3)		<u>143,572.10</u>
Balance at 06-30-96		<u>464,696.39</u>

Cumulative HUD Contributions

Balance per prior audit at 06-30-95		593,554.01
Annual contribution for year ended 06-30-96 - Exhibit D(3)		<u>87,328.00</u>
Balance at 06-30-96		<u>680,882.01</u>
Total Surplus - Exhibit A	\$	<u><u>1,912,785.06</u></u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996
VOUCHERANNUAL CONTRIBUTION CONTRACT
FW — 2266Unreserved Surplus

Balance per prior audit at 06-30-95	\$	(914,570.50)
Net loss for the year ended 06-30-96 - Exhibit B(3)		(81,924.06)
(Provision for) reduction of Operating Reserve for year ended 06-30-96 - Exhibit D(3)		(5,403.94)
(Provision for) reduction of Project Account for year ended 06-30-96 - Exhibit D(3)		(143,572.10)
Balance at 06-30-96		<u>(1,145,470.60)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 06-30-95		24,865.33
Provision for (reduction of) Operating Reserve for the year ended 06-30-96 - Exhibit D(3)		5,403.94
Balance at 06-30-96 - Exhibit F	\$	<u>30,269.27</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 1996

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>CDFA NO.</u>	<u>GRANT ID NO.</u>	<u>AWARD AMOUNT</u>	<u>PROGRAM EXPENDITURES</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low-Income Housing				
Annual Contribution	14.850	FW- 588	\$ 77,279.34	\$ 77,279.34
Operating Subsidy	14.850	FW- 588	43,116.00	43,116.00
NonMajor Program Total			<u>120,395.34</u>	<u>120,395.34</u>
Section 8 Hap -				
Existing	14.156	FW-2097	47,820.00	47,820.00
NonMajor Program Total			<u>47,820.00</u>	<u>47,820.00</u>
Section 8 Hap -				
Vouchers	14.177	FW-2266	87,328.00	87,328.00
NonMajor Program Total			<u>87,328.00</u>	<u>87,328.00</u>
Comprehensive Improvement Assistance Program				
Project 1995	14.852	FW- 588	3,300.00	3,300.00
NonMajor Program Total			<u>3,300.00</u>	<u>3,300.00</u>
Total HUD			<u>\$ 258,843.34</u>	<u>\$ 258,843.34</u>

1/ The Housing Authority of Vinton is indebted to the Federal Financing Bank for \$ 641,735.75 at June 30, 1996. Also, the Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of Vinton's bonded indebtedness. This bonded indebtedness was \$ 89,520.09 at June 30, 1996.

HOUSING AUTHORITY OF THE TOWN OF VINTON

SPECIAL REVENUE FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 JUNE 30, 1996

	Assisted Housing Programs		
	Existing Units Program	Voucher Program	Total
REVENUES			
Intergovernmental	\$ 47,820.00	\$ 87,328.00	\$ 135,148.00
Interest	541.77	1,006.13	1,547.90
Total Revenues	48,361.77	88,334.13	136,695.90
EXPENDITURES			
Administration	4,513.72	8,574.39	13,088.11
Housing assistance payments	41,515.00	74,355.80	115,870.80
Total Expenditures	46,028.72	82,930.19	128,958.91
Excess (deficiency) of revenues over (under) expenditures	2,333.05	5,403.94	7,736.99
FUND BALANCE, beginning of year	13,209.02	24,865.33	38,074.35
FUND BALANCE, end of year	\$ 15,542.07	\$ 30,269.27	\$ 45,811.34

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT
FW — 588

	Year Ended	<u>Year Ended</u> <u>06-30-96</u>
<u>Computation of Residual Receipts</u>		
<u>Operating Receipts</u>		
Operating Income - Exhibit B(1)	\$	98,416.01
HUD operating subsidy		43,116.00
Prior year adjustments - affecting residual receipts		1,602.14
Total Operating Receipts		<u>143,134.15</u>
<u>Operating Expenditures</u>		
Operating expenses - Exhibit B(1)		112,904.81
Capital expenditures:		
Replacement of nonexpendable equipment		1,606.00
Property betterments and additions		479.99
Total Operating Expenditures		<u>114,990.80</u>
Residual receipts (deficit) per audit before provision for reserve		28,143.35
Audit adjustments (backed out)		<u> </u>
Residual receipts per PHA before provision for reserve		28,143.35
(Provision for) or reduction of operating reserve - Exhibit C		<u>(28,143.35)</u>
Residual receipts per PHA	\$	<u>0.00</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT
FW - 588

	<u>Year Ended</u>
	<u>06-30-96</u>
<u>Computation of Accruing Annual Contributions</u>	
Fixed annual contribution	\$ <u>77,279.34</u>
Total Annual Contribution - Exhibit C	\$ <u><u>77,279.34</u></u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 EXISTING

ANNUAL CONTRIBUTION CONTRACT
FW — 2097

		<u>Year Ended</u> <u>06-30-96</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	102,095.00
Project account balance at beginning of fiscal year		<u>210,995.37</u>
Total Annual Contribution Available		<u>313,090.37</u>
Annual Contribution Required		
Housing assistance payments		41,515.00
Administrative fee		6,107.00
Hard-to-house fee		90.00
Independent public accountant audit costs		<u>107.90</u>
		47,819.90
Project receipts other than annual contribution		
Total Contribution Required - Exhibit C		<u>47,819.90</u>
Excess in Annual Contribution Available		<u>265,270.47</u>
Year-end Settlement		
Annual contribution due for fiscal year		47,820.00
Total partial payments received by PHA for fiscal year		<u>49,024.00</u>
(Over) Under Payment Due (HUD) PHA	\$	<u>(1,204.00)</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 EXISTING

ANNUAL CONTRIBUTION CONTRACT
FW — 2097

		Year Ended
		06-30-96
Status of Project Account		
Project account balance at the beginning of fiscal year	\$	210,995.37
Increase (decrease) during fiscal year - Exhibit C		54,275.10
		265,270.47
Provision for Operating Reserve		
Operating receipts		
Operating income - Exhibit B(2)		541.77
Annual contributions earned		47,820.00
		48,361.77
Operating Expenditures		
Operating expenses -Exhibit B(2)		45,629.72
Property betterments and additions		399.00
		46,028.72
Residual receipts (deficit)		2,333.05
(Provision for) reduction of operating reserve - Exhibit C(2)		(2,333.05)
Residual receipts (deficit) after provision for operating reserve	\$	0.00

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

Estes and Associates

Fort Worth, Texas
October 23, 1996

HOUSING AUTHORITY OF THE TOWN OF VINTON

SCHEDULE OF ADJUSTING JOURNAL ENTRIES

JUNE 30, 1996

		ACCT. # FOR AUDIT REPORT PURPOSES	DR	CR	ACCT. # FOR POSTING TO PHA BOOKS
<1>	Permanent Notes - HUD	2311	439,091.00		2311
	Cumulative HUD				
	Contributions	2840		439,091.00	2840

To write off notes previously forgiven by HUD

HOUSING AUTHORITY OF THE TOWN OF VINTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 1996

Prior Audit Findings and Questioned Cost

There were no prior audit findings.

Current Audit Findings

Questioned
Cost

None.

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

Estes and Associates

Fort Worth, Texas
October 23, 1996

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls	Administrative Controls
Revenues, receivables, and cash receipts	Political activity
Procurement, payables, and cash disbursement	Davis-Bacon Act
Property and equipment	Civil rights
Payroll	Cash management
Finance, debt, debt service	Federal financial reports
	Allowable costs/Cost principles
	Drug Free Workplace Act
	Administrative requirements
	Types of services -
	allowability
	Eligibility
	Reporting
	Costs allocation
	Special requirements

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.

During the year ended June 30, 1996, the Housing Authority of the Town of Vinton, Louisiana, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under nonmajor federal financial assistance programs: Low Income Housing, CIAP, Section 8 Existing, Vouchers.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we 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 the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance 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 noncompliance with laws and regulations that would be material to a federal financial assistance 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.

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Independent Auditors' Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs —
No Major Programs

We have audited the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 Housing Authority of the Town of Vinton, Louisiana complied with laws and regulations, non-compliance with which would be material to a federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Authority's financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 23, 1996.

The management of the Housing Authority of the Town of Vinton, 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 financial statements in accordance with generally accepted accounting principles, and that federal financial assistance 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.

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 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 operation that we consider to be material weaknesses as defined above.

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

Estes and Associates

Fort Worth, Texas
October 23, 1996

HOUSING AUTHORITY OF THE TOWN OF VINTON
STATEMENT OF MODERNIZATION COSTS — UNCOMPLETED
JUNE 30, 1996

		Project 1995
Funds Approved	\$	<u>306,000.00</u>
Funds Expended		<u>3,300.00</u>
Excess of Funds Approved	\$	<u><u>302,700.00</u></u>
Funds Advanced	\$	3,300.00
Funds Expended		<u>3,300.00</u>
Excess of Funds Advanced	\$	<u><u>0.00</u></u>

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Independent Auditors' Report on Compliance with
Specific Requirements Applicable to NonMajor Federal
Financial Assistance Program Transactions

We have audited the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the twelve months ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

In connection with our audit of the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the twelve months ended June 30, 1996, and with our consideration of the Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the twelve months ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation; analysis of general fund cash; operating subsidy eligibility; fair market rent ceiling on housing assistance payments; rent reasonableness; housing quality standards property inspections; annual rent adjustment limits; prohibition of the use of lead based paint in construction contracts; and CIAP procurement compliance 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 Authority's compliance with these 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 requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the Town of Vinton, Louisiana, had not complied, in all material respects, with those requirements.

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

Estes and Associates

Fort Worth, Texas
October 23, 1996

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT — OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
VOUCHERANNUAL CONTRIBUTION CONTRACT
FW — 2266

	<u>Year Ended</u>
	<u>06-30-96</u>
Maximum Contribution Available	
Maximum annual contribution authorized	\$ 230,900.00
Project account balance at beginning of fiscal year	<u>321,124.29</u>
Total Annual Contribution Available	<u>552,024.29</u>
Annual Contribution Required	
Housing assistance payments	74,355.80
Administrative fee	12,620.00
Hard-to-house fee	45.00
Independent public accountant audit costs	<u>307.10</u>
	87,327.90
Project receipts other than annual contribution	
Total Contribution Required - Exhibit C	<u>87,327.90</u>
Excess in Annual Contribution Available	<u>464,696.39</u>
Year-end Settlement	
Annual contribution due for fiscal year	87,328.00
Total partial payments received by PHA for fiscal year	<u>99,544.00</u>
(Over) Under Payment Due (HUD) PHA	\$ <u>(12,216.00)</u>

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Independent Auditors' Report on Compliance with the
General Requirements Applicable to
Federal Financial Assistance Programs

We have audited the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the twelve months ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We have applied procedures to test the Housing Authority of the Town of Vinton, Louisiana's compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the twelve months ended June 30, 1996.

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Federal Financial Reports (Claims for Advances and Reimbursements)
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements

Our 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*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. 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 requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the Town of Vinton, Louisiana had not complied, in all material respects, with those requirements.

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

We have audited the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the twelve months ended June 30, 1996, and have issued our report thereon dated October 23, 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 the Housing Authority of the Town of Vinton, Louisiana is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective 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 noncompliance that are required to be reported herein under *Government Auditing Standards*.

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

Estes and Associates

Fort Worth, Texas
October 23, 1996

HOUSING AUTHORITY OF THE TOWN OF VINTON
STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT
FW — 588

	Year Ended
	06-30-96
Operating Income	
Dwelling rental	\$ 90,025.37
Excess utilities	4,514.80
Interest on general fund investments	2,546.70
Other income	1,329.14
Total Operating Income - Exhibit D(1)	98,416.01
Operating Expenses	
Administration	26,410.56
Utilities	19,983.42
Ordinary maintenance and operation	28,492.16
General expense	38,018.67
Total Operating Expense - Exhibit D(1)	112,904.81
Net Operating Income (Loss)	(14,488.80)
Other Credits	
Prior year adjustments - affecting residual receipts	1,602.14
Total Other Credits	1,602.14
Other Charges	
Interest on notes and bonds payable	48,145.15
Prior year adjustments - not affecting residual receipts	35.00
Gain or loss from disposition of real property	7,234.23
Total Other Charges	55,414.38
Net Loss - Exhibit C	\$ (68,301.04)

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF GENERAL FUND CASH BALANCE

ANNUAL CONTRIBUTION CONTRACT

FW -- 588Composition Before Adjustments

Net operating receipts retained:

Operating reserves - Exhibit C	\$	148,726.49
Deferred credits		4,122.81
Cash donations		4,360.30
		<u>157,209.60</u>

Adjustments

Expenses/costs not paid:

Accounts payable		29,993.41
Accrued payments in lieu of taxes		7,677.08

Income not received:

Accounts receivable		<u>(4,316.98)</u>
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General Fund Cash Available

190,563.11

General Fund Cash:

Invested		(124,205.26)
Applied to deferred charges (prepaid insurance, inventories, etc.)		<u>(10,910.62)</u>

General Fund Cash - Exhibit A

\$ 55,447.23

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996
EXISTINGANNUAL CONTRIBUTION CONTRACT
FW — 2097Project Account

Balance per prior audit at 06-30-95	\$	210,995.37
Provision for (reduction of) Project Account for year ended 06-30-96 - Exhibit D(2)		<u>54,275.10</u>
Balance at 06-30-96		<u>265,270.47</u>

Cumulative HUD Contributions

Balance per prior audit at 06-30-95		599,134.21
Annual contribution for year ended 06-30-96 - Exhibit D(2)		<u>47,820.00</u>
Balance at 06-30-96	\$	<u>646,954.21</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT – OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 VOUCHER

ANNUAL CONTRIBUTION CONTRACT
FW – 2266

		<u>Year Ended</u>
		<u>06-30-96</u>
Status of Project Account		
Project account balance at the beginning of fiscal year	\$	321,124.29
Increase (decrease) during fiscal year - Exhibit C		<u>143,572.10</u>
		<u>464,696.39</u>
Provision for Operating Reserve		
Operating receipts		
Operating income - Exhibit B(3)		1,006.13
Annual contributions earned		<u>87,328.00</u>
		88,334.13
Operating Expenditures		
Operating expenses -Exhibit B(3)		<u>82,930.19</u>
		<u>82,930.19</u>
Residual receipts (deficit)		5,403.94
(Provision for) reduction of operating reserve - Exhibit C		<u>(5,403.94)</u>
Residual receipts (deficit) after	\$	<u>0.00</u>

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Independent Auditors' Report on the Internal
Control Structure in Accordance with
Governmental Auditing Standards

We have audited the financial statements of the Housing Authority of the Town of Vinton, Louisiana, as of and for the twelve months ended June 30, 1996, and have issued our report thereon dated October 23, 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.

The management of the Housing Authority of the Town of Vinton, 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, 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 federal financial assistance programs are managed in compliance with applicable laws and regulations. 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 our audit of the financial statements of Town of Vinton, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 reportable condition in which the design or operation of one or more of the specific internal control structure elements does not

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS

(Continued)
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain revenues which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) Budgetary Data

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

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HOUSING AUTHORITY OF THE CITY OF VINTON, LOUISIANA

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED 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 DEC 18 1996

ESTES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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MIKE ESTES, CPA/PFS, CFP

MEMBER
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PUBLIC ACCOUNTANTS

Report of Independent Certified Public Accountants
on Financial Statements and Financial Schedules

Board of Commissioners
Housing Authority of the
Town of Vinton
Vinton, Louisiana

Regional Inspector General for Audit
Office of Inspector General
Department of Housing and Urban
Development

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of the Town of Vinton, Louisiana (the Authority) as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Authority'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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Vinton, Louisiana as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Housing Authority of the Town of Vinton, Louisiana as of June 30, 1996, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 23, 1996 on our consideration of the Authority's system of internal control and a report dated October 23, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The budgetary information included in the accompanying financial statements and the accompanying financial information listed as financial schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Housing Authority of the Town of Vinton, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material aspects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Estes and Associates

Fort Worth, Texas
October 23, 1996

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	Governmental Fund Types			Fiduciary Fund Types		Account Groups		Total Memorandum (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fixed Assets	General Long-Term Debt	
ASSETS								
Cash and cash equivalents	\$ 49,822.23	\$	\$	\$	\$ 5,625.00	\$	\$	\$ 55,447.23
Investments	124,205.26							124,205.26
Debt amortization and bond funds								0.00
Receivables, net of allowances:								
Rentals	894.33							894.33
Other	50.00							50.00
Due from:								
Other funds		66,599.71						66,599.71
Other governments			77,365.09					77,365.09
Prepaid expenditures	10,910.62							10,910.62
Property, plant and equipment						2,410,289.02		2,410,289.02
Amount to be provided for retirement of general long-term debt							731,255.84	731,255.84
Total Assets	<u>\$ 185,882.44</u>	<u>\$ 66,599.71</u>	<u>\$ 77,365.09</u>	<u>\$ 0.00</u>	<u>\$ 5,625.00</u>	<u>\$ 2,410,289.02</u>	<u>\$ 731,255.84</u>	<u>\$ 3,477,017.10</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
JUNE 30, 1996

	Governmental Fund Types				Fiduciary Fund Types		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fixed Assets	General Long-Term Debt			
LIABILITIES AND FUND EQUITY										
LIABILITIES										
Accounts payable	\$ 207.39	\$	\$	\$						\$ 207.39
Accrued liabilities	7,677.08									7,677.08
Due to:										
Tenants										
Other funds	66,599.71				5,625.00					5,625.00
Other governments		20,788.37								66,599.71
Deferred revenue	4,122.81									20,788.37
General obligation bonds payable and other liabilities										4,122.81
Total Liabilities	<u>78,606.99</u>	<u>20,788.37</u>	<u>0.00</u>	<u>0.00</u>	<u>5,625.00</u>	<u>0.00</u>	<u>731,255.84</u>	<u>0.00</u>	<u>731,255.84</u>	<u>836,276.20</u>
FUND EQUITY										
Investment in general fixed assets										2,410,289.02
Fund balances:										
Reserved for debt service										77,365.09
Unreserved:										
Undesignated	<u>107,275.45</u>	<u>45,811.34</u>								<u>153,086.79</u>
Total Fund Equity	<u>107,275.45</u>	<u>45,811.34</u>	<u>77,365.09</u>	<u>0.00</u>	<u>0.00</u>	<u>2,410,289.02</u>	<u>0.00</u>	<u>0.00</u>	<u>2,410,289.02</u>	<u>2,640,740.90</u>
Total Liabilities and Fund Equity	<u>\$ 185,882.44</u>	<u>\$ 66,599.71</u>	<u>\$ 77,365.09</u>	<u>\$ 0.00</u>	<u>\$ 5,625.00</u>	<u>\$ 2,410,289.02</u>	<u>\$ 731,255.84</u>	<u>\$ 0.00</u>	<u>\$ 731,255.84</u>	<u>\$ 3,477,017.10</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1996

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Rentals	\$ 94,540.17	\$	\$	\$	\$ 94,540.17
Intergovernmental	43,116.00	135,148.00	77,279.34	3,300.00	258,843.34
Interest	2,546.70	1,547.90			4,094.60
Other	2,931.28				2,931.28
Total Revenues	<u>143,134.15</u>	<u>136,695.90</u>	<u>77,279.34</u>	<u>3,300.00</u>	<u>360,409.39</u>
EXPENDITURES					
Administration	26,410.56	13,088.11			39,498.67
Utilities	19,983.42				19,983.42
Ordinary maintenance	28,492.16				28,492.16
General expenditures	38,018.67				38,018.67
Housing assistance payments		115,870.80			115,870.80
Capital expenditures	2,085.99			3,300.00	5,385.99
Debt service:					
Principal retirement			29,141.27		29,141.27
Interest			48,145.15		48,145.15
Total expenditures	<u>114,990.80</u>	<u>128,958.91</u>	<u>77,286.42</u>	<u>3,300.00</u>	<u>324,536.13</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,143.35</u>	<u>7,736.99</u>	<u>(7.08)</u>	<u>0.00</u>	<u>35,873.26</u>
OTHER FINANCING SOURCES(USES)					
Operating transfers in					0.00
Operating transfers out					0.00
Total other financing sources(uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND BALANCE, beginning of year	<u>79,132.10</u>	<u>38,074.35</u>	<u>77,372.17</u>		<u>194,578.62</u>
FUND BALANCE, end of year	<u>\$ 107,275.45</u>	<u>\$ 45,811.34</u>	<u>\$ 77,365.09</u>	<u>\$ 0.00</u>	<u>\$ 230,451.88</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

SPECIAL REVENUE FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 1996

	Assisted Housing Programs		
	Existing Units Program	Voucher Program	Total
ASSETS			
Due from:			
Other funds	15,703.90	50,895.81	66,599.71
Prepaid expenditures			0.00
Total Assets	<u>\$ 15,703.90</u>	<u>\$ 50,895.81</u>	<u>\$ 66,599.71</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Due to:			
Other governments	161.83	20,626.54	20,788.37
Total liabilities	<u>161.83</u>	<u>20,626.54</u>	<u>20,788.37</u>
FUND EQUITY			
Unreserved and undesignated	15,542.07	30,269.27	45,811.34
Total fund equity	<u>15,542.07</u>	<u>30,269.27</u>	<u>45,811.34</u>
Total liabilities and fund equity	<u>\$ 15,703.90</u>	<u>\$ 50,895.81</u>	<u>\$ 66,599.71</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Rentals	\$ 86,120.00	\$ 94,540.17	\$ 8,420.17	\$ 147,245.00	\$ 135,148.00	\$ (12,097.00)
Intergovernmental	43,116.00	43,116.00	0.00			
Interest	4,360.00	2,546.70	(1,813.30)		1,547.90	1,547.90
Other income	2,000.00	2931.28	931.28			0.00
Total Revenues	135,596.00	143,134.15	7,538.15	147,245.00	136,695.90	(10,549.10)
EXPENDITURES						
Administration	33,760.00	26,410.56	(7,349.44)	20,609.00	13,088.11	(7,520.89)
Utilities	17,650.00	19,983.42	2,333.42			0.00
Ordinary maintenance	43,500.00	28,492.16	(15,007.84)			0.00
General expenditures	45,047.00	38,018.67	(7,028.33)			0.00
Housing assistance payments			0.00	126,636.00	115,870.80	(10,765.20)
Capital expenditures	4,680.00	2,085.99	(2,594.01)			0.00
Total Expenditures	144,637.00	114,990.80	(29,646.20)	147,245.00	128,958.91	(18,286.09)
Excess (deficiency) of revenues over (under) expenditures	\$ (9,041.00)	28,143.35	\$ 37,184.35	\$ 0.00	7,736.99	\$ 7,736.99
Transfer of net income to unreserved deficit						
FUND BALANCES, beginning of year		79,132.10			38,074.35	
FUND BALANCES, end of year		\$107,275.45			\$ 45,811.34	

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 1996

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Intergovernmental	77,279.34	77,279.34	0.00	3,300.00	3,300.00	0.00
Total Revenues	77,279.34	77,279.34	0.00	3,300.00	3,300.00	0.00
EXPENDITURES						
Capital expenditures				3,300.00	3,300.00	
Debt Service:						
Principal retirement	29,141.27	29,141.27	0.00			0.00
Interest	48,145.15	48,145.15	0.00			0.00
Total Expenditures	77,286.42	77,286.42	0.00	3,300.00	3,300.00	0.00
Excess (deficiency) of revenues over (under) expenditures	\$ (7.08)	(7.08) \$	0.00 \$	0.00	0.00 \$	0.00
Transfer of net income to unreserved deficit						
FUND BALANCES, beginning of year		77,372.17				
FUND BALANCES, end of year		\$ 77,365.09			\$ 0.00	

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON
STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT
FW — 2266

		<u>Year Ended</u>
		<u>06-30-96</u>
Operating Income		
Interest on general fund investments	\$	<u>1,006.13</u>
Total Operating Income - Exhibit D(3)		<u>1,006.13</u>
Operating Expenses		
Administration		8,267.29
Housing assistance payments		74,355.80
Independent public accountant audit costs		<u>307.10</u>
Total Operating Expense - Exhibit D(3)		<u>82,930.19</u>
Net Operating Income (Loss)		<u>(81,924.06)</u>
Net Loss - Exhibit C	\$	<u><u>(81,924.06)</u></u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS

(Continued)
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(3) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS -- STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996
EXISTINGANNUAL CONTRIBUTION CONTRACT
FW -- 2097Unreserved Surplus

Balance per prior audit at 06-30-95	\$	(810,152.68)
Net loss for the year ended 06-30-96 - Exhibit B(2)		(45,087.95)
(Provision for) reduction of Operating Reserve for year ended 06-30-96 - Exhibit D(2)		(2,333.05)
(Provision for) reduction of Project Account for year ended 06-30-96 - Exhibit D(2)		(54,275.10)
Balance at 06-30-96		<u>(911,848.78)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 06-30-95		13,209.02
Provision for (reduction of) Operating Reserve for the year ended 06-30-96 - Exhibit D(2)		2,333.05
Balance at 06-30-96 - Exhibit F	\$	<u>15,542.07</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
 JUNE 30, 1996

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 5,875.00	\$ 5,875.00
REDUCTIONS		
<u>Payments to tenants</u>	250.00	250.00
Total Reductions	<u>250.00</u>	<u>250.00</u>
DEPOSIT BALANCES AT END OF YEAR	\$ <u>5,625.00</u>	\$ <u>5,625.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996ANNUAL CONTRIBUTION CONTRACT
FW — 588Cumulative HUD Contributions

Balance per prior audit at 06-30-95	\$	2,416,474.31
Adjustment of notes by HUD		439,091.00
Annual contribution for year ended 06-30-96 - Exhibit D(1)		77,279.34
Operating subsidy for year ended 06-30-96		43,116.00
Balance at 06-30-96		<u>2,975,960.65</u>

Cumulative HUD Grants

Balance per prior audit at 06-30-95		415,741.46
Advances for year ended 06-30-96		3,300.00
Balance at 06-30-96		<u>419,041.46</u>

Cumulative Donations

Balance per prior audit at 06-30-95		10,116.04
Balance at 06-30-96	\$	<u>10,116.04</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED JUNE 30, 1996ANNUAL CONTRIBUTION CONTRACT
FW — 588Unreserved Surplus

Balance per prior audit at 06-30-95	\$	(1,543,531.75)
Prior audit adjustment		(1,567.14)
Net loss for the year ended 06-30-96 - Exhibit B(1)		(68,301.04)
(Provision for) reduction of Operating Reserve for year ended 06-30-96 - Exhibit D(1)		(28,143.35)
Balance at 06-30-96		<u>(1,641,543.28)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 06-30-95		74,771.80
Provision for (reduction of) Operating Reserve for the year ended 06-30-96 - Exhibit D(1)		28,143.35
Balance at 06-30-96 - Exhibit F	\$	<u>102,915.15</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Vinton, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the Town of Vinton, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of June 30, 1996, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and broad categories in the financial statements as follows:

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

BALANCE SHEET — STATUTORY BASIS
JUNE 30, 1996ANNUAL CONTRIBUTION CONTRACT
FW — 588ASSETS

Cash - Exhibit F	\$	55,447.23
Accounts receivable - tenants		894.33
Accounts receivable - HUD - Prior YE settlements		3,372.65
Accounts receivable - other		50.00
Investments		124,205.26
Debt amortization funds		77,365.09
Deferred charges		10,910.62
Land, structures and equipment		<u>2,413,589.02</u>
Total Assets	\$	<u>2,685,834.20</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	5,832.39
Accounts payable - HUD - Prior YE Settlement		10,741.02
Accounts payable - HUD - Exhibit D(2) & D(3)		13,420.00
Accrued liabilities		7,677.08
Deferred credits		4,122.81
Fixed liabilities		<u>731,255.84</u>
Total Liabilities		773,049.14
Surplus - Exhibit C		<u>1,912,785.06</u>
Total Liabilities and Surplus	\$	<u>2,685,834.20</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS

(Continued)
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. The difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

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

(7) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at June 30, 1996.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not recorded on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

HOUSING AUTHORITY OF THE TOWN OF VINTON

FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1996

	<u>Agency Funds</u>	
	Tenant Security Deposit Funds	Total Fiduciary Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 5,625.00	\$ 5,625.00
Total Assets	<u>\$ 5,625.00</u>	<u>\$ 5,625.00</u>
LIABILITIES		
Due to tenants	\$ 5,625.00	\$ 5,625.00
Total Liabilities	<u>\$ 5,625.00</u>	<u>\$ 5,625.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

CAPITAL PROJECT FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 JUNE 30, 1996

	CIAP Housing Programs	
	<u>CIAP 1995</u>	<u>Total</u>
REVENUES		
Intergovernmental	\$ 3,300.00	\$ 3,300.00
Total Revenues	<u>3,300.00</u>	<u>3,300.00</u>
EXPENDITURES		
Capital expenditures	<u>3,300.00</u>	<u>3,300.00</u>
Total Expenditures	<u>3,300.00</u>	<u>3,300.00</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00
FUND BALANCE, beginning of year	<u>0.00</u>	<u>0.00</u>
FUND BALANCE, end of year	<u>\$ 0.00</u>	<u>\$ 0.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 1996

NOTE G - RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employee contributes 6 % and the entity contributes 8.5 % of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

Contributions to the plan were \$2,632.80 and \$3,729.84 by the employee and the entity, respectively.

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1996

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

		Principal Balance
Bond payable	\$	89,520.09
FFB notes		641,935.75
	\$	<u>731,255.84</u>

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.

Changes in long-term debt is as follows:

		Bonds
Balance, beginning of period	\$	760,397.11
Principal retirement		<u>29,141.27</u>
Balance, end of period	\$	<u>731,255.84</u>

Schedule retirements of long-term debt is as follows:

1997	\$	34,580.39
1998		36,070.70
1999		37,659.36
2000		39,352.88
2001		41,158.18
Thereafter		542,434.33

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1996

NOTE C - ACTIVITIES OF THE PHA

At June 30, 1996, the PHA was managing 68 units of low-rent in three projects under Program FW — 588, 40 units of section 8 existing under program FW-2097, and 37 units of section 8 vouchers under program FW-2266.

NOTE D - CONTINGENCIES

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

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Changes in the general fixed assets account group are as follows:

	<u>Beg. of Period</u>		<u>Additions</u>		<u>Deletions</u>		<u>End of Period</u>
Land, land impvts.	\$ 660,345.55	\$		\$		\$	660,345.55
Buildings	1,638,282.79						1,638,282.79
Equipment	116,409.92		3,014.99		7,764.23		111,660.68
Total	<u>\$ 2,415,038.26</u>	\$	<u>3,014.99</u>	\$	<u>7,764.23</u>	\$	<u>2,410,289.02</u>

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

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF VINTON

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

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, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

At June 30, 1996, the Authority had invested excess funds as follows:

	<u>Amount</u>
Certificate of Deposits	<u>124,205.26</u>
	\$ <u>124,205.26</u>

Cash and investments are insured as follows:

FDIC Insurance	\$ <u>179,652.49</u>
	\$ <u>179,652.49</u>

HOUSING AUTHORITY OF THE TOWN OF VINTON
 STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
FW — 2097

		Year Ended
		06-30-96
Operating Income		
Interest on general fund investments	\$	541.77
Total Operating Income - Exhibit D(2)		541.77
Operating Expenses		
Administration		4,006.82
Housing assistance payments		41,515.00
Independent public accountant audit costs		107.90
Total Operating Expense - Exhibit D(2)		45,629.72
Net Operating Income (Loss)		(45,087.95)
Net Loss - Exhibit C	\$	(45,087.95)