

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**GENERAL**

**COMPENSATION PAID BOARD MEMBERS**

The members of the Board of Commissioners serve without compensation.

**FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

In accordance with Office of Management and Budget (OMB) Circular A-128, a schedule of federal financial assistance is presented.

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 7 - COMPENSATED ABSENCES**

At March 31, 1996, employees of the Housing Authority have accumulated and vested \$7,263 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$7,263 is recorded within the general long-term debt account group.

**NOTE 8 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

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

	Balance April 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance March 31, <u>1996</u>
Agency funds:				
Tenants' security deposits	<u>\$2,025</u>	<u>\$675</u>	<u>\$900</u>	<u>\$1,800</u>

**NOTE 9 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligations transactions for the year ended March 31, 1996:

	<u>Compensated Absences</u>	<u>Project Notes Non-HUD (A)</u>	<u>Total</u>
Balance, April 1, 1995	\$716	\$3,400	\$10,567
Additions	96	-	96
Deductions	<u>-</u>	<u>-</u>	<u>-</u>
Balance, March 31, 1996	<u>\$812</u>	<u>\$3,400</u>	<u>\$10,663</u>

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. The timing of the official cancellation of the remaining note is unknown. The Housing Authority has not accrued interest on Project Notes - Non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project Notes - Non HUD.

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from U. S. Department of Housing and Urban Development.

Notes payable consist of the following at March 31, 1996:

Project notes held by HUD	
Project LA 120-987	<u>\$3,400</u>

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 10 - INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

<u>Fund</u>	<u>Receivable Amount</u>	<u>Payable Amount</u>
General	\$28,088	\$ -
Special Revenue:		
Rental Certificates	40,204	18,538
Rental Vouchers	<u>-</u>	<u>49,754</u>
	<u>\$68,292</u>	<u>\$68,292</u>

**NOTE 11 - INTERGOVERNMENTAL PAYABLE**

The intergovernmental payable of \$12,584 consists of payments in lieu of taxes due Grant Parish at March 31, 1996.

**NOTE 12 - DEFERRED REVENUE**

Deferred revenue consists of prepaid rent in the amount of \$120 in the general fund at March 31, 1996.

**NOTE 13 - FEDERAL COMPLIANCE CONTINGENCIES**

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act of 1984 through March 31, 1996, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**NOTE 14 - LEASE AGREEMENT**

The Housing Authority leases 28 residential rental units from the Grant Leased Housing Corporation, Georgetown, Louisiana. The initial term of the lease covered a five-year period, commencing November 1, 1979. The lease contains three automatically renewable terms of five years each, comprising a maximum lease term, including renewals, of twenty years and may not be canceled except in accordance with the lessee's right to purchase the project as explained below. Future minimum lease payments for the noncancellable lease periods are \$49,992 annually.

The lessee has the right at any time to purchase the project during the term of the lease by depositing funds in the principal and interest fund held by the trustee under the terms of the indenture, sufficient to pay and discharge all the outstanding bonds of the lessor issued under and secured by the indenture with respect to the project.

When the bonds and interest are paid in full, the lease shall be terminated and an unencumbered title to the project shall be turned over to the lessee in accordance with articles of incorporation of the lessor.

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 15 - FUND EQUITY**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The reservation of fund balance in the General Fund is for prepaid items.

**NOTE 16 - REPORT PRESENTATION**

Prior to this year the audit reports for the Housing Authority were prepared on the traditional HUD prescribed format. This year's report is prepared on a generally accepted accounting principles (GAAP) basis in order to comply with the recently enforced statute requiring GAAP basis financial statements.

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES -**  
**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS**

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**SPECIAL REVENUE FUNDS**

**RENTAL CERTIFICATES**

(Section 8 - Rental Certificates, CFDA #14.857)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice; however, a public housing agency may also attach up to 15 percent of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

**RENTAL VOUCHERS**

(Section 8 Rental Vouchers, CFDA #14.855)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**ALL GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended March 31, 1996**

**Statement B**

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 24,046	\$ 0	\$ 24,046
Interest earnings	1,030	0	1,030
Other	3,215	0	3,215
Federal sources:			
Operating subsidy	69,470	0	69,470
Annual Contributions Contract	58,480	263,368	321,848
	<u>156,241</u>	<u>263,368</u>	<u>419,609</u>
<b>Total revenues</b>	<b>\$ 156,241</b>	<b>\$ 263,368</b>	<b>\$ 419,609</b>
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 35,957	\$ 28,070	\$ 64,027
Utilities	8,071	0	8,071
Ordinary maintenance	15,868	0	15,868
General expenditures	23,949	4,608	28,557
Housing assistance payments	0	228,376	228,376
Rent for leased dwellings	49,992	0	49,992
Facilities acquisition and construction	6,163	0	6,163
	<u>140,000</u>	<u>261,054</u>	<u>401,054</u>
<b>Total expenditures</b>	<b>\$ 140,000</b>	<b>\$ 261,054</b>	<b>\$ 401,054</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 16,241</b>	<b>\$ 2,314</b>	<b>\$ 18,555</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>38,873</b>	<b>41,047</b>	<b>79,920</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 55,113</b>	<b>\$ 43,361</b>	<b>\$ 98,474</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended March 31, 1996**

Schedule 2

	RENTAL CERTIFICATES	RENTAL VOUCHERS	TOTAL
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Other	0	0	0
Federal sources:			
Annual Contributions Contract	167,616	95,752	263,368
Total revenues	\$ 167,616	\$ 95,752	\$ 263,368
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 17,632	\$ 10,437	\$ 28,070
General expenditures	3,042	1,567	4,608
Housing assistance payments	142,838	85,538	228,376
Total expenditures	\$ 163,512	\$ 97,542	\$ 261,054
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ 4,104	\$ (1,790)	\$ 2,314
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	30,080	10,967	41,047
<b>FUND BALANCES AT END OF YEAR</b>	\$ 34,184	\$ 9,177	\$ 43,361

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES (Continued)**

The Housing Authority's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

**K. 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.

**L. FUND EQUITY**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

Designations of fund balance represent tentative management plans that are subject to change.

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**Schedule 3**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Year Ended March 31, 1996**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
<b>U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>DIRECT PROGRAMS</b>			
<b>PUBLIC AND INDIAN HOUSING</b>			
Basic Contribution (1)	14.850	FW 2020	\$ 58,480
Operating Subsidy	14.850	FW 2020	<u>69,470</u>
<b>TOTAL PROGRAM</b>			<b>\$ 127,950</b>
SECTION 8 RENTAL CERTIFICATE PROGRAM	14.857	FW 2103	167,616
SECTION 8 RENTAL VOUCHERS	14.855	FW 2251	<u>95,752</u>
<b>TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT</b>			<b><u>\$ 391,318</u></b>

(1) The Housing Authority is indebted to the U. S. Department of Housing & Urban Development for project notes of \$3,400 at year end.

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES -  
HUD PRESCRIBED FORMAT**

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

Exhibit A

**ANALYSIS OF SURPLUS  
STATUTORY BASIS  
For the Year Ended March 31, 1996**

**PHA LEASED HOUSING (ACC FW 2020)**

**UNRESERVED SURPLUS**

BALANCE PER PRIOR AUDIT	\$ (1,383,751)
Prior Audit Adjustments	<u>                    </u>
BALANCE PER BOOKS, BEGINNING	\$ (1,383,751)
Net Loss	(111,710)
(Provision for) Reduction of Operating Reserve	<u>(10,990)</u>
BALANCE, ENDING	<u>\$ (1,506,451)</u>

**OPERATING RESERVE**

BALANCE, BEGINNING	\$ 33,167
Provision for (Reduction of) Operating Reserve	10,990
Cash Withdrawal	<u>                    </u>
BALANCE, ENDING	<u>\$ 44,157</u>

**CUMULATIVE HUD CONTRIBUTION**

BALANCE, BEGINNING	\$ 1,527,117
Annual Contribution	58,480
Operating Subsidy	<u>69,470</u>
BALANCE, ENDING	<u>\$ 1,655,067</u>
<b>TOTAL SURPLUS</b>	<u><b>\$ 192,773</b></u>



**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the general purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.



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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated May 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, for the year ended March 31, 1996, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Housing Authority of the Parish of Grant, Georgetown, 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 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as reported in the Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or



**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**March 31, 1996**

**Schedule 1**

	RENTAL CERTIFICATES	RENTAL VOUCHERS	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,446	\$ 61,303	\$ 80,748
Investments, at cost	8,820	2,450	11,270
Receivables	19,096	6,139	25,235
Interfund receivable	40,204	0	40,204
Prepaid items	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 87,566</u></b>	<b><u>\$ 69,892</u></b>	<b><u>\$ 157,458</u></b>
 <b>LIABILITIES, AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts, salaries and other payables	\$ 34,844	\$ 10,960	\$ 45,804
Interfund payable	18,538	49,754	68,292
Intergovernmental payable	0	0	0
Deferred revenues	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<b><u>\$ 53,382</u></b>	<b><u>\$ 60,714</u></b>	<b><u>\$ 114,096</u></b>
 <b>Fund equity</b>			
<b>Fund balances:</b>			
Unreserved and undesignated	34,184	9,177	43,361
	<u>34,184</u>	<u>9,177</u>	<u>43,361</u>
<b>Total equity</b>	<b><u>\$ 34,184</u></b>	<b><u>\$ 9,177</u></b>	<b><u>\$ 43,361</u></b>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 87,566</u></b>	<b><u>\$ 69,892</u></b>	<b><u>\$ 157,458</u></b>

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget (GAAP) Basis and Actual  
For the Year Ended March 31, 1996**

**Statement D**

	*****SPECIAL REVENUE FUNDS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Other	0	0	0
Federal sources:			
Operating subsidy	0	0	0
Annual Contributions Contract	300,404	263,368	(37,036)
<b>Total revenues</b>	<b>\$ 300,404</b>	<b>\$ 263,368</b>	<b>\$ (37,036)</b>
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 34,988	\$ 28,070	\$ 6,918
General expenditures	0	4,608	(4,608)
Housing assistance payments	265,416	228,376	37,040
<b>Total expenditures</b>	<b>\$ 300,404</b>	<b>\$ 261,054</b>	<b>\$ 39,350</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 0</b>	<b>\$ 2,314</b>	<b>\$ 2,314</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>41,047</b>	<b>41,047</b>	<b>0</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 41,047</b>	<b>\$ 43,361</b>	<b>\$ 2,314</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Statement A**

GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
\$ 0	\$ 0	116,962
		11,270
		27,104
		68,292
		6,421
147,434		147,434
		0
		0
	10,663	10,663
\$ 147,434	\$ 10,663	\$ 388,146
\$ 0	\$ 0	48,779
		68,292
		12,584
		1,800
		120
	7,263	7,263
	3,400	3,400
\$ 0	\$ 10,663	\$ 142,238
\$ 147,434	\$ 0	147,434
0	0	6,421
		92,053
\$ 147,434	\$ 0	\$ 245,908
\$ 147,434	\$ 10,663	\$ 388,146

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**ALL FUND TYPES AND ACCOUNT GROUPS  
Combined Balance Sheet  
March 31, 1996**

	GENERAL FUND	SPECIAL REVENUE FUNDS	FIDUCIARY FUNDS - AGENCY FUNDS
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 34,413	\$ 80,748	\$ 1,800
Investments, at cost	0	11,270	
Receivables	1,869	25,235	
Interfund receivable	28,088	40,204	
Prepaid items	6,421	0	
Land, buildings, and equipment			
Other debits			
Amount to be provided for retirement of general Long-term obligations			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 70,792</b>	<b>\$ 157,458</b>	<b>\$ 1,800</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>Liabilities</b>			
Accounts, salaries and other payables	\$ 2,975	\$ 45,804	\$ 0
Interfund payable	0	68,292	
Intergovernmental payable	12,584	0	
Deposits due others			1,800
Deferred revenues	120	0	
Compensated absences payable			
Notes and certificates of indebtedness payable			
<b>Total Liabilities</b>	<b>\$ 15,679</b>	<b>\$ 114,096</b>	<b>\$ 1,800</b>
<b>Equity and Other Credits</b>			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
Fund balances:			
Reserved for prepaid items	6,421	0	0
Unreserved and undesignated	48,691	43,361	0
<b>Total equity and other credits</b>	<b>\$ 55,113</b>	<b>\$ 43,361</b>	<b>\$ 0</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 70,792</b>	<b>\$ 157,458</b>	<b>\$ 1,800</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

	<u>GAAP Basis</u>	<u>HUD Prescribed Format</u>
<b>FINANCIAL STATEMENT PRESENTATION</b>		
Fund accounting	Used	Not used
Facilities acquisition and construction	Expenditure	Capitalized
Routine prior year adjustments	Beginning fund balance adjusted	Current expenditure or receipt
Principal payments on notes and bonds	Expenditure	Reduction of the liability
Receipts from federal source	Revenue	Credited to surplus
<b>BASIS OF ACCOUNTING</b>		
Federal Grants for Capital Projects	Modified Accrual	Cash
Interest expense	Modified Accrual	Accrual
Loss on disposition of equipment	Modified Accrual	Accrual

In accordance with Government Auditing Standards, we have also issued a report dated May 22, 1996 on our consideration of the Housing Authority's internal control structure and a report dated May 22, 1996 on its compliance with laws and regulations.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996



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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the Parish of Grant as of and for the year ended March 31, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose 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 the provisions of Office of Management and Budget 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 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 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 Parish of Grant as of March 31, 1996, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information listed in the table of contents, including the Schedule of Federal Financial Assistance, is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Housing Authority of the Parish of Grant. The accompanying supplemental information is identified as:

- A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.
- B. Supplemental Information Schedules - HUD Prescribed Format, which is an Other Comprehensive Basis of Accounting, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the following differences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole:

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
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**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
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**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 4 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	<u>Balance</u> April 1, 1995	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> March 31, 1996
Furniture and equipment	<u>\$147,271</u>	<u>\$6,163</u>	<u>\$6,000</u>	<u>\$147,434</u>

Furniture and equipment is mortgaged to HUD pursuant to the Annual Contribution Contract as collateral for obligations owed the U. S. Government.

**NOTE 5 - RETIREMENT SYSTEM**

The Housing Authority provides pension 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 from the first anniversary date of employment. Each participant in the plan is required to make a monthly contribution equal to five percent of his effective compensation. The employer makes a monthly contribution equal to eight percent of each participant's effective compensation. The Housing Authority's contributions for each employee (and income allocated to the employee's account) are fully vested after five years of continuous service. The Housing Authority's contributions for and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for fiscal year ended March 31, 1996 was \$51,666. The Housing Authority's contributions were calculated using the base salary amount of \$51,666. Both the Housing Authority and the covered employees made the required contributions, amounting to \$6,485.

**NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$48,779 at March 31, 1996 are as follows:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Total</u>
Vendors	\$ 1,228	\$ -	\$ 1,228
Withholdings	1,747	-	1,747
Due to other governments	<u>-</u>	<u>45,804</u>	<u>45,804</u>
Total accounts payable	<u>\$2,975</u>	<u>\$45,804</u>	<u>\$48,779</u>

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HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 OCT 16 1996

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**M. 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**N. MEMORANDUM ONLY - TOTAL COLUMNS**

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 cash flows in accordance 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.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At March 31, 1996, the Housing Authority has cash and cash equivalents totaling \$128,232 as follows:

Demand deposits	<u>\$128,232</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. At March 31, 1996, the Housing Authority has \$131,470 in deposits (collected bank balances). These deposits are secured from risk by \$131,470 of federal deposit insurance (GASB Category 1).

Cash in the amount of \$1,800 is restricted for payment of tenant security deposits.

Investments during the year were either in demand or money market deposits at banks.

**NOTE 3 - RECEIVABLES**

The receivables of \$27,104 at March 31, 1996 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Local sources:			
Other	\$ 33	\$ -	\$ 33
Federal sources:			
Due from HUD	<u>1,836</u>	<u>25,235</u>	<u>27,071</u>
Total	<u>\$1,869</u>	<u>\$25,235</u>	<u>\$27,104</u>

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

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**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**INTRODUCTION**

Housing Authorities are chartered as a public corporation under the laws (LSA-R.S. 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the parish declaring a need for the Housing Authority to function in such parish. The Housing Authority of the Parish of Grant is governed by a five member Board of Commissioners. The members, appointed by the Police Jury of Grant Parish, serve a four year staggered term.

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 Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The certificates program provides assistance to low income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under this program, the Housing Authority enters into housing assistance payment contracts with landlords. The Section 8 Voucher program, another Section 8 housing assistance program, provides assistance to low income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

The Housing Authority had 28 units in management for the Leased Program and was the administrator for 113 Section 8 units.

PHIA Leased Housing	FW 2020	28
Rental Certificates	FW 2103	75
Rental Vouchers	FW 2251	38

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying general purpose financial statements of the Housing 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.

**A. 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 Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the Grant Parish Police Jury since the Police Jury appoints a voting majority of the Housing Authority's governing board. The police Jury is not financially accountable for the Housing Authority as the Police Jury cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Police Jury. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Police Jury.

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

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. REPORTING ENTITY (Continued)**

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

**B. FUNDS AND ACCOUNT GROUPS**

The accounts of the Housing Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Funds of the Housing Authority are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** - Governmental funds account for all or most of the Housing 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 debt. Governmental funds include:

1. **General Fund** - the primary operating fund of the Housing Authority. It 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 Fund** - accounts for 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 Housing Authority.

**Fiduciary Funds** - Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

1. **Tenants' Security Deposit Agency Fund** - accounts for assets held by the Housing Authority as an agent for the individual tenants.

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

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.

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.

Other receipts become measurable and available when cash is received by the Housing Authority and are recognized as revenue at that time.

**Expenditures**

Salaries are recorded as expenditures when incurred.

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.

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

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. 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. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for 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.

**H. PREPAID ITEMS**

Certain payments for insurance reflect costs applicable to future accounting periods and are recorded as prepaid insurance.

**I. 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. Public domain or infrastructures are capitalized. Interest expense during construction is capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not included in the general fixed asset account group.

**J. COMPENSATED ABSENCES**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred 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.



**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
**Georgetown, Louisiana**

**OTHER REPORTS REQUIRED BY**  
**OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on internal control and compliance required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The report on compliance is, likewise, related to tests of compliance relating to federal financial assistance programs.

**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**GOVERNMENTAL FUNDS - GENERAL FUND  
Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget (GAAP) Basis and Actual  
For the Year Ended March 31, 1996**

**Statement C**

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 21,520	\$ 24,046	\$ 2,526
Interest earnings	27	1,030	1,003
Other	2,406	3,215	809
Federal sources:			
Operating subsidy	69,470	69,470	0
Annual Contributions Contract	58,480	58,480	0
Total revenues	\$ 151,903	\$ 156,241	\$ 4,338
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 35,668	\$ 35,957	\$ (289)
Utilities	8,650	8,071	579
Tenant services	200	0	200
Ordinary maintenance	18,926	15,868	3,058
General expenditures	28,165	23,949	4,216
Rent for leased dwellings	49,990	49,992	(2)
Facilities acquisition and construction	4,800	6,163	(1,363)
Total expenditures	\$ 146,399	\$ 140,000	\$ 6,399
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 5,504	\$ 16,241	\$ 10,737
FUND BALANCES AT BEGINNING OF YEAR	38,873	38,873	0
FUND BALANCES AT END OF YEAR	\$ 44,377	\$ 55,113	\$ 10,736

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated May 22, 1996.

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 and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended March 31, 1996, we considered the Housing Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Housing Authority's general purpose 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 general purpose financial statements in a separate report dated May 22, 1996.

The management of the Housing Authority of the Parish of Grant, Georgetown, 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 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.

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

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:

1. cash
2. expenditures for goods and accounts payable
3. payroll and related liabilities
4. property, equipment and capital expenditures
5. single audit and similar grant programs

Administrative controls:

- |                                       |                                           |
|---------------------------------------|-------------------------------------------|
| 1. political activity                 | 7. administrative requirements            |
| 2. civil rights                       | 8. eligibility                            |
| 3. cash management                    | 9. types of services                      |
| 4. federal financial reports          | 10. reporting                             |
| 5. allowable costs/cost principles    | 11. claims for advances and reimbursement |
| 6. Drug-Free Workplace Act compliance |                                           |

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 March 31, 1996, the Housing Authority of the Parish of Grant, Louisiana, had no major federal financial assistance programs and expended 76 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: PHA Leased Housing, Section 8 - Rental Certificates.

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 considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as reported in the Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable 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.

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

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 be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated May 22, 1996.

We have applied procedures to test the Housing Authority'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 March 31, 1996: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act and 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 Housing 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 had not complied, in all material respects, with those requirements. However, the results of our 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. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated May 22, 1996.

In connection with our audit of the general purpose financial statements of the Housing Authority and with our consideration of the Housing Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended March 31, 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 not allowed; eligibility; reporting and special provisions 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 Housing 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 had not complied, in all material respects, with those requirements. However, the results of our 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. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996

HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana

STATUS OF PRIOR AUDIT FINDINGS  
MARCH 31, 1996

1. **Inadequate Segregation of Duties**

See Reportable Condition #1 on Schedule of Reportable Conditions.

2. **Rent Receipts**

The auditors tested rent receipts for two months by tracing the receipt to deposit on the bank statement. All receipts were traced to deposit on the bank statement; therefore, this finding is considered resolved.

3. **Federal Financial Reports**

See Finding #2 on Schedule of Findings and Questioned Costs.



**HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
MARCH 31, 1996**

**1. Budget Overrun**

(Public and Indian Housing - CFDA #14.850)

**CONDITION:** HUD approved betterments and additions of \$4,800 in the budget. Actual betterments and additions totaled \$6,163.

**REASON IMPROVEMENT NEEDED:** To ensure compliance with budget regulations.

**CAUSE OF CONDITION:** The budget was not amended for additional fixed asset purchases.

**EFFECT OF CONDITION:** Budget overrun.

**RECOMMENDATION:** The budget should be amended and approved by HUD for any fixed asset additions not approved in the original budget.

**MANAGEMENT'S RESPONSE:** In the future, the budget will be amended.

**2. Federal Financial Reports**

(Public and Indian Housing - CFDA #14.850)

(Section 8 - Rental Vouchers - CFDA #14.855)

**CONDITION:** HUD financial statements were not in agreement with the general ledger unreserved surplus and operating reserve had to be adjusted for PHA Leased Housing and cumulative HUD contributions had to be adjusted for Section 8 - Rental Vouchers.

**REASON IMPROVEMENT NEEDED:** To ensure that HUD financial statements are in agreement with the general ledger.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** Misstatement of surplus accounts.

**RECOMMENDATION:** HUD financial statements should be amended to reflect adjusted March 31, 1996 balances.

**MANAGEMENT'S RESPONSE:** The fee accountant will amend the HUD financial statements for the year ended March 31, 1996.

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
HOUSING AUTHORITY OF THE  
PARISH OF GRANT  
Georgetown, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated May 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Housing Authority 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, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
May 22, 1996