

NOTE 2 -- CASH AND CASH EQUIVALENTS

At September 30, 1996, the PHA has cash and cash equivalents totaling \$315,458.66 as follows:

Interest Bearing Demand Deposits	\$231,568.26
Time Deposits	83,617.10
Petty Cash	125.00
Cash With Fiscal Agent	147.30
Total	\$315,458.66

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1996, the PHA has \$315,458.66 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$435,257.60 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3--RECEIVABLES

The receivables of \$199,156.38 at September 30, 1996 are as follows:

<u>Class of</u> <u>Receivables</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Project</u> <u>Fund</u>	<u>Total</u>
Local Sources:					
Tenants	3,981.92				3,981.92
Other	17,595.71				17,595.71
Federal Sources:					
Due From HUD	10,268.96		167,309.79		177,578.75
Total					199,156.38

1. Tenant Security Deposits--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

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

Revenues--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

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

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

Expenditures--Salaries are recorded as expenditures when paid.

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

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

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

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

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

C. FUND ACCOUNTING

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

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

Funds of the PHA are classified into three 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 PHA's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. General Fund--the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.
3. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Raceland, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Lafourche Parish Police Jury, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of 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 PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	FW-1297	275
Section 8	FW-2260	
Vouchers		105
Certificates		9

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

EXHIBIT C

Housing Authority of Lafourche Parish
Raceland, LA 70394

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET VS. ACTUAL
GENERAL FUND AND SPECIAL REVENUE FUND FOR THE YEAR ENDED SEPTEMBER 30, 1996

	*****GENERAL FUND*****			*****SPECIAL REVENUE FUND*****		
	Budget	Actual	Favorable Variance	Budget	Actual	Favorable Variance
REVENUES						
Local Sources:						
Dwelling Rental	331,790.00	317,395.74	(14,394.26)	0.00	0.00	0.00
Interest Charges	7,990.00	8,141.48	151.48	0.00	3,555.12	3,555.12
Receipts from the Sale of Equipment						
Other						
Federal Sources:	33,800.00	23,890.27	(9,909.73)	0.00	0.00	0.00
Operating Subsidy						
Animal Contributions	313,175.00	313,175.00	0.00	0.00	0.00	0.00
Grants				601,561.00	290,921.00	(310,640.00)
Total Revenues	686,755.00	662,602.49	(24,152.51)	601,561.00	294,476.12	(307,084.88)
EXPENDITURES						
Current:						
Administration						
Utilities	117,108.00	114,332.96	2,775.04	34,096.00	34,000.71	95.29
Ordinary Maintenance & Operations	107,810.00	98,628.33	9,181.67	0.00	0.00	0.00
Protective Services	268,024.00	226,614.56	41,409.44	0.00	0.00	0.00
General Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
Nonroutine Maintenance	220,270.00	218,944.29	1,325.71	0.00	0.00	0.00
Housing Assistance Payments	0.00	(796.25)	796.25	0.00	0.00	0.00
Facilities Acquisition & Construction						
Debt Service:	13,000.00	12,859.00	141.00	251,181.00	257,056.36	(5,875.36)
Principal Retirement				0.00	0.00	0.00
Interest & Bank Charges						
Total Expenditures	726,212.00	670,582.89	55,629.11	285,277.00	291,057.07	(5,780.07)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
OTHER FINANCING SOURCES (USES)	(39,457.00)	(7,980.40)	31,476.60	316,284.00	3,419.05	(312,864.95)
Operating Transfers In						
Operating Transfers Out						
Total Other Financing Sources (Uses)	0.00	0.00	0.00	0.00	0.00	0.00
NET EXCESS (DEFICIENCY) OF REVENUES	(39,457.00)	(7,980.40)	31,476.60	316,284.00	3,419.05	(312,864.95)
FUND BALANCES AT BEGINNING OF YEAR	269,196.99	269,196.99	0.00	30,953.43	30,953.43	0.00
FUND BALANCES AT END OF YEAR	229,739.99	261,216.59	31,476.60	347,237.43	34,372.48	(312,864.95)

see notes to financial statements

Housing Authority of Lafourche Parish
 Raceland, LA 70394

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

REVENUES	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
Local Sources:					
Dwelling Rental	317,395.74	0.00	0.00	0.00	317,395.74
Interest Charges	8,141.48	3,555.12	0.00	0.00	11,696.60
Receipts from the Sale of Equipment					
Other	23,890.27	0.00	0.00	0.00	23,890.27
Federal Sources:					
Operating Subsidy	313,175.00				313,175.00
Annual Contributions		290,921.00	167,309.79	0.00	458,230.79
Grants				557,829.38	557,829.38
Total Revenues	662,602.49	294,476.12	167,309.79	557,829.38	1,682,217.78
EXPENDITURES					
Current:					
Administration	114,332.96	34,000.71	0.00	0.00	148,333.67
Utilities	98,628.33	0.00	0.00	0.00	98,628.33
Ordinary Maintenance & Operations	226,614.56	0.00	0.00	0.00	226,614.56
Protective Services	0.00	0.00	0.00	0.00	0.00
General Expenditures	218,944.29	0.00	0.00	0.00	218,944.29
Nonroutine Maintenance	(796.25)	0.00	0.00	0.00	(796.25)
Housing Assistance Payments		257,056.36	0.00	0.00	257,056.36
Facilities Acquisition & Construction	12,859.00	0.00	0.00	557,767.88	570,626.88
Debt Service:					
Principal Retirement			98,401.08		98,401.08
Interest & Bank Charges			69,969.96		69,969.96
Total Expenditures	670,582.89	291,057.07	168,371.04	557,767.88	1,687,778.88
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,980.40)	3,419.05	(1,061.25)	61.50	(5,561.10)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In		0.00			0.00
Operating Transfers Out		0.00			0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00	0.00	0.00
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES	(7,980.40)	3,419.05	(1,061.25)	61.50	(5,561.10)
FUND BALANCES AT BEGINNING OF YEAR	269,196.99	30,953.43	1,209.55	(12,633.67)	288,726.30
FUND BALANCES AT END OF YEAR	261,216.59	34,372.48	148.30	(12,572.17)	283,165.20

see notes to financial statements

Housing Authority of Lafourche Parish
 Raceland, LA 70394

EXHIBIT A

ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET AS OF SEPTEMBER 30, 1996

ASSETS AND OTHER DEBITS	*****GOVERNMENTAL FUNDS*****					*****ACCOUNT GROUPS*****			Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Fiduciary Funds-- Agency Funds	General Fixed Assets	General Long Term Obligations		
Cash and Cash Equivalents	255,620.65	0.00	148.30	0.00	25,708.47	0.00	0.00	0.00	281,477.42
Receivables	14,250.88	0.00	167,309.79	0.00	0.00	0.00	0.00	0.00	181,560.67
Interfund Receivables	12,572.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,572.17
Prepaid Insurance	47,821.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,821.52
Other	18,341.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,341.85
Land, Structures & Equipment	0.00	0.00	0.00	0.00	0.00	10,905,871.22	0.00	0.00	10,905,871.22
Other Debits:									
Amount Available in Debt Service Funds	0.00	0.00	0.00	0.00	0.00	0.00	148.30		148.30
Amount to be Provided for Retirement of General Long Term Obligations	0.00	0.00	0.00	0.00	0.00	0.00	5,551,645.80		5,551,645.80
TOTAL ASSETS AND OTHER DEBITS	\$348,607.07	\$0.00	\$167,458.09	\$0.00	\$25,708.47	\$10,905,871.22	\$5,551,794.10		\$16,999,438.95
LIABILITIES, EQUITY AND OTHER CREDITS									
Liabilities:									
Accounts Payable	53,018.00	0.00	0.00	0.00	0.00	0.00	0.00		53,018.00
Interfund Payables	0.00	0.00	0.00	12,572.17	0.00	0.00	0.00		12,572.17
Deposits Due Others	0.00	0.00	0.00	0.00	25,708.47	0.00	0.00		25,708.47
Deferred Revenues	0.00	0.00	167,309.79	0.00	0.00	0.00	0.00		167,309.79
Compensated Absences Payable	0.00	0.00	0.00	0.00	0.00	0.00	28,203.00		28,203.00
Notes & Bonds Payable	0.00	0.00	0.00	0.00	0.00	0.00	5,523,591.10		5,523,591.10
Total Liabilities	\$53,018.00	\$0.00	\$167,309.79	\$12,572.17	\$25,708.47	\$0.00	\$5,551,794.10		\$5,810,402.53
Equity & Other Credits	0.00	0.00	0.00	0.00	0.00	10,905,871.22	0.00		10,905,871.22
Investment in General Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Fund Balances:									
Reserved for Other	0.00	0.00	0.00	(12,572.17)	0.00	0.00	0.00		(12,572.17)
Reserved for Debt Payment	0.00	0.00	148.30	0.00	0.00	0.00	0.00		148.30
Unreserved & Undesignated	295,589.07	0.00	(0.00)	0.00	0.00	0.00	0.00		295,589.07
Total Equity & Other Credits	\$295,589.07	\$0.00	\$148.30	(\$12,572.17)	\$0.00	\$10,905,871.22	\$0.00		\$11,189,036.42
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$348,607.07	\$0.00	\$167,458.09	\$0.00	\$25,708.47	\$10,905,871.22	\$5,551,794.10		\$16,999,438.95

see notes to financial statements

b, Supplemental Information Schedules--Regulatory basis, 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 my 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:

	GAAP BASIS	REGULATORY BASIS
Financial Statement Presentation		
Fund Accounting	Used	Not Used
Facilities Acquisition and Construction Routine Prior Year Adjustments	Expenditures	Capitalized
Receipts from Federal Source	Beginning Fund Balance Adjustment Revenue	Current Expenditure Receipt or Credited Surplus
Basis of Accounting		
Federal Grants for Capital Projects	Modified Accrual	Cash
Interest Expense	Modified Accrual	Accrual
Loss on Disposition Of Equipment	Modified Accrual	Accrual

This report is intended solely for the information and use of the Board of Commissioners of the PHA and for filing with the Department of HUD and should not be used for any other purpose.



 William Daniel McCaskill, CPA
 A Professional Accounting Corporation

March 7, 1997

In accordance with Government Auditing Standards, I have also issued a report dated March 7, 1997 on my consideration of the PHA's internal control structure and a report dated March 7, 1997 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements of the Housing Authority of Lafourche Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. The accompanying supplemental information is identified as :

A. Supplemental Information Schedules--GAAP basis has been subjected to the procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

WILLIAM DANIEL MCCASKILL, CPA

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INDEPENDENT AUDITORS' REPORT

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the accompanying general purpose financial statements of the Housing Authority of Lafourche Parish (PHA) as of and for the year ended September 30, 1996, as listed in the forgoing table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the U S Comptroller General, and provisions of the Office of Management and Budget (OMB), Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Lafourche Parish as of September 30, 1996, and the results of its operations and changes in its surplus for the year then ended, in conformity with generally accepted accounting principles.

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996 , and have issued my report thereon dated March 7, 1997.

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

The management of the PHA is responsible for establishing and maintaining an internal control structure. In fulfilling that 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 accounting principles prescribed by HUD. 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.

NOTE 5--RETIREMENT SYSTEM

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous and uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended September 30, 1996 was \$231,010.79. The PHA's contributions were calculated using the base salary amount of \$231,010.79. Both the PHA and the covered employees made the required contributions for the year ended September 30, 1996. Employee contributions to the plan totaled \$13,860.65. The PHA contributions totaled \$18,480.84 for the year ended September 30, 1996.

NOTE 6--ACCOUNTS PAYABLE

The payables of \$53,018.00 at September 30, 1996 are as follows:

General Fund:

Vendors & Contractors	13,300.00
Payroll Taxes	4,219.53
Payments in Lieu of Taxes	21,053.77
Due to HUD	14,444.70
Total General Fund	53,018.00

NOTE 7--COMPENSATED ABSENCES

At September 30, 1996, employees of the PHA have accumulated and vested \$28,303.00 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

Tenant Security Deposits	
Balance 9-30-95	24,969.60
Net Change	738.87
Balance 9-30-96	25,708.47

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Housing Authority of Lafourche Parish
Raceland, LA 70394

SCHEDULE III

BALANCE SHEET -- STATUTORY BASIS

Annual Contributions Contracts FW-1297 and FW-2260

September 30, 1996

ASSETS

Cash	\$197,712.02
Investments	83,617.10
Accounts Receivable	33,542.88
Debt Amortization Funds	248,452.26
Deferred Charges	47,821.52
Land, Structures and Equipment	10,905,871.22

TOTAL ASSETS	\$11,517,017.00

LIABILITIES AND SURPLUS

LIABILITIES:

Accounts Payable	57,672.69
Notes Payable	3,284,931.49
Accrued Liabilities	54,290.88
Deferred Credits	1,696.29
Fixed Liabilities	2,205,422.50

TOTAL LIABILITIES	5,604,013.85
Surplus	5,913,003.15

TOTAL LIABILITIES AND SURPLUS	\$11,517,017.00

see notes to the financial statements

Other Financing Sources (Uses)--Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

Deferred Revenues--The PHA reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the PHA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the PHA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

G. CASH AND CASH EQUIVALENTS

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

H. 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.

I. INVENTORY

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

K. COMPENSATED ABSENCES

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

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

L. LONG TERM OBLIGATIONS

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

M. FUND EQUITY

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

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. TOTAL COLUMNS ON COMBINED STATEMENTS

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

NOTE 4--FIXED ASSETS

The changes in general fixed assets are as follows:

General Fund:

Land, Structures & Equipment:

L,S&E

Balance 9-30-95 7,437,938.25

Net Change 12,859.00

Balance 9-30-96 7,450,797.25

MOD 905 -- Unchanged 533,622.00

MOD 906 -- Unchanged 1,978,442.00

LA48P080907-92

Balance 9-30-95 168,499.30

Net Change 17,150.70

Balance 9-30-96 185,650.00

LA48P080701-93

Balance 9-30-95 101,924.01

Net Change 255,281.42

Balance 9-30-96 357,205.43

LA48P080702-94

Balance 9-30-95 105,704.42

Net Change 263,861.23

Balance 9-30-96 369,565.65

LA48P080703-95

Balance 9-30-95 0.00

Net Change 21,474.53

Balance 9-30-96 21,474.53

Section 8

Equipment Balance 9-30-95 3,375.70

Net Change 2,810.82

Balance 9-30-96 6,186.52

Old Ineligible Expenditures 2,927.84

TOTAL GENERAL FUND 10,905,871.22

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$2,927.84 of ineligible expenditures as determined by HUD.

NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS

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

Compensated Absences	
Balance 9-30-95	Not Available
Balance 9-30-96	28,203.00

The following balances are unchanged:

HUD Project Loan Notes	3,284,931.49
Interest Payable HUD Notes	33,237.11
Permanent Notes HUD	785,512.59

The above notes and interest have been forgiven by HUD pursuant to the terms of the new annual contributions contract signed last year. The PHA should write off these debts as they are not valid.

New Housing Bonds:

Original Issue	3,100,000.00
Retired @ 9-30-95	1,581,689.01
Retired during the year	98,401.08
Cumulative Retired @ 9-30-96	1,680,090.09

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from the US Department of HUD. At September 30, 1996, the PHA has accumulated \$148.30 in the debt service funds for future debt requirements. In a departure from GAAP, I was not able to determine future debt requirements for the next 5 years. It is noted that all bond indebtedness is funded directly by HUD to the lender.

NOTE 10--INTERFUND ASSETS/LIABILITIES

Interfund receivables/payables at September 30, 1996 is as follows:

General Fund:	
Due from Capital Projects Fund	12,572.17
Capital Projects Fund:	
Due to General Fund	12,572.17

NOTE 11--COMMITMENTS AND CONTINGENCIES

There are certain major construction projects at September 30, 1996. As approved by HUD these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects and estimated cost to complete these projects totaled \$748,245.61 and \$669,530.24 as of September 30, 1996.

The PHA participates in a number of state and federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1994 through September 30, 1996, these programs are still subject to compliance audits. PHA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 12 -- UNCONFIRMED ACCOUNTS

During the course of the audit, I could not confirm the following account balances:

Account Number	Account Description	Amount Unconfirmed
1129	Other Account Receivable	17,595.71

This account is used as a flow through account when the PHA moves monies from one account to another. For example, when the PHA draws LOCCS monies from HUD for a CGP cost, the monies are deposited into the CGP bank account and then moved to the operating fund. Instead of coding the money movement directly from one bank account to the other, the fee accountant codes the transfer through this 1129 account. I do not understand the reasoning behind using this account. This account has had much activity during the year and the balance remaining in the account may have originated in 10-95. In any case, I could not confirm the balance.

2111	Vendors and Contractors Payable	13,300.00
------	---------------------------------	-----------

This account balance has remained unchanged this fiscal year. Notes from the prior audit indicate "Preliminary Voucher costs posted as Accounts Payable (4012 accounts added after JV posted)". The fee accountant should identify the balance and re-code the amounts if appropriate.

1177	Accounts Receivable HUD	80,994.17
------	-------------------------	-----------

This is an old balance on the general ledger that I have never been able to confirm.

2845	Cumulative Modernization Grants	16,825.30
------	---------------------------------	-----------

The general ledger reflects fiscal year draws of \$574,654.68, whereas the HUD LOCCS printouts reflect draws of \$557,829.38. I could not identify the difference.

1400	CGP Costs 701-93	3,751.57
------	------------------	----------

The reports to HUD reflect costs of this program of \$360,957.00, whereas the general ledger reflects costs of \$357,205.43. I could not identify the difference of \$3,751.57.

Housing Authority of Lafourche Parish
 Raceland, LA 70394

SCHEDULE I

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 1996

	PROJECT LA48P080907-92	PROJECT LA48P080701-93	PROJECT LA48P080702-94	PROJECT LA48P080703-95	TOTAL
REVENUES					
Local Sources	17,150.70	255,280.62	264,361.23	21,036.83	557,829.38
Federal Sources--Grants	17,150.70	255,280.62	264,361.23	21,036.83	557,829.38
EXPENDITURES					
Current:					
Administrative					
General Expenses					
Facilities Acquisition and Construction	17,150.70	255,281.42	263,861.23	21,474.53	557,767.88
Total Expenditures	17,150.70	255,281.42	263,861.23	21,474.53	557,767.88
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(0.00)	(0.80)	500.00	(437.70)	61.50
FUND BALANCE AT BEGINNING OF YEAR	0.00	0.80	(12,634.47)	0.00	(12,633.67)
FUND BALANCE AT END OF YEAR	(0.00)	(0.00)	(12,134.47)	(437.70)	(12,572.17)

see notes to financial statements

Housing Authority of Lafourche Parish
 Raceland, LA 70394
 SPECIAL REVENUE FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

SCHEDULE Ia

	VOUCHERS	EXISTING	TOTAL
REVENUES			
Local Sources:			
Dwelling Rental			
Interest Charges	3,349.33	205.79	3,555.12
Receipts from the Sale of Equipment			
Other			
Federal Sources:			
Operating Subsidy	265,991.00	24,930.00	290,921.00
Annual Contributions			
Grants	269,340.33	25,135.79	294,476.12
Total Revenues			
EXPENDITURES			
Current:			
Administration	27,955.13	6,045.58	34,000.71
Utilities			
Ordinary Maintenance & Operations			
Protective Services			
General Expenditures			
Nonroutine Maintenance			
Housing Assistance Payments			
Facilities Acquisition & Construction	235,243.25	21,813.11	257,056.36
Debt Service:			
Principal Retirement			
Interest & Bank Charges			
Total Expenditures	263,198.38	27,858.69	291,057.07
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	6,141.95	(2,722.90)	3,419.05
Operating Transfers Out			
Total Other Financing Sources (Uses)	6,141.95	(2,722.90)	3,419.05
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES			
FUND BALANCES AT BEGINNING OF YEAR	27,178.58	3,774.85	30,953.43
FUND BALANCES AT END OF YEAR	33,320.53	1,051.95	34,372.48

see notes to financial statements

Housing Authority of Lafourche Parish
 Raceland, LA 70394
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the year Ended September 30, 1996

SCHEDULE II

 All programs are Nonmajor programs unless otherwise noted.

Program	CFDA NO.	Program Assistance	Program Expenditures
U S Department of Housing and Urban Development			
Direct Programs:			
Low Income Housing **	14.850	\$480,484.79	\$480,484.79
Section 8 Vouchers	14.177	265,991.25	265,991.25
Existing	14.156	24,930.32	24,930.32
CIAP	14.852	17,150.70	17,150.70
CGP **	14.859	540,678.68	540,617.18
PHDEP	14.854	27,600.00	33,550.26
TOTAL		<u>1,356,835.74</u>	<u>1,362,724.50</u>

** Denotes a Major Program

see notes to financial statements

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

COMPLIANCE REPORT BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

INDEPENDENT AUDITORS' OPINION ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

SINGLE AUDIT REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION--SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

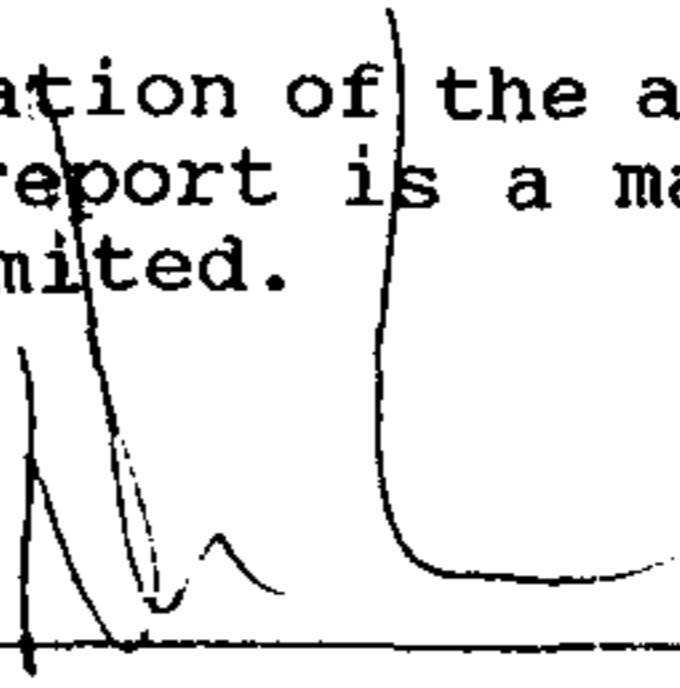
STATUS OF PRIOR AUDIT FINDINGS AND CURRENT FINDINGS AND RECOMMENDATIONS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES -- NONE

MANAGEMENT LETTER

In my opinion, the Housing Authority of Lafourche Parish complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching or level of effort; reporting; rent limitations; annual rent adjustments; annual unit inspection; contracts prohibiting the use of lead-based paint; procurement actions; analysis of general fund cash; operating subsidy eligibility; and claims for advances and reimbursements that are applicable to its major Federal financial assistance programs for the year ended September 30, 1996 .

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



William Daniel McCaskill, CPA
A Professional Accounting Corporation

March 7, 1997

Housing Authority of Lafourche Parish
 Raceland, LA 70394
 ANALYSIS OF SURPLUS -- STATUTORY BASIS
 For the year Ended September 30, 1996

SCHEDULE VI

	ANNUAL CONTRIBUTIONS CONTRACT				TOTAL
	OWNED FW-1297	PHDEP	VOUCHERS FW-2260	CERTIFICATES	
Unreserved Surplus					
Balance Per PHA 9-30-95	(8,258,328.11)	(207,361.19)	(1,606,811.47)	(161,912.10)	(10,234,412.87)
Deficit @ 9-30-96	(378,266.36)	(33,550.26)	(257,784.27)	(27,346.82)	(696,947.71)
Provision for Operating Reserve	7,980.40	0.00	(6,141.95)	2,722.90	4,561.35
Provision for Project Account	0.00	0.00	(288,769.75)	(21,869.68)	(310,639.43)
Balance 9-30-96	(8,628,614.07)	(240,911.45)	(2,159,507.44)	(208,405.70)	(11,237,438.66)
Reserved Surplus--Operating Reserve					
Balance per PHA 9-30-95	269,196.99	0.00	27,178.58	3,774.85	300,150.42
Provision for Operating Reserve	(7,980.40)	0.00	6,141.95	(2,722.90)	(4,561.35)
Balance 9-30-96	261,216.59	0.00	33,320.53	1,051.95	295,589.07
Reserved Surplus--Project Account					
Balance Per PHA 9-30-95	0.00	0.00	845,138.95	78,926.98	924,065.93
Provision for Project Account	0.00	0.00	288,769.75	21,869.68	310,639.43
Balance 9-30-96	0.00	0.00	1,133,908.70	100,796.66	1,234,705.36
Cumulative HUD Contributions:					
Balance Per PHA 9-30-95	13,209,253.57	189,200.00	763,096.32	84,937.02	14,246,486.91
Annual Contribution Required for 9-30-96	167,309.79	27,600.00	265,991.00	24,930.00	485,830.79
Operating Subsidy 9-30-96	313,175.00	0.00	0.00	0.00	313,175.00
Contributions for Modernization Activities	574,654.68	0.00	0.00	0.00	574,654.68
Balance 9-30-96	14,264,393.04	216,800.00	1,029,087.32	109,867.02	15,620,147.38
Total Surplus 9-30-96	5,896,995.56	(24,111.45)	36,809.11	3,309.93	5,913,003.15

see notes to financial statements

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

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the PHA's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

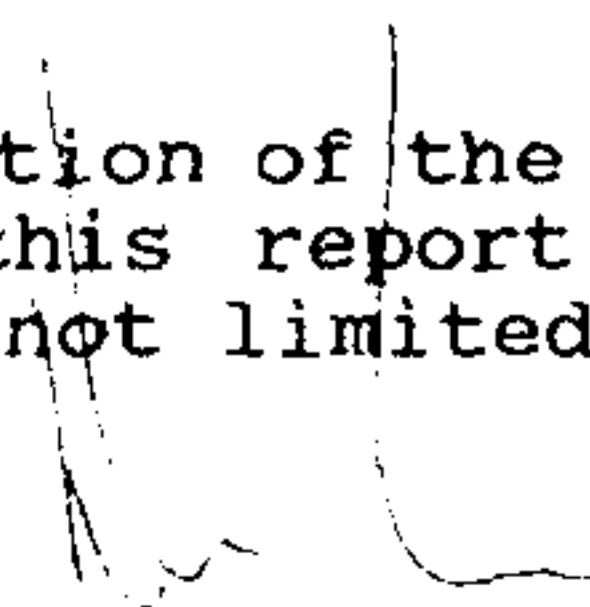
Because of the relatively small number of employees, the general cashier function is not segregated from the subsidiary ledger function, checks are prepared by employees who are not independent of voucher/invoice approval, the purchase function is not performed by personnel independent of receiving and disbursing functions, persons preparing payroll are not independent of other payroll duties, and detail records of fixed assets are not maintained by personnel independent of the general ledger, cash or capital expenditure authorizing functions.

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.

My 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, I believe none of the reportable conditions described above is a material weakness.

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

March 7, 1997



William Daniel McCaskill, CPA, APAC

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996, and have issued my report thereon dated March 7, 1997. I have also audited the compliance of the PHA, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated March 7, 1997.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the PHA complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the year ended September 30, 1996, I considered the internal control structure of the PHA, in order to determine my auditing procedures for the purpose of expressing my opinions on the general purpose financial statements of the PHA, and on the compliance of the PHA with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control policies and procedures relative to my audit of the general purpose financial statements in a separate report dated March 7, 1997.

The management of the PHA is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 HUD 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 instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

ACCOUNTING CONTROLS:

REVENUES
RECEIVABLES
PURCHASING
INVESTMENTS
DISBURSEMENTS
PAYROLL
BUDGETARY CONTROL

ADMINISTRATIVE CONTROLS:

GENERAL REQUIREMENTS

POLITICAL ACTIVITY
DAVIS-BACON ACT
CIVIL RIGHTS
CASH MANAGEMENT
RELOCATION ASSISTANCE & REAL
PROPERTY ACQUISITION
FEDERAL FINANCIAL REPORTS
ALLOWABLE COSTS/ COST
PRINCIPLES
DRUG FREE WORKPLACE ACT
ADMINISTRATIVE REQUIREMENTS

SPECIFIC REQUIREMENTS

ELIGIBILITY
REPORTING
SPECIAL TESTS & PROVISIONS
TYPES OF SERVICES

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**HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

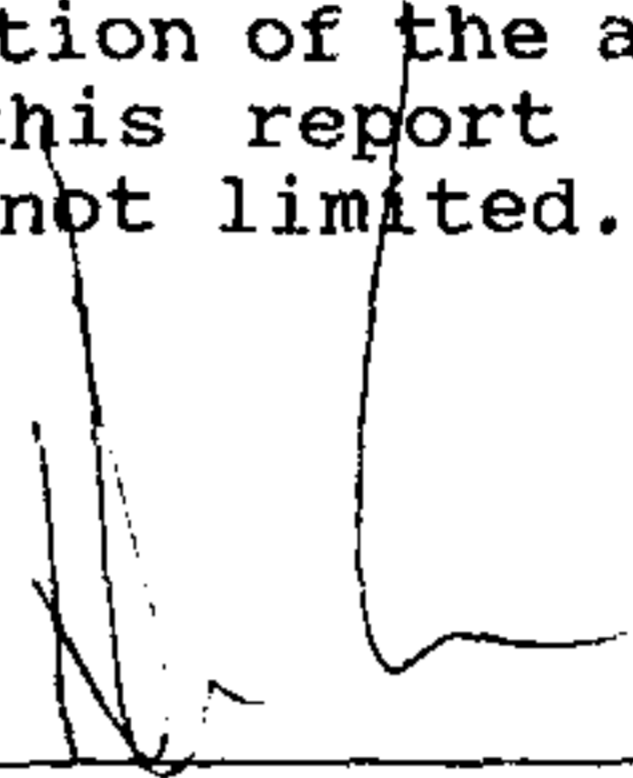
Under provisions of state law, this report is a public document. A copy of this report shall be submitted to the Board of Supervisors, each member of the Board of Supervisors, the Board of Parish Officials, the Board of Parish Trustees for public inspection at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 09 1997

WILLIAM DANIEL MCCASKILL , CPA
A Professional Accounting Corporation
618 SEVENTH AVENUE EAST
COVINGTON, LOUISIANA 70433

My 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, I believe none of the reportable conditions described above is a material weakness.

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



William Daniel McCaskill, CPA
A Professional Accounting Corporation

March 7, 1997

Housing Authority of Lafourche Parish
 Raceland, LA 70394
 STATEMENT OF INCOME AND EXPENSES-PHA OWNED HOUSING STATUTORY BASIS
 Annual Contributions Contract FW-1297
 For the year Ended September 30, 1996

SCHEDULE IV

OPERATING INCOME:	
Dwelling Rental	\$317,395.74
Interest Income	8,141.48
Other Income	23,890.27

Total Operating Income	349,427.49
OPERATING EXPENSES:	
Administration	\$114,332.96
Tenant Services	0.00
Utilities	98,628.33
Ordinary Maintenance and Operations	226,614.56
General Expense	218,944.29
Non-Routine Maintenance	(796.25)

Total Operating Expenses	657,723.89

NET OPERATING DEFICIT	(\$308,296.40)
OTHER CHARGES:	
Interest on Notes and Bonds	\$69,969.96
Prior Period Adjustments Affecting Residual Receipts	0.00
Gain/Loss Disposition of Nonexpendable Equipment	0.00

TOTAL OTHER CHARGES	69,969.96

DEFICIT	(\$378,266.36)

see notes to financial statements

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**INDEPENDENT AUDITORS' OPINION ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996, and have issued my report thereon dated March 7, 1997.

I have also audited the PHA's compliance with the requirements governing types of services allowed or unallowed; eligibility, or matching or level of effort; reporting; rent limitations; annual rent adjustments; annual unit inspections; contracts prohibiting the use of lead based paint; procurement actions; analysis of general fund cash; operating subsidy eligibility and claims for advances and reimbursements that are applicable to its major Federal financial assistance programs, which are identified in the accompanying schedule of Federal financial assistance, for the year ended September 30, 1996. The management of the PHA is responsible for the PHA's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these requirements in accordance with generally acceptable auditing standards, **Government Auditing Standards**, issued by the Comptroller General of the United States, and OMB Circular a-128, "Audits of State and Local Governments." Those standards and OMB Circular a-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements. I believe that our audit provides a reasonable basis for my opinion.

Housing Authority of Lafourche Parish
 Raceland, LA 70394
 STATEMENT OF INCOME AND EXPENSES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 Annual Contributions Contract FW-2260
 For the year Ended September 30, 1996

SCHEDULE V

	VOUCHERS LA253VO	CERTIFICATES LA253CE
Operating Income	\$3,349.33	205.79
Total Operating Income	3,349.33	205.79
Operating Expenses:		
HAP Payments	235,243.25	21,813.11
Administration Expenses	25,890.35	5,739.50
Total Operating Expenses	261,133.60	27,552.61
Net Operating Deficit	(257,784.27)	(27,346.82)
Other Credits:		
Prior Period Adjustments Affecting Residual Receipts		
Deficit	(\$257,784.27)	(\$27,346.82)

see notes to financial statements

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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 LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended 9-30-96, and have issued my report thereon dated 3-7-97.

In connection with my audit of the general purpose financial statements of the PHA, and with my consideration of the PHA's control systems used to administer federal financial assistance programs, as required by OMB A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1996. As required by OMB A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; rent limitations; annual rent adjustments; annual unit inspections; contracts prohibiting the use of lead based paint; procurement actions; analysis of general fund cash; operating subsidy eligibility and claims for advances and reimbursements that are applicable to these transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the PHA's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the PHA had not complied, in all material respects, with those requirements. However, if the results of my procedures disclosed immaterial instances of noncompliance with those requirements, they are described in the accompanying schedule of findings and questioned costs and/or the accompanying Management Letter.

This report is intended for the information of the audit committee, management, and HUD. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

March 7, 1997



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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 LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996, and have issued my report thereon dated March 7, 1997.

I have applied procedures to test the PHA's compliance with the following requirements applicable to each of its financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended September 30, 1996.

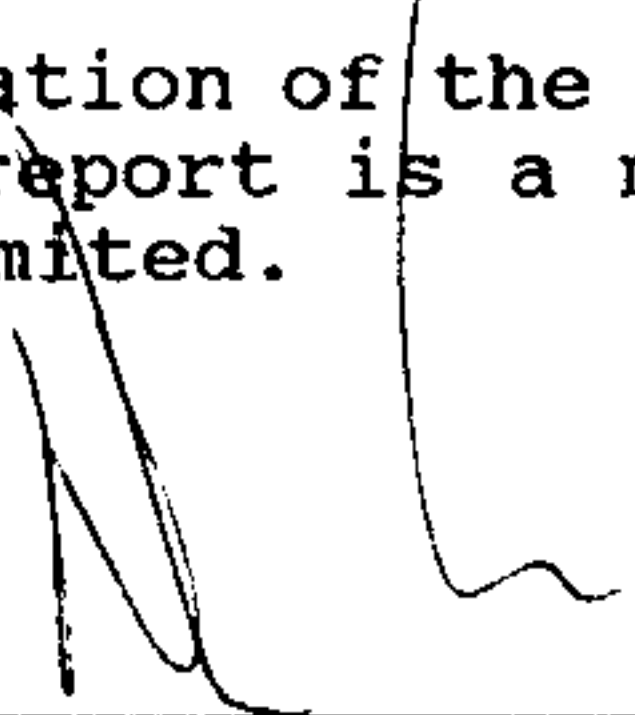
Political Activity	Federal Financial Report
Davis-Bacon Act	Allowable Costs/ Cost
Civil Rights	Principles
Cash Management	Drug Free Workplace Act
Relocation Assistance and	Administrative Requirements
Real Property Acquisition	

My procedures were limited to the applicable procedures described in the OMB's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the PHA's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the PHA had not complied, in all material respects, with those requirements. However, if as of the results of my procedures there were disclosed immaterial instances of noncompliance with those requirements, I described them in the accompanying schedule of findings and questioned costs and/or the accompanying Management Letter.

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

March 7, 1997



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**INDEPENDENT AUDITORS' REPORT ON SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE**

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996, and have issued my report thereon dated March 7, 1997. These financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements of the Housing Authority of Lafourche Parish taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

William Daniel McCaskill, CPA
A Professional Accounting Corporation

March 7, 1997

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

STATUS OF PRIOR AUDIT FINDINGS

There were no findings in the prior audit.

CURRENT FINDINGS AND RECOMMENDATIONS

The current audit includes no findings.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA**

MANAGEMENT LETTER

In fulfilling my audit requirements per the new HUD audit compliance supplement, I tested certain PHMAP worksheets as of 9-30-96. I found 1 indicator that was improperly calculated, but correcting the calculation did not change the indicator score. It is noted that the new computer software will better support the maintenance indicators in the future.

Housing Authority of Lafourche Parish
 Raceland, LA 70394

SCHEDULE VII

PHA's Statement and Certification of Actual Modernization Cost
 COMPLETED PROJECTS LA48P08070193 & LA48P080907
 Annual Contributions Contract FW-1297
 For The Year Ended September 30, 1996

1. The actual modernization costs of the projects are as follo

	PROJECT LA48P08070193	PROJECT LA48P080907
Funds Approved	\$360,957.00	\$185,650.00
Funds Expended	360,957.00	185,650.00
Excess of Funds Approved	0.00	0.00

FUNDS ADVANCED

HUD	360,957.00	185,650.00
Funds Expended	360,957.00	185,650.00
Excess of Funds Advanced	0.00	0.00

1. The distribution of costs by project as shown on the Final Statements of Modernization Cost dated 1-14-97 accompanying the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the PHA's records, except as noted in the notes to the financial statements. The PHA will correct the records during the current fiscal year.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.

see notes to financial statements

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**INDEPENDENT AUDITORS REPORT ON COMPLIANCE BASED
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS**

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA 70394

I have audited the general purpose financial statements of the Housing Authority of Lafourche Parish (PHA), as of and for the year ended September 30, 1996, and have issued my report thereon dated March 7, 1997.

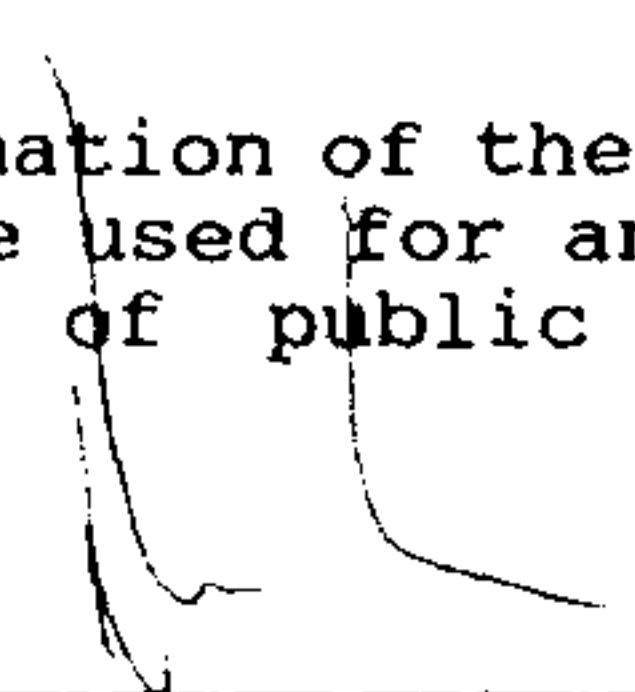
I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are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

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

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

This report is intended for the information of the audit committee, management, and HUD and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

March 7, 1997



William Daniel McCaskill, CPA, APAC

Housing Authority of Lafourche Parish
Raceland, LA 70394

SCHEDULE VIII

PHA's Statement and Certification of PHDEP Close Out
COMPLETED PROJECT LA48DEP08094
Annual Contributions Contract FW-1297
For The Year Ended September 30, 1996

1. The actual PHDEP costs of the project is as follows:

	PROJECT LA48DEP08094
Funds Approved	\$82,800.00
Funds Expended	82,800.00
Excess of Funds Approved	----- 0.00 =====

FUNDS ADVANCED

HUD	82,800.00
Funds Expended	82,800.00
Excess of Funds Advanced	----- 0.00 =====

1. The distribution of costs by project as shown on the Final Federal Financial Report dated 2-3-97 submitted to HUD for approval is in agreement with the PHA's records.

2. All PHDEP costs have been paid and all related liabilities have been discharged through payment.

see notes to financial statements