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**Housing Authority of Rapides Parish
Boyer, Louisiana**

1997 1998
DO NOT LOCK OUT
Some revenues
expire from the
1997 and 1998
BAPC or PLUJ

Financial Statements and Supplemental Financial Information
Year Ended December 31, 1998

with
Reports of Certified Public Accountants
on Financial and Compliance Examination

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or removed, entirely non-otherwise inappropriate public officials. This 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 7-21-99

VanOverton & Miller, L.L.C.
Certified Public Accountants
1308 East Plaza Avenue
Geary, Arkansas 72142

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CONCLUSION

Independent Auditor's Report

Board of Commissioners
 Housing Authority of Rapides Parish
 110 Beave Gardens
 Bossier, LA 71489

We have audited the accompanying general purpose financial statements and the combining financial statements of Housing Authority of Rapides Parish as of December 31, 1985, and for the year then ended, as listed in the table of contents. These financial statements and the supplemental financial information and supplemental financial information - statutory basis are the responsibility of the authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, in the current year the authority implemented financial reporting under generally accepted accounting principles and disclosed regulatory basis financial reporting.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Housing Authority of Rapides Parish as of December 31, 1985, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of Housing Authority of Rapides Parish as of December 31, 1985, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 23, 1986 in our consideration of Housing Authority of Rapides Parish's internal control structure and a report dated March 22, 1986 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining financial statements. The accompanying financial information listed as supplemental financial information and supplemental financial information - statutory basis in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Housing Authority of Rapides Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. As described in Note 1, the supplemental financial information - statutory basis was prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Such supplemental financial information - statutory basis has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in our opinion, is fairly presented in conformity with the comprehensive basis of accounting described in Note 1.

March 22, 1986

By  James W. Hennessey, J. Miller, Ltd.
 VanHeenen & Miller, Ltd.
 Certified Public Accountants

Members, American Institute of Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

Working Activity of Another Entity
 From Another

FINANCIAL STATEMENTS - All Fund Types and Account Groups
 December 31, 2000

	Governmental Fund Types		Account Groups		
	General Fund	Capital Projects	General Fund	Special Fund	Other Funds
FUND AND OTHER ASSETS					
FUND:					
2000	\$ 206,284.20	\$.00	\$.00	\$.00	\$ 206,284.20
LIABILITIES:					
Accounts	1,000.00	.00	.00	.00	1,000.00
Other governments	.00	26.50	.00	.00	26.50
Other	4,000.00	.00	.00	.00	4,000.00
Due from other funds	13,000.00	.00	.00	.00	13,000.00
Special funds	15,000.00	.00	.00	.00	15,000.00
Other assets	.00	.00	1,000,000.00	.00	1,000,000.00
Other Assets:					
(Net) to be provided for maintenance of general long term debt	.00	.00	.00	1,100,000.00	1,100,000.00
TOTAL ASSETS AND OTHER ASSETS	\$ 228,284.20	\$ 26.50	\$ 1,000,000.00	\$ 1,100,000.00	\$ 1,328,310.70
LIABILITIES, DEFERRED, AND OTHER LIABILITIES					
LIABILITIES:					
Accounts payable					
Fund	\$ 14,000.00	\$.00	\$.00	\$.00	\$ 14,000.00
Other governments	14,000.00	.00	.00	.00	14,000.00
Accounts receivable	1,000.00	.00	.00	.00	1,000.00
Due to other funds	13,000.00	26.50	.00	.00	13,026.50
Other liabilities	.00	.00	.00	1,000,000.00	1,000,000.00
Total Liabilities	\$ 42,000.00	\$ 26.50	\$.00	\$ 1,000,000.00	\$ 1,042,026.50
DEFERRED AND OTHER LIABILITIES:					
Deviations in general fund assets	\$.00	\$.00	\$ 1,000,000.00	\$.00	\$ 1,000,000.00
Fund balances:					
Unassigned	16,000.00	.00	.00	.00	16,000.00
Assigned, unassigned	100,000.00	.00	.00	.00	100,000.00
Total Fund and Other Balances	\$ 116,000.00	\$.00	\$ 1,000,000.00	\$.00	\$ 1,116,000.00
Net, total, assets and other assets	\$ 112,284.20	\$ 26.50	\$ 1,000,000.00	\$ 1,100,000.00	\$ 1,328,310.70

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Monthly Statement of Expenses (continued)
 Agency: 00000000

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types
 Year Ended December 31, 2000

	Governmental Fund Types			
	Special Revenue	Debt Service	Capital Projects	Other
Revenues				
Taxes	\$ 100,000.00	-.00	-.00	\$ 100,000.00
operational expenditures	700,000.00	1,000,000.00	100,000.00	1,800,000.00
Interest	1,000.00	.00	-.00	1,000.00
Revolving	40,000.00	.00	-.00	40,000.00
Total Revenues	\$ 840,000.00	\$ 1,000,000.00	\$ 100,000.00	\$ 1,940,000.00
Expenditures				
(continued)				
Board operations	\$ 800,000.00	-.00	-.00	\$ 800,000.00
Board operations	400,000.00	-.00	-.00	400,000.00
capital (major non-recur)	200.00	-.00	800,000.00	800,200.00
Utilities	.00	1,000,000.00	.00	1,000,000.00
Total Expenditures	\$ 1,400,000.00	\$ 1,000,000.00	\$ 800,000.00	\$ 3,200,000.00
Reversal of revenues and				
change requirements	\$ 70,000.00	-.00	-.00	\$ 70,000.00
Fund Balances, beginning of period	140,000.00	.00	-.00	140,000.00
Fund Balances, end of period	\$ 170,000.00	\$.00	\$ -.00	\$ 170,000.00

The accompanying notes are an integral part of the financial statements.

Working Statement of Budget Variances
 Budget, Actuals

Certified Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual - All Governmental Fund Types
 Year Ended December 31, 2004

	Special Revenue Funds		
	Budget	Actual	Variance Favorable -Unfavorable
Revenues:			
Fees	\$ 137,000.00	\$ 130,400.00	\$ 6,600.00
Concessional activities/grants	78,000.00	74,400.00	3,600.00
Licenses	1,275.00	1,000.00	275.00
Miscellaneous	10,000.00	11,000.00	(1,000.00)
Total Revenues	\$ 335,000.00	\$ 316,800.00	\$ 18,200.00
Expenditures:			
Current:			
Administrative salaries	\$ 200,000.00	\$ 200,000.00	\$ 0.00
Professional fees	5,000.00	5,000.00	0.00
Travel	50,000.00	50,000.00	0.00
Public administration	50,000.00	35,000.00	15,000.00
Utilities	50,000.00	50,000.00	0.00
Miscellaneous salaries	25,000.00	25,000.00	0.00
Miscellaneous materials	20,000.00	20,000.00	0.00
Other miscellaneous costs	25,000.00	27,000.00	(2,000.00)
Insurance	20,000.00	20,000.00	0.00
Rent	5,000.00	.00	5,000.00
Depreciation benefits	50,000.00	50,000.00	0.00
Miscellaneous	.00	5,000.00	(5,000.00)
Bonding assistance payments	200,000.00	200,000.00	0.00
Capital expenditures	5,000.00	100.00	4,900.00
Total expenditures	\$ 660,000.00	\$ 660,000.00	\$ 0.00
Excess of Revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00
Fund balance, beginning of year		100,000.00	
Fund balance, end of year		\$ 100,000.00	

The accompanying notes are an integral part of the financial statements.

Housing Authority of Rapides Parish
Bossier, Louisiana

Notes to the Financial Statements
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Organization.** The entity is organized as a public corporation for the purpose of administering housing programs for low-income families.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has delegated responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds.

- B. **Financial reporting.** The financial reporting policies of the entity conform to generally accepted accounting principles.

Specific accounting policies. The following is a summary of significant accounting policies:

1. **Financial reporting basis.** The entity is a public corporation, legally separate and fiscally independent. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of Rapides Parish, a primary government. There are no component units to be included herein, but this report does include all funds, accounts groups, and programs which are controlled by the entity's governing body.
2. **Fund accounting.** The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are composed of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one general fund type (governmental) and the following broad fund categories:

Governmental Fund Types

Special revenue fund - The special revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital projects fund - The capital projects fund is used to account for financial resources to be used for the acquisition, construction, and major renovation of major capital facilities.

Special reporting treatment is also applied to governmental funds when prepaid items are present to indicate that they do not represent "available spending resources", even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

3. **Fund assets and long-term liabilities.** The accounting and reporting treatment applied to fund assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spending resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period.

Fund assets used in governmental fund type operations are accounted for in the General Fund Assets Account Group. No depreciation has been provided on such assets.

Housing Authority of Rapides Parish
Bossier, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

All field assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. The entity does capitalize any "infrastructure" assets (bridges, culverts, sidewalks, drainage systems, and similar assets that are immovable) which are paid for by the entity. Certain project development, interest expenditures were capitalized under pre-1987 financing arrangements. Post-1988 rental projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to financed developments, interest expenditures are not accrued but are recorded when paid.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group. Expenditures related to such debt are reflected in the Debt Service Fund.

The less-than-normal asset groups are "oil tanks". They are contained only with the leasehold interest of financial position. They are not involved with the measurement of results of operations.

4. **Basis of accounting.** All governmental fund types are accounted for using the modified accrual basis of accounting. These revenues are recognized when they become measurable and available as well as current assets. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick pay which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Vested and earned vacation and sick leave that are not accrued are reported in the general long-term debt account group. No expenditure is reported for these amounts. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The entity does not utilize accrual-based accounting.

5. **Supplemental financial information - statutory basis.** The supplemental financial information - statutory basis has been prepared in conformity with the accounting practices permitted by HUD, which differ from generally accepted accounting principles as follows:
- Governmental fund accounting principles are not utilized.
 - Accounts receivable are stated without an allowance for doubtful accounts. Accounts are written off as collection losses only after the tenant has vacated the unit and the entity has taken reasonable efforts to collect.
 - Annual Contributions and subsidies earned and/or received from HUD are recorded as contributions. Receipts and are not included in the Statement of Income and Expenses.
 - Items of routinely recurring expenses are recognized when paid and are therefore not accrued.
 - The cost of accumulated unpaid vacation and sick leave is not accrued.
 - Financial statement formats vary from GAAP.
 - The Statement of Cash Flows has not been presented.
 - Expenditures under HUD's Public Housing Drug Elimination Program (PHDEP) are recorded on a project-life basis. Upon fulfillment of the grant agreement, noncapitalized expenditures are closed into surplus.
 - The entity does not utilize accrual-based accounting.
 - Expenditures under HUD's Comprehensive Improvements Assistance Program (CIAP) and Comprehensive Grant Program (CGP) and similar housing programs are fully capitalized, notwithstanding the fact that expenditures are normally a mixture of repairs, replacements and improvements. Consequently, some amounts represented as Fixed Assets may include costs substantially in excess of value.

Housing Authority of Rapides Parish
Bossier, Louisiana

NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 1995

- h. During project development, interest expenditures are capitalized under pre-1987 financing agreements. Post-1988 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to completion of pre-1987 financed developments, interest expenditures are not accrued but are recognized when paid.
6. **Total columns as combined statements.** Total columns on the combined statements are captioned *Maine Totals* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a reconciliation. Interfund eliminations have not been made in the aggregation of this data.
- C. **Budget.** The entity follows these procedures in establishing the budgetary data reflected in the financial statements:
1. The entity prepares annual budgets for each fund (except Debt Service Fund and the Capital Projects Fund). Prior to the beginning of each budget year, the entity's annual budget is approved by the entity's governing body. Budgetary amendments require approval by the governing body. Budget amounts shown in the financial statements are the final authorized amounts for the year. All budgetary appropriations lapse at the end of each fiscal year.
 2. Budgets for the Capital Projects Fund are prepared on a project-by-project basis rather than on an annual basis and, therefore, have been omitted from the accompanying financial statements.
 3. Budgets for the Debt Service Fund are not prepared inasmuch as all revenues and expenditures of this fund are controlled by and processed by HUD. The entity records Debt Service Fund transactions from documents supplied by HUD.
- D. **Income taxes.** The entity is not subject to federal or state income taxes.
- E. **Cash and cash equivalents.** The entity defines cash/equivalents include certificates of deposit, money market funds, savings accounts, and demand deposits, and other short-term securities with maturities of three months or less. Consequently, the cost, carrying value, and realized value are equivalent.

NOTE 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at December 31, 1995. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
 Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
 Category 3 - Uncollateralized.

Cash Deposits, categorized by level of risk, are:

Total Bank Deposits	Category		
	1	2	3
\$ 217,344.35	\$ 198,087.35	\$ 18,000.00	\$ 1,257.00

Housing Authority of Rapides Parish
Bossier, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule as of December 31, 1995 represents interfund receivables and payables:

Fund Type	Interfund Receivables	Interfund Payables
Special Revenue		
Deferred Leased Housing	\$ 37,713.08	\$.00
Certificate Housing	.00	37,745.18
Capital Projects	.00	58.58
Total	<u>\$ 37,713.08</u>	<u>\$ 37,743.66</u>

NOTE 4 - FIXED ASSETS

Detail on fixed assets are as follows:

	End of Period
Building & land	\$ 8,845,071.07
Equipment	242,837.17
Construction in progress	38.92
Total	<u>\$ 9,087,947.16</u>

Due to unavailability of prior year detail, no beginning or period detail is provided (see Independent Auditors' General Comments #0 (6)).

Construction in progress is composed of expenditures related to major renovation of certain buildings owned by the entity, said renovation having a planned total cost of \$ 330,000 to be fully financed by grants from HUD.

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

NOTE 5 - FIXED LIABILITIES

Fixed liabilities consist of the following:

	Interest Rate	Principal Balance
Payroll related costs		\$ 14,358.74
HUD notes payable	various	1,265,873.19
Total		<u>\$ 1,280,231.93</u>

HUD notes payable are held and guaranteed by HUD. Under provisions of the federal Debt Forgiveness Act of 1985, these notes and accrued interest on these notes are to be forgiven by HUD. Timing of this action is uncertain.

Changes in fixed liabilities are as follows:

	HUD Notes	Payroll Related Costs
Balance, beginning of period	\$ 2,800,843.08	\$ 17,800.74
Debt forgiveness	(1,835,088.27)	.00
Net Change	.00	(7,842.02)
Balance, end of period	<u>\$ 1,265,873.19</u>	<u>\$ 14,358.74</u>

Housing Authority of Rapides Parish
Bossier, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

NOTE 5 - RETIREMENT PLAN

The entity 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 immediately. The employee contributes 7.5% and the entity contributes 11.5% of the employee's base salary each month. Employees are eligible to retire and draw benefits when arriving at the required years of service and/or age.

The entity's total payroll in fiscal year ended December 31, 1995, was \$188,237.43. The entity's contributions were calculated using the base salary amount of \$162,594.85. Contributions to the plan were \$12,184.81 and \$18,345.79 by the employee and the entity, respectively.

NOTE 6 - DEFICIT FUND BALANCE

The following individual fund had a deficit fund balance at December 31, 1995:

Certificate Housing	<u>\$ 7,457.59</u>
---------------------	--------------------

NOTE 8 - CONTINGENCIES

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

COMMON STATEMENTS

Accounting Authority of the State of
New York, Comptroller

COMPARING FINANCIAL STATEMENTS - ALL FINANCIAL STATEMENT FUNDS
MONTH END, 1995

	COMPARISON	DIFFERENCE	RECONCILIATION	TOTAL
	PERIOD	PERIOD	PERIOD	
	12-31-94	12-31-95	12-31-95	
ASSETS AND OTHER DEBITS				
Assets:				
Cash	\$ 189,285.00	\$ 191,884.00	\$.00	\$ 2,599.00
Receivables:				
Accounts	1,400.00	.00	.00	\$ 1,400.00
Other	.00	8,583.73	.00	8,583.73
Due from other funds	27,773.00	.00	.00	27,773.00
Prepaid items	38,245.00	1,111.00	.00	37,134.00
TOTAL ASSETS AND OTHER DEBITS	\$ 293,699.00	\$ 291,578.73	\$.00	\$ 2,120.27
LIABILITIES, DEFERRED AND OTHER CREDITS				
Liabilities:				
Accounts payable:				
Trade	\$ 49,888.41	\$.00	\$.00	\$ 49,888.41
Other governments	.00	24,245.44	.00	24,245.44
Inventory acquisition	1,440.00	.00	.00	1,440.00
Due to other funds	.00	25,766.00	.00	25,766.00
Total Liabilities	\$ 51,328.41	\$ 49,999.44	\$.00	\$ 1,328.97
Equity and Other Credits:				
Fund balances:				
Assigned for programs	\$ 28,245.00	\$ 1,111.00	\$.00	\$ 27,134.00
Unassigned, unexpended	210,454.00	8,778.50	.00	201,675.50
TOTAL EQUITY AND OTHER CREDITS	\$ 288,699.00	\$ 9,889.50	\$.00	\$ 278,809.50
TOTAL LIAB., DEFERRED AND OTHER CREDITS	\$ 288,699.00	\$ 9,889.50	\$.00	\$ 278,809.50

The accompanying notes are an integral part of the financial statements.

**Accounting of Deposits Excess
From Insulin**

**Summary Statement of Revenues, Expenditures, and Receipts in Fund Balance—
ICC Special Account Funds
For the calendar year 1955**

	Fiscal Year 1955	1954-55	1953-54	Total
Revenues				
Bank	\$ 285,891.40	-	-	\$ 285,891.40
Operational (Interest/Dividends)	483,174.00	207,400.00	5,100.00	795,674.00
Interest	5,500.00	1,400.00	-	6,900.00
Dividends	21,174.12	11,000.00	-	32,174.12
Total Revenues	\$ 805,739.52	\$ 229,400.00	\$ 5,100.00	\$ 1,040,239.52
Expenditures				
Current:				
Administrative salaries	\$ 81,750.00	\$ 85,500.00	-	\$ 167,250.00
Contractual fees	5,200.00	5,400.00	-	10,600.00
Travel	30,541.00	5,171.20	-	35,712.20
Supply maintenance	20,141.00	5,471.20	-	25,612.20
Utilities	27,400.00	-	-	27,400.00
Maintenance salaries	60,400.00	-	-	60,400.00
Maintenance materials	20,111.20	-	-	20,111.20
Other contractual items	10,470.00	-	-	10,470.00
Insurance	44,400.00	1,000.00	-	45,400.00
Employee salaries	24,000.00	10,070.00	-	34,070.00
Other Current	1,000.00	-	5,100.00	6,100.00
Operating expenditure (Balance)	177,000.00	270,000.00	-	447,000.00
Capital expenditures	-	-	-	-
Total Expenditures	\$ 617,000.00	\$ 331,000.00	\$ 5,100.00	\$ 953,000.00
Balance at beginning of year				
Fund's Expenditures	\$ 75,000.00	\$ 1,700.00	-	\$ 76,700.00
Fund Balance, beginning of period	285,000.00	1,700.00	-	286,700.00
Fund Balance, end of period	\$ 444,000.00	\$ 7,000.00	\$ -	\$ 451,000.00

The accompanying notes are an integral part of the financial statements.

SUPPLEMENTAL FINANCIAL INFORMATION

SUPPLEMENTAL FINANCIAL INFORMATION - STATUTORY BASIS

Working Statement of Expenses Budget
Wages - Indirect

Balance Sheet - Historical Data
December 31, 1988

	<u>Revised/Original</u> <u>Budget</u> <u>19-1988</u>	<u>Actual/Original</u> <u>Budget</u> <u>19-1988</u>
ASSETS		
cash-working and on hand	\$ 285,180.75	\$ 28,888.88
Accounts receivable-invoice	6,204.28	.00
Accounts receivable-invoice agency	27,748.00	.00
Accounts receivable-other	.00	6,895.73
Prepaid insurance	66,589.00	1,211.00
Inventory change	(90,840.00)	.00
Fixed assets	3,680,138.75	3,281.00
	<hr/>	<hr/>
Total Assets	\$ 4,164,890.78	\$ 31,386.61
	<hr/>	<hr/>
LIABILITIES and EQUITY		
Debtors' working expenses	\$ 6,828.00	.00
Income payable-est	.00	14,190.14
Accounts payable-CDIA agency	.00	13,768.14
Accounts payable-other	16,188.75	.00
Interest and related charges, loans	888.14	.00
Other liabilities	1,499,875.14	.00
	<hr/>	<hr/>
Total Liabilities	\$ 1,993,880.00	\$ 28,058.14
Equity	2,171,010.78	3,328.47
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 4,164,890.78	\$ 31,386.61
	<hr/>	<hr/>

Hunting Archery of England Inc Ltd
Horns, Leicestershire

Statement of Income and Expenses - (statutory basis)
Annual Accounting Period
From 01/04/2004 to 03/03/2005

Annual Contribution Contract No 0004

Operating Income		
Dwelling rental	£	66,000.00
Interest on personal fund investments		714.00
Other income		11,100.00
TOTAL OPERATING INCOME	£	77,814.00
<hr/>		
Operating Expenses		
Administration	£	41,283.76
Utilities		24,700.00
Ordinary maintenance and repairs		41,746.40
General expenses		20,000.00
TOTAL OPERATING EXPENSES	£	127,730.16
<hr/>		
Net operating income (loss) before other items	£	(49,916.16)
<hr/>		
Other charges (credits)		
Prior year adjustments arising on	£	7,100.00
Prior year adjustments not arising on	£	20,100.00
TOTAL OTHER CHARGES (CREDITS)	£	27,200.00
<hr/>		
Net Income (Loss)	£	(22,716.16)
<hr/>		

Boeing Industry of Japan, Inc.
Tokyo, Japan

Statement of Income and Expenses - Operating Results
1988 Boeing Program
Year Ended December 31, 1988

Local Contributions (except ¥6-000)

Operating Income	
Operating result	¥ 88,888,48
Interest on financial lease arrangements	888,48
Other income	12,000,00
TOTAL OPERATING INCOME	¥ 101,776,96
Operating Expenses	
Amortization	¥ 84,000,00
Welfare	21,000,00
Maintenance and operation	41,000,00
General expenses	38,000,00
Loss on return of leased facilities	173,000,00
TOTAL OPERATING EXPENSES	¥ 277,000,00
Net operating income (loss) before other items	¥ 1 244,776,96
Other charges (credits)	
Local bank adjustments effective 88	¥ 1,000,00
Net other charges (credits)	¥ 1,000,00
Net Income (Loss)	¥ 2 243,776,96

Working Authority of Capital Assets,
 Agency, 00000000

Statement of Income and Expenses - Operating Basis
 Social Security Number Program
 Year Ended December 31, 2000

Agency Identification Number: 00000000

Operating Income	
Interest on operating assets investments	\$ 1,414.00
Other income	1,407.00
Total operating income	<u>\$ 2,821.00</u>
Operating Expenses	
Working authority payments	\$ 274,040.00
Administrative expenses	21,707.00
General expenses	22,898.00
Other paid adjustments affecting SS	1 3,288.24
Total operating expenses	<u>\$ 321,933.24</u>
Net operating loss before other items	<u>\$ (319,112.24)</u>
Other charges (credits)	
Other paid adjustments not affecting SS	\$ 1,794.00
Total other charges (credits)	<u>\$ 1,794.00</u>
Net loss	<u>\$ (317,318.24)</u>

Health Services of Eastern Parishes
Baton Rouge, Louisiana

Comparison of Medical Receipts and Operating Expense Requirements
Harris Hospital Project
Year Ended December 31, 1969

Medical Receipts - Estimate, \$9,000,000

Comparison of Estimated Receipts

Operating receipts	
Operating income	\$ 70,000.00
IRS operating subsidy	24,000.00
Other year requirements affecting estimated receipts	1,000.00

Total operating receipts **\$ 95,000.00**

Capital requirements

Operating expenses	\$ 171,000.00
Capital expenditures	185.10

Total capital requirements **\$ 171,185.10**

Net income provided for reserves, per FHS

and requirements (Section 501)

\$ 20,000.00

(7,000.00)

Net deficit provided for reserves, per FHS

provided for operating reserves

\$ 21,000.00

(21,000.00)

Estimated receipts per FHS

\$.00

Debt Requirements

Current debt requirements by FHS **\$ 1,401,270.70**

Monthly Accounting of expenses for the
 Bayou, Louisiana

Computation of Total Deductions and Netted Amount Contributions Earned
 (Annual Working Program)
 1947 ended December 31, 1947

MONTHLY CONTRIBUTIONS CONTRACTS SERVICE

Minimum total annual contribution	\$	100,000.00

Net operating loss	\$	104,123.00
Capital expenditures		232.70
Operating activities	+	124,280.00
Prior year adjustments affecting (negative) receipts		3,286.30

TOTAL RECEIPTS (net credit)	+	231,922.00
Adjust adjustments		6,187.00

TOTAL RECEIPTS (net) before provision for reserves	+	225,735.00
Provision for reserves		34,134.00

Netted amount	+	191,601.00

Netted contribution earned (amount of total RECEIPTS or MINIMUM ANNUAL CONTRIBUTION)	\$	191,601.00

Monthly Activities of Republic Pacific
 Supply, Inc./Division

Completion of General Contributions Manual and
 Project Account and Operating Expense Changes
 MONTHLYLY Activity Figures
 FROM MONTH ENDING 11, 1980

General Contributions Manual Review

General Contributions Available

Balance general contributions receivable
 12/31/79 correct, beginning of year \$ 100,104.00

376,179.13

Total general contributions available

\$ 476,283.13

General Contributions Required

Working conditions programs \$ 279,343.00
 Administrative fee 22,705.40
 Audit fee 405.00

Total funds required

\$ 282,453.40

(The above figures show that general contributions

5,830.00

Total general contributions required

\$ 288,283.40

Project Account Change

See project account balance \$ 205,101.77

General Contributions Manual - Change of
 contribution amounts to required

\$ 287,404.00

Operating Expense Changes

Operating charges
 operating income \$ 11,229.00
 General contributions manual 207,200.00

Total operating charges

\$ 218,429.00

Operating expenditures

operating expenses \$ 124,381.00

Total operating expenditures

\$ 124,381.00

Net operating receipts available

\$ 1 2,748.00

Plus audit deficiency in operating expense

1 8,708.00

With adjustments (added only)

1 620.00

Current deficiency in operating account

\$ 1 9,076.00

Working Inventory of Deposits Notice
Notice of Liquidation

MEMBERS and CONTRIBUTIONS of Annual Subscription Class
December 31, 1998

Annual Contributions received for 1998

	CLAP 98A	CLAP 98B	CLAP 98C	TOTAL
1. Funds approved	\$ 444,838.00	\$ 442,754.00	\$ 1,273,188.00	\$ 3,160,780.00
Funds reported	444,838.00	442,754.00	1,273,188.00	3,160,780.00
Balance of funds approved	\$.00	\$.00	\$.00	\$.00
2. Funds advanced	\$ 444,838.00	\$ 442,754.00	\$ 1,273,188.00	\$ 3,160,780.00
Funds reported	444,838.00	442,754.00	1,273,188.00	3,160,780.00
Balance of funds advanced	\$.00	\$.00	\$.00	\$.00

3. The distribution of assets by project as shown on the final statement of liquidation and accounting for Annual Subscriptions was distributed under rule 10b-109 for CLAP 98A, June 18, 1999 for CLAP 98B, and January 14, 2000 for CLAP 98C, submitted to SEC and approved in its agreement with the FAS accounts. All subscription costs have been paid and all related liabilities have been discharged through payment.

**Working Worksheet of Double-Entry
Debits and Credits**

Schedule of 2000 items
December 31, 2000

(Amounts in thousands of dollars)

	2000 (L)	2000 (C)	Total
1. Funds approved	\$ 11,000.00	\$ 11,000.00	\$ 22,000.00
Funds reported	11,000.00	.00	11,000.00
Balance of funds approved	\$.00	\$ 11,000.00	\$ 11,000.00
2. Funds advanced	\$ 10,000.00	\$.00	\$ 10,000.00
Funds reported	10,000.00	.00	10,000.00
Balance (over/under) of funds advanced	\$.00	\$.00	\$.00

Financial statements of Capital Finance
Company, Inc. (Filer)

Analysis of General Fund Cash Balance
December 31, 1999

	General Fund Working PW-001	Capital Finance Working PW-010
ASSETS AND OTHER ITEMS		
Cash/Checking and on hand	\$ 169,100.07	\$ 10,000.00
Adjustment for FIM clearing-cleared projects	880.00	.00
Adjustment for FIM clearing	88.00	.00
Accounts receivable-current	1,480.00	.00
Accounts receivable-long term	11,540.18	.00
Accounts receivable-other	.00	4,000.00
Prepaid insurance	11,000.00	1,110.00
Deferred charges	14,400.00	.00
Total	\$ 219,088.25	\$ 15,110.00
LIABILITIES, RESERVE, and OTHER ITEMS		
Transfer payable payable	\$ 4,000.00	.00
Accounts payable-GR	.00	10,110.00
Accounts payable-lease agency	.00	10,540.00
Accounts payable-other	10,000.00	.00
Accrued and withheld payroll taxes	400.00	.00
Operating reserve (w/ FIM)	100,000.00	.00
Retirement reserve	10,000.00	.00
Deficiency in operating reserve	.00	4,000.00
Adjustments affecting GR (General Fund)	15,110.00	800.00
Total	\$ 175,000.00	\$ 15,470.00

Housing Authority of Rapides Parish
Bogal, Louisiana

Owned/Leased Housing Program

Adjusting Journal Entries
December 31, 1995

Annual Contributions Contract F94-2021

	Acct. # for each report	Acct. # for posting by PHA	Debit	Credit
(1)				
Accts. Receivable - Intergovernmental Employee Benefit Contribution To reconcile intergovernmental accounts at 12/31/95.	1120.8 4540	1120.8 6018.R	\$ 1,457.15	\$ 1,457.15
(2)				
Permanent Notes - HUD Deposits with HUD Cumulative HUD Annual Contrib. To record HUD debt forgiveness per HUD contracted balance at 12/31/95.	2311 5177 2840	2311 5177 2840	1,825,808.27	8,790.54 1,815,272.73
(3)				
Prior Year Adjust. Affecting RR CAMP - Equipment To remove cost of equipment from CAMP that was previously charged to PHDEP program.	6018.P 651475	6018.P 651475	179.70	179.70
(4)				
Unreserved Surplus Prior Year Adjust. Affecting RR Leas. Structure & Equip. - Other To correct closing of PHDEP grant.	2818 6018.P 1408	2818 6018.P 1408	32,800.00	680.80 32,080.80
(5)				
Collection Loss Collection Loss Other Income Other Income To reclassify for report purposes.	4578.01L 4578.03 3695.R 3695.L	De Mit. Post	38.00 62.00	62.00 30.00
(6)				
Prepaid Insurance Insurance Expense Insurance Expense To allocate prepaid insurance at 12/31/95.	1211 4518.R 4510.L	1211 4518 4510	23,529.00	18,381.00 13,174.00

Housing Authority of Rapides Parish
Bossier, Louisiana

Grant/Leased Housing Programs (Continued)

Adjusting Journal Entries
December 31, 1995

Annual Contributions - Contract PWA-2021

	Acct. # for each report	Acct. # for posting by PWA	Debit	Credit
(7)				
Travel - Leased	4150L	00	\$ 39.76	
Travel - Low Rent	4150R		78.88	
Administrative Supply - Leased	4180L		481.99	
Administrative Supply - Low Rent	4180R		373.71	
Water - Leased	4210L		2,826.26	
Water - Low Rent	4210R		1,080.47	
Electricity - Leased	4300L		31.11	
Electricity - Low Rent	4300R		31.11	
Gas - Leased	4330L		40.74	
Gas - Low Rent	4330R		32.62	
Maintenance Materials - Leased	4420L	00	527.30	
Maintenance Materials - Low Rent	4420R		655.54	
Maintenance Contracts - Leased	4430L		1,184.25	
Maintenance Contracts - Low Rent	4430R		959.09	
Insurance - Leased	4510L		240.59	
Insurance - Low Rent	4510R		169.05	
Employ. Benefit Costs - Leased	4540L		1,445.13	
Employ. Benefit Costs - Low Rent	4540R		1,338.38	
Accounts Payable	2111	0004		\$ 11,350.77
To record accounts payable at 12/31/95 for GAMP report presentation purposes.				
(8)				
Office Equipment	1475.1	1475.1	20,368.79	
Automotive Equipment	1475.2	1475.2	58,260.58	
Maintenance Equipment	1475.3	1475.3	40,338.20	
Cooling Equipment	1485.1	1485.1	180,360.81	
Dwelling Equipment	1485.1	1485.1		57,095.40
Handwriting Equipment	1475	1475		12,577.87
Maintenance Equipment	1475.2	1475.2		98,245.18
Maintenance Equipment	1475.2L	1475.2L		212.77
Maintenance Equipment	1475.2R	1475.2R		197.18
Plus Year Adjust. Not Affect. PR	8020	8020		69,329.78
To adjust to PWA property detail at 12/31/95.				
(9)				
Maintenance Revenues	2824	2824	1,725.52	
Maintenance Revenue	1320	1320		1,725.52
To adjust maintenance revenues at 12/31/95.				

Housing Authority of Rapides Parish
Bossier, Louisiana

Certificate Housing Program

Adjusting Journal Entries
December 31, 1995

Annual Contributions Contract FHS-2118

	Acct. # for audit report	Acct. # for posting by FHS	Debit	Credit
(1) Prior Year Adjust. Not Affect. FHS Accounts Payable - HUD To reverse entry made 12/1/95 to adjust for imbalances to general fund accounts. Imbalance was caused by (1) operating expense deficiency at 12/31/94 of \$5,428.17, (2) failure to post prior audit adjustment #2 for \$680.00.	6020 2118	6020 2118	\$ 5,428.17	\$ 5,428.17
(2) Prior Year Adjust. Affect. FHS Prior Year Adjust. Not Affect. FHS To record prior audit adjustment #2.	6010 6020	6010 6020	680.00	680.00
(3) Accounts Payable - HUD Accounts Payable - Intra-agency To reclassify prior year balance in intra-agency payable.	2110 2110	2110 2110	54,041.34	54,041.34
(4) Accounts Payable - Vendors Accounts Payable - Intra-agency To reclassify intra-agency balances at 12/31/95.	2111 2110	2111 2110	14,408.85	14,408.85
(5) Cumulative HUD Annual Contr. Unreserved Supplies Project Account Accounts Payable - HUD To record adjustments to HUD 52851.	2040 2010 2027 2110	2040 2010 2027 2110	2.70 2.70	2.70 2.70

Housing Authority of Rapides Parish
Bossier, Louisiana

Comprehensive Housing Program (Continued)

Adjusting Journal Entries
December 31, 1998

Annual Contributions Contract (PW-2118)

	Acct. # for each report	Acct. # for posting by PHA	Debit	Credit
(6)				
Unreserved Surplus Project Account	2810 2827	2810 2827	\$ 6,750.00	
To adjust the 1/1/98 project account to the balance approved by HUD in HUD 52681 FYE 12/31/98.				\$ 6,750.00
(7)				
Accounts Payable - Intra-agency Other - Lease/Low Rent	2119 1299	2119 1299	38,700.07	
To consolidate intra-agency accounts at 12/31/98.				38,700.07
(8)				
Accounts Payable - HUD Project Account	2116 2827	2116 2827	3,100.00	
Cumulative HUD Annual Cont.	2840	2840		3,100.00
Unreserved Surplus	2810	2810		3,100.00
To adjust calculation of administrative fee earned FYE 12/31/98.				
(9)				
Prepaid Insurance Insurance Expense	1211 6818	1211 6818	1,213.00	
To adjust prepaid insurance at 12/31/98.				1,213.00
(10)				
Office Equipment	1475.1	1475.1	4,768.00	
Automotive Equipment	1475.7	1475.7	2,887.00	
Prior Year Adjust. Not Affect. RA Land, Structures, & Equipment	6829 1408.4	6829 6020	8,688.10	
To adjust to PHA property detail at 12/31/98.				13,744.00

NON-FINANCIAL SECTION

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

Board of Commissioners
Housing Authority of Rapides Parish
118 Boyce Building
Bossier, LA 71408

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1993, and have issued our report thereon dated March 22, 1994.

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

Compliance with laws, regulations, contracts, and grants applicable to Housing Authority of Rapides Parish is the responsibility of the authority's management. As part of obtaining reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement, we performed tests of the authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose and combining 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 U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

March 22, 1994

VanRheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

**Independent Auditor's Report on Compliance with Specific Requirements
Applicable to Major Federal Financial Assistance Programs**

Board of Commissioners
Housing Authority of Rapides Parish
118 Bojor Gardens
Bossier, LA 71499

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996.

We have also audited Housing Authority of Rapides Parish compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation; claims for advances or reimbursements; and special laws and provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended December 31, 1995. The management of Housing Authority of Rapides Parish is responsible for the authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with these requirements 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 Circular (COMB) A-125, "Audit of State and Local Governments". Those standards and COMB Circular A-125 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes determining, on a test basis, evidence about the authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Housing Authority of Rapides Parish complied, in all material respects, with the requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

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

March 22, 1996

VanRheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

**Independent Auditor's Report on Compliance with the General Requirements
Applicable to Federal Financial Assistance Programs**

Board of Commissioners
Housing Authority of Rapides Parish
110 Bocce Gardens
Bossier, LA 71489

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996.

We have applied procedures to test Housing Authority of Rapides Parish compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended December 31, 1995:

Public Activity
Civil-Rights Act
Civil Rights
Cash Management
Federal Financial Reports (Claims for Advances and Reimbursements)
Allowable-costs/Cost principles
Drug-Free Workplace Act
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Circulars Supplement to State, Local, and Tribal Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Housing Authority of Rapides Parish had not complied, in all material respects, with these requirements.

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

March 22, 1996

Gregory E. Miller, Jr.
VanRheenen & Miller, Ltd.
Certified Public Accountants

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

Board of Commissioners
Housing Authority of Rapides Parish
118 Boyce Gardens
Bogalusa, LA 71420

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996.

In connection with our audit of the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1995, and with our consideration of the authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-125, 'Audits of State and Local Governments,' we selected certain transactions applicable to certain housing federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-126, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the authority's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items listed, 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 our attention that caused us to believe that Housing Authority of Rapides Parish had not complied, in all material respects, with those requirements.

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

March 22, 1996

C. Mark VanGremmen & Steven E. Miller, Ltd.
VanGremmen & Miller, Ltd.
Certified Public Accountants

**Independent Auditors' Report on the Internal Control Structure, Set forth in an Audit of General Purpose and
Combining Financial Statements, Prepared in Accordance with Government Auditing Standards**

Board of Commissioners
Housing Authority of Rapides Parish
170 Bayou Gardens
Bossier, LA 71028

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996.

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

The management of Housing Authority of Rapides Parish 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 recorded in accordance with management's authorizations and recorded properly to permit the preparation of general purpose and combining financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nonetheless occur and not be detected. Also, the possibility 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 persons and procedures may deteriorate.

In planning and performing our audit of the general purpose and combining financial statements of Housing Authority of Rapides Parish for the year ended December 31, 1995, we obtained an understanding of the internal control structure with respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose and combining financial statements and not to provide an opinion on the internal control structure. 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. 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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose and combining financial statements.

Our study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost-benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. We concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a material weakness. Our study of the authority's internal control structure also disclosed a reportable condition in internal controls relating to lease files, which is described in the accompanying schedule of findings and questioned costs.

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

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

March 22, 1999

John S. Anderson & Miller, L.P.
VanRensselaer & Miller, L.P.
Certified Public Accountants

**Independent Auditor's Report on the Internal Control Structure Used in
Administering Federal Financial Assistance Programs**

Board of Commissioners
Housing Authority of Rapides Parish
110 Boyce Gardens
Bossier, LA 71408

We have audited the general purpose and combining financial statements of Housing Authority of Rapides Parish for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996. We have also audited Housing Authority of Rapides Parish's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated March 22, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement and about whether Housing Authority of Rapides Parish complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the authority's general purpose and combining financial statements and on its compliance with requirements applicable to major programs, 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 and combining financial statements in a separate report dated March 22, 1996.

The management of Housing Authority of Rapides Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assure 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose and combining 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 with laws and regulations may occur and not be detected. Also, the perception of any evaluator of the structure in future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

Activity Cycles

- Treasury or financing
- Revenue/collections
- Purchasing/invoice payments
- Internal financial reporting
- Payroll/personnel

General Requirements

- Fiduciary liability
- Debarment/CAI
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Reporting
- Cost allocation
- Special tests and provisions

Claims for Advances and Reimbursements

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 December 31, 1985, Housing Authority of Rapides Parish expended 86 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-120, 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 and amounts claimed or used for matching that are applicable to each of the authority's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. 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 would 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. 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 authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Our study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting record duties. The segregation of duties is a decision that must be made by management on a cost-benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. We concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a controlled audit finding. Our study of the authority's internal control structure and its operation also disclosed a reportable condition relating to tenant lists, which is discussed in the accompanying schedule of findings and associated costs.

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.

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 above are material weaknesses.

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

March 22, 1998

John W. Gorman & Hahn, Ltd.
Hartford, Connecticut
Certified Public Accountants

Housing Authority of Rapides Parish
Bryna, Louisiana

Independent Auditors' Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998

Questioned
Costs

1. TENANT FILES

\$.00

Finding

Based on ten low-rent leased files selected, we noted one file did not comply with the annual eligibility re-examination requirements. Based on thirteen certificate files selected, we noted five files that contained problems in one of the following categories: rent responsibilities not documented, rent calculation incorrect, and no evidence of a signed HUD 9808.

Recommendation

A thorough review of tenants' files should be made for the purpose of correction.

Reply

We will do so.

Housing Authority of Rapides Parish
Bossier, Louisiana

Independent Auditor's General Comments
December 31, 1995

1. The PHA administers the following programs: 77 units of public housing, 83 units of certificate housing, 100 units of leased housing, a CHAP, and a PHIDEP program.
2. HUD-receivables (that tenants' accounts receivable for units in possession should not exceed 10% of the average monthly rental charges). At December 31, 1995, the balance of tenants' accounts receivable was 10% of the average monthly rental charges.

3. The prior audit contained the following findings:

<u>Finding</u>	<u>Resolution</u>
a. Detail balances of tenants' accounts receivable and security deposits do not reconcile to general ledger.	a. PHA now reconciles these balances on a monthly basis.
b. Untimely submission of year-end financial reports.	b. File copies of current year financial reports are dated before the required submission deadline.
c. Untimely submission of audit.	c. Current audit was procured timely and submitted prior to both the State of Louisiana deadline and the HUD-deadline.
d. Property records.	d. The PHA has made the needed corrections.

4. The current audit fieldwork was completed prior to the deadline for submission of the 1995 PHMAP data. Consequently, this data was unavailable for audit review and analysis.