

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997
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ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Perdou Street
Metairie, Louisiana 70002
Telephone (504) 885-4400

Post Office Box 6075
Metairie, Louisiana 70011-6075
Facsimile (504) 885-8804

Web: <http://www.allengreen.com>

ERNEST L. ROBY, CPA

Partner
Member of the Institute of Certified Public Accountants

Tim Green, CPA

Member
Maggie Williamson, CPA

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
HOUSING AUTHORITY OF THE
PARISH OF ORLÉANS
Georgiana, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
Housing Management Division
501 Magazine Street, 6th Floor
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the Parish of Grant as of and for the year ended March 31, 1997, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Government Auditing Standards issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-129, "Audit of State and Local Governments." These standards and OMB Circular A-129 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Housing Authority of the Parish of Grant as of March 31, 1997, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

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

- A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Board of Commissioners
 Housing Authority of the Parish of Grant
 Gretnow, Louisiana

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

	GAAP Basis	HUD Prescribed Format
FINANCIAL STATEMENT PRESENTATION		
Fund accounting	Used	Not used
Facilities acquisition and construction	Expenses	Capitalized
Rentier price year adjustments	Expensing fund balance adjusted	Current expenditure or receipt
Principal payments on notes and bonds	Expenses	Reduction of the liability
Receipts from federal source	Revenue	Credited to 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

In accordance with Government Auditing Standards, we have also issued a report dated September 18, 1993 on our consideration of the Housing Authority's internal control structure and a report dated September 18, 1993 on its compliance with laws and regulations.

Allen Green & Company, LLP
 ALLEN GREEN & COMPANY, LLP

Monroe, Louisiana
 September 18, 1993

HOUSING AUTHORITY OF THE PARISH OF GRANT
 Bogalouville, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet
 March 31, 1997

	GOVERNMENTAL FUNDS			POLYMER FUNDS - AGENCY FUNDS
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 2,047	\$ 104,808	\$ 0	1,570
Investments, at cost	24,076	71,375	0	0
Receivables	1,000	13,051	18,728	0
Interfund receivables	0	21,000	0	0
Prepaid items	0	0	0	0
Land, buildings, and equipment				
Other debits				
Amount to be provided for retirement of general long-term obligations	0	0	0	0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL ASSETS AND OTHER DEBITS	\$ 45,049	\$ 210,081	\$ 18,728	1,570
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Bank overdraft	\$ 4,051	\$ 0	\$ 0	0
Accounts, salaries and other payables	0	180,348	18,054	0
Interfund payable	0	43,480	70	0
Intragovernmental payable	13,000	0	0	0
Deposits due others	0	0	0	1,070
Deferred revenues	288	23,004	0	0
Compensated absences payable	0	0	0	0
Notes	0	0	0	0
	<u>\$ 23,784</u>	<u>\$ 223,842</u>	<u>\$ 18,128</u>	<u>\$ 1,070</u>
Total Liabilities	\$ 23,784	\$ 223,842	\$ 18,128	1,070
Equity and Other Credits				
Investment in general fund assets	\$ 0	\$ 0	\$ 0	0
Fund balances				
Reserved for special items	0	0	0	0
Unreserved and undesignated	12,541	41,148	0	0
	<u>\$ 12,541</u>	<u>\$ 41,148</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total equity and other credits	\$ 12,541	\$ 41,148	\$ 0	0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 36,325	\$ 264,990	\$ 18,128	1,070

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

Statement A

*****ACCOUNT GROUP*****
 GENERAL GENERAL TOTAL
 FIXED LONG TERM (MEMORANDUM
 ASSETS DEBITATION) DUAL)

\$	\$	\$	100,000
	\$	\$	35,888
	\$	\$	31,840
	\$	\$	43,500
	\$	\$	8,528
	104,416		184,416

	\$	\$	\$
	\$	12,864	12,864

\$	104,416 \$	12,864 \$	484,232
----	------------	-----------	---------

\$	\$	\$	4,881
	\$	\$	128,480
	\$	\$	40,000
	\$	\$	12,848
	\$	\$	1,875
	\$	\$	33,310
	\$	7,484	7,484
	\$	3,480	3,480

\$	\$	10,884 \$	227,764
----	----	-----------	---------

\$	104,416 \$	\$	104,416
----	------------	----	---------

	\$	\$	8,830
	\$	\$	32,490

\$	104,416 \$	\$	355,418
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\$	104,416 \$	70,884 \$	484,232
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HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Georgestown, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended March 31, 1997

Statement 8

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (BIBERBAND) (A)
REVENUES				
Local sources:				
Dwelling rental	\$ 23,078	\$ 0	\$ 0	\$ 23,078
Interest earnings	1,087	0	0	1,087
Other	3,798	0	0	3,798
Federal sources:				
Operating subsidy	43,279	0	0	43,279
Annual contributions contract	28,489	277,828	0	326,309
CMAP grants	0	0	24,492	24,492
Total revenues	\$ 128,724	\$ 277,828	\$ 24,492	\$ 431,044
EXPENDITURES				
Current:				
Administration	\$ 40,164	\$ 55,849	\$ 0	\$ 96,013
Utilities	8,807	0	0	8,807
Ordinary maintenance	18,401	840	0	19,241
Capital expenditures	24,291	4,899	0	29,190
Housing assistance payments	0	250,280	0	250,280
Fund for insured dwellings	48,822	0	0	48,822
Facilities acquisition and construction	22,805	5,085	24,492	52,382
Total expenditures	\$ 183,270	\$ 214,953	\$ 24,492	\$ 422,715
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 45,454	\$ 62,875	\$ 0	\$ 108,329
FUND BALANCES AT BEGINNING OF YEAR	55,711	43,862	0	99,573
FUND BALANCES AT END OF YEAR	\$ 101,165	\$ 106,737	\$ 0	\$ 207,902

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

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Georgtown, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended March 31, 1997

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Dwelling rental	\$ 22,487	\$ 22,570	\$ 83
Interest earnings	801	1,257	456
Other	3,498	2,785	(713)
Federal sources:			
Operating subsidy	43,208	43,208	0
Annual Contributions Contract	58,438	58,438	0
Total revenues	\$ 127,432	\$ 128,258	\$ 826
EXPENDITURES			
Current:			
Administration	\$ 37,831	\$ 40,184	(\$ 2,353)
Utilities	8,880	8,887	7
Tenant services	0	0	0
Delivery maintenance	13,488	18,431	4,943
General expenditures	28,828	24,271	4,557
Rent for leased dwellings	48,000	48,000	0
Facilities acquisition and construction	30,450	32,800	(2,350)
Total expenditures	\$ 179,877	\$ 163,380	\$ 16,497
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (49,445)	\$ (34,122)	\$ 15,323
FUND BALANCES AT BEGINNING OF YEAR	58,112	58,112	0
FUND BALANCES AT END OF YEAR	\$ 8,667	\$ 23,990	\$ 15,323

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

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Bogalusa, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP) Basis and Actual
For the Year Ended March 31, 1997

Statement D

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources:			
Annual Contributions Contract	\$ 333,000	\$ 271,828	\$ (61,172)
Total revenues	\$ 333,000	\$ 271,828	\$ (61,172)
EXPENDITURES			
Current:			
Administration	\$ 44,707	\$ 33,048	\$ 11,659
Delivery/maintenance	0	978	(978)
General expenditures	0	4,808	(4,808)
Housing assistance payments	289,284	238,288	50,996
Facilities acquisition and construction	0	3,150	(3,150)
Total expenditures	\$ 333,991	\$ 279,641	\$ 54,350
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (7,813)	\$ (7,813)
FUND BALANCES AT BEGINNING OF YEAR	43,382	43,382	0
FUND BALANCES AT END OF YEAR	\$ 43,382	\$ 35,569	\$ (7,813)

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Greensboro, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

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HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-R.S. 40:290) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the parish declaring a need for the Housing Authority to function in such parish. The Housing Authority of the Parish of Grant is governed by a five-member Board of Commissioners. The members, appointed by the Police Jury of Grant Parish, serve a five-year staggered term.

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

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

The Housing Authority had 25 units in management for the Limited Program and was the administrator for 113 Section 8 units.

PHA Limited Housing	FW 2020	28
Rental Certificates	FW 2165	75
Rental Vouchers	FW 2251	58

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

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

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

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

B. FUNDS AND ACCOUNT GROUPS

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

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

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

1. **General Fund** - the primary operating fund of the Housing Authority. It accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low cost housing assistance program.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds (Continued)

2. **Special Revenue Fund** - accounts for revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 housing assistance programs administered by the Housing Authority.
3. **Capital Projects Funds** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities and reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

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

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

Tenant's Security Deposit Agency Fund - accounts for assets held by the Housing Authority, as an agent for the individual tenants.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Rental income is recorded in the month earned.

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

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

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

Expenditures

Salaries are recorded as expenditures when incurred.

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

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

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

Other Financing Sources (Uses)

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Deferred Revenues

The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority 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 Housing Authority has a legal claim to the resources, the liability for deferred revenues is removed from the combined balance sheet and the revenues is recognized.

Fiduciary Funds

The agency fund is established in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Housing Authority holds for others in an agency capacity.

D. BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended March 31, 1997.

1. The Housing Authority adopted budgets for the general fund, the special revenue fund and the capital projects funds. The capital projects funds' budget to actual comparison has not been included since the capital project is a multi-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 control 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.
6. HUD approves all budgets adopted by the Housing Authority.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ENCUMBRANCES

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

F. CASH AND CASH EQUIVALENTS

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

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

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. PREPAID ITEMS

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

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructure are capitalized. Interest expense during construction is capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES

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

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

GASB Statement No. 36 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

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

GASB Statement No. 36 provides that a liability for sick leave should be accrued using one of the following termination approaches:

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

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

K. LONG-TERM OBLIGATIONS

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Greentown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. FUND EQUITY

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

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

M. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-recurrent transactions and reimbursements, are reported as transfers. Nonrecursing or nonrecurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. MEMORANDUM ONLY - TOTAL COLUMNS

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At March 31, 1997, the Housing Authority has cash and cash equivalents totaling \$298,263 as follows:

Demand deposits	<u>\$180,200</u>
-----------------	------------------

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting fund balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At March 31, 1997, the Housing Authority has \$298,263 in deposits (including fund balances). These deposits are insured from risk by \$188,372 of federal deposit insurance and \$88,545 by pledged securities (GAAP Category 1).

Cash in the amount of \$2,573 is restricted for payment of tenant security deposits.

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 3 - RECEIVABLES

The receivables of \$31,649 at March 31, 1997 are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Capital Projects Funds	Total
Local sources:				
Other	\$ 33	\$ -	\$ -	\$ 33
Federal sources:				
Due from HUD	1,816	23,852	26,729	52,397
Total	\$1,849	\$23,852	\$26,729	\$52,430

NOTE 4 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance April 1, 1996	Additions	Deletions	Balance March 31, 1997
Furniture and equipment	\$147,424	\$29,987	\$4,608	\$172,803
Construction in progress	-	24,407	1,508	22,900
Total	\$147,424	\$54,394	\$6,116	\$195,702

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

NOTE 5 - RETIREMENT SYSTEM

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the first anniversary date of employment. Each participant in the plan is required to make a monthly contribution equal to five percent of his effective compensation. The employer makes a monthly contribution equal to eight percent of each participant's effective compensation. The Housing Authority's contributions for each employee (and income allocated to the employee's account) are fully vested after five years of continuous service. The Housing Authority's contributions for and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgtown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 3 - RETIREMENT SYSTEM (Continued)

The Housing Authority's total payroll for fiscal year ended March 31, 1997 was \$52,892. The Housing Authority's contributions were calculated using the base salary amount of \$12,082. Both the Housing Authority and the covered employees made the required contributions, amounting to \$6,157.

NOTE 4 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$128,500 at March 31, 1997 are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Total
Vendors	\$2,154	\$ -	\$16,654	\$ 18,808
Retirees/Retirees	1,637	-	-	1,637
Due to other governments	-	109,349	-	109,349
Total accounts payable	\$3,791	\$109,349	\$16,654	\$129,794

NOTE 5 - COMPENSATED ABSENCES

At March 31, 1997, employees of the Housing Authority have accumulated and vested \$7,464 of employee leave benefits, which was computed in accordance with GASB Codification Section 160. Of this amount, \$7,464 is recorded within the general long-term debt account group.

NOTE 6 - CHANGES IN AGENCY FUND DEPOSITS AND OTHERS

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

	Balance April 1, 1996	Additions	Debitors	Balance March 31, 1997
Agency Funds				
Tenant's security deposits	\$1,480	\$121	\$450	\$1,151

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 9 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations transactions for the year ended March 31, 1997:

	<u>Compensated Accounts</u>	<u>Project Notes Non-HUD-AAA</u>	<u>Total</u>
Balance, April 1, 1996	\$7,363	\$5,408	\$12,771
Additions	301	-	301
Deductions	-----	-----	-----
Balance, March 31, 1997	<u>\$7,664</u>	<u>\$5,408</u>	<u>\$13,072</u>

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

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

Notes payable consist of the following as March 31, 1997:

Project notes held by HUD Project LA 828-987	<u>\$5,408</u>
---	----------------

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

	<u>Receivable Amount</u>	<u>Payable Amount</u>
General	\$ 3,600	\$ -
Special Revenue:		
Rental Certificates	27,862	3,706
Rental Vouchers	-	26,712
Capital Projects	-----	-----75
	<u>\$31,462</u>	<u>\$28,413</u>

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

NOTE 11 - INTERGOVERNMENTAL PAYABLE

The intergovernmental payable of \$13,040 consists of payments in lieu of taxes due Grant Parish as March 31, 1997.

NOTE 12 - DEFERRED REVENUE

Deferred revenue consists of prepaid rent in the amount of \$190 in the general fund as March 31, 1997.

NOTE 13 - FEDERAL COMPLIANCE CONTINGENCIES

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act of 1984 through March 31, 1997, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 14 - LEASE AGREEMENT

The Housing Authority leases 35 residential rental units from the Grant Leased Housing Corporation, Georgetown, Louisiana. The initial term of the lease covered a five-year period, commencing November 1, 1978. The lease contains three automatically renewable terms of five years each, comprising a maximum lease term, including renewals, of twenty years and may not be cancelled except in accordance with the lessor's right to purchase the project as explained below. Future minimum lease payments for the noncancelable lease periods are \$43,002 annually.

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

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

NOTE 15 - FUND EQUITY

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

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

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Construction Projects

There is one major construction project in progress as March 31, 1997. This includes modernization rental units. As approved by HUD, this project is being funded by HUD. Funds are requested periodically as the cost is incurred.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

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

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

SPECIAL REVENUE FUNDS

RENTAL CERTIFICATES

(Section 8 - Rental Certificates, CFDA #14.853)

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

RENTAL VOUCHERS

(Section 8 Rental Vouchers, CFDA #14.853)

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

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Georgetown, Louisiana

SPECIAL REVENUE FUNDS
Comparative Balance Sheet
March 31, 1997

Schedule 1

	RENTAL CERTIFICATES	RENTAL VOUCHERS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 64,881	\$ 60,337	\$ 125,218
Investments, at cost	8,830	2,480	11,310
Receivables	12,081	0	12,081
Interfund receivable	57,862	0	57,862
TOTAL ASSETS	\$ 143,654	\$ 62,817	\$ 206,471
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts, salaries and other payables	\$ 95,284	\$ 30,884	\$ 126,168
Interfund payable	2,708	28,712	31,420
Deferred revenues	14,815	8,621	23,436
Total liabilities	\$ 112,807	\$ 68,217	\$ 181,024
Fund equity			
Fund balances:			
Government and undesignated	\$ 28,828	\$ 11,842	\$ 40,670
Total equity	\$ 28,828	\$ 11,842	\$ 40,670
TOTAL LIABILITIES AND FUND EQUITY	\$ 141,635	\$ 80,059	\$ 221,694

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended March 31, 1997

Schedule 2

	<u>RENTAL</u> <u>CERTIFICATES</u>	<u>RENTAL</u> <u>HOUSERS</u>	<u>TOTAL</u>
REVENUES			
Federal sources:			
Annual Contributions Contract	\$ 100,867	\$ 100,860	\$ 211,827
Total revenues	\$ 100,867	\$ 100,860	\$ 211,827
EXPENDITURES			
Current:			
Administration	\$ 12,850	\$ 19,217	\$ 32,067
Ordinary maintenance	541	869	1,410
General expenditures	5,842	1,607	7,449
Housing assistance payments	141,845	68,345	310,290
Facilities acquisition and construction	3,183	0	3,183
Total expenditures	\$ 173,861	\$ 90,038	\$ 263,899
EXCESS (SHORTAGE) OF REVENUES OVER EXPENDITURES	\$ 27,006	\$ 1,062	\$ 28,068
FUND BALANCES AT BEGINNING OF YEAR	34,189	9,177	43,366
FUND BALANCES AT END OF YEAR	\$ 61,195	\$ 10,239	\$ 71,434

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997

CAPITAL PROJECTS FUNDS

PROJECT LA 48-901

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 48-901 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 120-1.

PROJECT LA 48-908

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 48-908 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 120-1.

HEARING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

CAPITAL PROJECTS FUND
Continuing Balance Sheet
March 31, 1997

Schedule 3

	PROJECT LA 88-901	PROJECT LA 88-908	TOTAL
ASSETS			
Receivables	\$ 16,720	\$ 0	\$ 16,720
TOTAL ASSETS	<u>\$ 16,720</u>	<u>\$ 0</u>	<u>\$ 16,720</u>
LIABILITIES AND EQUITY			
Liabilities			
Accounts, salaries and other payables	\$ 16,894	\$ 0	\$ 16,894
Interfund payable	75	0	75
Total liabilities	<u>\$ 16,969</u>	<u>\$ 0</u>	<u>\$ 16,969</u>
Fund Equity - fund balances			
Unassigned	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16,969</u>	<u>\$ 0</u>	<u>\$ 16,969</u>

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

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1997**

GENERAL

COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation.

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
 Greengarden, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the Year Ended March 31, 1997

Schedule B

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			
DIRECT PROGRAMS			
PUBLIC AND MIXED HOUSING			
Basic Contribution (3)	14.880	FYR 2029	\$ 58,480
Operating Subsidy	14.858	FYR 2029	_____83,221
TOTAL PROGRAM			\$ 141,701
Comprehensive Improvement Assistance Programs	14.852	FYR 2029	24,407
SECTION 8 RENTAL CERTIFICATE PROGRAM	14.807	FYR 2100	158,607
SECTION 8 RENTAL VOUCHERS	14.880	FYR 2301	_____150,897
TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 485,622</u>

(1) The Housing Authority is included in the U. S. Department of Housing & Urban Development for project costs of \$3,408 in year end.

ISSUING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES -
HUD PRESCRIBED FORMAT

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Bogalusa, Louisiana

Exhibit A

ANALYSIS OF SURPLUS
STATUTORY BASIS

For the Year Ended March 31, 1987

PRE-LEASED HOUSES (NOO PW 220)

UNRESERVED SURPLUS

BALANCE PER PRIOR AUDIT	\$ (1,008,410)
Prior Audit Adjustments	_____
BALANCE PER BOOKS, BEGINNING	\$ (1,008,410)
Net Loss	(128,050)
Provision for (Recovery of) Operating Reserve	_____ 62,564
BALANCE, ENDING	\$ (1,073,896)

OPERATING RESERVE

BALANCE, BEGINNING	\$ 41,157
Provision for (Recovery of) Operating Reserve (Cash Withdrawal)	_____ 62,564
BALANCE, ENDING	\$ 1,033

CUMULATIVE HUD CONTRIBUTION

BALANCE, BEGINNING	\$ 1,855,817
Annual Contribution	68,480
Operating Surplus	_____ 43,280
BALANCE, ENDING	\$ 1,967,577

CUMULATIVE HUD GRANTS

BALANCE, BEGINNING	\$ 0
Comprehensive Improvement Assistance Grant	_____ 2,758
BALANCE, ENDING	\$ 2,758
TOTAL SURPLUS	\$ 188,289

(CONCLUDED)

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

ANALYSIS OF SURPLUS
STATISTICAL BASIS
For the Year Ended March 31, 1997

Exhibit B

SECTION 8 (400 PAF 2100 & 2125)	RENTAL CERTIFICATES	RENTAL VOUCHERS
UNRESERVED SURPLUS		
BALANCE PER PRIOR AUDIT	\$ (2,730,375)	\$ (950,824)
From Audit Adjustments	_____	_____
BALANCE PER BOOKS, BEGINNING	\$ (2,730,375)	\$ (950,824)
Net Loss	(73,640)	(100,489)
(Provision for) Reduction of Operating Reserve	4,575	(2,887)
(Provision for) Reduction of Project Account	_____ (81,952)	_____ (82,894)
BALANCE, ENDING	<u>\$ (2,961,250)</u>	<u>\$ (1,136,794)</u>
OPERATING RESERVE		
BALANCE, BEGINNING	\$ 26,458	\$ 15,285
Provision for (Reduction of) Operating Reserve Cash Withdrawal	_____ (4,575)	_____ 2,887
BALANCE, ENDING	<u>\$ 21,883</u>	<u>\$ 18,172</u>
PROJECT ACCOUNT UNFUNDED		
BALANCE, BEGINNING	\$ 400,048	\$ 199,884
Provision for (Reduction of) Project Account Unfunded	_____ (91,812)	_____ (82,894)
BALANCE, ENDING	<u>\$ 308,236</u>	<u>\$ 116,990</u>
CUMULATIVE HUD CONTRIBUTION		
BALANCE, BEGINNING	\$ 2,100,073	\$ 760,700
Annual Contribution Earned	_____ 158,957	_____ (82,881)
BALANCE, ENDING	<u>\$ 2,259,030</u>	<u>\$ 677,819</u>
TOTAL SURPLUS	<u>\$ 28,668</u>	<u>\$ 11,271</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Georgtown, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL
MODERATION COSTS
COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM
March 31, 1997

Exhibit C

1. The actual Comprehensive Improvement Assistance Program costs is as follows:

	PROJECT LA 48-008
Funds Approved	\$ 1,500
Funds Expended	_____ 1,500
Excess of Funds Approved	\$ _____ 0
Funds Advanced	\$ 1,500
Funds Expended	_____ 1,500
Excess of Funds Advanced	\$ _____ 0

2. The distribution of costs by project as shown on the first schedule of Comprehensive Improvement Assistance Program expenditures dated January 13, 1997, accompanying the actual moderation conditions submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Improvement Assistance Programs costs have been paid and all related liabilities have been discharged through payment.

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

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

ALLEN, GREEN & COMPANY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS



2014 Perdado Street
Metairie, Louisiana 70001
Telephone (504) 885-4422

Post Office Box 6235
Metairie, Louisiana 70001-6235
Facsimile (504) 885-4884

Web: <http://www.allengreen.com>

Ernest L. Allen, CPA
2014 Perdado Street
Metairie, Louisiana 70001

Tim Green, CPA

Marge Williamson, CPA

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

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

U. S. Department of Housing and Urban Development
Housing Management Division
301 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated September 10, 1997.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, *Standards for State and Local Governments*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, for the year ended March 31, 1997, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

We noted those matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as reported in the Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, no balance exists of the reportable conditions described in the Schedule of Reportable Conditions is a material weakness.

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

Allen Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 18, 1993

ALLEN, GREEN & COMPANY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS



2114 Permet Street
Monroe, Louisiana 70001
Telephone (504) 388-4400

Post Office Box 8076
Monroe, Louisiana 70011-8076
Facsimile (504) 388-4664

Web: <http://www.allengreenpa.com>

Ernest L. Allen, CPA
Professional
Accountant

Tim Green, CPA

Stacy Williamson, CPA

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

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

U. S. Department of Housing and Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated September 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of State and Local Governments." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of our tests disclosed instances of noncompliance described in findings #1 and #2 of the accompanying Schedule of Findings and Questioned Costs that are required to be reported herein under Government Auditing Standards.

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

ALLEN, GREEN & COMPANY, L.L.P.

Monroe, Louisiana
September 18, 1997

HOUSING AUTHORITY OF THE PARISH OF GRANT
Geopline, Louisiana

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

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

ALLEN, GREEN & COMPANY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS



2114 Poydras Street
Monroe, Louisiana 71201
Telephone (504) 388-4100

Post Office Box 8075
Monroe, Louisiana 71211-8075
Facsimile (504) 388-4864

Web: <http://www.allengreenpa.com>

Crest L. Allen, CPA
a Partner
Accounting Firm

Tim Green, CPA

Marge Williamson, CPA

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

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

U. S. Department of Housing and Urban Development
Housing Management Division
303 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated September 30, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audit 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 financial statements are free of material misstatement.

In planning and performing our audit for the year ended March 31, 1997, we considered the Housing Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Housing Authority's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 30, 1997.

The management of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the reported 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 financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may decrease.

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

Accounting controls:

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

Administrative controls:

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

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

During the year ended March 31, 1993, the Housing Authority of the Parish of Grant, Louisiana, had no major federal financial assistance programs and expended 76 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: FHA Loward Housing, and Section 8 - Rental Certificates.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants which are described in reportable conditions #1, #2 and #3 of the accompanying Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

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 identified in the Schedule of Reportable Conditions is a material weakness.

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

Allen Green & Company LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 18, 2007

ALLEN, GREEN & COMPANY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS



One Four Farnham Street
Monroe, Louisiana 71201
Telephone (225) 388-4422

Post Office Box 6079
Monroe, Louisiana 71217-6079
Facsimile (214) 388-4444

Web: <http://www.allengreenco.com>

Emery L. Allen, CPA
MEMBER
AMERICAN
INSTITUTE

Tim Green, CPA

Marge Williamson, CPA

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

Board of Commissioners
Housing Authority of the Parish of Grant
Georgiana, Louisiana

U. S. Department of Housing and Urban Development
Housing Management Division
300 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgiana, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated September 18, 1997.

We have applied procedures to test the Housing Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance for the year ended March 31, 1997: political activity, civil rights, cash management, federal financial reports, allowable cost/allow principles, Drug-Free Workplace Act and administrative requirements.

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

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

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

Allen, Green & Company, L.L.P.

ALLEN, GREEN & COMPANY, L.L.P.

Monroe, Louisiana
September 18, 1997

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



3274 Hampden Street
Monroe, Louisiana 70201
Telephone (225) 388-4433

Post Office Box 8870
Monroe, Louisiana 70217-8870
Facsimile (225) 388-4434

Web: <http://www.allengreen.com>

Ernest L. Allen, CPA
Certified Public Accountant

Tim Green, CPA

Margie Williamson, CPA

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

Board of Commissioners
Housing Authority of the Parish of Grant
Georgetown, Louisiana

U. S. Department of Housing and Urban Development
Housing Management Division
301 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Parish of Grant, Georgetown, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated September 16, 1997.

In connection with our audit of the general purpose financial statements of the Housing Authority and with our consideration of the Housing Authority's control structure used to administer federal financial assistance programs as required by Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments," we tested certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended March 31, 1997.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or not allowed, eligibility, reporting and approval provisions 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 Housing Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance described in finding #2 of the accompanying Schedule of Findings and Questioned Costs that are required to be reported herein under Government Auditing Standards.

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

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 16, 1997

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS
Georgtown, Louisiana

**STATUS OF PRIOR AUDIT REPORTABLE CONDITIONS
FOR THE YEAR ENDED MARCH 31, 1997**

1. Inadequate Segregation of Duties

See reportable condition #1 on Schedule of Reportable Conditions.

2. Use of Rubber Stamp

Although the Housing Authority followed the recommendation of the auditors, this item will be incorporated into reportable condition #1 on Schedule of Reportable Conditions.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 1987

1. Budget Concerns

This item has been resolved.

2. Federal Financial Reports

This item has been resolved.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgetown, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
FOR THE YEAR ENDED MARCH 31, 1997

3. Inadequate Segregation of Duties

(Public and Indian Housing - CFDA #14.850)

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

(Section 8 - Rental Certificates - CFDA #14.853)

(Section 8 - Rental Vouchers - CFDA #14.855)

CONDITION: Due to the small size of the Housing Authority, segregation of duties is not adequate to provide effective internal control because some incompatible functions must be performed by administrative employees. The functions of opening the mail, collecting rent, recording the receipt in the rent register, preparing the deposit, making the deposit and check preparation are all performed by both of the administrative employees. The Housing Authority does have some compensating controls for the inadequate segregation of duties. Receipts from HUD are wire-transferred to the bank account. All checks require two signatures, the Executive Director and a Board member. Payroll returns are prepared by an employee independent of check preparation. Recording of cash receipts and disbursements and preparation of bank reconciliations are performed by the tax accountant for the Housing Authority. Yet, often the control of requiring two signatures on all checks is overridden by the use of a rubber stamp in place of the board member's signature. This occurs because the board member is not available to sign checks. The Housing Authority does, upon prior year audit recommendations, maintain a list of all checks signed using the rubber stamp and has the board member sign off on the list to ratify the use of the stamp.

CAUSE OF CONDITION: Due to the small size of the Housing Authority, HUD has approved salaries for two full-time employees.

RECOMMENDATIONS: Due to the size of the Housing Authority, further segregation of duties may be impractical. Continue to have board member sign list of checks signed using the rubber stamp, ratifying the use of the stamp.

MANAGEMENT'S RESPONSE: We feel any further segregation of duties would be impractical considering the size of the Housing Authority.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgtown, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
FOR THE YEAR ENDED MARCH 31, 1987

2. **Inadequate Controls of Cash Disbursements**

(Public and Indian Housing - (21IA 814.850)

(Public and Indian Housing - Comprehensive Improvement Assistance Program - (21DA 814.851)

(Section 8 - Rental Certificates - (21DA 814.857)

(Section 8 - Rental Vouchers - (21DA 814.855)

CONDITION: During the test and review of cash disbursements, the following items were noted:

1. A check for \$600 was written to "CASH" rather than to the vendor even though the vendor's invoice was attached.
2. Credit card statements from which checks were paid had no type of description of the goods for which the charges made.
3. A check for repair services had no documentation to support the charge.
4. A check for materials was paid from the statement and not the original invoice.

REASON IMPROVEMENT NEEDED: Improvement is needed to ensure adequate control over the disbursements of funds.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Allowing checks to be written to "CASH" and having inadequate documentation supporting charges weakens the Housing Authority's control over disbursements of funds.

RECOMMENDATION: All checks should be written to specific vendors and all charges should be supported by original detailed invoices. For all credit card transactions, the Housing Authority employee should request a receipt for each individual charge, and the receipt should be kept with the monthly statement to support the charge.

MANAGEMENT'S RESPONSE: Checks will be written to a specific vendor. Credit card receipts will be filed with monthly bills. No checks will be written to "CASH."

HOUSING AUTHORITY OF THE PARISH OF GRANT
 Georgetown, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
FOR THE YEAR ENDED MARCH 31, 1997

3. Timely Deposits/Deposit Discrepancies
 (Public and Indian Housing - CPDA #14-830)

CONDITION: Of the two months selected for receipts testing, four instances were noted of delay between the date of receipt per prenumbered receipt and the date of the deposit. Also, of the seven deposits tested during those two months, four of the deposits per prenumbered receipts did not equal the deposit per the bank statements.

The following was noted:

Deposits not made timely:

<u>Amount of Receipt</u>	<u>Date Collected</u>	<u>Date Deposited</u>
\$ 32	June 19, 1996	June 28, 1996
127	October 20, 1996	November 5, 1996

Deposits not equal to prenumbered receipt:

<u>Amount per Deposit</u>	<u>Amount per Prenumbered Receipt</u>	<u>Difference</u>
\$1,491	\$1,478	\$ 13
188	190	(- 2)
211	186	25
836	838	(- 2)

REASON IMPROVEMENT NEEDED: To ensure that for all the money collected, a prenumbered receipt is issued. Also, to ensure that the entire amount received is deposited on a timely basis.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Weak internal control situation concerning cash.

RECOMMENDATION: For all money collected, a prenumbered receipt should be issued, deposits should be made intact, and the money should be deposited on a daily basis. If the money cannot be deposited daily, it should be deposited within three days.

MANAGEMENT'S RESPONSE: The Housing Authority will deposit the money in the bank within three-days' period although the bank is in the next town.

HOUSING AUTHORITY OF THE PARISH OF GRANT
Georgiana, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 1997

1. **Public Bid Law**

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

CONDITION: According to Louisiana Public Bid Law, expenditures for materials and supplies over \$5,000 but under \$10,000 require the Housing Authority to obtain at least three telephone or facsimile quotations. Both documentation of the quotes received and a written confirmation of the offer accepted must be kept part of a purchase file. Of the one quote process noted, the Housing Authority did not obtain a written confirmation of the accepted offer to be made part of the purchase file.

REASON/IMPROVEMENT NEEDED: To comply with requirements of Louisiana Public Bid Law.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Noncompliance with Public Bid Law.

RECOMMENDATION: The Housing Authority should obtain a written confirmation of the accepted offer.

MANAGEMENT'S RESPONSE: The Housing Authority will obtain a written confirmation of offer accepted and keep them in the bid folder.

2. **Inventory of Fixed Assets**

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

(Public and Indian Housing - CFDA #14.850)

(Section 8 - Rental Certificates - CFDA #14.857)

(Section 8 - Rental Vouchers - CFDA #14.855)

CONDITION: The Housing Authority does not maintain a comprehensive inventory of fixed assets.

REASON/IMPROVEMENT NEEDED: Compliance with LSA - R.S. 24:919(C) and to have adequate controls over safeguarding assets.

CAUSE OF CONDITION: No fixed asset inventory existed when the current Housing Authority personnel began working and such an inventory has not been compiled.

EFFECT OF CONDITION: Noncompliance with Louisiana Asset Management Laws and inadequate controls over assets.

RECOMMENDATION: The Housing Authority should prepare a complete inventory of fixed assets including description, serial number, date of purchase, number of items, location, and cost. These fixed asset records should be updated at least quarterly, and an annual physical inventory be taken.

MANAGEMENT'S RESPONSE: The Housing Authority will prepare a complete inventory list of fixed assets in the future.