

FINANCIAL STATEMENTS OF THE CITY OF HOUSTON
 GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS - BALANCE SHEET - GOVERNMENTAL FUNDS
 PERIOD END 2008

	UNRECORDED FUND BALANCE				APPROPRIATED AMOUNT			
	Assigned Revenue	From Other Funds	Capital Projects		General Fund	Special Revenue Funds	Debt Service	Other Special Funds
ASSETS AND LIABILITIES								
Assets								
Cash	\$ 125,813.78	\$.00	\$.00	\$.00	\$.00	\$.00	\$ 2,515,761.78	\$ 125,813.78
Accounts Receivable	202.00	.00	.00	.00	.00	.00	202.00	.00
Prepaid Expenses	214.24	.00	.00	.00	.00	.00	214.24	214.24
Inventory	.00	262,750.00	21,875.00	.00	.00	.00	124,475.00	124,475.00
Other Receivables	200.00	.00	.00	.00	.00	.00	200.00	.00
Due from Other Funds	21,475.00	.00	.00	.00	.00	.00	26,775.00	2,215.00
Prepaid Interest	1,214.24	.00	.00	.00	.00	.00	1,214.24	1,214.24
Due from Other Funds	.00	1,214.24	.00	.00	.00	.00	200.00	200.00
Other Assets	.00	.00	.00	1,249,894.99	.00	.00	1,249,894.99	1,249,894.99
Liabilities								
Accounts Payable - All Funds	.00	.00	.00	.00	262,750.00	124,475.00	124,475.00	124,475.00
Due to Other Funds	.00	.00	.00	.00	26,775.00	.00	1,214.24	1,214.24
Total Assets and Liabilities	\$ 252,515.22	\$ 264,764.24	\$ 21,875.00	\$ 1,251,789.99	\$ 2,262,525.00	\$ 1,249,765.00	\$ 3,291,016.00	\$ 3,291,016.00
DEFERRED ASSETS, LIABILITIES, AND OTHER CHANGES								
Assets								
Accounts Payable	\$ 4,227.21	\$.00	\$.00	\$.00	\$.00	\$.00	\$ 4,227.21	\$ 4,227.21
Other Receivables	.00	.00	.00	.00	.00	.00	.00	2,225.00
Accounts Receivable	1,225.00	.00	.00	.00	.00	.00	1,225.00	1,225.00
Accounts Payable	26,775.00	.00	.00	.00	.00	.00	26,775.00	.00
Due to Other Funds	.00	.00	26,775.00	.00	.00	.00	26,775.00	1,249.00
Accounts Payable	.00	.00	.00	.00	.00	.00	.00	200.00
Other Assets	.00	.00	.00	.00	1,249,894.99	1,249,894.99	1,249,894.99	
Total Liabilities	\$ 22,227.21	\$.00	\$ 26,775.00	\$.00	\$ 1,249,894.99	\$ 1,249,894.99	\$ 3,291,016.00	\$ 3,291,016.00
Assets and Other Liabilities								
Liabilities to other funds - Other Funds	\$.00	\$.00	\$.00	\$ 1,249,894.99	\$.00	\$ 2,262,525.00	\$ 2,262,525.00	
Liabilities to other agencies	.00	124,475.00	.00	.00	.00	.00	124,475.00	124,475.00
Liabilities for deposits	1,214.24	.00	.00	.00	.00	.00	1,214.24	1,214.24
Liabilities - Contingent	124,475.00	.00	.00	.00	.00	.00	124,475.00	124,475.00
Total Assets and Other Liabilities	\$ 125,813.78	\$ 264,764.24	\$.00	\$ 1,251,789.99	\$.00	\$ 3,291,016.00	\$ 3,291,016.00	
Net Assets, Liabilities and Other Liabilities	\$ 125,813.78	\$ 264,764.24	\$ 21,875.00	\$ 1,251,789.99	\$ 2,262,525.00	\$ 1,249,765.00	\$ 3,291,016.00	

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

GENERAL PURPOSE FINANCIAL STATEMENTS

Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Donaldsonville
1301 St. Patrick Street
Donaldsonville, LA 70346

We have audited the accompanying general purpose financial statements of Housing Authority of the City of Donaldsonville as of December 31, 1990, and for the year then ended, as listed in the table of contents. These general purpose financial statements and the supplemental financial information and supplemental financial information - statutory basis referred to below are the responsibility of the 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 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, "Standards for State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Housing Authority of the City of Donaldsonville as of December 31, 1990, and the results of its operations 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 18, 1991 on our consideration of Housing Authority of the City of Donaldsonville's internal control structure and a report dated March 18, 1991 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements. The accompanying financial information listed as governmental 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 the City of Donaldsonville. Such information has been subjected to the auditing procedures applied in the audit of the general purpose 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. The supplemental financial information - statutory basis has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in conformity with the comprehensive basis of accounting described in Note 1.

March 18, 1991

Van Rheeunen & Miller, Ltd.
Van Rheeunen & Miller, Ltd.
Certified Public Accountants

THEORETICAL SECTION

TABLE OF CONTENTS

	Page
Financial Section	3
Independent Auditors' Report	4
General Purpose Financial Statements	5
Combined Balance Sheet - All Fund Types and Account Group	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	8
Notes to the Financial Statements	9
Supplemental Financial Information	15
Schedule of Federal Financial Assistance	16
Supplemental Financial Information - Statutory Basis	17
Balance Sheet - Statutory Basis	18
Statement of Income and Expenses - Statutory Basis - Owned Housing Program	19
Analysis of Supplies - Statutory Basis	20
Computation of Headstart Receipts and Paying Annual Contributions - Owned Housing Program	21
Schedule of Modernization Costs - Uncampsted	22
Analysis of General Fund Cash Balance	23
Adjusting Journal Entries - Owned Housing Program	24
Non-Financial Section	25
Independent Auditors' Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	26
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major HRSA Programs	27
Independent Auditors' Report on Compliance with General Requirements Applicable to Federal Financial Assistance Programs	28
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	29
Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Governmental Auditing Standards	30
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	32
Independent Auditors' Schedule of Findings and Questioned Costs	33
Independent Auditors' General Comments	34

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JUN 03 1997

LETTER TO THE AUTHOR

SUBJECT:
TO WHOM IT MAY CONCERN
DATE: 06/03/97

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

The enclosed report covers the results of the site investigation performed on the property located at 1000 North Street, Donaldsonville, Louisiana. The site was investigated for lead and asbestos contamination. The results of the investigation are as follows:
Lead: No lead was detected at any of the sampling locations.
Asbestos: Asbestos was detected at one sampling location. The concentration was 0.1 fpm, which is below the action level of 1.0 fpm.
Additional information is provided in the report.

VAN HEENEN & MILLER LTD.
Environmental Engineers & Scientists
1000 North Street, Donaldsonville, Louisiana 70346
Phone: (504) 871-1111

Accounting Schedule of the City of Honolulu—1990
 General Fund—1990

Statement of Income and Expenses - Department 0400
 General Accounting Program
 Year Ended December 31, 1990

Income - Performance Measure 04-1210

Operating Income	\$	184,390.00
Operating Grants		11,700.00
Income in Other		1,400.00
Increase or Decrease from Investments		1,690.00
Other Income		1,600.00
Total Operating Income	\$	184,390.00
Operating Expenses	\$	61,004.47
Administrative		400.00
Travel Services		22,000.00
Utilities		11,000.00
Contract Maintenance and Supplies		18,000.00
Printing Services		10,000.00
Contract Maintenance		10,000.00
Total Operating Expenses	\$	107,404.47
Net Operating (Loss) (Gain) before other items	\$	76,985.53
Other charges (credits):	\$	14,000.00
Interest expense		14,000.00
Joint Cost Allocation of equipment		
Total other charges (credits)	\$	14,000.00
Net Income (Loss)	\$	129,024.53

Financial Statements of the City of Philadelphia
Department of Licenses

Financial Statement of Revenues, Expenditures, and Changes in Fund Balance
of Departmental Fund Types
For the Month Ending 01, 1999

Departmental Fund Types

	Special Revenue	Int. Service	Capital Projects	State Funds	Fed. Funds
Revenues:					
Fees	\$ 188,780.00	00	00	\$ 188,780.00	\$ 188,780.00
Charges for services	26,500.00	00	00	26,500.00	26,500.00
Specialized activities/contracts	180,000.00	241,700.00	201,000.00	422,000.00	241,500.00
Interest	0.00	00	00	0.00	0.00
Miscellaneous	0.00	00	00	0.00	0.00
Total Revenues	\$ 395,280.00	\$ 241,700.00	\$ 201,000.00	\$ 637,280.00	\$ 456,780.00
Expenditures:					
Commodities	\$ 0.00	00	00	\$ 0.00	\$ 0.00
Building operations	13,800.00	00	200,000.00	213,800.00	13,800.00
Capital outlay	0.00	00	0.00	0.00	0.00
Data services	0.00	52,100.00	0.00	52,100.00	52,100.00
Indirect	0.00	66,000.00	0.00	66,000.00	66,000.00
Interest	0.00	0.00	0.00	0.00	0.00
Total Expenditures	\$ 13,800.00	\$ 118,100.00	\$ 200,000.00	\$ 371,900.00	\$ 131,900.00
Source of Revenue - Fund Transfers (Expenditures)	\$ 13,800.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,800.00
Fund Balance, beginning of period	\$ 281,480.00	\$ 123,600.00	\$ 0.00	\$ 405,080.00	\$ 324,880.00
Fund Balance, end of period	\$ 295,280.00	\$ 123,600.00	\$ 0.00	\$ 405,080.00	\$ 338,680.00

This accompanying report shall be integral part of the financial statements.

**Independent Auditor's Report on the 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 City of Donalsonville
1521 E. Main Street
Donalsonville, GA 30548

We have audited the general purpose financial statements of Housing Authority of the City of Donalsonville as of and for the year ended December 31, 1996, and have issued our report thereon dated March 15, 1997.

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 financial statements are free of material misstatement.

The management of Housing Authority of the City of Donalsonville 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 authorization and recorded in equity 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, prevention of any evaluation 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.

In planning and performing our audit of the general purpose financial statements of Housing Authority of the City of Donalsonville for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been put into 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 of 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 causing our attention arising in 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.

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 device 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 considered 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.

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 18, 1997

John R. Shannon & Miller, Ltd.
John R. Shannon & Miller, Ltd.
Certified Public Accountants

Activity Centric:

- Treasury or financing
- Revenue receipts
- Purchased/supplier items
- External financial reporting
- Payroll/personnel

General Requirements:

- Political activity
- Clean-Statute Act
- Gift rights
- Cost management
- Federal financial reports
- Allowable conditional principles
- Drug free workplace
- Administrative requirements

Specific Requirements:

- Types of services a based or unfunded
- Eligibility
- Reporting
- Cost allocation
- Special tests and provisions

Clashes for Agencies 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, 1995, Housing Authority of the City of Donaldsonville expended 54 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-129, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that are considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for admission 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 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 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 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 considered 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 disclosed reportable conditions relating to travel fees and PHSDAP, which are disclosed in the accompanying schedule of findings and questioned costs.

SUPPLEMENTAL FINANCIAL INFORMATION - STATUTORY BASIS

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 induce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described 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 18, 1997

Walter O'Connell & Potts, Ltd.

Chartered Accountants
Certified Public Accountants

Accounting Authority of the City of Goodhue County
 Goodhue County, Minnesota

Contract Statement of Services, Requirements, and Charges in Total Dollars -
 Single and Serial - and Governmental Fund Types
 Year Ending December 31, 1999

	Special Revenue Funds		
	50000	50001	50002
Services			
Water	\$ 270,000.00	\$ 188,000.00	\$ 458,000.00
Charges for services	\$ 0.00	\$ 0.00	\$ 0.00
Operational maintenance/repair	\$ 0.00	\$ 0.00	\$ 0.00
Interest	\$ 0.00	\$ 0.00	\$ 0.00
Other charges	\$ 0.00	\$ 0.00	\$ 0.00
Total Services	\$ 270,000.00	\$ 188,000.00	\$ 458,000.00
Capital Expenditures			
Administration services	\$ 0.00	\$ 0.00	\$ 0.00
Professional fees	\$ 0.00	\$ 0.00	\$ 0.00
Travel	\$ 0.00	\$ 0.00	\$ 0.00
County administrative services	\$ 0.00	\$ 0.00	\$ 0.00
Contract services	\$ 0.00	\$ 0.00	\$ 0.00
Utilities	\$ 0.00	\$ 0.00	\$ 0.00
Maintenance - capital	\$ 0.00	\$ 0.00	\$ 0.00
Equipment maintenance	\$ 0.00	\$ 0.00	\$ 0.00
Other maintenance services	\$ 0.00	\$ 0.00	\$ 0.00
Insurance	\$ 0.00	\$ 0.00	\$ 0.00
PLANNING	\$ 0.00	\$ 0.00	\$ 0.00
Employee benefit	\$ 0.00	\$ 0.00	\$ 0.00
Indirect charges	\$ 0.00	\$ 0.00	\$ 0.00
Capital required funds	\$ 0.00	\$ 0.00	\$ 0.00
Total expenditures	\$ 0.00	\$ 0.00	\$ 0.00
Balance of Special Revenue -			
Contract Requirements	\$ 0.00	\$ 0.00	\$ 0.00
Fund Balance, beginning of period		\$ 0.00	
Fund Balance, end of period		\$ 0.00	

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

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

Board of Commissioners
Housing Authority of the City of Donaldsonville
1501 St. Patrick Street
Donaldsonville, LA 70346

We have audited the general purpose financial statements of Housing Authority of the City of Donaldsonville as of and for the year ended December 31, 1986, and have issued our report thereon dated March 10, 1987.

In connection with our audit of the general purpose financial statements of Housing Authority of the City of Donaldsonville as of and for the year ended December 31, 1986, 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-128, "Audit of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1986. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or disallowed 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 tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Housing Authority of the City of Donaldsonville 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 10, 1987

Van Rhee-nen & Miller, Ltd.
Van Rhee-nen & Miller, Ltd.
Certified Public Accountants

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

Board of Commissioners
Housing Authority of the City of Donaldsonville
1501 St. Patrick Street
Donaldsonville, LA 70348

We have audited the general purpose financial statements of Housing Authority of the City of Donaldsonville as of and for the year ended December 31, 1988, and have issued our report thereon dated March 10, 1989.

We have applied procedures to test Housing Authority of the City of Donaldsonville 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, 1988:

Federal Aides
Dates, Basis and
Cost Rights
CASA Management
Federal Financial Reports (Claims for Advances and Reimbursement)
Allowable cost/Cost principles
Group F and Other Special Act
Administrative requirements

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

With respect to the items tested, the results of these 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 the City of Donaldsonville 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 10, 1989


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

**Independent Auditor's Report on Compliance with Specific Requirements
Applicable to Major HUD Programs**

Board of Commissioners
Housing Authority of the City of Donaldsonville
1807 B - Patrick Street
Donaldsonville, LA 70345

We have audited the general-purpose financial statements of Housing Authority of the City of Donaldsonville as of and for the year ended December 31, 1988, and have issued our report thereon dated March 18, 1989.

We have also audited Housing Authority of the City of Donaldsonville compliance with the specific program requirements governing types of services allowed or unallowed; eligibility, reporting, cost allocation, claims for advances and reimbursements, and special test and provisions that are applicable to each of its major HUD-assisted programs, for the year ended December 31, 1988. The management of Housing Authority of the City of Donaldsonville 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 those requirements in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, Office of Management and Budget Circular A-128, "Audit of State and Local Governments" and the provisions of the Public Law Indian Housing Compliance Supplement dated May 28, 1986. Those standards and the OMB Circular A-128 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 examining, 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 the City of Donaldsonville complied, in all material respects, with the requirements described above that are applicable to each of its HUD-assisted programs for the year ended December 31, 1988.

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 18, 1989

Van Rheenen & Miller, Ltd.
Hoffmann & Miller, Ltd.
Certified Public Accountants



C. Mark VanRheenen, CPA
James L. Miller, Jr., CPA
1 - Room 1001, 630

1209 E. East Avenue - Tulsa, Oklahoma 74106 - (918) 244-6300 - Fax (918) 244-6302

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

Board of Commissioners
Housing Authority of the City of Donaldsonville
1501 St. Patrick Street
Donaldsonville, LA 70040

We have certified the general purpose financial statements of Housing Authority of the City of Donaldsonville as of and for the year ended December 31, 1995, and have issued our report thereon dated March 10, 1997.

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 financial statements are free of material misstatement.

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

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

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

March 10, 1997

C. Mark VanRheenen, J. Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

MEMORANDUM SECTION

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

General Housing Program

Adjusted Journal Entries
December 31, 1995

Annual Contributions - Contract PWA 1262

	Acct. # for credit report	Acct. # for posting to DRSA	Debit	Credit
(1)				
Interest Receivable - HUD	1445	1145	\$ 500.00	
Interest Income	2818	6010		\$ 500.00
To record accounts receivable for federal tax withheld from HUD.				
(2)				
Operating Reserve	2800	2828	111,898.08	
Unreserved Surplus	2830	2818	158,218.52	
Cumulative HUD Annual Contributions	2840	2840		108,000.00
Grants from HUD	2845	2840		158,151.80
To adjust equity accounts at 12/31/95.				
(3)				
Interest Income Investments	2818	6810	810.28	
Investments	1180	1150		810.28
To adjust investments per detail and bank confirmations at 12/31/95.				
(4)				
CAP Contract Retentions	1480.2M	100 HCF	28,078.00	
Retentions	2112	800H		28,078.00
To record contract retentions at December 31, 1995.				

Working Statement of the City of Cambridge
 Cambridge, MA 02142

Statement of Financial Results and Working Asset Contributions
 (Based Working Budget)
 Year Ended December 31, 1983

Annual Contribution Statement Form 1001

Statement of Financial Results	
Operating Revenue	\$ 111,800.00
Operating Costs	100,000.00
Net Operating Results	
Total Operating Results	<u>\$ 101,700.00</u>
Operating Requirements	
Operating Expenses	\$ 100,000.00
Capital Expenses	80,000.00
Total Operating Requirements	<u>\$ 180,000.00</u>
Net Surplus Available for Assets, per 1001 Less Adjustments (1001A and)	\$ 14,000.00 00.00
Net Surplus Available for Assets, per 1001 Provision for Operating Assets	\$ 10,000.00 1 10,000.00
Net Surplus per 1001	<u>\$.00</u>
Statement of Working Asset Contributions	
Total Annual Contributions Less Current Working	\$ 141,000.00 1,000.00
Total Annual Contributions Working Less assets available for working asset contributions - 1001, 1002	\$ 140,000.00 00.00
Working Asset Contributions	<u>\$ 141,000.00</u>
Surplus as adjusted by 1001	

Housing Authority of the City of Doral
 Doral, Florida

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

Questioned
 Costs

1. TENANT FILES

.00

Findings

Based on eight files selected, six added three files did not have documentation of tenant signed applications for each year of occupancy.

Recommendation

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

Reply

We will do so.

2. PFMAP ASSESSMENT FACTORS

.00

Findings

HUD Notice PH-06-02 requires audits to review several PFMAP indicators as reported to HUD with the supporting documentation. Audit review of work orders disclosed no documentation to support indicator 3 (Work Order Tracking System).

Recommendation

Review the requirements of HUD Notice PH-06-02 and comply with its directives.

Reply

We plan to implement tracking of work orders with a new computer system.

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

Board of Commissioners,
Housing Authority of the City of Donaldsonville
1581 St. Patrick Street
Donaldsonville, LA 70348

We have audited the general purpose financial statements of Housing Authority of the City of Donaldsonville for the year ended December 31, 1988, and have issued a report thereon dated March 18, 1989. We have also audited Housing Authority of the City of Donaldsonville's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated March 18, 1989.

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-125, Audits of State and Local Governments. These standards and OMB Circular A-125 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Housing Authority of the City of Donaldsonville 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, 1988, 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 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-125. This report addresses our consideration of internal control structure policies and procedures, relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated March 18, 1989.

The management of Housing Authority of the City of Donaldsonville is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, objectives 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 information, 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, perception of any evaluator at 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:

Accounting Authority of the City of San Antonio
 San Antonio, Texas

Analysis of Budget - Elementary Schools
 Year Ended December 31, 1994

Amounts are in Dollars (\$)

Contracted services	\$ 10,487,000.00
Salaries per 10-01-93 audit	\$ 488,000.00
Int. Income (1993) per 10-01-93	\$ 10,000.00
Int. provision per 10-01-93	
Balance at 10-01-93	\$ 10,487,000.00
<hr/>	
Contracted services	\$ 488,000.00
Salaries per 10-01-93 audit	\$ 488,000.00
Int. provision per 10-01-93	
Balance at 10-01-93	\$ 488,000.00
<hr/>	
Contracted services (1993) per 10-01-93	\$ 1,000,000.00
Salaries per 10-01-93 audit	240,000.00
Contingencies per 10-01-93	200,000.00
Operating subsidy per 10-01-93	
Balance at 10-01-93	\$ 1,000,000.00
<hr/>	
Contract from 1993	\$ 100,000.00
Salaries per 10-01-93 audit	\$ 100,000.00
Int. provision per 10-01-93	
Balance at 10-01-93	\$ 100,000.00
<hr/>	
Total 1994	\$ 4,794,000.00

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Notes to the Financial Statements
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Organization.** The entity is chartered 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 direct responsibility for administering the 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.

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

1. **Financial reporting entity.** 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 the City of Donaldsonville, a primary government. There are no component units to be included hereafter, but this report does include all funds, account 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 comprised 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 two generic 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, principal 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 in governmental funds when prepaid items are present to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

3. **Fixed assets and long-term liabilities.** The accounting and reporting treatment applied to fixed 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 results that only current assets and current liabilities are generally included on their balance sheets. These reported fund balances (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (investments and other financing sources) and decreases (prepayments 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.

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

Issuing Authority of the City of Doncaster
Doncaster, Ontario

Notes to the Financial Statements (Continued)
December 31, 1988

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated assets are valued at their estimated fair value at the date compiled. The entity does capitalize any "improvements" assets (paving, curbs, sidewalks, drainage system, and similar assets that are inseparable) which are paid for by the entity. During project development, interest expenditures were capitalized under pre-1987 financing arrangements. Post-1986 capital 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 taxes are accounted for in the General Long-Term Debt Account Group. Expenditures related to such debt are reflected in the Debt Service Fund.

The tax debt-related account groups are not "funds". They are classified only with the measurement 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. Their revenues are recognized when they become measurable and available as net 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 those amounts. No liability is reported for reverting accumulating rights in reserve sick pay benefits.

The entity does not utilize encumbrance accounting.

5. **Supplemental financial information - debt/audit basis.** The supplemental financial information - debt/audit basis has been prepared in conformity with the accounting practices prescribed by HUD, which differ from generally accepted accounting principles as follows:

- a. Governmental fund accounting principles are not utilized.
- b. Accounts receivable are stated without an allowance for doubtful accounts. Accounts are written off as collection losses only after the longest time lapsed the unit and the entity has taken reasonable actions to collect.
- c. Arises/Contributions in/subsidies earned and/or received from HUD are recorded as contributions in surplus and are not included in the Statement of Income and Expenses.
- d. Items of routinely recurring expenses are recognized when paid and are therefore not accrued.
- e. Preseasonal income discounts on bonds are recognized in income of expense in the year bonds are sold.
- f. The cost of accumulated unpaid vacation and sick leave is not accrued.
- g. Financial statement formats vary from GAAP.
- h. The entity does not utilize encumbrance accounting.
- i. Expenditures under HUD's Comprehensive Improvement Assistance Program (CIAP) and similar financing 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 not be costs substantially in excess of value.
- j. During project development, interest expenditures are capitalized under pre-1987 financing agreements. Post-1986 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.

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1998

4. **Comparative data.** Comparative data for the prior year have been presented in some accompanying financial statements in order to provide an understanding of changes in the entity's financial position and operations. However, comparative data by fund type have not been presented in each of the statements since inclusion of such data would make the statements overly complex and difficult to read.
7. **Total columns on combined statements.** Total columns on the combined statements are captioned "Memo Total" 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 responsible to a consolidation. Interfund eliminations have not been made in the aggregation of the data.
8. **Budgets.** 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 fiscal 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-life 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.
9. **Issuing debts.** The entity is not subject to federal or state income taxes.
10. **Restricted cash equivalents.** The entity defines cash/equivalents to 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 market value are equivalent.
11. **Investments.** The entity defines investments to include securities of deposit with maturities of greater than three months, consequently, the cost, carrying value, and market value are equivalent.

NOTE 2 - Cash DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be 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, 1998. 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 depository financial institution's trust department or agent in the entity's name.
- Category 3 - Uncollateralized.

Housing Authority of the City of Covington
Covington, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1986

Cash Disbursements, categorized by type of fund, are:

Total Cash Disbursements	Category		
	1	2	3
\$ 178,058.35	\$ 178,058.00	\$.00	\$.00

NOTE 3 - RESTRICTED CASH

Restricted cash consists of the following:

	General Housing Program
Debt Service Fund	\$ 218.31

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule as of December 31, 1986 represents interfund receivables and payables:

Fund Type	Interfund Receivables	Interfund Payables
Special Revenue		
General Housing	\$ 28,076.48	\$.00
Capital Projects	.00	28,076.48
Total	\$ 28,076.48	\$ 28,076.48

NOTE 5 - FIXED ASSETS

Changes in fixed assets are as follows:

	beg. of Period	Additions	Deletions	End of Period
Land, land improvements	\$ 601,880.85	\$.00	\$.00	\$ 601,880.85
Building	4,484,384.28	.00	.00	4,484,384.28
Equipment	223,281.57	26,348.74	14,400.88	235,229.43
Const. in progress	127,843.80	200,280.80	.00	328,124.60
Total	\$ 5,437,390.50	\$ 226,629.54	\$ 14,400.88	\$ 5,649,629.16

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 \$ 266,000.00 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.

Accounting System for the City of Knoxville
 Knoxville, Tennessee

Balance Sheet - (PARTIAL) 1964
 December 31, 1964

Annual Appropriation (Ordinance) 1964-1965

ASSETS	
Cash	\$ 270,144.78
Accounts receivable/interest	111.34
Accounts receivable/other	100.00
Accounts payable	7,544.34
Inventory	520.00
Other receivable/other	141,780.14
Fund assets	5,421,490.87
	<hr/>
Total Assets	\$ 6,463,171.43
	<hr/>
LIABILITIES AND FUND BALANCE	
General liability liability	\$ 1,000.00
Contract liabilities	19,070.00
Accounts payable/other	4,000.18
Accounts and vouchers payable/other	100.00
Fund liabilities	3,110,594.14
	<hr/>
Total Liabilities	\$ 3,245,764.32
Reserve	3,217,407.11
	<hr/>
Total Liabilities and Reserves	\$ 6,463,171.43

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

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

NOTE 8 - CONTINGENCIES

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing operations of the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantees under program beneficiaries.

SUPPLEMENTAL FINANCIAL INFORMATION

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Independent Auditor's General Comments
December 31, 1998

1. There was one finding in the most preceding audit as follows:

<u>Finding</u>	<u>Resolution</u>
a. H& Management Factors	a. Correct audit finding #2 disclosed lack of documentation regarding inclusion #7.

2. The PHA administers the following programs: 180 units of public housing and a GHP.

Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1998

NOTE 5 - FIXED LIABILITIES

Fixed liabilities consist of the following:

	Interest Rate	Principal Balance
Payroll related costs		\$ 11,283.38
FFB note dated March 11, 1987	8.00%	28,020.40
South payoffs, August 1, 1970, series	5.75%	1,008,074.76
Total		<u>\$ 1,127,378.54</u>

The Federal Financing Bank note is payable in annual installments of \$28,874.42, including principal and interest. All annual installments is maturity are payable by HUD. The note matures November 1, 1997.

The bonds mature in series annually in varying amounts with the final maturity date in 2011. All required debt service is maturity on the bonds, including principal and interest, is payable by HLD under a debt service contract with the city.

Changes in fixed liabilities are as follows:

	FFB Notes	Bonds	Payroll Related Costs
Bal., beg. of period	\$ 54,314.35	\$ 1,141,134.82	\$ 8,982.47
Principal retirement	(25,284.86)	(48,028.84)	.00
Net Change	.00	.00	1,880.80
Bal., end of period	<u>\$ 29,029.49</u>	<u>\$ 1,093,106.02</u>	<u>\$ 11,283.38</u>

Scheduled retirements of fixed liabilities are as follows:

	FFB Notes	Bonds	Interest	Total
Within one year	\$ 20,825.40	\$ 48,028.80	\$ 54,954.20	\$ 141,878.18
Within two-year	.00	51,628.08	68,158.14	119,786.22
Within three-year	.00	54,427.18	57,180.83	111,607.71
Within four-year	.00	57,557.38	54,980.87	112,538.25
Within five-year	.00	68,888.44	68,783.57	137,671.91
Thereafter	.00	871,884.88	377,322.85	1,249,207.73

NOTE 6 - 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 after a six-month waiting period. The employee contributes 8% and the entity contributes 8% of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20% annually for each year of participation. An employee is fully vested after five years of participation.

The entity's total payroll in fiscal year ended December 31, 1998 was \$121,181.83. The entity's contributions were calculated using the base salary amount of \$12,383.33. Contributions to the plan were \$5,000.00 and \$6,683.33 by the employee and the entity, respectively.