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STATE OF MISSISSIPPI
OFFICE OF THE COMPTROLLER
STATE HOUSE PLAZA
MONTGOMERY, ALABAMA

PARK PLACE OF DEQUINCY, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 1996 and 1995

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: NOV 16 1997

STATE OF MISSISSIPPI
OFFICE OF THE COMPTROLLER
STATE HOUSE PLAZA
MONTGOMERY, ALABAMA



Moran & Company
A Professional Corporation

Certified Public Accountants

ONE PLACE OF INQUIRY, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 1996 and 1995

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Miren & Company
A Professional Corporation

Certified Public Accountants

Members
American Institute of Certified Public Accountants
Illinois State Board of Accountancy
Florida Certified Public Accountants

INDEPENDENT ACCOUNTS' REPORT

To the Board of Directors
Park Place of Dequincy, Inc.

We have audited the accompanying statements of financial position of Park Place of Dequincy, Inc. a nonprofit organization as of December 31, 1994 and 1995, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Place of Dequincy, Inc. as of December 31, 1994 and 1995, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the financial statements, in 1994 the organization changed its method of financial reporting and financial statement presentation.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Board of Directors
Park Place of Delaney, Inc.
Page 2

In accordance with Investment Analysis Standards, we have also issued a report dated April 8, 1997, on our consideration of Park Place of Delaney, Inc.'s internal control structure and a report dated April 8, 1997, on its compliance with laws and regulations.

Merrill & Company, L.P., LLC

Merrill & Company, CPAs, APC
April 8, 1997

Merrill & Company

FINANCIAL STATEMENTS

TRAM FLAGE OF DISTRICT, INC.
 STATEMENT OF FINANCIAL POSITION
 December 31, 1984 and 1983

	<u>1984</u>	<u>1983</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,299	\$ 529
Rental assistance receivable	1,955	1,813
Prepaid insurance	<u>88</u>	<u>87</u>
	<u>\$ 4,342</u>	<u>\$ 2,429</u>
RESTRICTED ASSETS:		
Cash	<u>61,243</u>	<u>58,107</u>
PROPERTY AND EQUIPMENT:		
Land	65,089	65,089
Apartment(s)	812,482	832,862
Furniture and fixtures	6,842	6,108
Machinery and equipment	<u>3,382</u>	<u>4,321</u>
	1,828,803	1,908,380
Less accumulated depreciation	<u>360,378</u>	<u>318,876</u>
	<u>1,468,425</u>	<u>1,589,504</u>
OTHER ASSETS		
Construction period interest, net	18,480	25,000
Loan origination cost, net	<u>3,888</u>	<u>3,218</u>
	<u>22,368</u>	<u>28,218</u>
TOTAL ASSETS	<u>\$ 1,493,038</u>	<u>\$ 1,517,959</u>

See accompanying notes.

	<u>1978</u>	<u>1977</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,294	\$ 1,293
Payroll taxes payable	284	436
Interest payable	1,174	8,107
Money market deposits payable	1,488	2,175
Current portions of long-term debt	<u>2,352</u>	<u>2,150</u>
	7,592	8,975
LONG-TERM DEBT, net of current portions	<u>1,292,724</u>	<u>1,271,664</u>
	<u>1,292,724</u>	<u>1,271,664</u>
NET ASSETS:		
Unrestricted - operating	(204,950)	(228,000)
Permanently restricted:		
Insurance	144	-
Debt service	<u>58,522</u>	<u> </u>
Total Net Assets	<u>1146,132</u>	<u>1242,447</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,588,880</u>	<u>\$ 2,514,119</u>

PAGE PLANS OF SECURITY, INC.
 STATEMENTS OF ACTIVITIES
 YEARS Ended December 31, 1986 and 1985

	<u>1986</u>	<u>1985</u>
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS		
Rental Income	\$ 35,487	4 22,554
Federal Subsidy - Rental Income	48,810	52,388
Federal Subsidy - Interest Income	76,386	79,316
Other	5,579	3,383
Interest	<u>3,383</u>	<u>3,377</u>
Total Public Support, Revenues, and Reclassifications	169,645	161,918
ADMINISTRATIVE EXPENSES	<u>183,242</u>	<u>183,904</u>
CHANGE IN NET ASSETS	(13,597)	(21,986)
NET ASSETS AS OF BEGINNING OF YEAR	(140,447)	(118,961)
FINIS PERIOD ADJUSTMENT	<u> </u>	<u>2,599</u>
NET ASSETS AS OF ENDING OF YEAR (CONTINUED)	<u>(154,044)</u>	<u>(116,362)</u>
NET ASSETS AS OF END OF YEAR	<u>\$ (154,044)</u>	<u>\$ (116,362)</u>

See accompanying notes.

TRAK PLACE OF HOUSING, INC.
 STATEMENTS OF ACTIVITIES
 (AGGREGATE BASIS AND ACTUAL)
 Years Ended December 31, 1994 and 1995

	1995		Variance Favorable Unfavorable	1994 Actual
	Budget	Actual		
Public Support, Revenues, and Reclassifications:				
Rental Income	\$ 51,582	\$ 35,407	\$ 16,185	\$ 50,540
Federal subsidy - Rental Income	51,280	48,810	13,380	51,000
Federal subsidy - Interest Income	-	31,234	31,234	31,181
Other	4,788	1,579	3,209	1,000
Total	1,074	1,381	189	1,139
Total Public Support, Revenues, and Reclassifications	99,240	107,280	8,040	137,540
Administrative Expenses . . .	48,820	130,082	128,182	182,400
Change in net assets . . .	43,250	105,793	176,109	121,689
Net Assets as of Beginning of Year	1563,447	1563,447	-	1448,000
prior period adjustment	-	-	-	2,448
Net Assets as of Beginning of Year (Revised)	1563,447	1563,447	-	1450,448
Net Assets as of End of Year	\$ 1,606,697	\$ 1,669,240	\$ 128,182	\$ 1,572,137

see accompanying notes.

FAIR PLAZA OF INQUIRY, INC.
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 1994 AND 1993

	<u>1994</u>	<u>1993</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (25,740)	\$ (25,890)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,899	22,229
Amortization	1,350	1,350
(Increase) decrease in rental receivables	90	500
(Increase) decrease in prepaid expenses	180	44
Increase (decrease) in accounts payable	387	1,285
Increase (decrease) in prepaid taxes payable	(172)	281
Increase (decrease) in other payable	181	69
Net cash provided by operating activities	\$ (2,561)	\$ (212)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (1,342)	\$ (1,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	\$ (2,137)	\$ (1,510)
NET INCREASE (DECREASE) IN CASH	\$ (5,040)	\$ (3,303)
CASH AT BEGINNING OF YEAR (CONTINUED)	\$ (8,317)	\$ (5,014)
CASH AT END OF YEAR	\$ (13,357)	\$ (8,317)

See accompanying notes.

**PARK PLACE OF DEQUINCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1994 and 1995**

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Place of Dequincy, Inc. is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code.

Park Place of Dequincy, Inc. was formed in 1987 to provide low income housing to the elderly, handicapped, and low-income individuals. The apartment complex was built with a Department of Agriculture rural Rental Housing Loan. Rental assistance is provided by the Farmers Home Administration based on tenant's ability to pay. In addition, the Farmers Home Administration provides an interest subsidy which aids in the loan payments. The more significant accounting policies applied in the preparation of the accompanying statements follow.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Investments

For purposes of the statement of cash flow, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

At December 31, 1995, the carrying amount of Park Place of Dequincy, Inc.'s deposits was \$28,443 and the bank balance was \$43,433. Of the bank balance the following was classified as collateral:

	<u>Bank Balance</u>	<u>Market Value</u>
FidC Insurance	<u>\$ 43,433</u>	<u>\$ 43,433</u>
	<u>\$ 43,433</u>	<u>\$ 43,433</u>

During 1995, beginning cash was increased by an increase of \$2,408 due to a prior period adjustment.

Restricted Assets

As required in the loan agreement, Park Place of Dequincy, Inc. contributed \$18,747 annually into a RESERVE account until \$187,470 is attained. With prior written consent, funds in the reserve account may be used as follows: (i) loan payments if amounts for debt service are not sufficient; (ii) costs of repairs or replacements caused by earthquakes or long-range depreciations; (iii) improvements to housing project without creating new living units; (iv) for other purposes which in the judgment of the Government will promote the loan purpose; and (v)

PARA PLACE OF DEQUINCY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 1998 and 1999

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

to pay a return on investment at the end of the operating year, provided that after such disbursements the amount in the reserve will not be less than the required amount. The balance in the reserve account at December 31, 1998 and 1999 was \$58,409 and \$61,400, respectively. During 1999, \$11,800 of reserve funds was used to pay for the replacement of an air conditioning unit, the purchase of a LED shaker, and for various repairs and maintenance projects; prior approval from Federal Home Administration was obtained.

An insurance reserve account is maintained with monthly deposits equal to one-twelfth of the total anticipated insurance payments for the year. The balance in the insurance reserve account at December 31, 1998 and 1999 was \$163 and \$1,809, respectively.

A rental deposit account is maintained at a level equal to total security deposits on hand. The balance at December 31, 1998 and 1999 was \$2,004 and \$2,076, respectively.

Reconciliation of reserve account:

	<u>1998</u>	<u>1999</u>
Beginning balance at January 1	\$ 61,400	\$ 58,997
Additions	5,000	10,800
Paid out	<u>(13,880)</u>	<u>(12,380)</u>
Ending balance at December 31	52,520	57,417
Add:		
Insurance Reserve	140	1,000
Security Deposits	<u>2,448</u>	<u>2,615</u>
Total Restricted Cash	<u>\$ 55,108</u>	<u>\$ 61,032</u>

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	30-5
Furniture and fixtures	5
Machinery and equipment	5

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amortization

Costs associated with the PMA loan is being amortized over the life of the loan, fifty years, using the straight-line method. Amortization for each year was \$280. Accumulated amortization totaled \$1,120 and \$980 for 1994 and 1995, respectively.

Interest expense incurred during the construction period is being amortized over the life of the property, thirty-one and a half years, using the straight-line method. Amortization for each year was \$1,218. Accumulated amortization totaled \$8,088 and \$6,870 for 1994 and 1995, respectively.

Basis of Revenue Recognition

Revenue is recognized monthly for the applicable monthly rental income.

Cash Flow Information

Cash paid for interest during 1994 and 1995 was \$96,837 and \$96,771, respectively.

For 1995, beginning cash was restated by an increase of \$3,408 due to a prior period adjustment.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating the fair value disclosures for financial instruments:

Cash, cash equivalents, and short-term investments: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of these instruments.

Long-term debt: The fair value of the PMA note payable is based on its carrying amount.

NOTE 2 - LONG-TERM DEBT

Long-term debt at December 31, 1994 and 1995 consisted of the following:

	1994	1995
Note payable to PMA in monthly installments of \$7,968 including interest at 9.0%, maturity March 3, 2010	\$ 1,837,944	\$ 1,839,417

PARK PLACE OF DEQUINCY, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1995 and 1994

NOTE 2 - LONG-TERM DEBT

Notes payable to PMA in monthly installments of \$200 including interest at 8.5%, maturity March 1, 2008

	\$ 32,322	\$ 32,322
	3,071,844	3,071,814
Less: current portion	_____	_____
	<u>\$ 3,088,314</u>	<u>\$ 3,071,814</u>

Details of long-term debt, including interest, are as follows:

1997	\$ 28,828
1998	28,828
1999	28,828
2000	28,828
2001	28,828

NOTE 3 - NET ASSET DEFICIT

At December 31, 1994 and 1995, Park Place of DeQuincy, Inc. reports an unrestricted net asset fund deficit in the amounts of \$254,884 and \$254,884, respectively.

The deficit is a result of organizational expense which is an unfunded expenditure under Federal Home Administration's Rental Assistance Guidelines. Park Place of DeQuincy, Inc. intends to increase rental fees over future years to minimize annual operating deficits.

NOTE 4 - FUND FUND BALANCE ADJUSTMENT

During 1995 a prior period adjustment was made to restate beginning fund. Checks were erroneously listed as outstanding at December 31, 1994, resulting in cash being understated by \$2,848. Fund balance was adjusted accordingly.

NOTE 5 - CHANGE IN ACCOUNTING METHOD AND FINANCIAL PRIORITIES

During 1994, the Organization implemented Statement on Financial Accounting Standards No. 117. Fund balances for 1994 were reclassified during 1994 into one of three categories: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets.

NOTE 6 - RESTRICTIONS ON NET ASSETS

Permanently restricted net assets consist of fund accounts restricted for insurance coverage, repayment of debt, and repairs and maintenance of the Organization's facilities.

DISFUNCTIONAL INFORMATION

DEAN FLAKE OF DISTRICT, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Advertising	-	255
Amortization	1,568	1,858
Auto expense	497	103
Bank charges	137	128
Depreciation	31,609	31,815
Insurance	8,888	8,797
Interest	84,517	84,714
Office supplies	716	946
Rent control	496	732
Professional fees	8,958	2,810
Repairs and maintenance	24,325	12,544
Salaries	18,988	20,651
Supplies	2,178	782
Taxes - payroll	1,582	1,911
Telephone	1,843	1,772
Utilities	5,808	4,105
Utility assistance	-	252
	<u>\$ 182,842</u>	<u>\$ 182,610</u>

PEAK PLANE OF ENERGY, INC.
 CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
 MONTHLY (TRIMESTER BASIS) & ANNUAL
 Years Ended December 31, 1995 and 1994

	1995		Variance Favorable (Unfavorable)	1994	
	Budget	Actual		Budget	Actual
Advertisements	\$ 200	\$ -	\$ 200	\$ -	200
Amortization	-	1,350	(1,350)	-	1,350
Auto expense	-	487	(487)	-	487
bank charges	-	127	(127)	-	127
Depreciation	-	32,000	(32,000)	-	32,000
Insurance	6,000	6,000	(000)	6,000	6,000
Interest	-	94,557	(94,557)	-	94,557
office supplies	700	725	(25)	700	600
Post control	-	400	(400)	-	400
professional fees	2,000	2,900	(900)	2,000	2,500
repairs and maintenance	2,200	24,225	(22,025)	2,200	22,500
rental	21,000	18,000	3,000	21,000	21,214
Supplies	800	2,170	(1,370)	800	800
Taxes & payroll	2,000	2,500	(500)	2,000	2,214
Telephone	4,000	2,000	2,000	4,000	2,225
Utilities	6,000	2,000	4,000	6,000	4,225
Utility assistance	-	-	-	-	225
	<u>\$ 48,800</u>	<u>\$ 120,000</u>	<u>\$ 71,200</u>	<u>\$ 120,000</u>	<u>\$ 225,900</u>

BAKES PLACE OF BUSINESS, INC.
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
December 31, 1988

<u>Insurer</u>	<u>Kind of Insurance</u>
American Rural Housing Old Republic Security Co.	Employee Disability - Sickness
American Rural Housing Reinsured with Security Company	Commercial Package - Liability and Property
Louisiana Workmen's Compensation Corporation Ltd.	Workers Compensation

<u>Property Secured</u>	<u>Amount of</u> <u>LIEN(S)</u>	<u>Expiration</u> <u>Date</u>
Property Manager		
Resident Manager		
Board President	50,000	3/1/97
Building and contents	1,287,000	3/1/97
N/A	N/A	N/A

RARE PLACE OF DISTRICT, INC.
 SUPPLEMENTAL SCHEDULE
 BALANCE SHEET - SECTION 515 RURAL REHABIL WORKING PROJECTS FORMAT

	<u>1980</u>
ASSETS	
Current Assets	
Cash	\$ 2,388
Medical assistance receivable	1,755
Prepaid insurance	<u>365</u>
	<u>4,508</u>
Restricted Cash and Funded Reserves	
Cash	<u>41,363</u>
Property and Equipment	
Land	85,880
Apartment	190,440
Furniture and fixtures	8,840
Machinery and equipment	<u>1,380</u>
	2,028,880
Less accumulated depreciation	<u>288,570</u>
	<u>1,740,310</u>
Other Assets	
Construction period interest, net	28,448
Loan originator cost, net	<u>5,800</u>
	<u>34,248</u>
TOTAL ASSETS	<u>\$ 6,627,821</u>

LIABILITIES AND EQUITY	<u>3,838</u>
Current Liabilities	
Accounts payable	\$ 1,000
Payroll taxes payable	300
Interest payable	2,138
Current portion of long-term debt	<u>2,352</u>
	<u>6,790</u>
Deposits and Prepayment Liabilities	
Security deposits payable	<u>2,400</u>
Long-Term Liabilities	
Long-term debt, net of current portion	2,500,714
Equity	
Restricted - insurance	300
Restricted - debt service	50,000
Unrestricted - undesignated	<u>(2,500,252)</u>
	<u>1,828,852</u>
TOTAL Liabilities and Equity	<u>2,828,852</u>

FRAX PLACE OF RESERVE, INC.
 SUPPLEMENTAL SCHEDULE
 STATEMENT OF OPERATIONS - SECTION 513 BUCK,
 MONTH ENDING PERIODS FORMAT

	<u>1290</u>
Revenues	
Tenant rents	\$ 38,487
Special assistance	48,810
Late fees, miscellaneous, etc.	1,879
Insurance reduction subsidy	<u>71,328</u>
Total Revenues	<u>158,352</u>
Expenses	
Administrative	22,454
Operating and maintenance	21,263
Utilities	3,885
Taxes and insurance	3,894
Interest	64,827
Depreciation	<u>33,825</u>
Total Expenses	<u>153,862</u>
Other Income and Expenses	
Interest income	1,284
Rentary expenses	-
Tenant utility allowance expense	<u>-</u>
	<u>1,284</u>
NET INCOME (Loss)	<u>\$ 4,294</u>

FAIR PLACE OF DEBILITY, INC.

FINANCIAL SCHEDULE

DETAIL OF EXPENSES - SECTION 515 EQUAL HUMAN HODDING PROJECTS PROGRAM

	<u>1978</u>
Maintenance and Operating	
Maintenance and repair - payroll	\$ 4,870
Maintenance and repair - supply	2,150
Maintenance and repair - contract	28,195
Painting and decorating	1,825
Grounds	712
Services	1,188
Furniture and furnishing replacement	352
Other operating expenses	<u>11,263</u>
Utilities	
Electricity	2,200
Water, sewer, trash removal	<u>825</u>
	<u>3,025</u>
Administrative	
Site management payroll	18,000
Project auditing expenses	2,580
Legal expenses	-
Advertising	-
Telephone and answering service	1,041
Office supplies	712
Office furniture and equipment	-
Payroll taxes	1,191
Mealtime's compensation	888
Other administrative expenses	<u>1,575</u>
	<u>\$ 32,882</u>

WREN TRUCK OF DENVER, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULE OF ACCOUNTS PAYABLE - DEBITS AND CREDITS

Expense Category	1-30 Days	31-60 Days	61-90 Days
Maintenance and repairs supply	\$ 915	\$ -	\$ -
Electricity	800	-	-
Water and sewer	39	-	-
Telephone	263	-	-
Other administrative expense	450	-	-
Workmen's compensation	202	-	-
	<u>\$ 1,679</u>	<u>\$ -</u>	<u>\$ -</u>

FACE PLACE OF EQUINOX, INC.
REPRESENTATIVE OFFICE
SCHEDULE OF RENTAL INFORMATION

<u>Title of Unit</u>	<u>Basic Rate Rental Rate</u>	<u>Market Rate Rate</u>	<u>Number of Units</u>	<u>Number Occupied 41,2000-1993</u>
One Bedroom	320	340	60	26
Two Bedroom	340	410	12	11
Occupancy rate for year	94%			
Occupancy rate at year-end	97%			

SCHOOL BUDGET REQUIREMENTS

1990-1991 1991-1992 1992-1993

1993-1994 1994-1995 1995-1996

1996-1997 1997-1998 1998-1999

1999-2000 2000-2001 2001-2002

2002-2003 2003-2004 2004-2005

2005-2006 2006-2007 2007-2008

2008-2009 2009-2010 2010-2011

2011-2012 2012-2013 2013-2014

2014-2015 2015-2016 2016-2017

2017-2018 2018-2019 2019-2020

2020-2021 2021-2022 2022-2023

2023-2024 2024-2025 2025-2026

2026-2027 2027-2028 2028-2029

2029-2030 2030-2031 2031-2032

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2074-2075 2075-2076 2076-2077

2077-2078 2078-2079 2079-2080

2080-2081 2081-2082 2082-2083

2083-2084 2084-2085 2085-2086

2086-2087 2087-2088 2088-2089

2089-2090 2090-2091 2091-2092



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The City of Washington Chapter, Institute of Certified Public Accountants
National Association of Public Accountants, Inc.

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL AWARDS**

To the Board of Directors,
Park Place of Dequincy, Inc.

We have audited the financial statements of Park Place of Dequincy, Inc., a nonprofit organization, as of and for the year ended December 31, 1995, and have issued our report thereon dated April 9, 1997. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these basic 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-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Park Place of Dequincy, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Mirco & Company, CPAs, PC

Mirco & Company, CPAs, PC
April 9, 1997

DEER PLACE OF DELICIOUS, INC.
 SCHEDULE OF FEDERAL GRANTS
 Year Ended December 31, 1998

Federal Source/ Pass-Through System/Program Title	Federal CFDA Number	Agency or Pass- Through Number	Program or Fund Number	Amount	Accrued or Deferred Revenue at 12/31/98
<u>U.S. Department of Agriculture</u>					
Direct Programs					
Rental Income Subsidy	18.410/10.627	N/A		\$ 48,000	0
Interest Subsidy	18.410/10.627	N/A		79,338	-
TOTAL FEDERAL GRANTS					\$ 127,338

Receipts
or
Revenue
Excesses

Federal
Disbursements/
Expenditures

Accrued or
Imputed
Revenue, etc.
.....

\$ 48,010
.....
31,396

\$ 48,000
.....
78,396

\$
.....
.....

\$ 116,606

\$ 126,396

\$
.....



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New York State Certified Public Accountants
Texas Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT SECURITIES STANDARDS**

**TO THE BOARD OF DIRECTORS
Park Place of Dequincy, Inc.**

We have audited the financial statements of Park Place of Dequincy, Inc. as nonprofit organization as of and for the year ended December 31, 1986, and have issued our report thereon dated April 9, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Securities 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 financial statements are free of material misstatement.

The management of Park Place of Dequincy, Inc. 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 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 properly to permit the preparation of 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.

In planning and performing our audit of the financial statements of Park Place of Dequincy, Inc. for the year ended December 31, 1986, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

To the Board of Directors
Fisk Place of McQuincy, Inc.
April 8, 1937
Page 2

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The reportable condition is that Fisk Place of McQuincy, Inc. does not have adequate segregation of duties within its internal control structure. However, because of the Organization's size and resources, proper segregation of duties is not feasible.

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 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 noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Fisk Place of McQuincy, Inc. for the year ended December 31, 1936.

The material weakness is that the organization does not have adequate segregation of duties within its internal control structure. However, because of the Organization's size and resources, proper segregation of duties is not feasible.

This report is intended for the information of the Board of Directors, management, the legislative bodies of the State of Louisiana, and the Bureau of Tax Administration. However, this report is a matter of public record, and its distribution is not limited.

Walter S. Grayson, CPA, AICPA

Walter S. Company, CPAs, AICPA
April 8, 1937

W S



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A Professional Corporation

Certified Public Accountants

Members
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Florida Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors
Park Place of Dequincy, Inc.

We have audited the financial statements of Park Place of Dequincy, Inc. as a nonprofit organization on and for the year ended December 31, 1996, and furnished our report thereon dated April 8, 1997. We have also audited the compliance of Park Place of Dequincy, Inc. with requirements applicable to major federal award programs and have issued our report thereon dated April 8, 1997.

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 Circulars 8-132, "Standards of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular 8-132 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, and about whether Park Place of Dequincy, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended December 31, 1996 we considered the internal control structure of Park Place of Dequincy, Inc. in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of Park Place of Dequincy, Inc. and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circulars 8-132. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated April 8, 1997.

The management of Park Place of Dequincy, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award 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

To the Board of Directors

any evaluation of the structure to future periods be 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 award programs in the following categories:

- Cash
- Support, Revenue and Receivables
- Expenses and Payables
- Payroll and Related Liabilities
- Debt
- Fund Balances
- Federal Financial Awards:
 - General Requirements:
 - Political Activity
 - Civil Rights
 - Cost Management
 - Federal Financial Reports
 - Alcoholic Costs
 - Drug-Free Workplace
 - Administrative Requirements
 - Specific Requirements:
 - Types of Services Allowed or Not Allowed
 - Eligibility
 - Reporting
 - Special Tests

For all of the internal control structure categories listed in the preceding paragraph, 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, 1986, Park Place of Requiray, Inc. reported 100 percent of its total Federal awards under major Federal award programs.

We performed tests of controls, as required by SAS Circular 4-113, 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 misstatements with specific requirements and general requirements that are applicable to each of the organization's major Federal award programs, which are identified in the accompanying Schedule of Federal Awards. 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.

M C

To the Board of Directors
Park Place of Inquiry, Inc.
April 8, 1987
Page 1

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 judgement, could adversely affect the Organization's ability to administer Federal award programs in accordance with applicable laws and regulations.

The reportable condition is that Park Place of Inquiry, Inc. does not have adequate segregation of duties within its internal control structure. However, because of the Company's size and resources, proper segregation of duties is not feasible.

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 award 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 awards 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 a material weakness as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Park Place of Inquiry, Inc. for the year ended December 31, 1986.

The material weakness is that the Organization does not have adequate segregation of duties within its internal control structure. However, because of the Organization's size and resources, proper segregation of duties is not feasible.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and Bureau Home Administration. However, this report is a matter of public record, and its distribution is not limited.

Price & Company, CPAs, PC

Price & Company, CPAs, PC
April 8, 1987

M C



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State of Louisiana Chapter of the American Institute of Certified Public Accountants
Public Company Chapter of the AICPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Park Place of DeCade, Inc.

We have audited the financial statements of Park Place of DeCade, Inc., an nonprofit organization as of and for the year ended December 31, 1990, and have issued our report thereon dated April 8, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Park Place of DeCade, Inc., is the responsibility of Park Place of DeCade, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Park Place of DeCade, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the 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 Directors, management, the Legislative Budget of the State of Louisiana, and Federal Home Administration. However, this report is a matter of public record, and its distribution is not limited.

Mason & Company, LLP, APC

Mason & Company, CPAs, APC
April 8, 1997



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A Professional Corporation

Certified Public Accountants

MEMBER
American Institute of Certified Public Accountants
Louisiana Institute of Certified Public Accountants
American College of Trust and Estate Counsel

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL AWARD PROGRAMS**

To the Board of Directors
Park Place of Dequincy, Inc.

We have audited the financial statements of Park Place of Dequincy, Inc. in conformity with generally accepted accounting principles as of and for the year ended December 31, 1994, and have issued our report thereon dated April 8, 1995.

We have also audited the compliance of Park Place of Dequincy, Inc. with the requirements governing types of service allowed or not allowed, eligibility, reporting and special tests that are applicable to its major federal award program, which is identified in the accompanying schedule of Federal Awards, for the year ended December 31, 1994. The management of Park Place of Dequincy, Inc. is responsible for the organization's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government auditing standards, issued by the Comptroller General of the United States, Office of Management and Budget (OMB) Circular A-133, "Office of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Park Place of Dequincy, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to its major federal award program for the year ended December 31, 1994.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and Federal Home Administration. However, this report is a matter of public record, and its distribution is not limited.

Mirco & Company, L.P.A., d.p.c.

Mirco & Company, CPAs, APC
April 8, 1995



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Louisiana Institute of Certified Public Accountants
Public Company Auditors (No. 117)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL GRANT PROGRAMS**

To the Board of Directors
Park Place of Dequincy, Inc.

We have audited the financial statements of Park Place of Dequincy, Inc., a nonprofit organization, as of and for the year ended December 31, 1994, and have issued our report thereon dated April 8, 1995.

We have applied procedures to test the compliance of Park Place of Dequincy, Inc. with the following requirements applicable to its federal grant program, which is identified in the accompanying Schedule of Federal Awards, for the year ended December 31, 1994: political activity, civil rights, waste management, federal financial reports, allowable costs, drug-free workplace and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Requirements for Audits of Institutions of Higher Education and Other Nonprofit Organizations." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Park Place of Dequincy, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items listed, the results of our 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 Park Place of Dequincy, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, the Legislative Auditor of the State of Louisiana, and Federal Grant Administration. However, this report is a matter of public record, and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
April 8, 1995