

Louisiana Revised Statute 39:1229 requires that financial institutions secure deposits with the posting as collateral of a like amount of their own investments. The Housing Authority of the City of Lake Charles, Louisiana has investments in one financial institution which were under collateralized in the prior fiscal year. While that deficiency was corrected, the Housing Authority of the City of Lake Charles, Louisiana again has investments which are under collateralized. The Authority should continually review reinvestments or new investments to determine that they are adequately covered by the financial institution's postings of their own investments.

This report is intended for the information of the audit committee, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Housing Authority of the City of Lake Charles, Louisiana, is a matter of public record.

M. C. Gray, President & Board

Lake Charles, Louisiana
December 19, 1978

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

Board of Commissioners
Housing Authority of the City of Lake Charles
Lake Charles, Louisiana

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana as of and for the year ended September 30, 1988, and have issued our report thereon dated December 18, 1988.

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 the Housing Authority of the City of Lake Charles, Louisiana, is the responsibility of the Housing Authority of the City of Lake Charles management. As part of obtaining reasonable assurance about whether the 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, our objective 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 indicate that, with respect to the items tested, the Housing Authority of the City of Lake Charles, Louisiana, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, except as mentioned in the next succeeding paragraph, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those provisions.

Louisiana Revised Statute 18:1224 requires that financial institutions secure deposits with the posting as collateral of a like amount of their own investments. The Housing Authority of the City of Lake Charles, Louisiana investments in new financial institutions were under collateralized. While that deficiency was corrected, the Housing Authority of the City of Lake Charles, Louisiana again has investments which are under collateralized. The Authority should continuously review reinvestments or new investments to determine that they are adequately covered by the financial institution's postings of their own investments.

Findings of This Audit

Louisiana Revised Statute 18:1224 requires that financial institutions secure deposits with the posting as collateral of a like amount of their own investments. The Housing Authority of the City of Lake Charles, Louisiana again has investments which were under collateralized as of the audit date. The Authority should continuously review reinvestments or new investments to determine that they are adequately covered by the financial institution's postings of their own investments.

The computerized accounting system used by the Housing Authority of the City of Lake Charles, Louisiana made an automatic year end closing of income and expense to Unreserved Surplus which included an amount of \$26,042 which should have cleared to Reserved Surplus. The Authority made an adjusting entry in October, 1980 to reflect the required reclassification. However, reports filed with the U.S. Department of Housing and Urban Development did not reflect the correct reporting for the two surplus accounts.

This report is intended for the information of the audit committee, 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.

M. E. Gray, Principal & Auditor

Lake Charles, Louisiana
December 30, 1980

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INDEPENDENT AUDITOR'S COMPILED REPORT ON THE INTERNAL CONTROL STRUCTURE

Board of Commissioners
Housing Authority of the City of Lake Charles
Lake Charles, Louisiana

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 1988, and have issued our report thereon dated December 30, 1988. We have also audited its compliance with requirements applicable to HUD-assisted programs and have issued our reports thereon dated December 30, 1988.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General in July, 1983. These standards and the Guide 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 the Housing Authority of the City of Lake Charles, Louisiana complied with laws and regulations, noncompliance with which would be material to a HUD-assisted program.

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO AFFIRMATIVE FAIR HOUSING

Board of Commissioners
Housing Authority of the City of Lake Charles
Lake Charles, Louisiana

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 1998, and have issued our report thereon dated December 10, 1998.

We have applied procedures to test the Housing Authority of the City of Lake Charles, Louisiana's compliance with the Affirmative Fair Housing requirements applicable to its HUD-assisted programs, for the year ended September 30, 1998.

Our procedures were limited to the applicable compliance requirement described in the consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of Inspector General in July, 1993. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Housing Authority of the City of Lake Charles, Louisiana's compliance with the Affirmative Fair Housing 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 Affirmative Fair Housing requirements. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Lake Charles, Louisiana had not complied, in all material respects, with those requirements.

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

M. Elroy, Quirk & Burch

Lake Charles, Louisiana
December 20, 1998

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

ANALYSIS OF GENERAL FUND CASH BALANCE
Year Ended September 30, 1998

Description Debits-Adjustments	Annual Contributions Contract				Total Disbursements Only
	98-1122	98-2211	98-2212	Management Account	
Net operating receipts retained:					
NET OPERATING REVENUES:					
PHH rental housing	\$ 1,000,400	\$ -	\$ -	\$ -	\$ 1,000,400
PHH leased housing	-	129,700	-	-	129,700
Sanitary PROCEED	-	-	190,100	-	190,100
Management Account	-	-	-	2,004,300	2,004,300
PROPERTY deposits	64,475	-	-	7,127	71,602
Normal deficiencies of development and modernization funds	(147,610)	-	-	(2,001,340)	(1,148,650)
Provision for replacement reserves	350,710	-	-	-	350,710
	<u>1,268,565</u>	<u>129,700</u>	<u>190,100</u>	<u>198,361</u>	<u>1,786,726</u>
Adjustments:					
Expenses/Receipts not paid:					
Accounts payable-PPH	-	790,481	200,170	-	990,651
Accounts payable-other	20,827	2,200	2,000	18,183	44,410
Accrued payments in lieu of taxes	48,700	-	-	27,494	76,194
Capital expenditures	(80,000)	-	-	140	(79,860)
Accrued annual leave	74,764	10,200	4,400	48,400	137,764
Deferred credits-other	1,400	-	-	-	1,400
Income not received:					
Revenues receivable(a)- LAKECHARLES	(50,940)	-	-	7,390	(43,550)
Revenues receivable(a)- OTHER	(24,890)	(012)	-	-	(24,902)
Revenues receivable	<u>(75,830)</u>	<u>(12)</u>	<u>(750)</u>	<u>(400)</u>	<u>(77,002)</u>
General fund cash available	<u>1,142,875</u>	<u>1,046,868</u>	<u>402,810</u>	<u>240,957</u>	<u>1,833,510</u>
Special fund cash:					
Income	21,210,700	(199,000)	2,000,170	1,000,000	21,011,870
Principal payments	(90,000)	(10,000)	(5,000)	(10,000)	(115,000)
Investments-Debt	<u>(10,000)</u>	-	-	-	<u>(10,000)</u>
General fund cash - TOTAL A	<u>\$ 10,842,875</u>	<u>\$ 837,868</u>	<u>\$ 3,997,980</u>	<u>\$ 110,957</u>	<u>\$ 15,790,680</u>

Schedule 1

10-1-04 to 9-30-05		10-1-05 to 9-30-06		Cumulative	
Grants		Grants		Grants	
Receipts	Expenditures	Receipts	Expenditures	Receipts	Expenditures
\$	-	\$	1,516,628	\$	-
	-		\$ 2,343,287		\$ -
588,572	884,814	8,298	1,880	1,396,870	1,396,812
814,443	1,850,813	486,833	442,287	1,881,698	1,881,898
12,748	15,883	5,325,888	1,483,233	1,327,799	1,488,824
-	28,978	249,737	218,681	249,737	258,664
-	-	48,217	49,429	48,217	49,429
-	-	1,488,489	1,832,288	-	-
-	-	1,128,784	1,167,733	-	-
26,138	185,295	168,885	63,784	168,885	168,885
-	-	13,785	13,785	13,785	13,785

In planning and performing our audit of the financial statements of the Housing Authority of the City of Lake Charles, Louisiana, for the year ended September 30, 1980, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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 or that noncompliance with laws and regulations that would be material to a HUD-assisted program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

Status of Prior Audit Findings

As reported in the prior audit, the U.S. Department of Housing and Urban Development reported that the Housing Authority was alleged to have been giving the program's owners rent adjustment increases without written requests from the owners. The Housing Authority was required to immediately cease this practice and comply fully with the requirements as per HUD Handbook 7420.1 Rev. 1, Chap. 1. The Development Director of the New Orleans office indicated the process of reapplying the funds as a result of the ineligible rent adjustment increases. The amount of questioned funds aggregated \$55,562 and as a consequence of the request by the New Orleans office, a law suit was filed by a property owner disputing the allegation that excessive rent was paid. This lawsuit was dismissed by the United States District Court by a memorandum ruling on April 8, 1981. The New Orleans office has subsequently reduced the questioned funds amount to \$44,531 and proposed several alternate options for payment. The property owner, while reserving the right to continue efforts to resolve the issue administratively or by litigation, has agreed to one of the options offered whereby the amount is to be repaid through reduced rental payments over the remaining life of the contract. As of the audit date, \$27,440 of this amount has been recovered.

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

This report is intended for the information of the audit committee, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report which upon acceptance by the Housing Authority of the City of Lake Charles, Louisiana, is a matter of public record.

M. Elroy, Field & Bond

Lake Charles, Louisiana
December 10, 1966

In our opinion, the Housing Authority of the City of Lake Charles, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort, or earmarking; reporting; special issue of rent register; claims for advances and reimbursements; and accounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1964.

This report is intended for the information of the Audit Committee, management, and the U.S. Department of Housing and Urban Development. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Housing Authority of the City of Lake Charles, Louisiana, is a matter of public record.

M. Gray, Paul J. Rouse

Lake Charles, Louisiana
December 18, 1964

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INDEPENDENT AUDITOR'S REPORT OF COMPLIANCE WITH REQUIREMENTS APPLICABLE TO HOUSING FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners
Housing Authority of the City of Lake Charles
Lake Charles, Louisiana

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated December 10, 1996.

In connection with our audit of the 1996 financial statements of the Housing Authority of the City of Lake Charles, Louisiana, and with consideration of the Authority's internal control system used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audit of State and Local Governments, we selected certain transactions applicable to certain housing federal financial assistance programs for the year ended September 30, 1996.

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 and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Lake Charles, Louisiana, 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 the Housing Authority of the City of Lake Charles, Louisiana, had not complied, in all material respects, with these requirements.

THIS REPORT IS INTENDED FOR THE INFORMATION OF THE HOUSING COMMITTEE, MANAGEMENT AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. HOWEVER, THIS REPORT IS A MATTER OF PUBLIC RECORD AND ITS DISTRIBUTION IS NOT LIMITED.

M. Gray, Fund & Assoc.

Lake Charles, Louisiana
December 30, 1970

10-1-03 to 9-30-03		10-1-03 to 9-30-04	
Operating		Nonoperating	
Receipts	Expenditures	Receipts	Expenditures
\$	-	\$	-
127,873	127,871	643,480	562,348
-	-	108,808	108,558
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

(continued on next page)

BOUNDED AUTHORITY OF THE CITY OF LAKE CHARLES
 LAKE CHARLES, LOUISIANA

STATEMENT OF SURPLUS
 Year Ended September 30, 1994

Cumulative Position	Annual Contributions Contract				Totals
	90-1133	90-1274	90-1214B	Management Account	(Reserve only)
Balance September 30, 1993	110,427	-	-	-	110,427
Revenues for Specialized Services	-	-	-	-	-
Balance September 30, 1994	110,427	-	-	-	110,427
TOTAL SURPLUS - SERVIT A	\$ 110,427.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 110,427.00

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

ANALYSIS OF REVENUES
Year Ended September 30, 1998

Revenue Detail and Housing Assistance Payment Program Project Account, Included	Annual Contributions Contract			Management Fees	Totals Contributions Only
	FR-1120	FR-2070	FR-2080		
Balance September 30, 1996	-	2,107,010	1,189,380	-	3,296,390
Revenues for 2000000 accounts for year ended September 30, 1998	-	1,094,510	100,510	-	1,195,020
Balance September 30, 1998	-	3,201,520	1,289,890	-	4,491,410
Compliance HUD REGULATIONS					
Balance September 30, 1993	48,732,022	20,894,100	5,948,480	-	75,574,602
Annual contributions year ended September 30, 1998: FR-1120 Housing Assistance Program Voucher Program	408,000	-	-	-	408,000
	-	3,898,400	-	-	3,898,400
	-	-	1,318,780	-	1,318,780
Adjustments to annual contributions for FR- 1120 Housing for year ended September 30, 1998	11,000	-	-	-	11,000
Close HUD grant funding to compliance at September 30, 1998	3,118,818	-	-	80,000	3,198,818
Operating subsidies year ended September 30, 1998; FR-1120 Housing	1,088,520	-	-	-	1,088,520
Balance September 30, 1998	53,357,362	24,792,920	7,267,260	80,000	85,497,542

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INDEPENDENT AUDITOR'S SPECIAL REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO HOUSING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
Housing Authority of the City of Lake Charles
Lake Charles, Louisiana

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 1990, and have issued our report thereon dated December 28, 1990.

We have audited the Housing Authority of the City of Lake Charles, Louisiana, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or matching; reporting; special terms of rent; register; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of the major Federal financial assistance programs, which are identified in the accompanying schedule of Federal financial assistance, for the year ended September 30, 1990. The management of the Housing Authority of the City of Lake Charles, Louisiana, is responsible for the Housing Authority of the City of Lake Charles, Louisiana, 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, the Consolidated Audit Guide for Audits of HUD Programs (the "Guide") issued by the U.S. Department of Housing and Urban Development, Office of Inspector General in July, 1993, and Office of Management and Budget Circular A-138, Audits of State and Local Governments. These standards and HUD Circular A-138 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 HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES, LOUISIANA, compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
 LAKE CHARLES, LOUISIANA

ANALYSIS OF SURPLUS
 Year Ended September 30, 1994

Account Name	General Comprehensives Capital			Total	
	FR-1110	FR-2004	FR-2100	Management Account	Financial Entry
Old Leased Housing					
Balance September 30, 1993	444,100	-	-	-	444,100
Provision for reduction of operating reserves for year ended September 30, 1994	120,120	-	-	-	120,120
Balance September 30, 1994	323,980	-	-	-	323,980
Reserved Surplus Replacement Reserve					
Balance September 30, 1993	218,000	-	-	-	218,000
Provision for replacement reserve for year ended September 30, 1994	118,000	-	-	-	118,000
Balance September 30, 1994	336,000	-	-	-	336,000
Old Leased Housing Housing Assistance Payment Program and Reserve Entry					
Balance September 30, 1993	-	187,000	187,000	2,787,240	3,061,240
Provision for operating reserves for year ended September 30, 1994	-	81,000	81,000	284,000	446,000
Balance September 30, 1994	-	268,000	268,000	3,071,240	3,507,240

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LAKE CHARLES, LOUISIANA

REPORT OF EXAMINATION OF
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Year Ended September 30, 1986

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

Release Date APR 16 1987

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LAKE CHARLES, LOUISIANA 70603

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City
of Lake Charles
Lake Charles, Louisiana 70601

Regional Inspector General For Audit
Department of Housing and Urban
Development
321 N Lancaster Street, P.O. Box 2405
Fort Worth, Texas 76101

We have audited the financial statements of the Housing Authority of the City of Lake Charles, Louisiana as and for the year ended September 30, 1994, as listed in the Table of Contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of OMB Circular A-133. Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and surplus of the Housing Authority of the City of Lake Charles, Louisiana as of September 30, 1994, and the results of its operations, cash flows and changes in its surplus 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 December 30, 1996, on our consideration of the Housing Authority of the City of Lake Charles, Louisiana's internal control structure and reports dated December 30, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary data included in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of The Housing Authority of the City of Lake Charles, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

M. Gray, Partner & Director

Lake Charles, Louisiana
December 30, 1996

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

BALANCE SHEET
September 30, 1996

ASSETS	Annual Contributions Contract				Totals (Non-revenue only)
	FR-1912	FR-2004	FR-2122*	Management Account	
Cash - Schedule I	\$ 194,421	\$ 828,182	\$ 208,882	\$ 120,070	\$ 1,351,555
Accounts receivable*	88,317	4,424	2,071	1,188	95,999
Receivables - (General Fund)	1,725,796	148,424	148,178	181,188	1,724,586
Refr. association fund	870,188	-	-	-	870,188
Referral charges	120,418	24,971	5,480	21,948	152,817
Land, structures and equipment	18,284,128	124,881	8,828	1,827,818	18,417,655
Total assets	\$ 2,093,130	\$ 1,126,881	\$ 2,164,363	\$ 2,153,824	\$ 5,478,298
LIABILITIES AND SURPLUS					
Accounts payable	\$ 237,718	\$ 884,798	\$ 446,881	\$ 24,484	\$ 1,593,881
Notes payable	889,400	-	-	988,888	1,878,288
Referred liabilities	4,472,875	18,224	2,844	10,888	4,504,831
Fixed liabilities	1,882,288	-	-	-	1,882,288
Total liabilities	7,482,281	907,820	456,726	1,024,260	8,871,087
Surplus - (deficit)	18,818,211	219,061	170,637	1,129,564	19,337,483
Total liabilities and surplus	\$ 2,093,130	\$ 1,126,881	\$ 2,164,363	\$ 2,153,824	\$ 5,478,298

* These accounts payable for FR-1912, \$18,888

BOATING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

STATEMENT OF INCOME AND EXPENSES - USA UNITED BOATING
Year ended September 30, 1994

Annual Contributions Contract FY-2112

Operating Income

Dwelling rental	\$ 1,279,872
Boatse utilities	<u>64,218</u>
Total rental income	1,344,090
Interest on general fund investments	84,215
Other income	<u>1,828</u>
Total operating income	<u>1,429,323</u>

Operating Expenses

Administration	412,802
Tenant services	38,819
Utilities	945,629
Ordinary maintenance and operation	459,471
General expense	511,799
Non-routine maintenance	<u>2,228</u>
Total operating expenses	<u>2,520,728</u>

Net operating (loss) (92,405)

Other Charges - Capital

Interest on notes and bonds payable	472,248
Loss from disposition of nonexpendable equipment	<u>28,886</u>
Total other charges	<u>501,134</u>

Net (loss) - Exhibit C121 \$ 17,421,580

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

STATEMENT OF INCOME AND EXPENSES - HOUSING ASSISTANCE PAYMENTS PROGRAM
Year Ended September 30, 1990

Project LA 48-BR04-C01-C02/C11-C12

Annual Operating/Income Contract FY-1991

Operating Income

Interest	\$ 3,213
Management fees	<u>22,761</u>
TOTAL operating income	<u>25,974</u>

Operating Expenses

Administration	192,389
Tenant services	8,451
Utilities	8,378
Ordinary maintenance and operation	28,028
General	74,159
Housing assistance payments	<u>1,821,652</u>
TOTAL operating expenses	<u>2,032,057</u>
net loss - Exhibit C11	<u>\$ 1,996,083</u>

HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS
 LAKE CHARLES, LOUISIANA

STATEMENT OF INCOME AND EXPENSES - MODERATE RENTAL
 Year Ended December 31, 1995

PERIOD: LA 48-2004-000.000

Special Contributions - Contract PH-207A, 1995

Operating Income

Interest \$ 4,282

Operating Expenses

Administration	19,059
Ordinary maintenance and operation	5,843
General	22,567
Housing assistance payments	<u>188,968</u>
Total operating expenses	<u>236,437</u>

Net Total - Exhibit C101 \$ 198,027

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

BOOKS TO FINANCIAL STATEMENTS
September 30, 1966

1. Organization

The Housing Authority of the City of Lake Charles, Louisiana (the Authority) was incorporated April 28, 1961 under the authority of the CONSTITUTION AND STATUTES OF LOUISIANA 49:1881.

The Authority operates under the direction of a five man Board of Commissioners duly appointed by the Mayor of the City of Lake Charles for staggered five year terms.

Each program operated by the Authority receives Federal financial assistance from the U.S. Department of Housing and Urban Development (HUD), and is subject to applicable laws and regulations. The operations of each fund are accounted for through a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Federal contributions are received and accounted for in the individual programs based upon the purposes for which they are to be spent.

A brief description of the various programs is as follows:

- A. Housing Authority Owned Rental Housing - Low Income Public Housing is owned by the Housing Authority of the City of Lake Charles, Louisiana, and the rents are held by the Federal Government. Low income is defined by published entry in the Federal Register per 48CFR 9826. Tenants pay 30% of their adjusted income for each housing.
- B. Section 8 Public Owned Rental Housing - Section 8 Public Housing is a program designed to allow private homeowners to lease their houses to low income families. The rents are set by the Federal Government and published in the Federal Register. The tenants pay 30% of their adjusted income for each housing. The Housing Authority of the City of Lake Charles, Louisiana makes up the difference between the tenants' portion of the rent and the Fair Market Rent as subsidy to the homeowner. Section 8 has evolved into five programs:

- (1) Existing Housing
- (2) Moderate Rehab
- (3) Voucher
- (4) Recently completed
- (5) Rental Rehab

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANASTATEMENT OF INCOME AND EXPENSES - MANAGEMENT ACCOUNT
Year Ended September 30, 1976

FD-302 (4-75) (REV. 5-22-64)

Annual Contributions Contract Management AccountOperating Income

Building rental	\$ 141,000
Office rental	11,000
Management fees	81,075
Interest	50,812
Other	<u>100,872</u>
Total operating income	<u>\$ 384,769</u>

Operating Expenses

Administration	98,805
Utilities	68,274
Ordinary maintenance and operation	170,590
General	<u>70,000</u>
Total operating expenses	<u>\$ 307,669</u>
Net income - Exhibit B(1)	<u>\$ 77,100</u>

NOTES TO FINANCIAL STATEMENTS

14. Management Agreement

The Authority entered into a management agreement with Chateau de Lac Limited Partnership on November 24, 1983 whereby the Authority will have the duty of maintaining, servicing, repairing, promoting, publicizing, operating, and managing an apartment complex owned by Chateau de Lac Limited Partnership. The agreement calls for a management fee, from occupancy date, of 4 1/2% of gross rental income. Management fee income for the year ended September 30, 1984 was \$81,576.

HOUSING AUTHORITY OF THE CITY OF BAKE CHARLES
BAKE CHARLES, LOUISIANA

STATEMENT OF CASH FLOWS
Year ended September 30, 1995

	1995	1994	1993	Management Account	Total Management Debt
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 184,000	\$ (506,800)	\$ (3,091,350)	\$ 282,044	\$ (3,371,346)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Changes in assets and liabilities:					
Decrease in notes receivable	-	-	-	82,000	82,000
Increase in notes payable	-	-	-	180,000	180,000
Increase decrease in accounts receivable	4,000	200,700	88,700	14,000	197,400
Increase in deferred charges	10,000	(100)	(145)	10,000	10,000
Increase in O&M amortization	10,000	-	-	-	10,000
Increase (decrease) in accounts payable	4,700	940,000	110,100	20,700	1,075,500
Increase (decrease) in accrued expenses	200,700	(500,000)	110,100	27,000	100,000
CASH FLOWS FROM INVESTING ACTIVITIES	(100,000)	100,000	100,000	100,000	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES					
Payments for capital improvements	\$ 147,000	000	-	\$ 204,000	\$ 351,000
Dispositions of capital equipment	104,000	-	-	-	104,000
HED annual contributions	400,000	2,400,000	1,100,000	-	3,900,000
HED grant funding	1,100,000	-	-	80,000	1,180,000
HED operating subsidies	1,000,000	-	-	-	1,000,000
Payment for fixed liabilities	(300,000)	-	-	-	(300,000)
Payment for interest on fixed liabilities	(477,000)	-	-	-	(477,000)
Provision for replacement reserve	100,000	-	-	-	100,000
Net increase (decrease) in cash	(1,000)	490,000	(276,050)	102,744	316,700
CASH RECEIPTS OF YEAR	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
CASH END OF YEAR	<u>\$ 100,000</u>	<u>\$ 590,000</u>	<u>\$ 313,950</u>	<u>\$ 202,744</u>	<u>\$ 906,694</u>

NOTES TO FINANCIAL STATEMENTS

F. FHA Owned Rental Housing - FHA Owned Housing consists of units the Housing Authority of the City of Lake Charles, Louisiana has acquired through the Federal Home Loan Bank Affordability Housing Program. The basic Section 8 rules apply. The qualifications are the same income limits published in the Federal Register for Low Income Public Housing Tenants. The tenants pay 30% of their adjusted income for such housing.

3. Significant Accounting Policies

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied.

All funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as per current assets. Cash receipts are considered "measurable" when collected and are recognized as income at that time. Revenues susceptible to reversal include grants and entitlements.

No depreciation is reflected in the statement of revenues, expenses and changes in fund balance. Equipment is written off and charged to expense when it is determined to be unusable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

The Governmental Accounting Standards Board (GASB) Statement Number 35 (effective for financial statements for periods beginning after December 31, 1988) provides guidance on accounting and financial reporting for proprietary fund types and allows proprietary fund types to choose one of two options in applying pronouncements issued by the Financial Accounting Standards Board (FASB) after November 30, 1986. The Housing Authority of the City of Lake Charles has elected to use the first option for reporting its activities. This approach applies all GASB pronouncements and FASB statements and interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletin (ARB) issued on or before November 30, 1986, unless those pronouncements conflict with or contradict GASB pronouncements. Changes to FASB statements and interpretations, APB opinions and ARBs issued after November 30, 1986, would not apply unless adopted by them.

NOTES TO FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the ends of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Whether in such data compares to a consolidation. Interfund eliminations have not been made in the preparation of this data.

3. Cash and Investments

At September 30, 1996, the Authority had cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 1,342,833
Daily cash accumulation fund	508,883
Certificates of deposit	818,968
Federal and state notes and bonds	<u>748,724</u>
	3,897,188
Bond premiums	<u>2,425</u>
	<u>\$ 4,396,716</u>

The Authority's demand deposits and certificates of deposit as of the balance sheet date are required to be covered by FDIC or FICD insurance and pledged securities. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The deposits as September 30, 1996 classified to give an indication of the level of risk assumed by the Authority are as follows:

NOTES TO FINANCIAL STATEMENTS

September 30, 1994	Demand	Daily Cash	Certificates of Deposit
	Deposits	Accounts Paid	
Carrying amount	\$ 1,362,812	\$ 188,882	\$ 818,287
Bank balances:			
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 134,242	\$ 188,882	\$ 848,787
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-	-	-
c. Uncollateralized, including any securities held for the entity but not in the entity's name	1,522,164	-	-
Total bank balances	\$ 1,656,406	\$ 188,882	\$ 848,787

Following are investments of the Authority at year end categorized to give an indication of the level of risk assumed by the Authority. Category 1 includes investments that are insured or registered, or for which the securities are held by the Authority or its agent, in the name of the Authority. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the name of the Authority. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent, but not in the name of the Authority.

September 30, 1994	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Treasury bills	\$ 158,890	\$ -	\$ -	\$ 158,890	\$ 148,132
Federal National Mortgage Association	182,785	-	-	182,785	178,488
Federal Home Loan Mortgage Association	328,000	-	-	328,000	298,456
Tennessee Valley Authority Power Bonds	55,882	-	-	55,882	61,138
	\$ 725,557	\$ -	\$ -	\$ 725,557	\$ 786,214

NOTES TO FINANCIAL STATEMENTS

4. Accounts Receivable

Accounts receivable balances are comprised as follows:

Intra-program	\$ 18,300
Accounts Interest	18,264
Techalia	18,268
Reclassification	<u>11,760</u>
	<u>\$ 66,592</u>

5. Debt Amortization Fund

The balance in this account of \$678,388 reflects the assigned contribution by HUD to cover annual payment of principal and interest on the debt service.

6. Deferred Charges

Deferred charges are comprised of the following:

Prepaid insurance	\$ 101,438
Material and supplies	<u>27,810</u>
	<u>\$ 129,248</u>

7. Land, Structures and Equipment

Property and equipment is accounted for under the modified accrual basis and is carried at cost on the balance sheet. Under the modified accrual basis no depreciation is reflected in the statement of revenues, expenses and changes in surplus. Equipment is written off and charged to expense when it is determined to be unusable.

Changes in fixed assets during the current year are as follows:

	9-30-85 Cost	Additions	Disposals	9-30-86 Cost
Land	\$ 860,000	\$ -	\$ -	\$ 860,000
Developmental costs	2,880,000	-	-	2,880,000
Buildings and equipment	28,874,018	2,718,087	16,263	29,575,842
Furniture	642,148	8,078	2,000	648,226
Vehicles	200,000	-	24,000	176,000
	<u>\$ 42,356,166</u>	<u>\$ 2,726,165</u>	<u>\$ 22,263</u>	<u>\$ 45,059,968</u>

NOTES TO FINANCIAL STATEMENTS

8. Accounts Payable

Accounts payable balances are as follows:

Intra-program	\$ 18,188
contract retainages	143,321
HEB	891,438
Tenant's deposits	71,878
Other	<u>21,000</u>
	<u>\$ 1,155,825</u>

The contract retainages of \$143,321 above apply against pending construction and repair contracts.

Included in other accounts payable is \$10,878 representing costs related to a building being rented to the City of Lake Charles, Louisiana, with one-half of the rental fee being applied to reduction of the accounts payable.

9. Notes Payable

The Authority is liable to HEB for administrative notes of \$998,450 and accrued interest thereon of \$175,387. The Authority is not required to make payment on this obligation.

The Authority is also liable to a financial institution for \$188,000 plus accrued interest at 7 1/8% for purchase of a thirty unit apartment complex. Principal and interest payments required on this note during the next five years are as follows:

1986	\$ 38,133
1987	38,133
1988	38,133
1989	38,133
1990	38,133

NOTES TO FINANCIAL STATEMENTS

10. Accrued Liabilities

The Authority is liable for accrued liabilities as follows:

Accrued interest:	
HUD administrative notes	\$ 377,397
HUD permanent notes	3,831,340
Debt service fund	21,377
FFB notes	<u>152,824</u>
	4,382,938
payment in lieu of property tax	85,888
accrued vacations payable	85,784
Other	<u>6,512</u>
	<u>\$ 4,601,362</u>

11. Fixed Liabilities

The Authority is liable on long-term notes and bonds as follows:

Permanent notes - FFB	\$ 3,642,129
Permanent notes - HUD	4,838,000
New HA bond	<u>1,162,242</u>
	<u>\$ 9,642,371</u>

HUD has guaranteed through an annual contribution contract the bonded indebtedness to FFB. The Authority is not required to make payment on the HUD note of \$4,838,000.

Principal and interest payments required to be made on these notes during the next five years are as follows:

	<u>FFB Notes</u>	<u>HA Bond</u>
1986	\$ 327,981	\$ 299,158
1987	327,981	299,158
1988	327,981	299,158
1989	327,981	281,179
1990	327,981	-
Thereafter	2,888,822	-

NOTES TO FINANCIAL STATEMENTS

12. Contingencies and Commitments

The Authority is contingently liable in the amount of \$44,011 for the period 2004-2005 expenditures. EED reported that the Authority was alleged to have been giving the program's census rent adjustment increases without written requests from the owners. The Authority was required to immediately cease this practice and comply fully with the requirements as per HUD Handbook 7420.3 Rev. 2, Chap. 3. The Development Division of the New Orleans office initiated the process of recovering the funds as a result of the ineligible rent adjustment increases. The amount of questioned funds aggregated \$85,168 and as a consequence of the request by the New Orleans office, a law suit was filed by a property owner disputing the allegation that excessive rent was paid. This lawsuit was dismissed by the United States District Court by a memorandum ruling on April 7, 1994. The New Orleans office has subsequently obtained the questioned funds amount to \$44,011 and proposed several alternate options for payment. The property owner, while reserving the right to continue efforts to resolve the issue administratively or by litigation, has agreed to one of the options offered whereby the amount is to be repaid through reduced rental payments over the remaining life of the contract. As of the audit date, \$17,648 of this amount has been recovered.

13. Retirement Plan

Employees of the Authority are covered by the social security system. Additionally, employees are covered by a tax deferred retirement and savings program which is a defined contribution pension plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's accounts are to be determined instead of specifying the amount of benefits the individuals is to receive. Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

Under the plan the Authority contributes 8.5% of the employee's basic monthly salary to the plan with the provision that the employee is required to contribute a minimum of 8%. Employees become fully vested after five years participation in the plan. Contributions to the plan by the Authority amounted to approximately \$82,880 during the year.

BOATING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

STATEMENT OF INCOME AND EXPENSES - VOUCHER PROGRAM
Year Ended September 30, 1995

Project LA 95-0208-CAL08A

Annual Contributions Exhibit CT-24887

Operating Income

Interest	\$ 7,874
Management fees	<u>8,481</u>
Total operating income	<u>16,355</u>

Operating Expenses

Administration	58,936
Ordinary maintenance and operation	18,000
General	37,348
Working assistance payments	<u>862,700</u>
Total operating expenses	<u>1,077,018</u>
Net Change - Exhibit C11	<u>\$ (1,060,663)</u>

HOUSING AUTHORITY OF THE CITY OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES
Year Ended September 30, 1990

Unexpended Balance	General Fund - Subtotal			Management Accounts	Totals (Subtotal Only)
	FD-2121	FD-2122	FD-2123		
Balance per audit September 30, 1989	2128,290,764	9164,843,854	277,212,409	0	9,190,346,127
Net Income (Loss) for year ended September 30, 1990:					
FHA owned housing - Revolving Fund	11,452,840	-	-	-	11,452,840
Housing Assistance Payment Program - Revolving Fund	-	(5,088,800)	-	-	(5,088,800)
Midway to Rehab - Fund	-	(628,651)	-	-	(628,651)
Welfare Program - Revolving Fund	-	-	(2,894,421)	-	(2,894,421)
Management Accounts - Revolving Fund	-	-	-	252,561	252,561
Provision for reduction of operating expenses for year ended September 30, 1990:					
FHA owned housing Housing Assistance Payment Program	1128,290	-	-	-	1128,290
Midway to Rehab	-	(27,642)	-	-	(27,642)
Welfare Program	-	(1,428)	-	-	(1,428)
Management Accounts - Revolving Fund	-	-	(27,442)	-	(27,442)
Provision for reduction of project account - included for year ended September 30, 1990:					
Housing Assistance Payment Program	-	11,948,540	-	-	11,948,540
Midway to Rehab	-	152,810	-	-	152,810
Welfare Program	-	-	(128,628)	-	(128,628)
Balance September 30, 1990	321,001,250	12,791,800	18,158,810	28,168	342,080,028