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**HOUSING AUTHORITY OF THE TOWN OF GRAMBLING  
GRAMBLING, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1997  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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: MAY 27 1998

**WILLIAM GENTLE HOOPER, CPA  
INDEPENDENT AUDITORS**

41 Young Street  
Baton Rouge, LA 70802

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CORRECTIVE ACTION PLAN

**WILLIAM DANIEL MCCASKILL, CPA**  
A PROFESSIONAL SERVICE COMPANY

401 BARKER LANE  
MONROE, LOUISIANA 70501

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DATE: 10-07-00

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**INDEPENDENT AUDITOR'S REPORT  
DISCLAIMER OF OPINION ON GENERAL PURPOSE  
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF GRABLING  
GRABLING, LOUISIANA 71240**

I was engaged to audit the accompanying general purpose financial statements of the Housing Authority of The Town of Grabling (HAA) as of and for the year ended September 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the HAA's management.

Documentation needed to properly conduct the audit was not available as described in Finding 97-1 and 97-1a, nor was I able to satisfy myself as to those financial activities by other auditing procedures. Accordingly, it was not practicable for me to express my audit to a conclusion of opinion.

Because of the disclosures in Finding 97-1 and 97-1a, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with Government Auditing Standards, I have also issued a report dated April 14, 1998 on my consideration of the HAA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

I was engaged to perform my audit for the purpose of forming an opinion on the general purpose financial statements of the PMA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements. Because of the disclosures in Findings 97-1 and 97-1a, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the Schedule of Expenditures of Federal Awards.

This report is intended solely for the information and use of the Board of Commissioners of the PMA, and for filing with the Department of HUD and should not be used for any other purpose.



---

William Daniel McConkili, CPA  
A Professional Accounting Corporation

April 14, 1998

STATEMENT OF THE FUND BALANCE  
 FISCAL YEAR 1991  
 BY FUND AND ACCOUNT GROUP  
 FOR THE FISCAL YEAR ENDING JUNE 30, 1991

TABLE 1

ACCOUNT GROUP	GENERAL FUND			SPECIAL FUND			RESERVE FUND			TOTAL		
	Balance	Change	Balance	Balance	Change	Balance	Balance	Change	Balance	Change	Balance	
GENERAL FUND	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Special Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Reserve Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Total</b>	<b>300,000</b>											
Special Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Reserve Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Total</b>	<b>200,000</b>											

SEE NOTE 10, ACCOUNT GROUPS





**THE HOUSING AUTHORITY OF THE TOWN OF GRAMBLING  
GRAMBLING, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:991) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Grambling, la. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Mayor of Grambling, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1957, as amended, the US Department of HUD has direct responsibility for administering low cost housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low cost character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	PW-1444	98
Section 8		
Certificates	PW-1444	80
Vouchers	PW-2130	115
Moderate Rehab.	PW-2141	6

**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the PHA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

## B. REPORTING ENTITY

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

## C. FUND ACCOUNTING

The PHA uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net spendable financial resources.

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

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

1. **General Fund**—the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.

2. **Debt Service Fund**--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

3. **Capital Projects Funds**--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Fiduciary Funds**--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. **Tenant Security Deposits**--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating Statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

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

Substantially all other revenues are recorded when they become available to the PHA.

**Expenditures**--Salaries are recorded as expenditures when paid.

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

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

Principal and interest on general long term debt are recognized when due.

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

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

Deferred Revenues--The PHA reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the PHA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the PHA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

## B. BUDGETS

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.

5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

#### **F. ENCUMBRANCES**

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

#### **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

#### **H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES**

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

#### **I. INVENTORY**

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

## **J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domains or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

## **K. COMPENSATED ABSENCES**

The PHA follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits of employees with 10 years service to a maximum of 25 days at their current annual salary.

## **L. LONG TERM OBLIGATIONS**

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

## **M. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

## **N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## G. TOTAL COLUMNS ON COMBINED STATEMENTS

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

## NOTE 2 - CASH AND CASH EQUIVALENTS

At September 30, 1997, the PHA has cash and cash equivalents totaling \$487,608.16 as follows:

Interest Bearing Demand Deposits	\$485,120.91
Time Deposits	2,467.13
Petty Cash	
Cash With Fiscal Agent	30.12
Total	\$487,608.16

These deposits are stated at cost, which approximates market. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1997, the PHA has \$487,588.04 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$370,496.00 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

## NOTE 3 - RECEIVABLES

The receivables of \$981.33 at September 30, 1997 are as follows:

### General Fund

Local Sources:	
Other	300.00
Federal Sources:	
Due From HUD	1,098.00

Total	988.33
-------	--------

#### NOTE 4--FIXED ASSETS

The changes in general fixed assets are as follows:

##### OWNED PROGRAM

###### Land, Structures, and Equipment

Balance 9-30-96	3,784,681.88
Net Additions	1,810.00
Balance 9-30-97	3,786,491.88

##### CERTIFICATES PROGRAM

Unchanged Balance 9-30-96 & 9-30-97	1,387.58
-------------------------------------	----------

##### VOUCHERS PROGRAM

Unchanged Balance 9-30-96 & 9-30-97	565.49
-------------------------------------	--------

##### MODERATE REHABILITATION PROGRAM

Unchanged Balance 9-30-96 & 9-30-97	254.21
-------------------------------------	--------

TOTAL LAND, STRUCTURES AND EQUIPMENT	3,789,079.14
--------------------------------------	--------------

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$M/A of ineligible expenditures as determined by HUD.

#### NOTE 5--RETIREMENT SYSTEM

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous or uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 5.2% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended September 30, 1997 was \$68,689.61. The PHA's contributions were calculated using the base salary amount of \$68,689.61. Both the PHA and the covered employees made the required contributions for the year ended September 30, 1997. Employee contributions to the plan totaled \$3,777.93. The PHA contributions totaled \$5,495.16 for the year ended September 30, 1997.

#### **NOTE 6--ACCOUNTS PAYABLE**

The payables of \$452,388.79 at September 30, 1997 are as follows:

General Fund:	
Vendors and Contractors	21,608.80
HUIF Payable	379,864.00
Unidentified	51,975.98
Total	452,388.79

The unidentified portion is the amount required to balance the Combined Balance Sheet as of 9-30-97. A problem is that the Low Income Housing Program and all three Section 8 Programs are combined in 1 general ledger. Additionally, since all three Section 8 Programs have negative Operating Reserves in fact, but HUIF accounting does not allow the Operating Reserves to go below zero, it is difficult to balance the general ledger to GAAP. Please note that I disclaimed an opinion on the financial statements.

#### **NOTE 7--COMPENSATED ABSENCES**

As September 30, 1997, employees of the PHA have accumulated and vested \$1,186.77 of employee leave benefits, which was computed in accordance with GASB Codification Section 040. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

#### **NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

Agency Funds:	
Tenant Security Deposits 9-30-96	10,351.08
Net Additions	1,073.92
Balance 9-30-97	11,425.00

#### **NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of the long term obligation transactions of the year ended September 30, 1997:

Compensated Absences	
Balance 9-30-96	\$9,210.00
Net Deductions	8,023.23
Balance 9-30-97	1,186.77

The following notes and bonds are outstanding at September 30, 1997, are HUD guaranteed. Bond principal and interest payable in the next fiscal year are not available. The individual issues are as follows:

<b>Federal Financing Bank Notes</b>	
Balance 9-30-96	(49,117.33)
Net Deletions	9,048.44
Balance 9-30-97	(40,068.89)
<b>Federal Financing Bonds Issued</b>	277,980.27
<b>Federal Financing Bonds Retired</b>	
Balance 9-30-96	108,455.83
Net Additions	8,228.47
Balance 9-30-97	116,684.30

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from the US Department of HUD. At September 30, 1997, the PHA has accumulated \$20.12 in the debt service funds for future debt requirements. In a departure from GAAP, I was not able to ascertain the future debt maturities nor the interest rates. Since HUD enters all PHA debt directly with the fiscal agent, I do not consider this departure material.

#### **NOTE 10--INTERFUND ASSETS/LIABILITIES**

Interfund receivables/payables at September 30, 1997 is as follows:

NONE.

**NOTE 11 -- GOING CONCERN**

Three of the PHA's four programs have negative operating reserves and the 4th is near zero. Please see Finding Number 97-1 for details on the cause of this situation. I am concerned about the reserves trend staying positive. An operating reserves trend analysis is as follows:

Fiscal Owned Year	Existing	Vouchers	Moderate Rehab.	Total Memo Only	
<b>Annual Change</b>					
'97	-1,142	-657	-2,526	582	-3,543
'96	-6,182	3,208	-3,892	884	-4,992
'95	3,859	5,930	-2,447	663	13,037
'94	-61,898	1,362	-7,858	1,102	-67,292
'93	21,923	-7,481	-12,855	368	1,955
'92	7,278	5,483	1,367	1,256	15,384
'91	6,590	3,702	1,387	-731	11,348
<b>Balance @ 9-30-97</b>					
	1,637	-3,769	-30,941	-3,112	-36,185

The fee accountant, citing HUD policy, does not book negative operating reserves. Instead, they accumulate the negative operating reserves on HUD 32681, Part IV. This causes the exhibits to not balance as to the current year deficit's, added to the beginning of the year fund balances, equalling the end of year fund balances.

The Town of Grambling is waiving Payments in Lieu of Taxes (PILOT) until the PHA is financially able to resume them. This saved the PHA \$7,606.39 this year.

What concerns me is that this PHA is still losing money annually. If the Town of Grambling collected it's PILOT taxes, the loss of \$3,543 for this year alone would be \$11,149.39. The PHA has a negative net worth of \$36,185. This PHA must adopt a fiscal budget that provides at least a break even level and keep within that budget.

Much of the past reserves depletion was caused by past overruns in operating expenditures and overruns in Modernization costs and PHIDEP costs prior to fiscal year 1993. These overruns were mostly caused by the late financial reporting of the PHA which made expense monitoring impossible. See finding 97-1.



Housing Authority of Town of Crawfordsville  
 Town of Crawfordsville  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended September 30, 1977

SCHEDULE 11

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs		
Low Income Housing:		
Operating Subsidy		\$6,275.00
Leased Development		
Total Low Income Housing	14.850	\$6,275.00
Section 8 Cluster:		
Vouchers	14.855	\$97,831.83
Certificates	14.887	\$36,037.92
Moderate Rehabilitation	14.856	\$1,473.08
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		\$135,342.83
Comprehensive Grants	14.859	
CIAP	14.852	
Public Housing Drug Elimination Program:		
RWDP		
Youth Grants		
Total RWDP	14.854	
Shelter + care	14.230	
NSP	14.858	
NSM	14.237	
Child Care Food Program (USDA)	10.558	
TOTAL FEDERAL EXPENDITURES		\$135,342.83

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

see notes to financial statements

Housing Authority of the Town of Greerling  
Greerling, LA 70884  
BALANCE SHEET  
Annual Contributions Contract FF-1444  
September 30, 1997

SCHEDULE III

-----  
ASSETS

Cash	\$403,430.78
Investments	2,487.13
Accounts Receivable	2,390.00
Debt Amortization Funds	31,137.91
Deferred Charges	34,838.42
Land, Structures and Equipment	3,789,079.14
TOTAL ASSETS	\$4,293,053.38

LIABILITIES AND SURPLUS

LIABILITIES:	
Accounts Payable	412,807.88
Notes Payable	0.00
Accrued Liabilities	0.00
Deferred Credits	7,287.77
Fixed Liabilities	210,881.97
TOTAL LIABILITIES	633,977.62
Surplus	3,659,075.76
TOTAL LIABILITIES AND SURPLUS	\$4,293,053.38

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see notes to financial statements

Housing Authority of the Town of Grambling  
 Grambling, LA 70004 SCHEDULE IV  
 STATEMENT OF INCOME AND EXPENSES--PER CARED HOUSING  
 Annual Contributions Contract PW-1444  
 For the year Ended September 30, 1997

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OPERATING INCOME:	
Swelling Rental	224,182.64
Interest Income	1,319.28
Other Income	33,781.12
Total Operating Income	259,283.04
OPERATING EXPENSES:	
Administration	239,933.16
Tenant Services	3,443.31
Utilities	3,038.72
Ordinary Maintenance and Operations	68,210.01
General Expense	32,382.88
Non-Routine Maintenance	12,600.55
Total Operating Expenses	359,598.63
NET OPERATING DEFICIT	(100,315.59)
OTHER CHARGES:	
Interest on Notes and Bonds	913,958.93
Prior Period Adjustments Affecting Residual Receipts	222.34
Prior Period Adjustments Not Affecting Residual Receipts	0.00
TOTAL OTHER CHARGES	914,181.27
DEFICIT	(814,496.86)

see notes to financial statements

Housing Authority of the Town of Crawling  
 Crawling, LA 70804

SCHEDULE V

STATEMENT OF INCOME AND EXPENSES  
 HOUSING ASSISTANCE PAYMENTS PROGRAM

Annual Contributions Contract FM-1444, FM-2138, & FM-2141  
 For the year Ended September 30, 1997

	Kalining FM-1444	Vauchoers FM-2138	Mod Rehab FM-2141
Operating Income	33,989.86	5,394.19	529.79
Total Operating Income	3,989.86	5,394.19	529.79
Operating Expenses:			
HAF Payments	195,327.39	258,503.27	3,444.08
Administration Expenses	38,473.79	41,719.66	39.00
Total Operating Expenses	233,799.17	300,222.93	3,483.08
Net Operating Deficit	(229,809.31)	(294,828.74)	(2,953.29)
Other credits:			
Prior Period Adjustments affecting Residual Receipts	128.79	0.00	0.00
Deficit	(229,680.52)	(294,828.74)	(2,953.29)

see notes to financial statements

Boarding Authority of the Town of Scambling  
 Scambling, IA 50944  
 MEMORANDUM OF DECISION  
 For the year ended September 30, 1997

SCHEDULE 11

	Total FY-1994	Capital FY-1994	Reserve FY-1994	Balance Total FY-1994
Reserve Surplus Balance 9-30-94	(1,181,848.00)	(1,180,858.00)	(1,140,122.00)	(170,868.00)
Deficit for 9-30-97	191,466.00	(102,944.00)	(102,527.50)	(2,067.50)
Provision for Reserve	1,140.00	0.00	0.00	0.00
Provision for Project Account	0.00	(102,944.00)	(10,126.50)	1,126.50
Adjustments During the Year	0.00	0.00	0.00	0.00
Balance 9-30-97	(1,075,182.00)	(2,083,702.00)	(1,242,649.50)	(177,533.50)
Expired Surplus-Operating Reserve Balance 9-30-94	1,776.00	0.00	0.00	0.00
Provision for Operating Reserve	(1,776.00)	0.00	0.00	0.00
Balance 9-30-97	0.00	0.00	0.00	0.00
Reserve Surplus-Project Account Balance 9-30-94	0.00	10,146.00	1,201,793.00	17,195.00
Provision Project Account	0.00	(10,146.00)	(1,239.00)	(1,239.00)
Adjustments During the Year	0.00	0.00	0.00	0.00
Balance 9-30-97	0.00	(10,146.00)	1,234,654.00	12,408.00
Reserve for Contributions Balance for FY 9-30-94	1,164,532.10	1,207,121.00	1,204,181.00	(29,147.90)
Annual Contribution 9-30-97	31,127.50	(23,181.00)	(29,002.00)	1,124.50
Operating Reserve	86,173.00	0.00	0.00	0.00
Adjustments Accrued	0.00	0.00	0.00	0.00
Balance 9-30-97	1,281,832.60	1,183,940.00	1,175,179.00	13,473.60
Reserve Systems	(8.00)	0.00	0.00	0.00
Total surplus 9-30-97	1,196,296.60	(2,127.04)	(107,469.50)	(1,038.44)

see notes to financial statements

WILLIAM DANIEL MCCASKILL, CPA  
REGISTERED ACCOUNTING FIRM

4140214 .05  
MOBILE, ALABAMA 36688

REPORT NO. 88-011  
DATE: 4/15/88  
TITLE: HOUSING  
FIRM: WPMCCASKILL

8802  
REPORT DATE: 4/15/88  
MOBILE: 36688  
SERIES LETTER: 88-011

REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF GRAMBLING  
GRAMBLING, LOUISIANA 71244

I have audited the financial statements of the Housing Authority of the Town of Grambling (PHA), as of and for the year ended September 30, 1987, and have issued my report thereon dated April 15, 1988. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 87-1 through 87-3.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the FMA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operating that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the FMA's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 37-1 through 37-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that we also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 37-1 through 37-5 to be material weaknesses.

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

April 14, 1998

  
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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

WILLIAM DANIEL MOORHEAD, CPA  
A REGISTERED ACCOUNTING COMPANY

21500 100  
P.O. BOX 10000

TYPE OF REPORT  
75-14-0010  
CLIENT 04-01-000  
FIRM 00000000.00

4000  
INTERNAL CONTROL OF THE  
COMPLIANCE SECTION OF THE  
GENERAL THEORY OF THE

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-113

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF GRABLING  
GRABLING, LOUISIANA 70048

Compliance

I have audited the compliance of the Housing Authority of The Town of Grabling (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-113 Compliance Requirements that are applicable to each of its major Federal programs for the year ended September 30, 1997. The PHA's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-113, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-113 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

As described in items 97-1a, 97-2a, and 97-3a in the accompanying schedule of findings and questioned costs, the FEA did not comply with requirements regarding Budgetary Control, Cash Management, Real Property Acquisition, Administrative Requirements and Federal Financial Reports that are applicable to its Low Income Housing and Section 8 Cluster. Compliance with each requirement is necessary, in my opinion, for the FEA to comply with requirements applicable to these programs.

Because of the reasons for the disclaimer of opinion on the financial statements and supplementary schedules as described in that report dated January 18, 1988, I am, as well, disclaiming any assurance of compliance with any requirements not identified in the preceding paragraph.

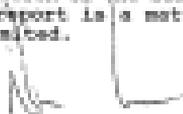
#### Internal Control Over Compliance

The management of the FEA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the FEA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-130.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the FEA's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1a through 97-5a.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 97-1a through 97-5a to be material weaknesses.

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



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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

April 14, 1990

THE BOONING AUTHORITY OF THE TOWN OF GRABLING  
GRABLING, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The following prior audit findings were not corrected or partially corrected:

90-1 The FBA was at least 1 year late in processing accounting data. The planned corrective action was for the FBA to catch up on the timeliness of accounting and keep it current. The FBA failed in this basic function. Please see repeat finding Number 97-1.

94-2 The audit was late per State law as a result of finding 94-1. The planned corrective action to cure finding 94-1 did not materialize resulting in repeat finding 97-2.

THE HOUSING AUTHORITY OF THE TOWN OF GRAMELING  
GRAMELING, LOUISIANA

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Per A-133, Section 806(d)

I. Summary Schedule of Auditors Results:

- i. The report included a disclaimer of opinion on the financial statements.
- ii. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- iii. The audit disclosed noncompliance which is material to the financial statements.
- iv. Reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was a disclaimer of opinion.
- vi. The report disclosed audit findings required to be reported under Section 816a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.880	Low Income Housing
14.853, 14.857 and 14.884	Section 8 Cluster
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$100,000.00.
- ix. The auditee was not considered a low risk auditee.

2. Findings relating to the financial statements required to be reported with GAGAS are as follows:

**Finding Number 97-1**

**Statement of Conditions--**The PMA was late in processing its general ledger and tenant accounting. In fact, none of it was processed during the fiscal year.

**Criteria--**The PMA should keep current on all general ledger and tenant accounting.

**Effect--**The PMA lacks adequate control over its operations.

**Cause--**Staff did not produce the records needed on a timely basis.

**PEA Response--**Effective the last day of the fiscal year, the former Executive Director resigned and a new Executive Director was named. As of May 2000, the PEA is now current with general ledger and tenant accounting through April 1999. We intend to stay current.

**Finding Number 97-2**

**Statement of Conditions--**This audit is being completed late per State law.

**Criteria--**The audit is due within 6 months of the fiscal year end.

**Effect--**The usefulness of an audit diminishes with time.

**Cause--**See finding number 97-1 for the cause.

**PEA Response--**Since we are now current with our accounting, the next audit will be timely.

**Finding Number 97-3**

**Statement of Conditions--**The PEA did not have available necessary documentation in an auditable condition to allow this firm to express an opinion on the financial statements. Documentation missing included Board Minutes and PMAF worksheets.

**Criteria--**The PEA should retain all necessary materials in an auditable condition.

**Effect--**This firm disclaimed the opinion on the financial statements.

**cause--**The former Executive Director had much of our documentation at her house.

**FMA Response--**We have received the documentation from the former Executive Director and are in the process of organizing and filing it away for future use.

**Finding Number 97-4**

**Statement of Conditions--**The FMA did not complete a physical inventory of assets and balance the general ledger to it.

**Criteria--**The FMA should complete an annual physical inventory and balance it to the general ledger.

**Effect--**The FMA does not have adequate control over its physical assets.

**Cause--**The staff did take a physical inventory using a card system for control but did not balance any cost data to the general ledger.

**FMA Response--**We will complete a physical inventory this year and balance it to the general ledger.

**Finding Number 97-5**

**Statement of Conditions--**The FMA does not have adequate control over its collection of tenant rents. An analysis of account 1128, Deposits Over and Under, indicates that cash deposits in the bank did not agree with the rent register for 10 of the 12 months of the fiscal year. It appears that the cumulative imbalance for the fiscal year was \$1,991.37.

**Criteria--**The FMA should have adequate controls over its cash collections.

**Effect--**The FMA is exposed to cash thefts and/or mathematical mistakes in calculating rent receipts.

**Cause--**The probable cause is that the rent register was produced 1 year in arrears making it difficult to balance to actual rents received.

**FMA Response--**As described in Finding 97-1, we are now current with our tenant accounting. We will monitor account 1128 on a monthly basis and determine the source of any imbalance.

1. Findings and questioned costs for Federal awards as defined in A-113, Section 512a, all with HUD oversight.

The following findings are required to be reported both under GAGAS and A-113.

1. Name of Program--Low Income Housing and Section 8 Cluster  
Identification Number-- Low Income Housing PW-1444  
Section 8 Cluster PW-2110 &  
PW-2142  
CFDA Title and Number-- Low Income Housing 14.800  
Section 8 Cluster 14.855,  
14.857, and 14.858  
Federal Award Number & Year--1997  
Name of Federal Agency--HUD  
Name of Pass Through Entity--None
2. Criteria--Findings 97-1a, 97-2a, 97-3a, and 97-4a apply to both the Low Income Housing Program and the Section 8 Cluster; Finding 97-5a only applies to the Low Income Housing Program -- See Criteria described in the GAGAS finding section.
3. Condition--See Condition as listed in the GAGAS findings section.
4. Amount of questioned costs and how they were computed--None
5. Findings 97-1a through 97-4a are systemic wide. The control system needs to operate as designed and they will go away. Finding 97-5a describes \$1,591.33 of unaccounted for funds out of total rent charges of \$88,102.44.
6. Effect--See the GAGAS section of the report for the Effect.
7. Recommendations to prevent future occurrences of the finding include simply applying the PMA policies as adopted.
8. PMA officials agree with the findings.

THE HOUSING AUTHORITY OF THE TOWN OF GRAMBLING  
GRAMBLING, LOUISIANA

**CORRECTIVE ACTION PLAN**

our corrective action plan is as follows:

Finding 92-1 a

Contact Person Responsible for Action--Bridgette Tanner

Anticipated completion date--This was corrected 12-15-97.

Corrective Action Planned--We did bring the accounting current as of 12-15-97. We are now current for the first time in at least 5 years and intend to stay current.

Finding 92-2a

Contact Person Responsible for Action--Bridgette Tanner

Anticipated completion date--March 31, 1998

Corrective Action Planned--We intend to close out the fiscal year timely and have the audit conducted well within the state law time table.

Finding 93-2 a

Contact Person Responsible for Action--Bridgette Tanner

Anticipated completion date--June 30, 1998

Corrective Action Planned--We now have all PSA documentation at our office and are in the process of organizing it and filing it for future use.

Finding 97-4a

Contact Person Responsible for Action--Bridgette Tanner

Anticipated completion date--September 30, 1998

Corrective Action Planned--We will take a physical inventory and balance the general ledger to it.

Finding 37-5a

Contact Person Responsible for Action--Bridgette Tarrar

Anticipated Completion Date--December 15, 1997

Corrective Action Planned--As of December 1997, our accounting is current. We will monitor any imbalances in account 1128 on a monthly basis and determine the cause.