

HOUSING AUTHORITY OF THE TOWN OF COERLIN

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED DECEMBER 31, 1996ANNUAL CONTRIBUTION CONTRACT
EW--424Cumulative HUD Contributions

Balance per prior audit at 12-31-95	\$	567,442.24
Annual contribution for year ended 12-31-96 - Exhibit D		12,048.13
Operating subsidy for year ended 12-31-96		3,714.00
Balance at 12-31-96		<u>583,204.37</u>

Cumulative HUD Grants

Balance per prior audit at 12-31-95		<u>400,084.00</u>
Balance at 12-31-96		<u>400,084.00</u>
Total Surplus - Exhibit A	\$	<u>600,170.10</u>

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. The difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(7) Tenant Receivables

Receivables for rents and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ 0 at December 31, 1999.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not recorded on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OSERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

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 generally accepted accounting principles, nor is such data comparable to a consolidation. Intrafund eliminations have not been made in the aggregation of the data.

NOTE B - CASH AND INVESTMENTS

Cash and investments are insured as follows:

FDIC Insurance	\$	<u>24,759.03</u>
	\$	<u>24,759.03</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1996

NOTE F - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Interest Rate</u>		<u>Principal Balance</u>
Bond payable, December 1, 1982 series	0.0505	\$	<u>73,802.31</u>

The bonds mature in series annually in varying amounts with the final maturity date in 2003. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

Long-term debt is secured by the land and buildings of the entity.

Changes in long-term debt is as follows:

		<u>Bonds</u>
Balance, beginning of period	\$	82,979.80
Principal retirement		<u>9,177.49</u>
Balance, end of period	\$	<u>73,802.31</u>

Schedule retirements of long-term debt is as follows:

1997	\$	9,559.88
1998		9,942.28
1999		10,324.68
2000		10,707.07
2001		11,089.47
Thereafter		22,178.93

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
 CAPITAL PROJECT FUND TYPES
 COMBINING BALANCE SHEET
 DECEMBER 31, 1992

	CAP Housing Program	
	CAP 1994	Total
ASSETS		
Total Assets	\$ 0.00	\$ 0.00
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to		
Other funds	\$ 0.00	\$ 0.00
Total liabilities	\$ 0.00	\$ 0.00
FUND EQUITY		
Reserved for capital projects	\$ 0.00	\$ 0.00
Total fund equity	\$ 0.00	\$ 0.00
Total liabilities and fund equity	\$ 0.00	\$ 0.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

CAPITAL PROJECT FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 DECEMBER 31, 1988

	CAP Housing Programs	
	CAP 1988	Total
REVENUES		
Total Revenues	\$ 0.00	0.00
EXPENDITURES		
Capital expenditures	280.00	(280.00)
Total Expenditures	280.00	(280.00)
Change (decrease) in revenues and (or) expenditures	(280.00)	(280.00)
FUND BALANCE, beginning of year		0.00
FUND BALANCE, end of year	\$ (280.00)	(280.00)

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OSERLIN

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1995

	<u>Agency Funds</u>	
	Tenant Security Deposit Funds	Total Fiduciary Funds
ASSETS		
Cash and cash equivalents	\$ 1,700.00	\$ 1,700.00
Total Assets	\$ 1,700.00	\$ 1,700.00
LIABILITIES		
Due to tenants	\$ 1,700.00	\$ 1,700.00
Total Liabilities	\$ 1,700.00	\$ 1,700.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF GBERLIN
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
 DECEMBER 31, 1998

	<u>Agency Funds</u>	
	Tenant Security Deposit Funds	Total Fiduciary Funds
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 1,700.00	\$ 0.00
DEPOSIT BALANCES AT END OF YEAR	\$ 1,700.00	\$ 0.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) **Basis of Accounting**

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 measurements made, regardless of the measurement focus applied. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain revenues which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They use clearing accounts whose assets at all times are equally offset by related liabilities.

(5) **Budgetary Data**

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Programs, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED DECEMBER 31, 1999

ANNUAL CONTRIBUTION CONTRACT

PW 424Unreserved Surplus

Balance per prior audit at 12-31-98	\$	(302,028.48)
Net loss for the year ended 12-31-99 - Exhibit B		(7,666.87)
(Provision for) reduction of Operating Reserves for year ended 12-31-99 - Exhibit D		1,457.83
Balance at 12-31-99		<u>(308,237.52)</u>

Reserved Surplus - Operating Reserves

Balance per prior audit at 12-31-98		17,681.78
Provision for (reduction of) Operating Reserves for the year ended 12-31-99 - Exhibit D		(1,457.83)
Balance at 12-31-99 - Exhibit F	\$	<u>16,223.95</u>

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 1996

NOTE C - ACTIVITIES OF THE PHA

At December 31, 1996, the PHA was managing 18 units of low-rent in one project under Program PW -- 474.

NOTE D - CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Changes in the general fixed assets account group are as follows:

	<u>Beg. of Period</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Period</u>
Land, land improv.	\$ 80,864.14	\$	\$	\$ 80,864.14
Buildings	629,875.45			629,875.45
Equipment	28,865.05			28,865.05
Total	<u>\$ 739,604.64</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 739,604.64</u>

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

COMPUTATION OF RESIDUAL, RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

PW - 474

	Year Ended
	<u>12-31-86</u>
<u>Computation of Residual Receipts</u>	
<u>Operating Receipts</u>	
Operating Income - Exhibit B	\$ 29,500.45
HUD operating subsidy	3,714.00
Total Operating Receipts	<u>37,214.45</u>
<u>Operating Expenditures</u>	
Operating expenses - Exhibit B	<u>28,672.26</u>
Total Operating Expenditures	<u>28,672.26</u>
Residual receipts (deficit) per audit before provision for reserve	(1,457.83)
Audit adjustments (booked out)	<u> </u>
Residual receipts per PHA before provision for reserve	(1,457.83)
(Provision for) or reduction of operating reserve - Exhibit C	<u>1,457.83</u>
Residual receipts per PHA	<u>\$ 0.00</u>

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

PW -- 474

	<u>Year Ended</u>
	<u>12-31-96</u>
<u>Computation of Accruing Annual Contributions</u>	
Fixed annual contribution	\$ <u>12,048.13</u>
Total Annual Contribution - Exhibit D	\$ <u>12,048.13</u>

HOUSING AUTHORITY OF THE TOWN OF OSERLIN
 STATEMENT OF MODERNIZATION COSTS — UNCOMPLETE(D)
 DECEMBER 31, 1996

		Project 1996
Funds Approved	\$	<u>174,450.00</u>
Funds Expended		<u>380.00</u>
Excess of Funds Approved	\$	<u>174,070.00</u>
Funds Advanced	\$	0.00
Funds Expended		<u>380.00</u>
Deficiency of Funds Advanced - Exhibit F	\$	<u>(380.00)</u>

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
 ANALYSIS OF GENERAL FUND CASH BALANCE
 ANNUAL CONTRIBUTION CONTRACT
 JW--424

Compositions Before Adjustments		
Net operating receipts retained:		
Operating reserves - Exhibit C	\$	14,223.95
Deferred credits		0.00
Deficient modernization funds - Exhibit E		<u>(360.00)</u>
		13,863.95
Adjustments		
Expenses/costs not paid:		
Accounts payable		1,700.00
Accrued payments in lieu of taxes		<u>8,340.68</u>
General Fund Cash Available		25,802.63
General Fund Cash:		
Applied to deferred charges (prepaid insurance, inventories, etc.)		<u>(1,133.00)</u>
General Fund Cash - Exhibit A	\$	<u>24,769.63</u>

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 1996

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>CDFA NO.</u>	<u>GRANT ID NO.</u>	<u>AWARD AMOUNT</u>	<u>PROGRAM EXPENDITURES</u>	
U.S. Department of Housing and Urban Development					
Direct Programs:					
Low-Income Housing					
Annual Contribution	14-850	FW- 474	\$ 12,048.13	\$ 12,048.13	1/
Operating Subsidy	14-850	FW- 474	3,714.00	3,714.00	
NonMajor Program Total			<u>15,762.13</u>	<u>15,762.13</u>	
Total HUD			\$ <u>15,762.13</u>	\$ <u>15,762.13</u>	

1/ The Department of Housing and Urban Development has guaranteed through the Annual Contribution Contract of the Housing Authority of Oberlin's bonded indebtedness. This bonded indebtedness was \$ 73,802.31 at December 31, 1996.

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

We have audited the financial statements of the Housing Authority of the Town of Oberlin, Louisiana, as of and for the twelve months ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Housing Authority of the Town of Oberlin, Louisiana is the responsibility of the Authority's 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 disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

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

Estes and Associates

Fort Worth, Texas
April 23, 1997

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

We have audited the financial statements of the Housing Authority of the Town of Oberlin, Louisiana, as of and for the twelve months ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

We have applied procedures to test the Housing Authority of the Town of Oberlin, Louisiana's compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the twelve months ended December 31, 1996.

Political Activity
Davis-Bacon Act
Civil Rights
Cash Management
Federal Financial Reports (Claims for Advances
and Reimbursements)
Allowable Costs/Cost Principles
Drug Free Workplace Act
Administrative Requirements

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

With respect to the items tested, the results of 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 Town of Oberlin, Louisiana had not complied, in all material respects, with those requirements.

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

Estes and Associates

Fort Worth, Texas

April 20, 1997

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**Independent Auditors' Report on Compliance with
Specific Provisions Applicable to Nonmajor Federal
Financial Assistance Program Transactions**

We have audited the financial statements of the Housing Authority of the Town of Oberlin, Louisiana, as of and for the twelve months ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

In connection with our audit of the financial statements of the Housing Authority of the Town of Oberlin, Louisiana, as of and for the twelve months ended December 31, 1996, and with our consideration of the Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the twelve months ended December 31, 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 unallowed; eligibility; reporting; cost allocation; analysis of general fund costs; and operating's ability 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 Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the Town of Oberlin, Louisiana, had not complied, in all material respects, with these requirements.

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

Estes and Associates

Fort Worth, Texas
April 23, 1997

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT
PW -- 474

	Year Ended
	12-31-86
Operating Income	
Dwelling rental	\$ 23,200.35
Other income	220.10
Total Operating Income - Exhibit D	23,500.45
Operating Expenses	
Administration	12,291.06
Utilities	1,099.49
Ordinary maintenance and operation	5,625.53
General expense	8,056.20
Total Operating Expense - Exhibit D	28,072.28
Net Operating Income (Loss)	(5,171.83)
Other Charges	
Interest on notes and bonds payable	2,696.64
Total Other Charges	2,696.64
Net Loss - Exhibit C	\$ (7,868.67)

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**Independent Auditor's Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs --
No Major Programs**

We have audited the financial statements of the Housing Authority of the Town of Oberlin, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

We conducted our audits in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, and about whether the Housing Authority of the Town of Oberlin, Louisiana, complied with laws and regulations, non-compliance with which would be material to a federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1996, we considered the Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Authority's financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of its financial statements in a separate report dated April 23, 1997.

The management of the Housing Authority of the Town of Oberlin, 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, that transactions are executed 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 federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in

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MEMBERSHIP NO. 017

Report of Independent Certified Public Accountants
on Financial Statements and Financial Schedules

Board of Commissioners
Housing Authority of the
Town of Oberlin
Oberlin, Louisiana

Regional Inspector General for Audit
Office of Inspector General
Department of Housing and Urban
Development

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of the Town of Oberlin, Louisiana (the Authority) as of December 31, 1995, and for the year then ended, as listed in the table of contents. Those financial statements are the responsibility of the 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; and Office of Management and Budget (OMB) Circular A-128, "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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Oberlin, Louisiana as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Housing Authority of the Town of Oberlin, Louisiana as of December 31, 1995, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

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HOUSING AUTHORITY OF THE TOWN OF DORRIN, LOUISIANA

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED DECEMBER 31, 1986

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 JUN 25 1987

ERTES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 1999

Prior Audit Findings and Questioned Cost

All prior audit findings have been satisfactorily resolved.

Current Audit Findings

None.

Questioned
Cost

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1996

NOTE G - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

Long Term Debt

It is not possible to estimate the fair value of long term debt owed to the federal government by this governmental entity, a housing authority. The housing authority is unable, by law, to access long term financing from any other source. FASB 107 describes fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

NOTE H - ACCOUNTING FOR THE IMPAIRMENT OF LONG - LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE I - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of these financial statements requires the use of estimates by management. No significant estimates have been made by management that require disclosure.

conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

Accounting Controls	Administrative Controls
Revenues, receivables, and cash receipts	Political activity
Procurement, payables, and cash disbursement	Davis-Bacon Act
Property and equipment	Civil rights
Payroll	Cash management
Finance, debt, debt service	Federal financial reports
	Allowable costs/Cost principles
	Drug Free Workplace Act
	Administrative requirements
	Types of services -
	allowability
	Eligibility
	Reporting
	Costs allocation
	Special requirements

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

During the year ended December 31, 1996, the Housing Authority of the Town of Oberlin, Louisiana, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under nonmajor federal financial assistance programs: Low Income Housing.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(3) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside services are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

The Notes to Financial Statements are an integral part of these statements.

in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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

Estes and Associates

Fort Worth, Texas
April 23, 1987

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**Independent Auditor's Report on the Internal
Control Structure in Accordance with
Governmental Auditing Standards**

We have audited the financial statements of the Housing Authority of the Town of Obelin, Louisiana, as of and for the twelve months ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In planning and performing our audit of the financial statements of Town of Obelin, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been 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

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (DAMP BASIS) AND ACTUAL

DEBT SERVICE AND CAPITAL PROJECTS FUNDS

YEAR ENDED DECEMBER 31, 2025

	Debt Service Fund			Capital Projects Fund		
	Budget	Actual	Debt (Limit) Budget	Budget	Actual	Debt (Limit) Budget
REVENUES						
Intergovernmental						
Total Revenues	\$ 10,048.13	\$ 10,048.13	\$ 0.00	\$	\$	\$ 0.00
EXPENDITURES						
General expenditures			0.00	380.00	380.00	0.00
Debt Service	9,171.08	9,171.08	0.00			0.00
Annual retirement	2,656.84	2,656.84	0.00			0.00
Interest						
Total Expenditures	11,878.30	11,878.30	0.00	380.00	380.00	0.00
Excess (deficiency) of revenues over (under) expenditures	\$ 173.80	\$ 173.80	\$ 0.00	\$ (380.00)	\$ (380.00)	\$ 0.00
Transfer of net income to unassigned debt:						
		\$ 10,875.00				
FUND BALANCES, beginning of year		\$ 10,248.00			\$ 10,248.00	
FUND BALANCES, end of year						

The Notes to Financial Statements are an integral part of these statements.

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

Estes and Associates

Fort Worth, Texas

April 20, 1987

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1986

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Oberlin, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the Town of Oberlin, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of December 31, 1986, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and broad categories in the financial statements as follows:

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (0MAP 84818) AND ACTUAL
 GENERAL FUND AND SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 1985

	General Fund		Special Revenue Funds		Over Under Budget
	Budget	Actual	Budget	Actual	
REVENUES					
Rentals	\$ 34,543.00	\$ 23,280.25	\$	\$	\$ 0.00
Intergovernmental	3,714.00	3,714.00			0.00
Interest	200.00	282.87			0.00
Other income	800.00	290.72			0.00
Total Revenues	39,257.00	27,574.45	0.00	0.00	0.00
EXPENDITURES					
Administration	10,800.00	12,081.28			0.00
Utilities	1,210.00	1,095.49			0.00
Ordinary maintenance	11,200.00	5,485.50			0.00
General expenditures	8,280.00	8,668.25			0.00
Capital expenditures	850.00	(848.05)			0.00
Total Expenditures	32,140.00	28,078.57	0.00	0.00	0.00
Excess (deficiency) of revenues over (under) expenditures	\$ 7,117.00	(1,450.00)	\$ 0.00	\$ 0.00	\$ 0.00
Transfer of net income to unreserved deficit					
FUND BALANCES, beginning of year		17,681.78			
FUND BALANCES, end of year		\$ 16,231.78		\$	0.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1995

	Governmental Fund Types				Total (In thousands) Only
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Fees	\$ 23,280.25	\$	\$	\$	\$ 23,280.25
Intergovernmental	3,714.80		12,048.10		15,762.70
Other	220.10				220.10
Total Revenues	<u>27,215.15</u>	<u>0.00</u>	<u>12,048.10</u>	<u>0.00</u>	<u>39,263.25</u>
EXPENDITURES					
Administrative	12,591.20				12,591.20
Utilities	1,089.49				1,089.49
Ordinary maintenance	5,025.23				5,025.23
General expenditures	8,898.20				8,898.20
Capital expenditures				368.00	368.00
Debt service:					
Principal retirement			9,177.49		9,177.49
Interest			2,696.84		2,696.84
Total expenditures	<u>25,672.22</u>	<u>0.00</u>	<u>11,874.33</u>	<u>368.00</u>	<u>37,914.55</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,542.93</u>	<u>0.00</u>	<u>173.77</u>	<u>(368.00)</u>	<u>1,348.70</u>
OTHER FINANCING SOURCES(USES)					
Operating transfers in					0.00
Operating transfers out					0.00
Total other financing sources(uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND BALANCE, beginning of year	<u>17,681.70</u>		<u>12,073.81</u>		<u>29,755.51</u>
FUND BALANCE, end of year	<u>\$ 19,224.63</u>	<u>\$ 0.00</u>	<u>\$ 12,247.61</u>	<u>\$ (368.00)</u>	<u>\$ 29,084.24</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
 DECEMBER 31, 1998

	Governmental Fund Types			Proprietary Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Traffic and Agency	General Fund Assets	General Long-Term Debt	
LIABILITIES AND FUND EQUITY								
LIABILITIES	\$ 8,340.89	\$	\$	\$	\$	\$	\$	\$ 8,340.89
Account balances								
Due to:								
Tenneco					1,700.00			1,700.00
Crown Leno				848.00				848.00
Deferred revenue	8.00							8.00
General obligation bonds payable and other liabilities							73,692.31	73,692.31
Total Liabilities	<u>8,348.89</u>	<u>8.00</u>	<u>0.00</u>	<u>848.00</u>	<u>1,700.00</u>	<u>0.00</u>	<u>73,692.31</u>	<u>84,296.89</u>
FUND EQUITY								
Investment in general fund assets						776,244.85		776,244.85
Fund balances:								
Reserved for capital projects								280.00
Reserved for debt service (unreserved)			12,346.31					12,346.31
Unassigned	18,000.81							18,000.81
Total Fund Equity	<u>18,000.81</u>	<u>0.00</u>	<u>12,346.31</u>	<u>0.00</u>	<u>0.00</u>	<u>776,244.85</u>	<u>0.00</u>	<u>806,591.97</u>
Total Liabilities and Fund Equity	<u>\$ 34,273.89</u>	<u>\$ 8.00</u>	<u>\$ 12,346.31</u>	<u>\$ 848.00</u>	<u>\$ 1,700.00</u>	<u>\$ 776,244.85</u>	<u>\$ 73,692.31</u>	<u>\$ 847,526.40</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE TOWN OF OBERLIN
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

ASSETS	Governmental Fund Types				Fiduciary Fund Types		Account Groups		Total (Governmental Only)
	General	Special Revenues	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	Long-Term Debt		
Cash and cash equivalents	\$ 23,000.00	\$	\$	\$	\$ 1,700.00	\$	\$	\$	\$ 24,700.00
Due from:									
Other funds	200.00								200.00
Other governments			12,000.00						12,000.00
Prepaid expenditures	1,000.00					708,004.00			1,708,004.00
Property, plant and equipment							70,000.00		70,000.00
Amount to be provided for retirement of general long-term debt									
Total Assets	\$ 24,200.00	\$ 0.00	\$ 12,000.00	\$ 0.00	\$ 1,700.00	\$ 708,004.00	\$ 70,000.00	\$ 70,000.00	\$ 847,004.00

The Notes to Financial Statements are an integral part of these statements.

In accordance with Government Auditing Standards, we have also issued a report dated April 23, 1997, on our consideration of the Authority's system of internal control and a report dated April 23, 1997, on its compliance with laws and regulations.

Our audit was made for the purposes of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The budgetary information included in the accompanying financial statements and the accompanying financial information listed as financial schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Housing Authority of the Town of Oberlin, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material aspects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Estes and Associates

Fort Worth, Texas
April 23, 1997