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

**REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED SEPTEMBER 30, 1937**

where provided of same for the  
terms of the contract. Audit of the  
books of the Housing Authority of  
the Town of Gibsland, Louisiana,  
for the twelve months ended  
September 30, 1937, was completed  
and the report thereon is being  
submitted to the Board of  
Housing Commissioners of the  
Town of Gibsland, Louisiana, at the  
office of the undersigned at court

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 1937

**Estes & Associates**  
CERTIFIED ACCOUNTANTS

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**ESTES & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
8000 AIRPORT FREEDOM CT - SUITE 100  
FORT WORTH, TEXAS 76117

817-421-0821  
FAXED 817-421-4860  
FAX 817-421-0240

MEMBER  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

MEMBER COMPANY OF

### Independent Auditor's Report

Board of Commissioners  
Housing Authority of the  
Town of Gibeland  
Gibeland, 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 Gibeland, Louisiana at 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 Housing Authority of the Town of Gibeland, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in 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. 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.

As described in Note A, the authority's policy is to prepare its financial statements on the basis of accounting practices presented or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. This report is intended solely for filing with the Department of Housing and Urban Development and is not intended for any other purpose.

In our opinion, the general-purpose financial statements and the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Gibeland, Louisiana as of September 30, 1997 and the results of its operations and changes in its equity for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 1998 on our consideration of Housing Authority of the Town of Gibland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement of the Housing Authority of the Town of Gibland, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, 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 and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Ester and Associates*

Fort Worth, Texas  
February 23, 1998

HOUSING AUTHORITY OF THE TOWN OF GIBBSLAND  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 SEPTEMBER 30, 1997

	Governmental Fund Types			Fiduciary Fund Types			Account Groups		
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	General Long-Term Debt	Total (Members Only)	
ASSETS									
Cash and cash equivalents	\$ 15,596.48	\$	\$	\$ 1,625.00	\$	\$	\$	\$ 17,221.48	
Investments	18,094.04							18,094.04	
Receivables, net of allowance									
Other	199.00							199.00	
Due from:									
Other funds				1,871.50				1,871.50	
Other governments			87,126.47					87,126.47	
Proprietary organizations	2,996.12					680,081.50		683,077.62	
Property, plant and equipment:									
Amount to be provided by retirement of general long-term debt:							597,847.41	597,847.41	
Total Assets	\$ 34,892.14	\$ 0.00	\$ 87,126.47	\$ 1,871.50	\$ 1,625.00	\$ 680,081.50	\$ 597,847.41	\$ 873,303.24	

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

HOUSING AUTHORITY OF THE TOWN OF GIBBSLAND  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS (Continued)  
 SEPTEMBER 30, 1997

	Businessal Fund Types					Fiduciary Fund Types		Account Groups		Total (Memorandum City)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General		General Long-Term Debt		
						Fixed Assets	Other			
<b>LIABILITIES</b>										
Accrued liabilities	\$ 8,479.47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,479.47
Due to:										
Tenants					5,682.00					5,682.00
Other Funds	5,287.73									5,287.73
Deferred revenue	140.00									140.00
General obligation bonds payable and other liabilities								217,847.41		217,847.41
<b>Total Liabilities</b>	<b>\$ 14,907.20</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 5,682.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 217,847.41</b>	<b>\$ 0.00</b>	<b>\$ 239,536.61</b>
<b>FUND EQUITY</b>										
Investment in general fund assets							640,896.18			640,896.18
Fund balances:										
Reserved for capital projects				1,527.73						1,527.73
Reserved for debt service			67,196.47							67,196.47
Unreserved:										
Undesignated	28,318.24									28,318.24
<b>Total Fund Equity</b>	<b>\$ 66,944.44</b>	<b>\$ 0.00</b>	<b>\$ 67,196.47</b>	<b>\$ 1,527.73</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 640,896.18</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 735,464.82</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 21,851.64</b>	<b>\$ 0.00</b>	<b>\$ 67,196.47</b>	<b>\$ 1,527.73</b>	<b>\$ 1,682.00</b>	<b>\$ 0.00</b>	<b>\$ 640,896.18</b>	<b>\$ 217,847.41</b>	<b>\$ 0.00</b>	<b>\$ 975,001.64</b>

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

## HOUSING AUTHORITY OF THE TOWN OF GIBBSLAND

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED SEPTEMBER 30, 1997

	Governmental Fund Types				Total (Nonmajor Fund Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES</b>					
Rentals	\$ 18,177.00	\$	\$	\$	\$ 18,177.00
Intergovernmental	23,194.00		23,212.29	20,100.00	66,576.29
Interest	1,108.33				1,108.33
Other	848.00				848.00
<b>Total Revenues</b>	<u>43,924.33</u>	<u>0.00</u>	<u>23,212.29</u>	<u>20,100.00</u>	<u>88,236.62</u>
<b>EXPENDITURES</b>					
Administration	18,632.13				18,632.13
Utilities	1,205.77				1,205.77
Ordinary maintenance	11,225.94				11,225.94
General expenditures	7,694.01				7,694.01
Extraordinary maintenance	(1,828.48)				(1,828.48)
Capital expenditures	408.00			18,328.27	18,736.27
Debt service:					
Principal retirement			10,150.82		10,150.82
Interest			13,069.81		13,069.81
<b>Total expenditures</b>	<u>37,811.38</u>	<u>0.00</u>	<u>23,240.25</u>	<u>18,328.27</u>	<u>79,477.89</u>
Excess (deficiency) of revenues over (excess) expenditures	<u>6,443.05</u>	<u>0.00</u>	<u>(27.95)</u>	<u>1,771.73</u>	<u>7,946.78</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in					0.00
Operating transfers out					0.00
<b>Total other financing sources (uses)</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>FUND BALANCE, beginning of year</b>	<u>26,871.24</u>		<u>87,154.42</u>	<u>(248.00)</u>	<u>87,777.66</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 33,314.24</u>	<u>\$ 0.00</u>	<u>\$ 87,126.47</u>	<u>\$ 1,527.73</u>	<u>\$ 84,968.44</u>

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



## HOUSING AUTHORITY OF THE TOWN OF GIBBSLAND

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## BUDGET (GAAP BASIS) AND ACTUAL

## GENERAL FUND AND SPECIAL REVENUE FUNDS

YEAR ENDED SEPTEMBER 30, 1997

	General Fund		Special Revenue Funds		Over (Under) Budget
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Donations	\$ 15,000.00	\$ 18,177.00	\$ 0.00	\$ 0.00	\$ 0.00
Intergovernmental	20,184.00	20,184.00	0.00	0.00	0.00
Interest	570.00	1,400.00	0.00	0.00	0.00
Other income	600.00	843.00	100.00	0.00	0.00
Total Revenues	42,454.00	40,604.00	0.00	0.00	0.00
<b>EXPENDITURES</b>					
Administration	20,000.00	19,000.13	0.00	0.00	0.00
Utilities	1,000.00	1,000.17	0.00	0.00	0.00
Ordinary maintenance	10,000.00	11,000.00	0.00	0.00	0.00
Tenant services	500.00	500.00	0.00	0.00	0.00
General expenditures	10,000.00	7,000.00	0.00	0.00	0.00
Contingency maintenance		(1,000.44)			0.00
Capital expenditures	600.00	600.00	0.00	0.00	0.00
Total Expenditures	32,100.00	37,601.35	0.00	0.00	0.00
Excess (deficiency) of revenues over (under) expenditures	\$ 10,354.00	\$ 3,002.65	\$ 0.00	\$ 0.00	\$ 0.00
Transfer of net income to unreserved deficit					
FUND BALANCES, beginning of year		26,681.50			
FUND BALANCES, end of year		\$ 29,684.15		\$ 0.00	

FUND BALANCES, beginning of year

FUND BALANCES, end of year

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

HOUSING AUTHORITY OF THE TOWN OF GIBBSLAND

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS  
 YEAR ENDED SEPTEMBER 30, 1997

	Debt Service Fund			Capital Projects Fund		
	Budget	Actual	Over (under) Budget	Budget	Actual	Over (under) Budget
<b>REVENUES</b>						
Ferrelite	\$ 20,111.26	\$ 20,292.29	\$ 0.00	\$	\$	\$ 0.00
Intergovernmental			0.00	20,100.00	20,180.00	0.00
Total Revenues	<u>20,111.26</u>	<u>20,292.29</u>		<u>20,100.00</u>	<u>20,180.00</u>	<u>0.00</u>
<b>EXPENDITURES</b>						
Capital expenditures			0.00	18,306.27	18,306.27	0.00
Debt Service	70,150.65	65,150.62	0.00			0.00
Principal retirement	13,086.81	13,086.81	0.00			0.00
Interest	20,286.69	20,286.69	0.00	18,306.27	18,306.27	0.00
Total Expenditures				<u>18,306.27</u>	<u>18,306.27</u>	<u>0.00</u>
Excess (shortage) of revenues over (under) expenditures	\$ (87.85)	\$ (87.85)	\$ 0.00	\$ 1,773.73	\$ 1,773.73	\$ 0.00
Transfer of net income to unreserved deficit						
FUND BALANCES, beginning of year		62,164.42			62,164.42	
FUND BALANCES, end of year		<u>\$ 62,164.42</u>			<u>\$ 62,164.42</u>	

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

## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 1997

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Gibsland, 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 Gibsland, 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 September 30, 1997, 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 GISLAND

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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 sources 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.

HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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 are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) Budgetary Control

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, 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 GIBSLAND

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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. This difference is not considered materially different from generally accepted accounting principles.

(4) 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 rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$0, at September 30, 1997.

(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 GIBSLAND

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

At September 30, 1997, the Authority had invested excess funds as follows:

	<u>Amount</u>
Certificate of Deposits	\$ <u>16,094.84</u>
	\$ <u>16,094.84</u>

Cash and investments are insured as follows:

FDIC Insurance	\$ <u>33,306.32</u>
	\$ <u>33,306.32</u>

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

## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

## NOTES TO FINANCIAL STATEMENTS

(Continued)  
SEPTEMBER 30, 1997

## NOTE C - ACTIVITIES OF THE PHA

At September 30, 1997, the PHA was managing 22 units of low-rent in one project under Program PW - 2003.

## 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 impvt.	\$ 52,675.82	\$	\$	\$ 52,675.82
Buildings	545,591.76	38,843.00		584,521.76
Equipment	16,014.50	499.08		16,513.58
Total	<u>\$ 614,281.18</u>	<u>\$ 39,342.08</u>	<u>\$ 0.00</u>	<u>\$ 653,623.18</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 GIBSLAND

NOTES TO FINANCIAL STATEMENTS  
(Continued)  
SEPTEMBER 30, 1997

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

		<u>Principal Balance</u>
Bond payable	\$	<u>217,947.41</u>

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	\$	328,098.03
Principal retirement		<u>110,150.62</u>
Balance, end of period	\$	<u>217,947.41</u>

Schedule retirements of long-term debt is as follows:

1998	\$	10,937.51
1999		11,185.05
2000		11,702.25
2001		12,219.47
2002		12,813.52
Thereafter		159,253.23

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

HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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 secure 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.

## HOUSING AUTHORITY OF THE TOWN OF GIBBLAND

FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1997

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	<u>Agency Funds</u>	
	Tenant Security Deposit Funds	Total Fiduciary Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,625.00	\$ 1,625.00
Total Assets	<u>\$ 1,625.00</u>	<u>\$ 1,625.00</u>
<b>LIABILITIES</b>		
Due to tenants	\$ 1,625.00	\$ 1,625.00
Total Liabilities	<u>\$ 1,625.00</u>	<u>\$ 1,625.00</u>

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

HOUSING AUTHORITY OF THE TOWN OF GIBBLAND  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS  
 SEPTEMBER 30, 1997

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 1,625.00	\$ 1,625.00
DEPOSIT BALANCES AT END OF YEAR	\$ 1,625.00	\$ 1,625.00

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

## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

BALANCE SHEET — STATUTORY BASIS  
SEPTEMBER 30, 1997ANNUAL CONTRIBUTION CONTRACT  
FW — 2002ASSETS

Cash - Exhibit F	\$	17,211.48
Accounts receivable - other		180.00
Investments - Note B		18,094.84
Debt amortization funds		67,156.47
Deferred charges		2,596.12
Land, structures and equipment		<u>699,268.46</u>
Total Assets	\$	<u>772,471.37</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	1,625.00
Accrued liabilities		6,472.47
Deferred credits		142.00
Fixed liabilities		<u>217,947.41</u>
Total Liabilities		226,186.88
Surplus - Exhibit C		<u>546,284.49</u>
Total Liabilities and Surplus	\$	<u>772,471.37</u>

HOUSING AUTHORITY OF THE TOWN OF GIBSLAND  
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS  
 ANNUAL CONTRIBUTION CONTRACT  
PW – 2003

	Year Ended
	09-30-07
Operating Income	
Dwelling rental	\$ 18,177.00
Interest on general fund investments	1,188.35
Other income	945.00
Total Operating Income - Exhibit D	19,899.35
Operating Expenses	
Administration	18,602.13
Utilities	1,205.77
Ordinary maintenance and operation	11,225.84
General expense	7,084.01
Nonroutine maintenance	(1,335.40)
Total Operating Expense - Exhibit D	37,112.35
Net Operating Income (Loss)	(17,222.00)
Other Credits	
Prior year adjustments - affecting residual receipts	2,409.20
Total Other Credits	2,409.20
Other Charges	
Interest on notes and bonds payable	13,089.61
Total Other Charges	13,089.61
Net Loss - Exhibit C	\$ (27,902.41)

## HOUSING AUTHORITY OF THE TOWN OF GIBBLAND

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

For – 2002Unreserved Surplus

Balance per prior audit at 09-30-96	\$	(531,876.81)
Audit adjustment posted in subsequent year		(2,409.20)
Net loss for the year ended 09-30-97 - Exhibit B		(27,502.41)
(Provision for) reduction of Operating Reserve for year ended 09-30-97 - Exhibit D		(7,652.20)
Balance at 09-30-97		<u>(579,040.62)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 09-30-96		18,462.94
Provision for (reduction of) Operating Reserve for the year ended 09-30-97 - Exhibit D		7,652.20
Balance at 09-30-97 - Exhibit F	\$	<u>26,114.24</u>

## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

FR — 2003Cumulative HUD Contributions

Balance per prior audit at 09-30-96	\$	1,097,584.59
Annual contribution for year ended 09-30-97 - Exhibit D		23,212.39
Operating subsidy for year ended 09-30-97		23,164.00
Balance at 09-30-97		<u>1,133,970.87</u>

Cumulative HUD Grants

Balance per prior audit at 09-30-96		35,940.00
Advances for year ended 09-30-97		20,100.00
Balance at 09-30-97		<u>56,040.00</u>
Total Surplus - Exhibit A	\$	<u>548,264.49</u>



## HOUSING AUTHORITY OF THE TOWN OF GISSLAND

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

## ANNUAL CONTRIBUTION CONTRACT

PW - 2003

	Year Ended
	<u>09-30-07</u>
<b>Computation of Residual Receipts</b>	
<b>Operating Receipts</b>	
Operating income - Exhibit B	\$ 19,880.36
HUD operating subsidy	23,164.00
Prior year adjustments - affecting residual receipts	<u>2,409.20</u>
<b>Total Operating Receipts</b>	<u>45,453.56</u>
<b>Operating Expenditures</b>	
Operating expenses - Exhibit B	37,113.36
Capital expenditures:	
Replacement of nonexpendable equipment	<u>499.00</u>
<b>Total Operating Expenditures</b>	<u>37,612.36</u>
Residual receipts (deficit) per audit before provision for reserve	7,852.20
Audit adjustments (booked out)	<u>                    </u>
Residual receipts per PHA before provision for reserve	7,852.20
(Provision for) or reduction of operating reserve - Exhibit C	<u>(7,852.20)</u>
<b>Residual receipts per PHA</b>	<b>\$ <u>0.00</u></b>

## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT  
FW - 2005

		<u>Year Ended</u> <u>08-30-07</u>
<u>Computation of Accruing Annual Contributions</u>		
Fleet annual contribution	\$	<u>23,212.28</u>
Total Annual Contribution - Exhibit C	\$	<u>23,212.28</u>

HOUSING AUTHORITY OF THE TOWN OF GIBBLAND  
 STATEMENT OF MODERNIZATION COSTS – UNCOMPLETED  
 SEPTEMBER 30, 1997

	Project 1996	Project 1995
Funds Approved	\$ 400,000.00	\$ 1,500.00
Funds Expended	<u>17,072.27</u>	<u>1,500.00</u>
Excess of Funds Approved	\$ <u>382,927.73</u>	\$ <u>0.00</u>
Funds Advanced	\$ 15,000.00	\$ 1,500.00
Funds Expended	<u>17,072.27</u>	<u>1,500.00</u>
Excess of Funds Advanced	\$ <u>1,527.73</u>	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE TOWN OF GIBBLAND  
 ANALYSIS OF GENERAL FUND CASH BALANCE  
 ANNUAL CONTRIBUTION CONTRACT  
FY - 2021

**Composition Before Adjustments**

Net operating receipts retained:		
Operating reserves - Exhibit C	\$	26,214.24
Deferred credits		142.00
Excess modernization funds - Exhibit E(1)		<u>1,527.73</u>
		27,883.97

**Adjustments**

Expenses/costs not paid:		
Accounts payable		1,525.00
Accrued payments in lieu of taxes		6,472.47

**Income not received:**

Accounts receivable		<u>(150.00)</u>
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General Fund Cash Available		25,961.44
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**General Fund Cash:**

Invested		(16,064.84)
Applied to deferred charges (prepaid insurance, inventories, etc.)		<u>(2,555.12)</u>

General Fund Cash - Exhibit A	\$	<u>17,211.48</u>
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## HOUSING AUTHORITY OF THE TOWN OF GIBSLAND

## SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 1997

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>CFDA 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-2003	\$ 23,212.26	\$ 23,212.26	1/
Operating Subsidy	14.850	FW-2003	23,164.00	23,164.00	
Major Program Total 1/			<u>46,376.26</u>	<u>46,376.26</u>	
Comprehensive					
Improvement					
Assistance Program					
Project 1995	14.852	FW-2003	1,500.00	1,254.00	
Project 1996	14.852	FW-2003	18,600.00	17,072.27	
Major Program Total			<u>20,100.00</u>	<u>18,326.27</u>	
Total HUD			\$ <u>66,476.26</u>	\$ <u>64,702.53</u>	

1/ The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of Gibsland's bonded indebtedness. This bonded indebtedness was \$ 217,947.41 at September 30, 1997.

**ENTEN & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
8800 AIRPORT FREEWAY, SUITE 1000  
HOUSTON, TEXAS 77061

800.555.0000  
713.867.0000  
FAX: 713.867.0000

MEMPHIS  
CENTRAL CONTRACTING COMPANY  
P.O. BOX 10000

MEMPHIS, TENNESSEE

**Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

Housing Authority of the  
Town of Gibsland  
Gibsland, Louisiana

We have audited the financial statements of the Housing Authority of the Town of Gibsland, Louisiana as of and for the year ended September 30, 1997, and have issued our report thereon dated February 23, 1998. We conducted our 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 Housing Authority of the Town of Gibsland, Louisiana's financial statements are free of material misstatement, we 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 a opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority of the Town of Gibsland, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Estes and Associates*

Fort Worth, Texas

February 23, 1998