

RECEIVED  
SEP 20 1960

98102532  
4088



**HOUSING AUTHORITY OF THE CITY OF RAYVILLE, LOUISIANA**  
**REPORT ON EXAMINATION OF**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED SEPTEMBER 30, 1960**

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

Release Date — **FED-3-000** —

**ETTES & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

## TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
SUMMARY OF AUDITOR'S RESULTS AND SCHEDULE OF FINDINGS AND QUESTIONED COSTS		1
INDEPENDENT AUDITOR'S REPORT		2 - 3
FINANCIAL STATEMENTS		
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)		
Combined Balance Sheet — All Fund Types and Account Groups		4 - 5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types		6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget (GAAP Basis) and Actual — General Fund and Special Revenue Funds		7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget (GAAP Basis) and Actual — Debt Service and Capital Projects Funds		8
Notes to Financial Statements		9 - 17
Special Revenue Fund Types — Combining Balance Sheet		18
Special Revenue Fund Types — Combining Statement of Revenues, Expenditures and Changes in Fund Balances		19
Capital Project Fund Types — Combining Balance Sheet		20
Capital Project Fund Types — Combining Statement of Revenues, Expenditures and Changes in Fund Balances		21
Fiduciary Funds — Combining Balance Sheet		22
Fiduciary Funds — Schedule of Changes in Deposits Due to Officers		23

**TABLE OF CONTENTS (Continued)**

	EXHIBIT	PAGE
<b>SUPPLEMENTARY INFORMATION</b>		
Balance Sheet	A	24 - 25
Statement of Income and Expenses	B	26 - 27
Analysis of Surplus	C	28 - 31
Computation of Residual Receipts and Accruing Annual Contribution	D(1)	32 - 33
Computations of Annual Contribution Earned and Profit Account - Operating Reserve Changes Housing Assistance Payment Program	D(2)	34 - 35
Statement and Certification of Actual - Modernization Cost	E(1)	36
Statement of Modernization Costs - Uncompleted	E(2)	37
Analysis of General Fund Cash Balance	F	38 - 39
Schedule of Expenditures for Federal Awards		40
Report on Compliance Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		41 - 42
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		43 - 44
Schedule of Findings and Questioned Cost		45

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results

- A. We issued an unqualified opinion on the Housing Authority of Rayville, Louisiana for the audit of its financial statements for the year ended September 30, 1998.
- B. No reportable conditions in internal control were disclosed by our audit of the financial statements.
- C. The audit did not disclose any noncompliances which is material to the financial statements.
- D. No reportable conditions in internal control were disclosed by our audit over major programs.
- E. We issued an unqualified opinion on compliance for major programs.
- F. Our audit disclosed no audit findings that we are required to report under 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 98-53.
- G. Major programs are as follows, and see Schedule of Federal Expenditures for GFDs numbers and amounts:
  - 1. Low Income Housing
  - 2. Section 8 HAP - New Construction
  - 3. CLAP
- H. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- I. The Housing Authority of Rayville, Louisiana qualified for the year ended September 30, 1998 as a low-risk auditee.

Schedule of Findings and Questioned Costs

- J. There are no findings in these financial statements that are required to be reported in accordance with GAGAS.
- K. There are no audit findings or questioned costs for Federal awards which shall include audit findings as described in 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 98-53.

**ESTES & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
4000 AIRPORT FREEWAY - SUITE 100  
DUNN RUSTON, LOUISIANA 71423

MEMPHIS  
MEMPHIS (901) 424-4800  
MEMPHIS (901) 424-4800

MEMPHIS  
MEMPHIS (901) 424-4800  
PUBLIC ACCOUNTANTS

MEMPHIS (901) 424-4800

Independent Auditor's Report

Board of Commissioners  
Housing Authority of the  
City of Rayville  
Rayville, 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 City of Rayville, Louisiana at and for the year ended September 30, 1988, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the City of Rayville, 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, and provisions of the Louisiana Governmental Audit Guide. 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 prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 City of Rayville, Louisiana as of September 30, 1988 and the results of its operations and changes in its surplus 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 January 12, 1999 on our consideration of Housing Authority of the City of Rayville'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 statements of the Housing Authority of the City of Rayville, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit 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 and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Estes and Associates*

Fort Worth, Texas  
January 12, 1999

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 SEPTEMBER 30, 2020

	Governmental Fund Types				Industry Fund Types		Assessments		Total (Governmental Only)
	General	Special Revenue	Debt Service	Capital Projects	Industry Fund Types		General Fund Assets	General Long-Term Debt	
					Trust and Agency				
<b>ASSETS</b>									
Cash and cash equivalents	\$ 11,342.08	\$ 6,728.59	\$ -	\$ -	\$ 6,873.08	\$ -	\$ -	\$ -	\$ 25,943.74
Investments	72,868.31								72,868.31
Receivables, net of allowances									
Prepays	379.00								379.00
Other									0.00
Due from									
Other funds	6,348.68		184,287.77	3,844.00					194,480.45
Other governments									0.00
Inventory, at cost									8,428.48
Prepaid expenditures	6,358.40	84.89				2,350,076.87			2,062,519.67
Property, plant and equipment									
Amount to be provided for retirement of general long-term debt									
<b>Total Assets</b>	\$ 95,086.76	\$ 6,843.68	\$ 184,287.77	\$ 3,844.00	\$ 6,873.08	\$ 2,350,076.87	\$ 628,138.44	\$ 628,138.44	\$ 3,196,270.34

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)  
SEPTEMBER 30, 2008

	Governmental Fund Types				Housing Fund Types		Account Groups		Total Miscellaneous Class
	General	Special Business	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	Special Fund Liab. Items Debt		
<b>LIABILITIES AND FUND EQUITY</b>									
<b>LIABILITIES</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable	3,180.00								3,180.00
Accounts receivable									0.00
Accrued liabilities	11,590.50								11,590.50
Due to:									
Tenants					6,673.08				6,673.08
Other funds	3,044.00	8,008.88							11,052.88
Other governments		1,465.00							1,465.00
Deferred revenue	381.00								381.00
General obligation bonds payable and other liabilities									
Funds held in trust									
<b>Total Liabilities</b>	25,295.50	9,541.88	0.00	0.00	6,673.08	0.00	808,158.44		928,169.44
							808,158.44		0.00
								1,086,078.07	928,169.44
<b>FUND EQUITY</b>									
Investment in general fund assets									
Fund balances:									
Reserved for capital projects				3,844.00					3,844.00
Reserved for debt service			108,287.17						108,287.17
Unassigned:									
Undesignated	79,711.20	(2,980.80)							76,730.40
<b>Total Fund Equity</b>	79,711.20	(2,980.80)		3,844.00	0.00		0.00		80,574.40
<b>Total Liabilities and Fund Equity</b>	\$ 95,866.18	\$ 6,561.08	\$ 0.00	\$ 3,844.00	\$ 6,673.08	\$ 0.00	\$ 808,158.44	\$ 1,086,078.07	\$ 1,198,203.84

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



**HOUSING AUTHORITY OF THE CITY OF RAYVILLE**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED SEPTEMBER 30, 1999**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES</b>					
Rentals	\$ 86,141.50	\$	\$	\$	\$ 86,141.50
Intergovernmental	124,206.00	290,248.00	104,256.72	508,485.68	1,107,296.28
Interest	2,080.00	305.00			2,385.00
Other	770.00				770.00
<b>Total Revenues</b>	<b>292,947.50</b>	<b>590,861.00</b>	<b>104,256.72</b>	<b>508,485.68</b>	<b>1,206,550.07</b>
<b>EXPENDITURES</b>					
Administration	\$4,718.87	\$5,877.00			10,595.87
Utilities	10,570.80				10,570.80
Ordinary maintenance	\$6,305.87				\$6,305.87
General expenditures	\$4,423.28				\$4,423.28
Extraordinary maintenance	548.27				548.27
Housing assistance payments		295,708.00			295,708.00
Capital expenditures	4,536.95			508,681.84	514,188.79
Debt service:					0.00
Principal retirement			48,178.83		48,178.83
Interest			58,120.18		58,120.18
<b>Total expenditures</b>	<b>299,807.82</b>	<b>312,208.00</b>	<b>104,317.69</b>	<b>509,681.84</b>	<b>1,166,293.25</b>
Excess (deficiency) of revenues over (under) expenditures	(7,860.32)	(1,808.00)	(8.97)	\$8,003.72	\$3,156.72
<b>OTHER FINANCING SOURCES(USES)</b>					
Cooping transfers in					0.00
Cooping transfers out					0.00
<b>Total other financing sources(uses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>FUND BALANCE, beginning of year</b>	<b>90,708.25</b>	<b>(1,368.08)</b>	<b>104,040.74</b>	<b>(55,589.72)</b>	<b>144,079.27</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 82,847.93</b>	<b>\$ (1,868.08)</b>	<b>\$ 104,281.77</b>	<b>\$ 3,294.28</b>	<b>\$ 184,234.89</b>

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

## 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, 2024

	General Fund		Special Revenues Funds		Over (Under) Budget
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Fees/fees	\$ 55,738.00	\$ 55,141.50	\$ (596.50)	\$ -	\$ 0.00
Intergovernmental	124,228.00	124,209.00	0.00	313,249.00	(79,822.00)
Interest	2,802.00	1,800.00	0.00	305.00	395.00
Other income	120.00	120.00	90.00	-	0.00
<b>Total Revenues</b>	<b>182,888.00</b>	<b>181,340.50</b>	<b>(501.50)</b>	<b>313,249.00</b>	<b>(70,049.00)</b>
<b>EXPENDITURES</b>					
Administration	60,995.00	64,713.07	6,274.93	15,577.00	1,429.00
Utilities	18,500.00	19,379.25	899.25	-	0.00
Ordinary maintenance	99,285.00	96,338.07	(2,946.93)	-	0.00
Transportation	300.00	300.00	0.00	-	0.00
General expenditures	62,000.00	64,423.28	2,423.28	-	0.00
Emergency maintenance	2,000.00	648.27	(1,351.73)	-	0.00
Housing assistance programs	-	-	0.00	313,249.00	(14,280.00)
Capital expenditures	4,000.00	4,528.35	528.35	-	0.00
<b>Total Expenditures</b>	<b>238,080.00</b>	<b>239,839.92</b>	<b>1,759.92</b>	<b>313,249.00</b>	<b>(14,861.00)</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (129,172.00)	\$ (158,499.42)	\$ (5,790.97)	\$ 0.00	\$ (1,870.00)
Transfer of net income to unreserved deficit	-	-	-	-	-
<b>FUND BALANCES, beginning of year</b>		<u>90,308.25</u>		<u>11,360.00</u>	
<b>FUND BALANCES, end of year</b>		<u>\$ 29,218.83</u>		<u>\$ 12,890.00</u>	

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

## HOUSING AUTHORITY OF THE CITY OF IRVINGVILLE

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, 1968

	Debt Service Fund		Capital Projects Funds		Over (Under) Budget	Over (Under) Budget
	Budget	Actual	Budget	Actual		
<b>REVENUES</b>						
Intergovernmental	104,206.72	104,206.72	500,485.95	500,485.95	0.00	0.00
Total Revenues	104,206.72	104,206.72	500,485.95	500,485.95	0.00	0.00
<b>EXPENDITURES</b>						
Housing assistance payments					0.00	0.00
Capital expenditures				500,001.84	0.00	0.00
Debt Service:						
Principal retirement	46,176.55	46,176.55			0.00	0.00
Interest	58,129.76	58,129.76			0.00	0.00
Total Expenditures	104,317.66	104,317.66	500,001.84	500,001.84	0.00	0.00
Balance (deficiency) of revenues over (under) expenditures	\$ 890.07	\$ 890.07	\$ 483,484.11	\$ 483,484.11	\$ 0.00	\$ 0.00
Transfer of net income to unreserved fund						
<b>FUND BALANCES, beginning of year</b>						
<b>FUND BALANCES, end of year</b>						
		104,246.74		500,981.82		500,981.82
		\$ 104,246.74		\$ 500,981.82		\$ 500,981.82

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 1998

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

The Housing Authority of Rayville, 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 City of Rayville, 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, 1998, 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 CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1998

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 CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)  
SEPTEMBER 30, 1998

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 Basis**

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 greater approval.

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

HOUSING AUTHORITY OF THE CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)  
SEPTEMBER 30, 1998

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 ceilings of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonrecurrent 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 rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at September 30, 1998.

(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 CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)  
SEPTEMBER 30, 1998

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 DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1998. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 - Uncollateralized.

Cash Deposits, categorized by level of risk, are:

Total Risk Balances	Category		
	1	2	3
\$ <u>98,369.29</u>	\$ <u>98,369.29</u>	\$ <u>0.00</u>	\$ <u>0.00</u>

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



## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS  
(Continued)  
SEPTEMBER 30, 1998

## NOTE C - ACTIVITIES OF THE PHA

At September 30, 1998, the PHA was managing 100 units of low-rent in one project under Program PW - 1276, and 60 units of Section 8 New Construction under Program PW-2169.

## 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, and Buildings	\$ 1,897,025.00	\$		\$		\$	1,897,025.00
Equipment	88,017.00		4,828.36				92,845.36
Total	\$ 2,045,042.00	\$	4,828.36	\$	0.00	\$	2,050,870.36

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 CITY OF PAYVILLE

NOTES TO FINANCIAL STATEMENTS  
 (Continued)  
 SEPTEMBER 30, 1998

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Interest Rate</u>	<u>Principal Balance</u>
Bond payable, August 1, 1970 series	5.75 %	\$ <u>928,158.44</u>

The bonds mature in series annually in varying amounts with the final maturity date in 2011. 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	\$ 976,338.07
Principal retirement	<u>48,178.53</u>
Balance, end of period	\$ <u>928,158.44</u>

Schedule retirements of long-term debt is as follows:

1999	\$ 50,790.41
2000	53,992.72
2001	56,995.26
2002	60,077.80
2003	63,950.80
Thereafter	<u>642,951.45</u>

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

HOUSING AUTHORITY OF THE CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1998

**NOTE G - RETIREMENT PLAN**

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-months exclusionary period. The employee contributes 8 % of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 30% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll in fiscal year ended September 30, 1998 was \$ 113,573.06. The entity's contributions were calculated using the base salary amount of \$ 100,957.00. Contributions to the plan were \$ 8,076.56 by the entity.

**NOTE H - 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 I - 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.

HOUSING AUTHORITY OF THE CITY OF RAYVILLE

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1998

**NOTE J - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

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

**NOTE K - YEAR 2000 COMPUTER CONVERSION**

The PHA utilizes a fee accountant. The fee accountant has assessed the Year 2000 computer conversion issues. The fee accountant has recently purchased new computer hardware and software in anticipation of Year 2000.

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

SPECIAL REVENUE FUND TYPES  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1998

	Assisted Housing Programs	
	New Construction Program	Total
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,795.59	\$ 6,795.59
Receivables, net of allowances		0.00
Prepays		0.00
Other		0.00
Due from:		0.00
Other funds		0.00
Other governments		0.00
Prepaid expenditures	54.00	54.00
<b>Total Assets</b>	<b>\$ 6,849.59</b>	<b>\$ 6,849.59</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accrued liabilities		0.00
Due to:		0.00
Other funds	0,040.08	0,040.08
Other governments	1,485.00	1,485.00
Deferred revenue		0.00
<b>Total liabilities</b>	<b>0,041.08</b>	<b>0,041.08</b>
<b>FUND EQUITY</b>		
Unreserved and undesignated	(2,992.00)	(2,992.00)
<b>Total fund equity</b>	<b>0,040.08</b>	<b>0,040.08</b>
<b>Total liabilities and fund equity</b>	<b>\$ 0,081.16</b>	<b>\$ 0,081.16</b>

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

## HOUSING AUTHORITY OF THE CITY OF PAYVILLE

SPECIAL REVENUE FUND TYPES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SEPTEMBER 30, 1998

	Assisted Housing Programs	
	New Construction Program	Total
<b>REVENUES</b>		
Intergovernmental	\$ 310,345.00	\$ 310,345.00
Interest	308.00	308.00
Other		0.00
Total Revenues	<u>310,653.00</u>	<u>310,653.00</u>
<b>EXPENDITURES</b>		
Administration	16,577.00	16,577.00
General expenditures		0.00
Housing assistance payments	284,789.00	284,789.00
Other direct program costs		0.00
Capital expenditures		0.00
Total Expenditures	<u>312,286.00</u>	<u>312,286.00</u>
Excess (deficiency) of revenues over (under) expenditures	(1,633.00)	(1,633.00)
FUND BALANCE, beginning of year	(1,260.00)	(1,260.00)
FUND BALANCE, end of year	\$ <u>(2,893.00)</u>	\$ <u>(2,893.00)</u>

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

CAPITAL PROJECT FUND TYPES  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999

	CMP Housing Programs		
	CMP 1999	CMP 1997	Total
<b>ASSETS</b>			
Due from:			
Other funds	\$ _____	\$ 3,244.00	\$ 3,244.00
<b>Total Assets</b>	<b>\$ 0.00</b>	<b>\$ 3,244.00</b>	<b>\$ 3,244.00</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Total liabilities	0.00	0.00	0.00
<b>FUND EQUITY</b>			
Reserved for capital projects		3,244.00	3,244.00
<b>Total fund equity</b>	<b>0.00</b>	<b>3,244.00</b>	<b>3,244.00</b>
<b>Total liabilities and fund equity</b>	<b>\$ 0.00</b>	<b>\$ 3,244.00</b>	<b>\$ 3,244.00</b>

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

## CAPITAL PROJECT FUND TYPES

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SEPTEMBER 30, 1999

	GAP Housing Programs		
	DMP 3985	DMP 3987	Total
REVENUES			
Improvemental	\$ 55,589.72	\$ 112,805.84	\$ 568,495.56
Total Revenues	<u>55,589.72</u>	<u>112,805.84</u>	<u>568,495.56</u>
EXPENDITURES			
Capital expenditures		509,681.84	509,681.84
Total Expenditures	<u>0.00</u>	<u>509,681.84</u>	<u>509,681.84</u>
Excess (deficiency) of revenues over (under) expenditures	55,589.72	3,244.00	59,833.72
FUND BALANCE, beginning of year	<u>(55,589.72)</u>		<u>(55,589.72)</u>
FUND BALANCE, end of year	\$ 0.00	\$ 3,244.00	\$ 3,244.00

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



## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1998

---

	Agency Funds	
	Tenant Security Deposit Funds	Total Fiduciary Funds
ASSETS		
Cash and cash equivalents	\$ 6,873.00	\$ 6,873.00
Total Assets	\$ 6,873.00	\$ 6,873.00
LIABILITIES		
Due to tenants	\$ 6,873.00	\$ 6,873.00
Total Liabilities	\$ 6,873.00	\$ 6,873.00

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

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS  
 SEPTEMBER 30, 1998

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 7,394.00	\$ 7,394.00
<b>REDUCTIONS</b>		
Payments to tenants	<u>721.00</u>	<u>721.00</u>
Total Reductions	<u>721.00</u>	<u>721.00</u>
DEPOSIT BALANCES AT END OF YEAR	\$ <u>6,673.00</u>	\$ <u>6,673.00</u>

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

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

BALANCE SHEET — STATUTORY BASIS  
SEPTEMBER 30, 1998ANNUAL CONTRIBUTION CONTRACT  
PW — 1278ASSETS

Cash - Exhibit F(1)	\$	17,713.39
Accounts receivable - tenants		379.00
Accounts receivable - Section B		6,348.66
Investments - Note B		73,835.31
Debt amortization funds		104,287.77
Deferred charges		6,384.40
Land, structures and equipment		<u>3,054,957.43</u>
Total Assets	\$	<u>3,555,896.96</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	9,791.03
Accrued liabilities		13,590.53
Deferred credits		341.00
Flood liabilities - Note F(1)		<u>628,158.44</u>
Total Liabilities		951,871.00
Surplus - Exhibit C(1)		<u>2,614,025.96</u>
Total Liabilities and Surplus	\$	<u>3,565,896.96</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

BALANCE SHEET — STATUTORY BASIS  
SEPTEMBER 30, 1988ANNUAL CONTRIBUTION CONTRACT  
FW — 2182ASSETS

Cash - Exhibit F(2)	\$	6,795.00
Deferred charges		54.00
Land, structures and equipment		<u>2,204.28</u>
Total Assets	\$	<u>9,053.28</u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(2)		1,486.00
Accounts payable - Low Rent	\$	<u>6,246.68</u>
Total Liabilities		9,641.68
Surplus (Deficit) - Exhibit G(2)		<u>(787.72)</u>
Total Liabilities and Surplus	\$	<u>8,853.96</u>

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS  
 ANNUAL CONTRIBUTION CONTRACT  
PW – 1278

	Year Ended
	09-30-88
Operating Income	
Dwelling rental	\$ 85,141.50
Interest on general fund investments	2,800.69
Other income	738.60
Total Operating Income - Exhibit D(1)	98,718.79
Operating Expenses	
Administration	54,715.07
Utilities	19,379.20
Ordinary maintenance and operation	96,325.87
General expense	57,915.41
Nonroutine reimbursements	548.27
Total Operating Expense - Exhibit D(1)	228,903.82
Net Operating Income (Loss)	(130,174.83)
Other Credits	
Prior year adjustments - affecting residual receipts	0.00
Total Other Credits	0.00
Other Charges	
Interest on notes and bonds payable	55,132.26
Prior year adjustments - affecting residual receipts	110.80
Loss from disposition of nonexpendable equipment	3,556.70
Total Other Charges	60,803.86
Net Loss - Exhibit C(1)	\$ (189,975.69)

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS  
 ANNUAL CONTRIBUTION CONTRACT  
PW – 2188

	Year Ended
	09-30-98
Operating Income:	
Interest income	\$ 335.00
Total Operating Income - Exhibit D(2)	335.00
Operating Expenses:	
Administration	15,977.00
Housing assistance payments	295,709.00
Independent public accountant audit costs	600.00
Total Operating Expense - Exhibit D(2)	312,286.00
Net Operating Income (Loss)	(311,951.00)
Net Loss - Exhibit G(2)	\$ (311,951.00)

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1998ANNUAL CONTRIBUTION CONTRACT  
PW — 1275

<b>Unreserved Surplus</b>	
Balance per prior audit at 09-30-97	\$ (3,388,066.34)
Prior audit adjustment recorded in subsequent year	(8,987.05)
Net loss for the year ended 09-30-98 - Exhibit B(1)	(188,875.82)
[Provision for] reduction of Operating Reserve for year ended 09-30-98 - Exhibit D(1)	10,580.00
Balance at 09-30-98	<u>(3,575,350.10)</u>
<b>Reserved Surplus - Operating Reserve</b>	
Balance per prior audit at 09-30-97	90,500.00
Provision for (reduction of) Operating Reserve for the year ended 09-30-98 - Exhibit D(1)	(10,580.00)
Balance at 09-30-98 - Exhibit F(1)	<u>\$ 79,920.00</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1998

## ANNUAL CONTRIBUTION CONTRACT

FW — 1278

<u>Cumulative HUD Contributions</u>		
Balance per prior audit at 09-30-97	\$	4,280,253.30
Adjustment by HUD of annual contributions for year ended 09-30-98		0.00
Annual contribution for year ended 09-30-98 - Exhibit C(1)		194,296.72
Operating subsidy for year ended 09-30-98		124,228.00
Balance at 09-30-98		<u>4,598,778.02</u>
<u>Cumulative HUD Grants</u>		
Balance per prior audit at 09-30-97		1,028,802.20
Advances for year ended 09-30-98		599,485.50
Balance at 09-30-98		<u>1,628,287.70</u>
<u>Cumulative Donations</u>		
Balance per prior audit at 09-30-97		0.00
Donations for year ended 09-30-98		0.00
Balance at 09-30-98		<u>0.00</u>
Total Surplus - Exhibit A(1)	\$	<u>3,014,025.98</u>



## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1998ANNUAL CONTRIBUTION CONTRACT  
FW – 2188Unreserved Surplus

Balance per prior audit at 09-30-97	\$	(5,745,599.49)
Net loss for the year ended 09-30-98 - Exhibit B(2)		(311,951.00)
(Provision for) reduction of Operating Reserve for year ended 09-30-98 - Exhibit C(2)		1,808.00
(Provision for) reduction of Project Account for year ended 09-30-98 - Exhibit C(2)		(29,894.00)
Balance at 09-30-98		<u>(6,002,846.49)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 09-30-97		(1,388.00)
Provision for (reduction of) Operating Reserve for the year ended 09-30-98 - Exhibit C(2)		(1,908.00)
Balance at 09-30-98 - Exhibit F(2)	\$	<u>(2,992.00)</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1999

## ANNUAL CONTRIBUTION CONTRACT

FR — 2199**Project Account**

Balance per prior audit at 09-30-97	\$	70,879.00
Provision for (reduction of) Project Account for the year ended 09-30-98 - Exhibit D(2)		<u>28,924.00</u>
Balance at 09-30-98		<u>41,955.00</u>

**Cumulative HUD Contributions**

Balance per prior audit at 09-30-97		5,677,133.77
Annual contribution for year ended 09-30-98 - Exhibit D(2)		<u>310,346.00</u>
Balance at 09-30-98		<u>5,987,479.77</u>
Total Surplus (Deficit) - Exhibit A(2)	\$	<u>(787.72)</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

## COMPUTATION OF RESIDUAL RECEIPTS AND DETERMINING ANNUAL CONTRIBUTIONS

## ANNUAL CONTRIBUTION CONTRACT

PW - 1276

	Year Ended
	<u>09-30-99</u>
<i>Computation of Residual Receipts</i>	
<i>Operating Receipts</i>	
Operating income - Exhibit B(1)	\$ 98,718.79
HUD operating subsidy	124,228.00
	<u>222,946.79</u>
Total Operating Receipts	<u>222,946.79</u>
<i>Operating Expenditures</i>	
Operating expenses - Exhibit B(1)	238,668.62
Capital expenditures:	
Replacement of non-expendable equipment	1,535.00
Property betterments and additions	2,601.35
Prior year adjustments - affecting residual receipts	110.80
	<u>233,540.77</u>
Total Operating Expenditures	<u>233,540.77</u>
Residual receipts (deficit) per audit before provision for reserve	(10,593.98)
Audit adjustments (booked out)	<u>                    </u>
Residual receipts per PHA before provision for reserve	(10,593.98)
(Provision for) or reduction of operating reserve - Exhibit C(1)	10,593.98
Residual receipts per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS  
 ANNUAL CONTRIBUTION CONTRACT  
EW — 1226

		<u>Year Ended</u> <u>09-30-88</u>
<i>Computation of Accruing Annual Contributions</i>		
Fixed annual contribution	\$	<u>104,236.72</u>
Total Annual Contribution - Exhibit C(1)	\$	<u>104,236.72</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT — OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT  
PWA — 1276

		Year Ended
		<u>09-30-98</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	337,269.00
Project account balance at beginning of fiscal year		<u>79,670.00</u>
Total Annual Contribution Available		<u>407,939.00</u>
Annual Contribution Required		
Housing assistance payments		295,709.00
Administrative fee		14,271.00
Hard-to-house fee		
Independent public accountant audit costs		<u>600.00</u>
		310,680.00
Project receipts other than annual contribution		<u>396.00</u>
Total Contribution Required - Exhibit C(2)		<u>310,245.00</u>
Excess in Annual Contribution Available	\$	<u>97,694.00</u>
Year-end Settlement		
Annual contribution due for fiscal year		310,245.00
Total partial payments received by PHA for fiscal year		<u>311,640.00</u>
(Over) Under Payment Due (HUD) PHA	\$	<u>1,405.00</u>

## HOUSING AUTHORITY OF THE CITY OF RAYVILLE

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT -- OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT  
FY - 1976

		Year Ended
		<u>09-30-76</u>
<b>Status of Project Account</b>		
Project account balance at the beginning of fiscal year	\$	70,670.00
Increase (decrease) during fiscal year - Exhibit C(2)		<u>26,924.00</u>
		97,594.00
<b>Provision for Operating Reserve</b>		
Operating receipts:		
Operating income - Exhibit B(2)		335.00
Annual contributions earned		<u>310,345.00</u>
		310,680.00
<b>Operating Expenditures:</b>		
Operating expenses - Exhibit B(2)		312,285.00
Property betterments and additions		
Replacement of nonexpendable equipment		
		<u>312,285.00</u>
Residual receipts (deficit) before provision for operating reserve		(1,605.00)
Audit adjustments - backed out		
(Provision for) reduction of operating reserve - Exhibit C(2)		<u>1,605.00</u>
Residual receipts (deficit) per PHA	\$	<u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
 ANNUAL CONTRIBUTION CONTRACT  
FW - 1275

1. The Actual Modernization Cost of are as follows:

		Project 1995
Funds Approved	\$	797,421.00
Funds Expended		797,421.00
Excess of Funds Approved	\$	0.00
Funds Advanced	\$	797,421.00
Funds Expended		797,421.00
Excess of Funds Advanced	\$	0.00

2. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated September 23, 1997 accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 STATEMENT OF MODERNIZATION COSTS — UNCOMPLETED  
 SEPTEMBER 30, 1995

		Project 1997
Funds Approved	\$	742,740.00
Funds Expended		<u>508,661.84</u>
Excess of Funds Approved	\$	<u>234,078.16</u>
Funds Advanced	\$	512,905.84
Funds Expended		<u>508,661.84</u>
Excess of Funds Advanced	\$	<u>4,244.00</u>



HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 ANALYSIS OF GENERAL FUND CASH BALANCE  
 ANNUAL CONTRIBUTION CONTRACT  
FW - 3278

**Composition Before Adjustments**

Net operating receipts retained:		
Operating reserves - Exhibit C	\$	79,715.00
Deferred credits		341.00
Excess modernization funds - Exhibit E		<u>3,244.00</u>
		83,300.00

**Adjustments**

Expenses/costs not paid:		
Accounts payable		9,781.00
Accrued payments in lieu of taxes		13,590.53

Income not received:		
Accounts receivable		<u>(8,716.88)</u>

General Fund Cash Available		60,965.10
-----------------------------	--	-----------

General Fund Cash:		
Invested		(73,865.31)
Applied to deferred charges (propaid insurance, inventories, etc.)		<u>(8,284.40)</u>

General Fund Cash - Exhibit A	\$	<u>17,715.39</u>
-------------------------------	----	------------------

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 ANALYSIS OF GENERAL FUND CASH BALANCE  
 ANNUAL CONTRIBUTION CONTRACT  
PW - 2162

## Composition Before Adjustments

Not operating receipts retained:

Operating reserves - Exhibit C(2)	\$	(2,992.00)
		(2,992.00)

## Adjustments

Expenses/costs not paid:

Accounts payable		9,841.60
Deferred charges		(54.00)

Income not received:

Accounts receivable		0.00
---------------------	--	------

General Fund Cash Available		6,795.60
-----------------------------	--	----------

General Fund Cash - Exhibit A(2)	\$	6,795.60
----------------------------------	----	----------

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 1998

<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	FHW- 1276	\$ 104,236.72	\$ 104,236.72
Operating Subsidy	14.850	FHW- 1276	124,228.00	124,228.00
Major Program Total 1/			<u>228,464.72</u>	<u>228,464.72</u>
Section 8 Hap -				
New Construction	14.156	FHW- 1276	310,345.00	310,345.00
Major Program Total			<u>310,345.00</u>	<u>310,345.00</u>
Comprehensive Improvement Assistance Program				
Project 1995	14.852	FHW- 1276	55,589.72	0.00
Project 1997	14.852	FHW- 1276	509,807.84	509,807.84
Major Program Total			<u>565,397.56</u>	<u>509,807.84</u>
Total HUD			<u>\$ 1,107,305.28</u>	<u>\$ 1,048,471.56</u>

1/ The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of Rayville's bonded indebtedness. This bonded indebtedness was \$928,158.44 at September 30, 1998.

**ENTER & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
800 AIRPORT FREEWAY - SUITE 100  
FORT WORTH, TEXAS 76117

817-851-0770  
817-851-0444  
FAX: 817-851-0588

800 WEST GUYTON, CT

MEMBER  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133

Housing Authority of the  
City of Rayville  
Rayville, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Rayville, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and HUD Notice PIH 98-53 that are applicable to each of its major federal programs for the year ended September 30, 1998. The Housing Authority of the City of Rayville, Louisiana'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 Housing Authority of the City of Rayville, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of the City of Rayville, Louisiana's compliance based on our audit.

We conducted our 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-133, *Audits of States, Local Governments, and Non-Profit Organizations* and HUD Notice PIH 98-53. Those standards and OMB Circular A-133 require that we 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 Housing Authority of the City of Rayville, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of the City of Rayville, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Rayville, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1998.

#### **Internal Control Over Compliance**

The management of The Housing Authority of the City of Rayville, Louisiana is responsible for establishing and maintaining internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Rayville, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 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. We noted no matters involving the internal control over compliance 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  
January 12, 1999

**ESTES & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS  
4000 AIRPORT FREEWAY - SUITE 100  
PORT WYCKE, TEXAS 78117

807-820-8800  
FACSIMILE 807-844-8882  
FAX 807-820-8881

807-820-8800

**MEMBER**  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

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

Housing Authority of the  
City of Rayville  
Rayville, Louisiana

We have audited the financial statements of the Housing Authority of the City of Rayville, Louisiana as of and for the year ended September 30, 1998, and have issued our report thereon dated January 12, 1999. 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, and provisions of the Louisiana Governmental Audit Guide.

**Compliance**

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Rayville, 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*, or the Louisiana Governmental Audit Guide.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority of the City of Rayville, Louisiana's internal control over financial reporting in order to determine our auditing procedure 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  
January 12, 1999

HOUSING AUTHORITY OF THE CITY OF RAYVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 1986

Prior Audit Findings and Questioned Cost

There were no prior audit findings.

Current Audit Findings

Questioned  
Cost

- b- The Section 8 program has a deficit balance. While this \$2982.00 deficit is not material enough for an audit finding under OAG Circular A-133, a finding is made because a fund deficit balance is not in accordance with Louisiana state law.

Recommendations

The PHA needs to limit its Section 8 Administrative expenses sufficiently to create a surplus balance in the Section 8 program.

Reply

We will comply with the above.