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

TWELVE MONTHS ENDED MARCH 31, 1998

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

Release Date: AUG 6 1998

EVES & ASSOCIATES
CERTIFIED ACCOUNTANTS

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HOUSING AUTHORITY OF THE CITY OF JENNING

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 Jennings, Louisiana for the audit of its financial statements for the year ended March 31, 1998.
- B. No reportable conditions in internal control were disclosed by our audit of the financial statements.
- C. The audit did not disclose any noncompliance 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 95-53.
- G. Major programs are as follows, and see Schedule of Federal Expenditures for CPDA numbers and amounts:
 - 1. Low Income Housing
 - 2. CIAP
 - 3. Drug Elimination
- H. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- I. The Housing Authority of Jennings, Louisiana qualified for the year ended March 31, 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 GAQAS.
- 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 95-53.

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MEMBER SINCE 1974

Independent Auditor's Report

Board of Commissioners
Housing Authority of the
City of Jennings
Jennings, 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 Jennings, Louisiana at and for the year ended March 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the City of Jennings, 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. These 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. 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 City of Jennings, Louisiana as of March 31, 1998 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 July 15, 1998 on our consideration of Housing Authority of the City of Jennings'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 Jennings, 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, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements 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

July 15, 1998

HOUSING AUTHORITY OF THE CITY OF BIRMINGHAM
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1998

	Governmental Fund Types				Fiduciary Fund Types		Amount Due		Total (Governmental Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-Term Debt	General Fund Assets	General Long-Term Debt	
ASSETS									
Cash and cash equivalents	\$ 51,013.50	\$	\$	\$	\$ 52,883.27	\$	\$	\$	\$ 103,897.50
Investments	88,371.05								88,371.05
Receivables, net of allowances									
Notes	84.95								84.95
Other	309.50								309.50
Due from:			168,588.84						
Other governments									
Prepaid expenditures	8,327.00					6,280,798.25			158,595.04
Property, plant and equipment									8,327.00
Amount to be provided by withdrawal of general long-term debt							1,894,446.30		6,280,798.25
Total Assets	<u>\$ 148,115.00</u>	<u>\$ 0.00</u>	<u>\$ 168,588.84</u>	<u>\$ 0.00</u>	<u>\$ 52,883.27</u>	<u>\$ 6,280,798.25</u>	<u>\$ 1,894,446.30</u>	<u>\$ 0.00</u>	<u>\$ 2,225,766.29</u>

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

HOUSING AUTHORITY OF THE CITY OF JENKINS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
MARCH 31, 1998

	Governmental Fund Types				Fiduciary Fund Types		Account Groups		Total (Governmental Only)
	General	Special Revenues	Debt Services	Capital Projects	Trust and Agency	General Fund Assets	General Long-Term Debt		
LIABILITIES	\$	\$	\$	\$	\$	\$	\$	\$	
Accounts payable	1,892.82								1,892.82
Accounts receivable	5,456.75								5,456.75
Due to:									
Trenton					12,862.87				12,862.87
General obligation bonds payable and other liabilities									
Total Liabilities	<u>4,349.57</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>12,862.87</u>	<u>0.00</u>	<u>0.00</u>	<u>1,594,442.36</u>	<u>1,611,655.81</u>
FUND EQUITY									
Investment in general fund assets						6,288,788.25			6,288,788.25
Fund balances:									
Reserved for debt service			185,898.04						185,898.04
Unassigned	754,295.25								754,295.25
Total Fund Equity	<u>754,295.25</u>	<u>0.00</u>	<u>185,898.04</u>	<u>0.00</u>	<u>0.00</u>	<u>6,288,788.25</u>	<u>0.00</u>	<u>0.00</u>	<u>6,474,981.54</u>
Total Liabilities and Fund Equity	<u>\$ 4,349.57</u>	<u>\$ 0.00</u>	<u>\$ 185,898.04</u>	<u>\$ 0.00</u>	<u>\$ 12,862.87</u>	<u>\$ 6,288,788.25</u>	<u>\$ 0.00</u>	<u>\$ 1,594,442.36</u>	<u>\$ 8,226,747.26</u>

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 1998**

	Governmental Fund Types				Total (Millions of Dollars)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Fees:	\$ 288,248.00	\$	\$	\$	\$ 288,248.00
Intergovernmental	68,878.00		181,141.12	268,529.27	507,596.39
Interest	8,028.00				8,028.00
Other	73,762.38				73,762.38
Total Revenues	438,916.38	0.00	181,141.12	268,529.27	888,616.78
EXPENDITURES					
Administration	98,800.78				98,800.78
Utilities	24,189.88				24,189.88
Ordinary maintenance	114,071.51				114,071.51
Capital expenditures	94,879.67				94,879.67
Other direct program costs	8,850.00				8,850.00
Capital expenditures				374,587.27	374,587.27
Debt service:					
Principal retirement			84,583.89		84,583.89
Interest			106,347.14		106,347.14
Total expenditures	332,209.48	0.00	181,141.12	374,587.27	888,037.88
Excess (deficiency) of revenues over (under) expenditures	76,706.90	0.00	0.00	93,941.94	98,651.84
OTHER FINANCING SOURCES(USES)					
Operating transfers in					0.00
Operating transfers out					0.00
Total other financing sources(uses)	0.00	0.00	0.00	0.00	0.00
FUND BALANCE, beginning of year	77,817.89		108,888.04	8,287.20	235,483.00
FUND BALANCE, end of year	\$ 154,524.80	\$ 0.00	\$ 108,888.04	\$ 0.00	\$ 235,483.00

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

HOUSING AUTHORITY OF THE CITY OF JENNING

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND AND SPECIAL REVENUE FUNDS

YEAR ENDED MARCH 31, 1988

	General Fund			Special Revenue Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Rentals	\$68,000.00	\$68,000.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00
Intergovernmental	69,575.00	69,575.00	0.00	0.00	0.00	0.00
Interest	4,125.00	6,200.00	2,075.00	0.00	0.00	0.00
Other Income	58,425.00	73,782.25	15,357.25	0.00	0.00	0.00
Total Revenues	198,125.00	217,557.25	19,432.25	0.00	0.00	0.00
EXPENDITURES						
Administration	90,870.00	90,800.79	69.21	0.00	0.00	0.00
Utilities	24,480.00	24,783.86	303.86	0.00	0.00	0.00
Ordinary maintenance	118,480.00	114,871.51	3,608.49	0.00	0.00	0.00
Protective services	111,000.00	94,878.87	16,121.13	0.00	0.00	0.00
General expenditures	8,000.00	8,000.00	0.00	0.00	0.00	0.00
Subsidiary maintenance	200.00	0.00	200.00	0.00	0.00	0.00
Total Expenditures	554,150.00	533,335.03	20,814.97	0.00	0.00	0.00
Excess (Deficiency) of revenues over (under) expenditures	\$ 143,975.00	\$ 184,222.22	\$ 40,247.22	\$ 0.00	\$ 0.00	\$ 0.00
Transfer of net income to unassigned deficit						
FUND BALANCES, beginning of year		77,817.08				
FUND BALANCES, end of year		\$164,039.08			\$ 0.00	

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (DAAF BASIS) AND ACTUAL

DEBT SERVICE AND CAPITAL PROJECTS FUNDS

YEAR ENDED MARCH 31, 1988

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Intergovernmental	\$191,141.52	\$191,141.52	\$ 0.00	\$988,500.27	\$988,500.27	\$ 0.00
Total Revenues	191,141.52	191,141.52	0.00	988,500.27	988,500.27	0.00
EXPENDITURES						
Capital expenditures			0.00	974,897.27	974,897.27	\$1,007.00
Field Services	24,200.00	24,200.00	0.00			0.00
Principal retirement	150,741.52	150,741.52	0.00			0.00
Interest						
Total Expenditures	191,141.52	191,141.52	0.00	988,500.27	974,897.27	\$1,007.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$1,007.00	\$1,007.00
Transfer of net income to unassigned funds						
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 CITY OF JENNINGS

NOTES TO FINANCIAL STATEMENTS MARCH 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Jennings, 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 primarily 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 Jennings, Louisiana. Each member serves a two-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 March 31, 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 JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 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 of 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 JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 1988

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 of 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 Data

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 CITY OF JENNINGS

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 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 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 unexpended 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 March 31, 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 JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1988

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 March 31, 1988, the Authority had invested excess funds as follows:

	<u>Amount</u>
Certificate of Deposits	\$ 59,371.05
	<u>\$ 59,371.05</u>

Cash and investments are insured as follows:

FDIC Insurance	\$ 100,000.00
Collateralized by pledged securities	<u>63,248.55</u>
	<u>\$ 163,248.55</u>

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

HOUSING AUTHORITY OF THE CITY OF JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 1998

NOTE C - ACTIVITIES OF THE PHA

At March 31, 1998, the PHA was managing 163 units of low-cost in two projects under Program PW - 2028.

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.	\$ 1,000,240.04	\$		\$		\$	1,000,240.04
Buildings	4,480,215.80						4,480,215.80
Equipment	177,691.84				6,005.08		171,686.76
Total	\$ 6,290,353.34	\$	<u>0.00</u>	\$	<u>6,005.08</u>	\$	<u>6,284,748.26</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 CITY OF JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1998

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Interest Rate</u>	<u>Principal Balance</u>
FFD Note	0.055 %	\$ <u>1,594,440.38</u>

The notes mature in series annually in varying amounts with the final maturity date in 2013. 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	\$ 1,640,834.34
Principal retirement	<u>54,393.96</u>
Balance, end of period	\$ <u>1,594,440.38</u>

Schedule retirements of long-term debt is as follows:

1999	\$ 57,983.99
2000	61,810.00
2001	65,639.48
2002	70,221.69
2003	74,856.64
Thereafter	1,294,337.56

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 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-month exclusionary period. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 50% 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 March 31, 1998 was \$ 120,107.00. The entity's contributions were calculated using the base salary amount of \$ 110,975.00. Contributions to the plan were \$ 6,879.00 and \$ 8,958.00 by the employee and the entity, respectively.

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 JENNING

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1988

NOTE J - 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.

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

CAPITAL PROJECT FUND TYPES
COMBINING BALANCE SHEET
MARCH 31, 1998

CAP housing Programs

	CAP 1998	CAP 1998	Orig Program	Total
ASSETS				
Cash and cash equivalents	\$	\$	\$	\$ 0.00
Receivables, net of allowances				0.00
Revolvs				0.00
Other				0.00
Due from:				0.00
Other funds				0.00
Other governments				0.00
Special expenditures				0.00
				0.00
Total Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accrued liabilities				0.00
Due to:				0.00
Other funds				0.00
Other governments				0.00
Deferred revenue				0.00
				0.00
Total liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND EQUITY				
Reserved for capital projects				0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total fund equity	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total liabilities and fund equity	<u>\$ 0.00</u>	<u>\$ 0.00</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 EDINBURGH

CAPITAL PROJECT FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1992

	CAP Housing Programs			Total
	CAP Title	CAP Title	Drug Programs	
REVENUES				
Intergovernmental	\$ 20,576.48	\$ 204,655.79	\$ 20,566.00	\$ 245,798.27
Total Revenues	<u>20,576.48</u>	<u>204,655.79</u>	<u>20,566.00</u>	<u>245,798.27</u>
EXPENDITURES				
Capital expenditures	\$ 20,576.48	\$ 212,752.79	\$ 20,566.00	\$ 274,500.27
Total Expenditures	<u>20,576.48</u>	<u>212,752.79</u>	<u>20,566.00</u>	<u>274,500.27</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	(8,097.00)	0.00	(8,097.00)
FUND BALANCE, beginning of year	<u>0.00</u>	<u>8,097.00</u>	<u>0.00</u>	<u>8,097.00</u>
FUND BALANCE, end of year	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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

HOUSING AUTHORITY OF THE CITY OF JEMMINGS

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 1998

	Agency Funds	
	Tenant Security Deposit Funds	Total Fiduciary Funds
ASSETS		
Cash and cash equivalents	\$ 12,863.97	\$ 12,863.97
Total Assets	\$ 12,863.97	\$ 12,863.97
LIABILITIES		
Due to tenants	\$ 12,863.97	\$ 12,863.97
Total Liabilities	\$ 12,863.97	\$ 12,863.97

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
 MARCH 31, 1998

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 12,137.50	\$ 12,137.50
ADDITIONS		
Payments from tenants	<u>726.47</u>	<u>726.47</u>
Total Additions	<u>726.47</u>	<u>726.47</u>
DEPOSIT BALANCES AT END OF YEAR	\$ <u>12,863.97</u>	\$ <u>12,863.97</u>

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2028ASSETS

Cash - Exhibit F	\$	103,877.50
Accounts receivable - tenants		84.55
Accounts receivable - other		309.50
Investments - Note B		53,371.05
Debt amortization funds		103,588.04
Deferred charges		8,327.00
Land, structures and equipment		<u>6,851,304.25</u>
Total Assets	\$	<u>7,202,861.89</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	13,898.89
Accrued liabilities		3,485.79
Fund liabilities		<u>1,598,448.96</u>
Total Liabilities		1,615,863.64
Surplus - Exhibit C		<u>5,586,998.25</u>
Total Liabilities and Surplus	\$	<u>7,202,861.89</u>

HOUSING AUTHORITY OF THE CITY OF JENNINGS

STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT

FY – 2020

	<u>Year Ended</u>
	<u>03-31-20</u>
Operating Income	
Dwelling rental	\$ 249,299.50
Excess utilities	1,928.00
Interest on general fund investments	6,028.00
Other income	<u>73,782.96</u>
Total Operating Income - Exhibit D	<u>330,998.36</u>
Operating Expenses	
Administration	90,900.78
Tenant Expense	8,083.32
Utilities	24,193.95
Ordinary maintenance and operation	114,071.51
General expense	<u>95,285.87</u>
Total Operating Expense - Exhibit D	<u>332,495.43</u>
Net Operating Income (Loss)	<u>(1,502.04)</u>
Other Credits	
Prior year adjustments - affecting residual receipts	<u>8,967.00</u>
Total Other Credits	<u>8,967.00</u>
Other Charges	
Interest on notes and bonds payable	106,747.14
Gain or loss from disposition of real property	<u>6,299.09</u>
Total Other Charges	<u>113,046.23</u>
Net Loss - Exhibit C	<u>\$ (100,472.27)</u>

HOUSING AUTHORITY OF THE CITY OF JENNINGS

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
PW — 2020Unreserved Surplus

Balance per prior audit at 03-31-97	\$	(3,463,763.39)
Net loss for the year ended 03-31-98 - Exhibit B		(106,472.37)
(Provision for) reduction of Operating Reserve for year ended 03-31-98 - Exhibit D		<u>(52,687.91)</u>
Balance at 03-31-98		<u>(3,622,923.67)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-97		77,880.45
Provision for (reduction of) Operating Reserve for the year ended 03-31-98 - Exhibit D		<u>(52,687.91)</u>
Balance at 03-31-98 - Exhibit F	\$	<u>130,576.38</u>

HOUSING AUTHORITY OF THE CITY OF JENNING

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FY 1997 - 1998

Cumulative HUD Contributions		
Balance per prior audit at 03-31-97	\$	6,473,387.80
Annual contribution for year ended 03-31-98 - Exhibit D		161,141.12
Operating subsidy for year ended 03-31-98		<u>66,879.00</u>
Balance at 03-31-98		<u>6,701,407.92</u>
Cumulative HUD Grants		
Balance per prior audit at 03-31-97		2,022,569.00
Advances for year ended 03-31-98		<u>355,405.27</u>
Balance at 03-31-98		<u>2,377,974.27</u>
Total Surplus - Exhibit A	\$	<u>4,323,433.65</u>

HOUSING AUTHORITY OF THE CITY OF JENNING'S

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT
FY - 2028

	Year Ended
	<u>03-31-28</u>
Computation of Residual Receipts	
Operating Receipts	
Operating income - Exhibit B	\$ 315,019.34
HUD operating subsidy	69,879.00
Total Operating Receipts	<u>384,898.34</u>
Operating Expenditures	
Operating expenses - Exhibit B	332,485.43
Capital expenditures:	
Replacement of nonexpendable equipment	(1,095.00)
Property betterments and additions	850.00
Total Operating Expenditures	<u>332,200.43</u>
Residual receipts (deficit) per audit before provision for reserve	52,697.91
Audit adjustments (backed out)	<u> </u>
Residual receipts per PHA before provision for reserve	52,697.91
(Provision for) or reduction of operating reserve - Exhibit C	<u>(52,697.91)</u>
Residual receipts per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF JENNING

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

PW - 2028

		<u>Year Ended</u> <u>03-31-08</u>
<u>Computation of Accruing Annual Contributions</u>		
Fixed annual contribution	\$	<u>181,141.12</u>
Total Annual Contribution - Exhibit C	\$	<u>181,141.12</u>

HOUSING AUTHORITY OF THE CITY OF JENNINGS

STATEMENT OF MODERNIZATION AND PHDEP COSTS — COMPLETED
MARCH 31, 1998

1. The Actual Costs are as follows:

	DEP 118- 0195	Project 1995	Project 1996
Funds Approved	\$ 48,536.00	\$ 150,000.00	\$ 375,000.00
Funds Expended	48,536.00	150,000.00	375,000.00
Excess of Funds Approved	\$ 0.00	\$ 0.00	\$ 0.00
Funds Advanced	\$ 48,536.00	\$ 150,000.00	\$ 375,000.00
Funds Expended	48,536.00	150,000.00	375,000.00
Excess of Funds Advanced - Exhibit F	\$ 0.00	\$ 0.00	\$ 0.00

- The distribution of costs by project as shown on the Final Statement of Modernization Costs dated May 30, 1997 and November 15, 1997 for 1995 and 1996, respectively accompanying the Actual Modernization Cost Certificates submitted to HUD for approval is in agreement with the PHA's records.
- The distribution of costs on the PHDEP program as shown on Financial Status Report, Form 269A, dated January 8, 1998 agrees to the PHA's books.
- All modernization and drug costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF JENNING
 ANALYSIS OF GENERAL FUND CASH BALANCE
 ANNUAL CONTRIBUTION CONTRACT
PW - 2028

Composition Before Adjustments

Net operating receipts retained:		
Operating reserves - Exhibit C	\$	130,576.36
Audit adjustments to net operating receipts		24,041.05
Deficient CWP funds from prior audit		<u>(92.46)</u>
		154,504.95

Adjustments:

Expenses/costs not paid:		
Accounts payable		13,936.89
Accrued payments in lieu of taxes		3,495.76

Income not received:

Accounts receivable		<u>(404.05)</u>
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General Fund Cash Available	171,575.55
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General Fund Cash:

Invested	(50,371.05)
Applied to deferred charges [prepaid insurance, inventories, etc.]	<u>(3,327.00)</u>

General Fund Cash - Exhibit A	\$ <u>103,877.50</u>
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HOUSING AUTHORITY OF THE CITY OF JENNINGS

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED MARCH 31, 1999

<u>FEDERAL GRANTOR</u> <u>PROGRAM TITLE</u>	<u>CFDA</u> <u>NO.</u>	<u>GRANT</u> <u>ID NO.</u>	<u>AWARD</u> <u>AMOUNT</u>	<u>PROGRAM</u> <u>EXPENDITURES</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low-Income Housing				
Annual Contribution	14.850	FW- 2028	\$ 161,141.12	\$ 161,141.12
Operating Subsidy	14.850	FW- 2028	66,879.00	66,879.00
Major Program Total 1/			<u>228,020.12</u>	<u>228,020.12</u>
Comprehensive Improvement Assistance Program				
Project 1996	14.853	FW- 2028	13,153.48	13,153.48
Project 1999	14.853	FW- 2028	306,666.79	312,732.79
Drug Elimination	14.854	DEP118-0195	36,595.00	36,595.00
Major Program Total			<u>356,415.27</u>	<u>362,479.27</u>
Total HUD			\$ <u>584,435.39</u>	\$ <u>590,499.39</u>

1/ The Housing Authority of Jennings is indebted to the Department of Housing and Urban Development for \$ 1,594,493.36 at March 31, 1999.

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NOV 09 09 09 AM '07

**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 Jennings
Jennings, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Jennings, 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 March 31, 1998. The Housing Authority of the City of Jennings, 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 Jennings, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of the City of Jennings, 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, *Audit of State, Local, Government, 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 Jennings, 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 Jennings, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Jennings, 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 March 31, 1988.

Internal Control Over Compliance

The management of The Housing Authority of the City of Jennings, 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 Jennings, 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
July 10, 1988

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HOUSING AUTHORITY OF THE

**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
City of Jennings
Jennings, Louisiana

We have audited the financial statements of the Housing Authority of the City of Jennings, Louisiana as of and for the year ended March 31, 1998, and have issued our report thereon dated July 15, 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, and provisions of the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Jennings, 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 an 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 Jennings, 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
July 16, 1999

HOUSING AUTHORITY OF THE CITY OF JENNINGS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES

MARCH 31, 1998

	ACCT. # FOR AUDIT REPORT PURPOSES	DR	CR	ACCT. # FOR POSTING TO FHA BOOKS
-1-	HUD Grants	2945	8,057.00	2945
	Prior audit adjustments - affecting residual receipts	6010		6010
			8,067.00	6010
	To adjust current year advances to actual of \$ 350,405.27.			
-2-	Accrued Liabilities	2107	15,974.00	2107
	Other Income	3000		3010
			15,974.00	3010
	To adjust year-end Pilot to amount due to City-other Pilot waived.			