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HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES, LOUISIANA

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED MARCH 31, 1968

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

Release Date SEP 20 1968

ESTES & 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 Others		23

TABLE OF CONTENTS (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
SUPPLEMENTARY INFORMATION		
Balance Sheet	A(1) - A(8)	24 - 29
Statement of Income and Expenses	B(1) - B(8)	30 - 35
Analysis of Receipts	C(1) - C(2)	36 - 45
Computation of Residual Receipts and Accruing Annual Contribution	D(1) - D(4)	46 - 53
Statement of Modernization Costs— Uncompleted	E(1)	54
Statement of DEP Costs - Uncompleted	E(2)	56
Statement and Certification of Comp Grant Costs	E(3)	58
Statement and Certification of Actual DEP Costs	E(4)	57
Analysis of General Fund Cash Balance	F(1) - F(2)	58 - 59
General Comments		60
Schedule of Expenditures for Federal Awards		61
Report on Compliance Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		62 - 63
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		64 - 65
Schedule of Findings and Questioned Costs		66 - 67

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEES

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 Natchitoches, 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 audit findings that we are required to report under 510(j) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.
- G. Major programs are as follows, and see Schedule of Federal Expenditures for CFDA numbers and amounts:
1. Low Income Housing
 2. Section 8 HAP - Youther
 3. Section 8 HAP - Existing
 4. Section 8 HAP - Moderate Rehab
 5. Comprehensive Grants
- H. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- I. The Housing Authority of Natchitoches, Louisiana qualified for the year ended March 31, 1998 as a low-risk auditee.

Schedule of Findings and Questioned Costs

- J. There are findings in these financial statements that are required to be reported in accordance with GAOAS.
- K. There are audit findings or questioned costs for Federal awards which shall include audit findings as described in 510(j) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.

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Independent Auditors' Report

Board of Commissioners
Housing Authority of the
City of Natchitoches
Natchitoches, 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 Natchitoches, Louisiana, as of and for the year ended March 31, 1995, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the City of Natchitoches, Louisiana 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 *Governors' 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. 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 Natchitoches, Louisiana as of March 31, 1995 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 September 4, 1998 on our consideration of Housing Authority of the City of Northriches's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement of the Housing Authority of the City of Northriches, 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.

Ester and Associates

Ft. Worth, Texas
September 4, 1998

HOUSING AUTHORITY OF THE CITY OF WASHINGTON
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1968

	Governmental Fund Types			Proprietary Fund Types		Account Groups		Total (Memorandum Code)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	General Long-Term Debt	
455875	\$ 415,818.00	\$ 528,403.48	\$	\$	\$ 26,384.00	\$	\$	\$ 654,494.48
Cash and cash equivalents	304,642.00							304,642.00
Investments								
Receivables, net of allowances	94,080.00							94,080.00
Due from:								
Other funds				65,147.80				65,147.80
Other governments			280,348.00					280,348.00
Prepaid expenditures	37,796.00	48,831.42				14,007,814.00		48,831.42
Property, plant and equipment								68,686.40
Amount to be provided for retirement of general long-term debt								14,011,820.40
Total Assets	\$ 717,994.00	\$ 757,683.90	\$ 710,248.00	\$ 65,147.80	\$ 26,384.00	\$ 14,021,814.00	\$ 2,439,200.00	\$ 7,978,421.90

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

HOUSING AUTHORITY OF THE CITY OF NANTUCKET
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
 MARCH 31, 1998

	Governmental Fund Types				Fiduciary Fund		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and	Other	General	General	
							Fund Assets	Long-Term Debt	
LIABILITIES AND FUND EQUITY									
LIABILITIES									
Accounts payable	\$ 47,284.00	\$	\$	\$	\$	\$	\$	\$	\$ 47,284.00
Accrued liabilities	81,871.00								81,871.00
Due to:									
Parents	17,084.00			47,283.00	58,194.00				122,561.00
Other funds									
Other governments	227,983.00								227,983.00
Deferred revenues	40,821.00								40,821.00
General obligation bonds payable and other liabilities								2,486,000.00	2,486,000.00
Total Liabilities	<u>296,979.00</u>	<u>218,784.00</u>	<u>0.00</u>	<u>47,283.00</u>	<u>58,194.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,486,000.00</u>	<u>3,094,250.00</u>
FUND EQUITY									
Investment in general fund assets							14,217,874.00		14,217,874.00
Fund balances:									
Reserved for capital projects				17,884.00					17,884.00
Reserved for debt service									
Unassigned	520,688.00	818.08							521,506.08
Total Fund Equity	<u>520,688.00</u>	<u>818.08</u>	<u>0.00</u>	<u>17,884.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,077,874.00</u>	<u>0.00</u>	<u>14,607,264.08</u>
Total Liabilities and Fund Equity	<u>\$ 797,964.00</u>	<u>\$ 278,204.00</u>	<u>\$ 285,283.00</u>	<u>\$ 65,167.00</u>	<u>\$ 58,194.00</u>	<u>\$ 0.00</u>	<u>\$ 14,077,874.00</u>	<u>\$ 2,486,000.00</u>	<u>\$ 17,301,421.00</u>

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHÉS

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

	Governmental Fund Types			Total (Intersecurum Only)
	General	Special Revenue	Debt Service	
REVENUES				
Fees	\$ 757,425.00	\$	\$	\$ 757,425.00
Intergovernmental	445,122.80	1,298,242.08	278,212.00	2,365,981.88
Interest	21,827.80	51,428.08		73,255.88
Other	113,180.00			113,180.00
Total Revenues	1,337,555.60	1,349,670.08	278,212.00	2,965,437.68
EXPENDITURES				
Administration	813,741.08	130,685.30		944,426.38
Utilities	15,824.08			15,824.08
Ordinary maintenance	280,144.00			280,144.00
Capital expenditures	281,487.00			281,487.00
Extraordinary maintenance	85,258.80			85,258.80
Housing assistance payments		850,318.43		850,318.43
Capital expenditures				552,875.08
Debt service			125,808.08	125,808.08
Principal retirement			121,828.08	121,828.08
Interest				
Total expenditures	1,308,534.96	1,080,983.73	280,828.00	2,670,346.69
Excess (deficiency) of revenues over (under) expenditures	29,020.64	(261,313.65)	3,083.60	(229,209.41)
OTHER FINANCING				
Operating transfers in				0.00
Operating transfers out				0.00
Total other financing resources	0.00	0.00	0.00	0.00
FUND BALANCE, beginning of year	492,858.00	13,725.81	275,685.80	882,269.61
FUND BALANCE, end of year	\$ 521,878.64	\$ 513.81	\$ 288,768.80	\$ 811,161.25

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

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		Over (Under) Budget
	Budget	Actual	Budget	Actual	
REVENUES:					
Awards	\$ 874,113.00	\$ 787,028.00	\$ (48,880.00)	\$	\$ 0.00
Intergovernmental	444,000.00	460,132.00	813.00	1,089,344.00	(977,147.00)
Interest	9,087.00	27,807.00	11,676.00	11,438.00	11,400.00
Other income	34,434.00	113,190.00	88,756.00		0.00
Total Revenues	<u>1,311,734.00</u>	<u>1,388,257.00</u>	<u>23,999.00</u>	<u>1,090,782.00</u>	<u>(218,377.00)</u>
EXPENDITURES:					
Administration	645,750.00	573,244.00	(72,506.00)	103,688.26	(18,207.26)
Utilities	19,991.00	18,203.00	(1,788.00)		0.00
Utility maintenance	807,094.00	590,144.00	(216,950.00)		0.00
Protective services			0.00		0.00
General expenditures	313,780.00	391,467.00	(77,687.00)	870,318.40	(556,181.27)
Contingency maintenance	208,000.00	88,258.00	(119,742.00)		0.00
Housing assistance payments			0.00	1,168,400.00	
Total Expenditures	<u>1,311,734.00</u>	<u>1,209,612.00</u>	<u>(102,122.00)</u>	<u>1,091,897.00</u>	<u>(100,000.27)</u>
Excess (shortage) of revenues over (under) expenditures	\$ (208,000.00)	\$ 88,645.00	\$ 98,970.00	\$	\$ (18,214.29)
Transfer of net accounts to unassigned debt		480,258.00			480,258.00
FUND BALANCES, beginning of FUND BALANCES, end of year		\$ 200,850.00		\$ 818.00	\$

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS
 YEAR ENDED MARCH 31, 1988

	Debt Service Fund			Capital Projects Fund		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Interest	\$275,212.00	\$275,212.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Miscellaneous			0.00	281,277.08	291,207.80	9,930.72
Total Revenues	<u>275,212.00</u>	<u>275,212.00</u>	<u>0.00</u>	<u>281,277.08</u>	<u>291,207.80</u>	<u>9,930.72</u>
EXPENDITURES						
Administration			0.00	65,561.08	65,561.80	0.08
Capital expenditures			0.00	201,298.00	201,298.00	0.00
Debt Service:						
Principal retirement	108,000.00	128,000.00	0.00			
Interest	107,000.00	131,800.00	0.00			
Total Expenditures	<u>215,000.00</u>	<u>259,800.00</u>	<u>0.00</u>	<u>266,859.08</u>	<u>266,860.80</u>	<u>0.00</u>
Transfers (payments) of revenues over (under) expenditures	\$ 3,200.00	3,200.00	\$ 0.00	\$ 0.00	(20,953.00)	\$ (20,953.00)
Transfer of net income to unassigned funds						
		<u>278,988.00</u>			<u>46,584.00</u>	
FUND BALANCES, beginning of year		<u>\$285,248.00</u>			<u>\$ 17,994.00</u>	
FUND BALANCES, end of year						

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Natchitoches, 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-cost 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 Natchitoches, 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 receipts 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 NATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) 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 MATCHTICHES

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

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 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 NATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonrecurring 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, 1999.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, contract 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 NATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS
(Continued)
MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost verification 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 March 31, 1999. The categories are detailed 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 Bank Balances	Category		
	1	2	3
\$ <u>690,476.48</u>	\$ <u>690,476.48</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 NATCHITOCHES

NOTES TO FINANCIAL STATEMENTS
(Continued)
MARCH 31, 1998

NOTE C - ACTIVITIES OF THE PHA

At March 31, 1998, the PHA was managing 410 units of low-rent in five projects under Program PW - 2006, 321 units of Section 8 Existing, and 124 units of Voucher under Program PW - 2057. It also manages 93 units of Section 8 New Construction.

NOTE D - CONTINGENCIES

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

NOTE E - PROPERTY, PLANT AND EQUIPMENT

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

	<u>Beg. of Period</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Period</u>
Land, land improv.	\$ 13,891,284.00	\$	\$	\$ 13,891,284.00
Equipment	848,915.00	-----	18,208.00	629,680.00
Total	<u>\$ 14,740,200.00</u>	<u>\$ 0.00</u>	<u>\$ 18,208.00</u>	<u>\$ 14,517,076.00</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 MATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS
 (Continued)
 MARCH 31, 1998

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Principal Balance</u>
Bond payable	\$ 2,495,000.00

The bonds mature in series annually in varying amounts. 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	\$ 2,630,000.00
Principal retirement	<u>135,000.00</u>
Balance, end of period	\$ <u>2,495,000.00</u>

Schedule retirements of long-term debt is as follows:

1998	\$ 135,000.00
1999	135,000.00
2000	135,000.00
2001	135,000.00
2002	135,000.00
Thereafter	1,820,000.00

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 2008

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 employee contributes 5.5% and the entity 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 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

Contributions to the plan were \$ 21,780.00 and \$ 31,692.00 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 NATCHITOCHES

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1998

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.

HOUSERS AUTHORITY OF THE CITY OF NANTUCKET
 SPECIAL REVENUE FUND TYPES
 COMBINED BALANCE SHEET
 MARCH 31, 1988

	Assisted Housing Programs			
	Existing Units Program	Modest Rehabilita- tion Program 1	Voucher Program	Total
ASSETS				
Cash and cash equivalents	\$ 184,409.17	\$ 4,286.79	\$ 49,137.98	\$ 237,833.94
Deferred charges		48,801.62		48,801.62
Total Assets	<u>\$ 184,409.17</u>	<u>\$ 48,140.80</u>	<u>\$ 49,137.98</u>	<u>\$ 279,688.95</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Due to:				
Other governments	158,269.00	46,140.80	54,124.08	258,533.88
Deferred revenue	28,888.41		15,208.41	44,096.82
Total liabilities	<u>184,381.41</u>	<u>46,140.80</u>	<u>69,332.49</u>	<u>279,854.70</u>
FUND EQUITY				
Unreserved and undesignated	233.28	0.00	374.58	607.86
Total fund equity	<u>233.28</u>	<u>0.00</u>	<u>374.58</u>	<u>607.86</u>
Total liabilities and fund equity	<u>\$ 184,409.17</u>	<u>\$ 46,140.80</u>	<u>\$ 69,707.07</u>	<u>\$ 279,657.04</u>

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

HOUSING AUTHORITY OF THE CITY OF WASHINGTON

SPECIAL REVENUE FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1998

	Admitted Housing Programs		
	Existing Units Program	Mobile Replacements Program 1	Newer Programs
Total			
REVENUES			
intergovernmental interest	\$ 792,982.00	\$ 20,427.00	\$ 282,847.00
	7,800.00	2,170.00	1,008.00
	<u>792,982.00</u>	<u>20,427.00</u>	<u>282,847.00</u>
Total Revenue			1,075,799.00
EXPENDITURES			
Administration	115,881.85	3,422.00	98,881.34
housing assistance payments	680,470.00	25,176.80	258,725.80
			<u>346,607.14</u>
Total Expenditures			1,080,803.79
Excess (deficiency) of revenues over (under) expenditures	(2,410.69)	630	(7,782.34)
FUND BALANCE, beginning of year	2,743.89		7,076.86
FUND BALANCE, end of year	<u>336.36</u>	<u>630</u>	<u>374.52</u>
			<u>910.08</u>

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

CAPITAL PROJECT FUND TYPES
COMBINED BALANCE SHEET
MARCH 31, 1988Comp. Serv. Development and Drug Program
CAP Housing Programs

	Exp. Y	Inv. Program	Comp. Grant '84	Comp. Grant '85	Comp. Grant '86	Comp. Grant '87	Total
ASSETS							
Exp. Inv.	\$ 2,858.00	\$ 52,189.00	\$	\$	\$	\$	\$ 55,047.00
Other Inv.	\$ 2,858.00	\$ 52,189.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 55,047.00
Total Assets							
	\$ 5,716.00	\$ 104,378.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 104,378.00
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Due to:							
Other funds	\$ 0.00	\$ 0.00	\$ 0.00	\$ 28,260.00	\$ 0.00	\$ 0.00	\$ 28,260.00
Total liabilities							
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 28,260.00	\$ 0.00	\$ 0.00	\$ 28,260.00
FUND EQUITY							
Reserved for capital projects	\$ 2,858.00	\$ 52,189.00	\$	\$ 28,260.00	\$	\$ 0.00	\$ 83,307.00
Total fund equity	\$ 2,858.00	\$ 52,189.00	\$ 0.00	\$ 28,260.00	\$ 0.00	\$ 0.00	\$ 83,307.00
Total liabilities and fund equity	\$ 2,858.00	\$ 52,189.00	\$ 0.00	\$ 56,520.00	\$ 0.00	\$ 0.00	\$ 109,567.00

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

HOUSING AUTHORITY OF THE CITY OF MATCHLESS

CAPITAL PROJECT FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1999

	Comp Grant, Development, and Other Programs Cap Housing Programs						Total
	Div 7	Priv Programs	Comp Grant 84	Comp Grant 85	Comp Grant 86	Comp Grant 87	
REVENUE							
Intergovernmental	\$	\$ 65,361.00	\$ 53,777.00	\$ 204,211.00	\$ 190,209.00	\$ 24,895.00	\$ 691,277.00
Total Revenues	\$ 65,361.00	\$ 65,361.00	\$ 53,777.00	\$ 204,211.00	\$ 190,209.00	\$ 24,895.00	\$ 691,277.00
EXPENDITURES							
Administration		\$ 65,361.00		\$ 202,881.25	\$ 90,456.25	\$ 43,268.00	\$ 501,966.50
Capital expenditures				\$ 202,881.25	\$ 90,456.25		\$ 495,798.75
Total Expenditures	\$ 65,361.00	\$ 65,361.00	\$ 202,881.25	\$ 202,881.25	\$ 180,912.50	\$ 43,268.00	\$ 691,277.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 66,329.75	\$ 9,296.50	\$ (18,373.00)	\$ 58,553.25
FUND BALANCE, beginning of year	2,098.00	\$ 92,100.00					\$ 94,198.00
FUND BALANCE, end of year	\$ 2,098.00	\$ 92,100.00	\$ 0.00	\$ 66,329.75	\$ 0.00	\$ (18,373.00)	\$ 17,854.75

This Note to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

FIDUCIARY FUNDS
COMBINED BALANCE SHEET
MARCH 31, 1988

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
ASSETS		
Cash and cash equivalents	\$ <u>36,184.00</u>	\$ <u>36,184.00</u>
Total Assets	\$ <u>36,184.00</u>	\$ <u>36,184.00</u>
LIABILITIES		
Due to tenants	\$ <u>36,184.00</u>	\$ <u>36,184.00</u>
Total Liabilities	\$ <u>36,184.00</u>	\$ <u>36,184.00</u>

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

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

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	\$ 38,001.00	\$ 38,001.00
REDUCTIONS		
Payments to tenants	<u>1,817.00</u>	<u>1,817.00</u>
Total Reductions	<u>1,817.00</u>	<u>1,817.00</u>
DEPOSIT BALANCES AT END OF YEAR	<u>\$ 36,184.00</u>	<u>\$ 36,184.00</u>

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

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2022ASSETS

Cash - Exhibit F(1)	\$	545,772.00
Accounts receivable - tenants		9,179.00
Investments - Note B		272,596.00
Debt amortization funds		278,424.00
Deferred charges		18,034.00
Land, structures and equipment		<u>19,449,055.00</u>
Total Assets	\$	<u>20,368,058.00</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	175,775.00
Accrued liabilities		61,811.00
Fixed liabilities		<u>2,495,000.00</u>
Total Liabilities		2,732,586.00
Surplus - Exhibit C(1)		<u>17,635,472.00</u>
Total Liabilities and Surplus	\$	<u>20,368,058.00</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2097
SECTION B EXISTINGASSETS

Cash - Exhibit F(2)	\$	184,436.77
Accounts receivable - Vendor		353,204.78
Accounts receivable - Mod Rehab		25,597.35
Land, structures and equipment		<u>7,799.25</u>
Total Assets	\$	<u>571,038.15</u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(2)	\$	<u>158,899.00</u>
Total Liabilities		158,899.00
Surplus - Exhibit C(2)		<u>412,139.15</u>
Total Liabilities and Surplus	\$	<u>571,038.15</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

BALANCE SHEET -- STATUTORY BASIS
MARCH 31, 1996ANNUAL CONTRIBUTION CONTRACT
FW -- 2057
SECTION 5 VOUCHERASSETS

Cash - Exhibit F(2)	\$	48,737.93
Land, structures and equipment		<u>5,400.00</u>
Total Assets	\$	<u>58,137.93</u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(2)	\$	34,124.00
Accounts payable - Existing		<u>353,204.76</u>
Total Liabilities		387,328.76
Surplus - Exhibit G(3)		<u>(329,190.83)</u>
Total Liabilities and Surplus	\$	<u>58,137.93</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2087
SECTION 5 MOD RENASASSETS

Cash - Exhibit F(2)	\$	<u>4,308.78</u>
Total Assets	\$	<u>4,308.78</u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(4)	\$	45,140.00
Accounts payable - Existing		<u>35,597.35</u>
Total Liabilities		80,737.35
Surplus - Exhibit C(4)		<u>(64,428.57)</u>
Total Liabilities and Surplus	\$	<u>4,308.78</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

BALANCE SHEET -- STATUTORY BASIS
MARCH 31, 1969ANNUAL CONTRIBUTION CONTRACT
FW 2062
SECTION 8 ADMINISTRATIVE FEEASSETS

Cash	\$	110,231.57
Deferred charges		9,780.74
Land, structures and equipment		<u>36,195.40</u>
Total Assets	\$	<u>156,197.71</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	<u>342.84</u>
Total Liabilities		342.84
Surplus - Exhibit C(5)		<u>157,846.87</u>
Total Liabilities and Surplus	\$	<u>158,189.71</u>

HOUSING AUTHORITY OF THE CITY OF MATCHTOWNE

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1998

FAIRGROUNDS ROAD

ASSETS

Cash	\$	1,000.87
Investments		32,046.51
Accounts receivable - tenants		<u>559.96</u>
Total Assets	\$	<u>33,277.34</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	<u>17,353.34</u>
Total Liabilities		17,353.34
Surplus - Exhibit C(6)		<u>15,924.10</u>
Total Liabilities and Surplus	\$	<u>33,277.34</u>

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
FW – 2002

		<u>Year Ended</u>
		<u>03-31-06</u>
Operating Income		
Dwelling rental	\$	538,625.00
Interest on general fund investments		17,540.00
Other income		<u>87,726.00</u>
Total Operating Income - Exhibit D(1)		<u>643,891.00</u>
Operating Expenses		
Administration		242,192.00
Utilities		12,000.00
Ordinary maintenance and operation		358,751.00
General expense		255,610.00
Nonroutine maintenance		<u>56,250.00</u>
Total Operating Expense - Exhibit D(1)		<u>994,803.00</u>
Net Operating Income (Loss)		<u>(350,912.00)</u>
Other Charges		
Interest on notes and bonds payable		<u>131,829.00</u>
Total Other Charges		<u>131,829.00</u>
Net Loss - Exhibit D(1)	\$	<u>(482,741.00)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
 FY – 2021
 SECTION B EXISTING

		<u>Year Ended</u>
		<u>03-31-09</u>
Operating Income		
Interest Income	\$	<u>7,600.00</u>
Total Operating Income - Exhibit B(2)		<u>7,600.00</u>
Operating Expenses		
Administration		110,897.20
Housing assistance payments		650,419.63
Prior year adjustments - affecting residual receipts		<u>(5.24)</u>
Total Operating Expense - Exhibit B(2)		<u>761,302.59</u>
Net Operating Income (Loss)		<u>(753,692.59)</u>
Other Debits		
Prior year adjustments - not affecting residual receipts		<u>3.24</u>
Total Other Debits		<u>3.24</u>
Net Loss - Exhibit C(2)	\$	<u>(753,696.83)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT

FY – 2022

SECTION 8 VOUCHER

		<u>Year Ended</u>
		<u>09-31-22</u>
Operating Income		
Interest Income	\$	<u>1,658.00</u>
Total Operating Income - Exhibit D(2)		<u>1,658.00</u>
Operating Expenses:		
Administration		56,550.94
Housing assistance payments		<u>238,729.00</u>
Total Operating Expense - Exhibit D(3)		<u>295,279.94</u>
Net Operating Income (Loss)		<u>(293,621.94)</u>
Net Loss - Exhibit D(3)	\$	<u>(293,621.94)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE
STATEMENT OF INCOME AND EXPENSES - STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT

FY - 2007
MOO REHAB

		<u>Year Ended</u>
		<u>03-31-08</u>
Operating Income	\$	<u>2,170.00</u>
Total Operating Income - Exhibit D(4)		<u>2,170.00</u>
Operating Expenses:		
Administration		3,402.00
Housing assistance payments		<u>21,170.80</u>
Total Operating Expense - Exhibit D(4)		<u>24,572.80</u>
Net Operating Income (Loss)		<u>(22,402.80)</u>
Net Loss - Exhibit C(4)	\$	<u>(22,402.80)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
 SECTION B ADMINISTRATIVE FEE

		<u>Year Ended</u>
		<u>03-31-08</u>
Operating Income		
Interest income	\$	3,129.09
Administrative fees transferred		<u>169,189.20</u>
 Total Operating Income		 <u>169,317.29</u>
Operating Expenses		
Administration		112,792.31
Ordinary maintenance and operation		17,369.56
General expense		<u>30,271.53</u>
 Total Operating Expense		 <u>160,433.39</u>
 Net Operating Income (Loss)		 <u>8,883.90</u>
 Net Loss - Exhibit C(5)	\$	 <u>1,969.07</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
 FAIRGROUNDS ROAD

	Year Ended
	03-31-98
Operating Income	
Dwelling rental	\$ 31,614.77
Interest on general fund investments	800.44
Office income	12,104.38
Operating subsidy from trustee	30,000.00
Dwelling rental - Section 8	107,339.00
Insurance proceeds - fire loss	13,359.62
Total Operating Income	195,276.18
Operating Expenses	
Administration	158,039.89
Utilities	2,031.40
Ordinary maintenance and operation	18,232.41
General expense	5,379.45
Total Operating Expense	183,687.21
Net Operating Income (Loss)	11,408.97
Net Income - Exhibit C(3)	\$ 11,408.97

HOUSING AUTHORITY OF THE CITY OF MATCHTOWNE

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2000Unreserved Surplus

Balance per prior audit at 03-31-97	\$	(9,769,269.00)
Net loss for the year ended 03-31-98 - Exhibit B(1)		(457,763.00)
(Provision for) reduction of Operating Reserve for year ended 03-31-98 - Exhibit D(1)		777.00
Balance at 03-31-98		<u>(10,159,269.00)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-97		325,523.00
Provision for (reduction of) Operating Reserve for the year ended 03-31-98 - Exhibit D(1)		1777.00
Balance at 03-31-98 - Exhibit F(1)	\$	<u>326,743.00</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
PW — 2006Cumulative HUD Contributions

Balance per prior audit at 03-31-97	\$	20,079,377.00
Annual contribution for year ended 03-31-98 - Exhibit D(1)		270,212.00
Operating subsidy for year ended 03-31-98		357,783.00
Balance at 03-31-98		<u>20,667,372.00</u>

Cumulative HUD Grants

Balance per prior audit at 03-31-97		6,190,449.00
Advances for year ended 03-31-98		591,277.00
Balance at 03-31-98		<u>6,781,726.00</u>
Total Surplus - Exhibit A(1)	\$	<u>17,625,473.00</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEES

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1988ANNUAL CONTRIBUTION CONTRACT
FW — 2057Unreserved Surplus

Balance per prior audit at 03-31-87	\$	(10,354,185.98)
Net loss for the year ended 03-31-88 - Exhibit B(2)		(753,505.83)
(Provision for) reduction of Operating Reserve for year ended 03-31-88 - Exhibit D(2)		2,510.58
(Provision for) reduction of Project Account for year ended 03-31-88 - Exhibit D(2)		(489,283.00)
HUD receipts		246,009.00
Balance at 03-31-88		<u>(11,350,455.23)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-87		2,745.56
Provision for (reduction of) Operating Reserve for the year ended 03-31-88 - Exhibit D(2)		(2,510.56)
Balance at 03-31-88 - Exhibit F(2)	\$	<u>235.00</u>

HOUSING AUTHORITY OF THE CITY OF MATCHTOWNE

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2027Project Account

Balance per prior audit at 03-31-97	\$	2,005,888.00
Provision for (redemption of) Project Account securities for year ended 03-31-98 - Exhibit C(2)		499,280.00
HUD receipts		<u>(240,000.00)</u>
Balance at 03-31-98		<u>2,965,973.00</u>

Cumulative HUD Contributions

Balance per prior audit at 03-31-97		8,170,568.00
Annual contribution for year ended 03-31-98 - Exhibit D(2)		<u>750,568.00</u>
Balance at 03-31-98		<u>8,921,536.00</u>
Total Surplus - Exhibit A(2)	\$	<u>412,310.13</u>

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE

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

ANNUAL CONTRIBUTION CONTRACT

FR -- 2057Unreserved Surplus

Balance per prior audit at 03-31-97	\$	(4,508,047.68)
Net loss for the year ended 03-31-98 - Exhibit D(3)		(293,621.94)
(Provision for) reduction of Operating Reserve for year ended 03-31-98 - Exhibit D(3)		7,704.94
(Provision for) reduction of Project Account for year ended 03-31-98 - Exhibit D(3)		(111,696.00)
HUD adjustment for 3-98		35,307.93
HUD receipts		676,653.00
Balance at 03-31-98		<u>(3,994,699.75)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-97		7,379.88
Provision for (reduction of) Operating Reserve for the year ended 03-31-98 - Exhibit D(3)		<u>(7,704.94)</u>
Balance at 03-31-98 - Exhibit F(2)	\$	<u>274.92</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

ANALYSIS OF SURPLUS - STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1999ANNUAL CONTRIBUTION CONTRACT
FR - 2057Project Account

Balance per prior audit at 03-31-97	\$	1,202,344.89
Provision for (reduction of) Project Account reserve for year ended 03-31-98 - Exhibit D(3)		111,595.00
HUD adjustment for 3-98		(35,397.89)
HUD recapture		<u>(376,553.00)</u>
Balance at 03-31-98		<u>489,899.00</u>

Cumulative HUD Contributions

Balance per prior audit at 03-31-98		2,916,817.00
Annual contribution for year ended 03-31-98 - Exhibit D(3)		<u>295,817.00</u>
Balance at 03-31-98		<u>3,212,634.00</u>
Total Surplus - Exhibit A(3)	\$	<u>(322,190.83)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998ANNUAL CONTRIBUTION CONTRACT
FW — 2087Unreserved Surplus

Balance per prior audit at 03-31-97	\$	(3,441,527.51)
Net loss for the year ended 03-31-98 - Exhibit G(4)		(22,436.80)
(Provision for) reduction of Operating Reserve for year ended 03-31-98 - Exhibit D(4)		(0.20)
(Provision for) restoration of Project Account for year ended 03-31-98 - Exhibit D(4)		(104,028.00)
Balance at 03-31-98		<u>(3,627,996.51)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-97		0.00
Provision for (reduction of) Operating Reserve for the year ended 03-31-98 - Exhibit D(4)		0.20
Balance at 03-31-98 - Exhibit F(4)	\$	<u>0.20</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1988

ANNUAL CONTRIBUTION CONTRACT

FY — 2087
MSD REHAB.Project Account

Balance per prior audit at 03-31-87	\$	1,206,811.00
Provision for (reduction of) Project Account reserve for year ended 03-31-88 - Exhibit D(4)		<u>164,028.00</u>
Balance at 03-31-88		<u>1,042,783.00</u>

Commuter HUD Contributions

Balance per prior audit at 03-31-87		2,165,287.74
Annual contribution for year ended 03-31-88 - Exhibit C(4)		<u>22,431.00</u>
Balance at 03-31-88		<u>2,187,718.74</u>
Total Surplus - Exhibit A(4)	\$	<u>96,435.67</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998

SECTION 6 ADMINISTRATIVE FEE

Surplus

Balance per prior audit at 03-31-97	\$	155,000.00
Net income (loss) for the year ended 03-31-98		<u>1,050.87</u>
Balance at 03-31-98	\$	<u>157,050.87</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1998

FAIRGROUNDS ROADS

Surplus

Balance per prior audit at 03-31-97	\$	4,515.53
Net income (loss) for the year ended 03-31-98		<u>11,406.97</u>
Balance at 03-31-98	\$	<u>15,924.50</u>

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

FW - 2009

	<u>Year Ended</u>
	<u>03-31-09</u>
Computation of Residual Receipts	
Operating Receipts	
Operating Income - Exhibit B(1)	\$ 641,888.00
HUD operating subsidy	<u>337,783.00</u>
Total Operating Receipts	<u>979,671.00</u>
Operating Expenditures	
Operating expenses	956,905.00
Capital expenditures:	
Replacement of nonexpendable equipment	10,045.00
Prior year adjustments - affecting residual receipts	<u>12,637.00</u>
Total Operating Expenditures	<u>980,448.00</u>
Residual receipts (deficit) per audit before provision for reserve	(777.00)
Audit adjustments (booked out)	<u> </u>
Residual receipts per PHA before provision for reserve	(777.00)
(Provision for) or reduction of operating reserve - Exhibit D(1)	<u>777.00</u>
Residual receipts per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF MATCHTOWNE

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

FW - 2009

		<u>Year Ended</u>
		<u>03-31-09</u>
Computation of Accruing Annual Contributions		
Fixed annual contribution	\$	<u>270,212.00</u>
Total Annual Contribution - Exhibit C(1)	\$	<u>270,212.00</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT – OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT
1997 – 2007
SECTION 6 EXISTING

		<u>Year Ended</u> <u>03-31-06</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	1,250,273.00
Project account balance at beginning of fiscal year		2,525,889.00
HUD receipt		<u>(246,005.00)</u>
Total Annual Contribution Available		<u>3,529,965.00</u>
Annual Contribution Required		
Housing assistance payments		650,410.00
Administrative fee		97,462.00
Hard-to-house fee		<u>75.00</u>
		758,547.00
Project receipts other than annual contribution		<u>7,600.00</u>
Total Contribution Required - Exhibit C(2)		<u>766,147.00</u>
Excess in Annual Contribution Available	\$	<u>2,848,973.00</u>
Year-end Settlement		
Annual contribution due for fiscal year		760,992.00
Total partial payments received by PHA for fiscal year		<u>908,881.00</u>
(Over) Under Payment Due (HUD) PHA	\$	<u>(158,889.00)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT
FW - 2067
SECTION 8 EXISTING

	Year Ended
	03-31-98
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 2,595,889.00
Increase (decrease) during fiscal year - Exhibit C(2)	499,880.00
HUD recapture	(249,558.00)
	2,846,211.00
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(4)	7,500.00
Annual contributions earned	750,962.00
	758,462.00
Operating Expenditures	
Operating expenses -Exhibit B(4)	751,102.59
	751,102.59
Residual receipts (deficit) before provision for operating reserve	(2,510.59)
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C(2)	2,510.59
Residual receipts (deficit) per PHA	\$ 0.00

HOUSING AUTHORITY OF THE CITY OF MATCHBROOKS
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT
TW — 2052
SECTION B VOUCHER

		Year Ended
		<u>03-31-96</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	307,500.00
Project account balance at beginning of fiscal year		1,262,364.00
HUD adjustment for 3-96		(23,207.00)
HUD receipts		<u>(876,553.00)</u>
Total Annual Contribution Available		<u>748,600.00</u>
Annual Contribution Required		
Housing assistance payments		238,729.00
Administrative fee		48,576.00
Hard-to-house fee		<u>270.00</u>
		287,575.00
Project receipts other than annual contribution		<u>1,058.00</u>
Total Contribution Required - Exhibit C(2)		<u>288,633.00</u>
Excess in Annual Contribution Available	\$	<u>460,960.00</u>
Year-end Settlement		
Annual contribution due for fiscal year		288,633.00
Total partial payments received by PHA for fiscal year		<u>320,941.00</u>
(Over) Under Payment Due (HUD) PHA	\$	<u>(64,124.00)</u>

HOUSING AUTHORITY OF THE CITY OF HATCHITOCHEE

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT -- OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT
FW - 2057
SECTION B VOUCHER

	Year Ended
	<u>03-31-88</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 1,262,384.00
Increase (decrease) during fiscal year - Exhibit C(4)	111,585.00
HUD adjustment for 3-88	(25,307.00)
HUD receipts	<u>(276,853.00)</u>
	462,809.00
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(3)	1,658.00
Annual contributions earned	<u>283,917.00</u>
	287,575.00
Operating Expenditures	
Operating expenses - Exhibit B(3)	<u>289,279.94</u>
	289,279.94
Residual receipts (deficit) before provision for operating reserve	(7,704.94)
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C(4)	<u>7,704.94</u>
Residual receipts (deficit) per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

JW — 2057
MOO BEHAR

	<u>Year Ended</u>
	<u>03-31-00</u>
Maximum Contribution Available	
Maximum annual contribution authorized	\$ 585,459.00
Project account balance at beginning of fiscal year	<u>1,209,811.00</u>
Total Annual Contribution Available	<u>1,395,270.00</u>
Annual Contribution Required	
Housing assistance payments	21,179.00
Administrative fee	<u>3,422.00</u>
	24,601.00
Project receipts other than annual contribution	<u>2,170.00</u>
Total Contribution Required - Exhibit C(4)	<u>22,431.00</u>
Excess in Annual Contribution Available	\$ <u>1,372,839.00</u>
Year-end Settlement	
Annual contribution due for fiscal year	22,431.00
Total partial payments received by PHA for fiscal year	<u>67,571.00</u>
(Over) Under Payment Due (HUD) PHA	\$ <u>(45,140.00)</u>

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

1987 — 2027
MO. BEHAL

	Year Ended
	03-31-88
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 1,209,811.00
Increase (decrease) during fiscal year - Exhibit C(4)	164,028.00
	1,373,839.00
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(4)	2,179.00
Annual contributions earned	22,431.00
	24,610.00
Operating Expenditures	
Operating expenses - Exhibit B(4)	24,600.00
	24,600.00
Residual receipts (deficit) before provision for operating reserve	0.00
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C(4)	(0.00)
Residual receipts (deficit) per P11A	\$ 0.00

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
 STATEMENT OF MODERNIZATION COSTS -- UNCOMPLETED
 MARCH 31, 1998

		<u>Project 95 Comp</u>	<u>Project 96 Comp</u>	<u>Project 97 Comp</u>
Funds Approved	\$	449,344.00	\$ 377,595.00	\$ 347,206.00
Funds Expended		<u>449,344.00</u>	<u>205,878.27</u>	<u>43,568.00</u>
Excess of Funds Approved	\$	<u>0.00</u>	<u>\$ 171,716.73</u>	<u>\$ 323,638.00</u>
Funds Advanced	1. \$	420,864.78	\$ 205,878.27	\$ 43,568.10
Funds Expended		<u>449,344.00</u>	<u>205,878.27</u>	<u>43,568.10</u>
Excess of Funds Advanced - Exhibit F(1)	\$	<u>(28,479.22)</u>	<u>1.00</u>	<u>0.00</u>

1. The final advance of \$ 28,479.22 was received in April 1998.

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

STATEMENT OF DEP — UNCOMPLETED
MARCH 31, 1998

		DEP 0191
Funds Approved	\$	<u>295,240.00</u>
Funds Expended		<u>195,520.00</u>
Excess of Funds Approved	\$	<u>99,814.00</u>
Funds Advanced	\$	257,714.00
Funds Expended		<u>195,520.00</u>
Excess of Funds Advanced - Exhibit F(1)	\$	<u>62,194.00</u>

HOUSING AUTHORITY OF THE CITY OF WACHITOCHES
 STATEMENT AND CERTIFICATION OF COMP GRANT COSTS
 ANNUAL CONTRIBUTION CONTRACT
FW - 2008

1. The Actual Costs of are as follows:

		<u>Project 94 Comp</u>
Funds Approved	\$	472,506.00
Funds Expended		<u>472,506.00</u>
Excess of Funds Approved	\$	<u>0.00</u>
Funds Advanced	\$	472,506.00
Funds Expended		<u>472,506.00</u>
Excess of Funds Advanced	\$	<u>0.00</u>

2. The distribution of costs by project as shown on the HUD-52001 dated September 1, 1997 is in agreement with budgeted line items approved by the grant.
3. All costs associated with the grant and related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE
 STATEMENT AND CERTIFICATION OF ACTUAL DEP COSTS
 ANNUAL CONTRIBUTION CONTRACT
FW - 2009

1. The Actual DEP Costs of are as follows:

		<u>LA48DEP 115-0185</u>
Funds Approved	\$	<u>200,240.00</u>
Funds Expended		<u>200,240.00</u>
Excess of Funds Approved	\$	<u>0.00</u>
Funds Advanced	\$	200,240.00
Funds Expended		<u>200,240.00</u>
Excess of Funds Advanced	\$	<u>0.00</u>

2. The distribution of costs by project as shown on the HUD-1044 dated December 19, 1997 is in agreement with budgeted line items approved by the grant.
3. All costs associated with the grant and related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

ANALYSIS OF GENERAL FUND CASH BALANCE

ANNUAL CONTRIBUTION CONTRACT

FW - 2009Composition Before Adjustments

Net operating receipts retained:

Operating reserves - Exhibit C(1)	\$	329,743.00
Excess funds - Exhibit E		23,809.78
Excess development funds - closed projects U		<u>48,101.47</u>
		401,654.25

Adjustments:

Expenses/costs not paid:

Accounts payable		179,775.00
Accrued payments in lieu of taxes		92,203.00
Unreconciled difference		<u>7,766.75</u>

Income not received:

Accounts receivable		<u>(9,176.00)</u>
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General Fund Cash Available		631,281.00
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General Fund Cash:

Invested		(272,595.00)
Applied to deferred charges (prepaid insurance, inventories, etc.)		<u>(18,034.00)</u>

General Fund Cash - Exhibit A(1)	\$	<u>340,732.00</u>
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U LA 115-1	\$	(1,000.21)
LA 115-2		(20,528.37)
LA 115-3		(1,124.10)
LA 115-4		68,866.15
LA 115-7		<u>2958.03</u>
	\$	<u>45,101.47</u>

HOUSING AUTHORITY OF THE CITY OF MATCHITOCHEE

ANALYSIS OF GENERAL FUND CASH BALANCE

ANNUAL CONTRIBUTION CONTRACT

FY - 2017SECTION 8Composition Before Adjustments

Net operating receipts retained:

Operating reserves - Exhibit C(2), (3), & (4)	\$	<u>510.48</u>
		510.48

Adjustments

Expenses/costs not paid:

Accounts payable		<u>227,963.00</u>
------------------	--	-------------------

General Fund Cash Available

228,473.48

General Fund Cash - Exhibit A(2), (3), & (4)

\$ 228,473.48

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEE

GENERAL COMMENTS

1. The Office of Legislative Auditor issued an Investigative Audit Report in February 1998.
2. An Exposure Draft on Affiliated Organizations has been issued by the Government Accounting Standards Board (GASB) that will probably be formally adopted in the near future. This Draft defines "affiliated organizations." If certain specified criteria are met, the affiliated organizations are reported as component units.

If the Draft is adopted, and the criteria is met, the Natchitoches Housing Corporation and possibly the Fairgrounds Road Housing Corporation will be required to be audited along with the Natchitoches Housing Authority, and presented in the same audit report.

This was discussed with the Executive Director. Future Requests for Audit Proposals should bear this in mind.

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEES

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED MARCH 31, 1999

FEDERAL GRANTOR PROGRAM TITLE	CFDA NO.	GRANT ID NO.	AWARD AMOUNT	PROGRAM EXPENDITURES	
U.S. Department of Housing and Urban Development					
Direct Programs:					
Low-Income Housing					
Annual Contribution	14.850	PW-2009	\$ 270,212.00	\$ 270,212.00	1/
Operating Subsidy	14.850	PW-2009	337,763.00	337,763.00	
Drug Program	14.850	PW-2009	65,991.00	65,991.00	
Major Program Total 1/			673,976.00	673,976.00	
Section 8 Hap -					
Existing	14.156	PW-2009	750,662.00	750,666.00	
Moderate Rehab	14.156	PW-2009	22,431.00	22,431.00	
New Construction	14.156	PW-2009	107,339.00	107,339.00	
Major Program Total			880,432.00	880,436.00	
Voucher Program	14.177	PW-2009	265,917.00	265,917.00	
Major Program Total			265,917.00	265,917.00	
Comprehensive Improvement Assistance Program					
Project 1994	14.852	PW-2009	126,777.00	126,777.00	
Project 1995	14.852	PW-2009	204,501.00	202,881.00	
Project 1996	14.852	PW-2009	150,451.27	150,450.27	
Project 1997	14.852	PW-2009	43,668.10	43,588.10	
Major Program Total			525,397.37	523,696.37	
Total HUD			\$ 2,385,952.37	\$ 2,394,331.37	

1/ The Department of Housing and Urban Development has guaranteed through the Annual Contribution Contract of the Housing Authority of Natchitoches's bonded indebtedness. The bonded indebtedness was \$ 2,495,000.00 at March 31, 1999.

ESTES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
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MEMORANDUM
INTERNAL AUDITORS OF HOUSING
PUBLIC AUTHORITIES

MEMORANDUM TO:

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 Natchitoches
Natchitoches, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Natchitoches, 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 96-53 that are applicable to each of its major federal programs for the year ended March 31, 1999. The Housing Authority of the City of Natchitoches, 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 Natchitoches, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of the City of Natchitoches, 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 96-53. 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 Natchitoches, 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 Natchitoches, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Natchitoches, 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.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

Internal Control Over Compliance

The management of The Housing Authority of the City of Natchitoches, 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 Natchitoches, 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
September 4, 1988

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CERTIFIED PUBLIC ACCOUNTANTS
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FORT WORTH, TEXAS 76117

MEMPHIS OFFICE
MEMPHIS 901-524-8800
NAC 901-524-8800

MEMPHIS
MEMPHIS OFFICE OF COURTESY
PUBLIC ACCOUNTANTS

MEMPHIS, TENNESSEE

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

Housing Authority of the
City of Natchitoches
Natchitoches, Louisiana

We have audited the financial statements of the Housing Authority of the City of Natchitoches, Louisiana as of and for the year ended March 31, 1998, and have issued our report thereon dated September 4, 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 Natchitoches, 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 immaterial instances of noncompliance that are required to be reported under *Government Auditing Standards*, or the Louisiana *Governmental Audit Guide*, and are described in the accompanying *Schedule of Audit Findings*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Natchitoches, 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
September 4, 1999

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 1998

Prior Audit Findings and Questioned Cost

The prior audit contained three audit findings. One of these findings was that delinquencies in low rent file maintenance (no current recertifications or leases, income verification) were noted. That finding has been cleared. The other two prior audit findings are reported below as the first two audit findings.

Current Audit Findings

Questioned
Cost

1. Finding

The PHA does not have a current, complete inventory of equipment that reconciles to the general ledger.

Recommendation

The PHA needs to complete the inventory. On September 2, I visited with the consultant the PHA has retained to complete the inventory. He said the inventory was 50% complete. He said all items had been tagged and he was completing a breakdown by project. We discussed the procedure he would use to reconcile to and adjust the general ledger. The PHA should work with the consultant to complete the inventory as soon as possible.

Reply

We will comply with the above.

2. Finding

HUD should have been notified of the transfer of the HAP contract from the Natchitoches Housing Authority to the Fairgrounds Road Redevelopment Partnership, LLP. According to their attorney representative in Washington, per a 1997 letter "an assumption of responsibilities agreement under the Housing Assistance Payment Contract is necessary. It may also be necessary for the purchaser to obtain 285D-Previous Participation Clearance from HUD".

Recommendation

The PHA thought the Washington attorney would do this. The PHA should do this themselves in the next few days.

Reply

We will comply with the above.

HOUSING AUTHORITY OF THE CITY OF NATCHITOCHES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MARCH 31, 1988

<u>Current Audit Findings</u>	<u>Questioned Cost</u>
<p>3. <u>Expensing</u></p> <p>In November 1987, the PHA reimbursed the Natchitoches Housing Corporation (NHC) \$ 10,031.55 for travel expenses paid by NHC for the PHA.</p> <p><u>Recommendation</u></p> <p>The PHA should have, in my opinion, obtained Board approval before making the reimbursement. At the next Board meeting, this reimbursement should be reviewed and approved by the Board.</p> <p><u>Reply</u></p> <p>We will comply with the above.</p>	