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**Boarding Authority of the Parish of Grant  
Corruption, Louisiana**  
**Annual Financial Report**  
**As of and for the Year Ended March 31, 1978**

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

Release Date **6/12/1978**

Housing Authority of the Parish of Grant  
Georgelown, Louisiana  
Annual Financial Report  
As of and for the Year Ended March 31, 1998

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**Housing Authority of the Parish of Grant  
 Greentown, Louisiana**  
**Annual Financial Report**  
**As of and for the Year Ended March 31, 1998**

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**(Continued)**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the Parish of Grant  
Covington, Louisiana

We have audited the accompanying general-purpose financial statements of the Housing Authority of the Parish of Grant as of and for the year ended March 31, 1998, as listed in the foregoing table of contents. These general-purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Parish of Grant, as of March 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 1998 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

ALLEN, GREEN & COMPANY, L.L.P.

Monroe, Louisiana  
June 17, 1998

HOUSING AUTHORITY OF THE PARISH OF ORANT  
Georgetown, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS  
Continued Balance Sheet  
March 31, 1998

|  | -----GOVERNMENTAL FUNDS----- |                  |                              | FEDERAL<br>FUNDS -<br>AGENCY |
|--|------------------------------|------------------|------------------------------|------------------------------|
|  | GENERAL<br>FUNDS             | SPECIAL<br>FUNDS | CAPITAL<br>PROJECTS<br>FUNDS |                              |
| <b>ASSETS AND OTHER DEBITS</b>   |                              |                  |                              |                              |
| <b>Assets</b>  |                              |                  |                              |                              |
| Cash and cash equivalents  | \$ 9,840                     | \$ 25,225        | \$ 0                         | 1,428                        |
| Investments, at cost   | 49,237                       | 11,070           | 0                            | 0                            |
| Receivables  | 1,876                        | 27,418           | 4,265                        | 0                            |
| Interfund receivable   | 1,388                        | 1,871            | 0                            | 0                            |
| Prepaid items  | 7,482                        | 0                | 0                            | 0                            |
| Land, buildings, and equipment   | 0                            | 0                | 0                            | 0                            |
| <b>Other debits</b>  |                              |                  |                              |                              |
| Amount to be provided for retirement<br>of general long-term obligations | 0                            | 0                | 0                            | 0                            |
| <b>TOTAL ASSETS AND OTHER DEBITS</b>                                     | <b>\$ 69,823</b>             | <b>\$ 65,584</b> | <b>\$ 4,265</b>              | <b>1,428</b>                 |
| <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>                             |                              |                  |                              |                              |
| <b>Liabilities</b>   |                              |                  |                              |                              |
| Accounts, salaries and other payables                                    | \$ 3,875                     | \$ 14,464        | \$ 4,265                     | \$ 0                         |
| Interfund payable  | 0                            | 3,889            | 0                            | 0                            |
| Intragovernmental payable  | 15,226                       | 0                | 0                            | 0                            |
| Deposits due others  | 0                            | 0                | 0                            | 1,428                        |
| Deferred revenues  | 100                          | 0                | 0                            | 0                            |
| Compensated absences payable   | 0                            | 0                | 0                            | 0                            |
| Notes  | 0                            | 0                | 0                            | 0                            |
| <b>Total Liabilities</b>   | <b>\$ 19,201</b>             | <b>\$ 18,353</b> | <b>\$ 4,265</b>              | <b>1,428</b>                 |
| <b>Equity and Other Credits</b>  |                              |                  |                              |                              |
| Investment in general fixed assets                                       | \$ 0                         | \$ 0             | \$ 0                         | \$ 0                         |
| <b>Fund balances:</b>  |                              |                  |                              |                              |
| Reserved for prepaid items   | 7,482                        | 0                | 0                            | 0                            |
| Unreserved and undesignated  | 59,645                       | 49,471           | 0                            | 0                            |
| <b>Total equity and other credits</b>                                    | <b>\$ 67,127</b>             | <b>\$ 49,471</b> | <b>\$ 0</b>                  | <b>\$ 0</b>                  |
| <b>TOTAL LIABILITIES, EQUITY<br/>AND OTHER CREDITS</b>                   | <b>\$ 66,328</b>             | <b>\$ 67,824</b> | <b>\$ 4,265</b>              | <b>1,428</b>                 |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

| *****ACCOUNT GROUPS*****   |                                     |                                  |        |
|----------------------------|-------------------------------------|----------------------------------|--------|
| GENERAL<br>FIXED<br>ASSETS | GENERAL<br>LONG-TERM<br>OBLIGATIONS | TOTAL<br>(BENEFICIARIES<br>ONLY) |        |
| \$                         | \$                                  | \$                               | 21,000 |
|                            |                                     |                                  | 27,527 |
|                            |                                     |                                  | 35,491 |
|                            |                                     |                                  | 3,000  |
|                            |                                     |                                  | 7,482  |
| \$33,894                   |                                     | \$33,894                         |        |
|                            | \$ 11,000                           | \$ 11,000                        |        |
| \$ 33,894                  | \$ 11,000                           | \$ 44,894                        |        |
| \$                         | \$                                  | \$                               | 23,887 |
|                            |                                     |                                  | 3,870  |
|                            |                                     |                                  | 10,200 |
|                            |                                     |                                  | 1,405  |
|                            |                                     |                                  | 100    |
|                            | 7,000                               | 7,000                            |        |
|                            | 3,400                               | 3,400                            |        |
| \$                         | \$ 11,000                           | \$ 11,000                        |        |
| \$ 33,894                  | \$                                  | \$33,894                         |        |
|                            |                                     |                                  | 7,482  |
|                            |                                     |                                  | 60,159 |
| \$ 33,894                  | \$                                  | \$33,894                         |        |
| \$ 33,894                  | \$ 11,000                           | \$ 44,894                        |        |

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS  
Bogalusa, Louisiana

ALL GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended March 31, 1998

Statement B

|  | GENERAL<br>FUNDS  | SPECIAL<br>REVENUE<br>FUNDS | CAPITAL<br>PROJECTS<br>FUNDS | TOTAL<br>(MEMORANDUM<br>ONLY) |
|--|-------------------|-----------------------------|------------------------------|-------------------------------|
| <b>REVENUES</b>  |                   |                             |                              |                               |
| Local sources:   |                   |                             |                              |                               |
| Dwelling rents   | \$ 21,028         | \$ 0                        | \$ 0                         | \$ 21,028                     |
| Interest earnings  | 1,284             | 0                           | 0                            | 1,284                         |
| Other  | 35,878            | 127                         | 0                            | 36,005                        |
| Federal sources:   |                   |                             |                              |                               |
| Operating subsidy  | 89,083            | 0                           | 0                            | 89,083                        |
| Annual contributions contract                                | 30,880            | 200,400                     | 0                            | 231,280                       |
| Grants-in-aid  | 0                 | 0                           | 110,880                      | 110,880                       |
| <b>Total revenues</b>  | <b>\$ 187,073</b> | <b>\$ 200,427</b>           | <b>\$ 110,880</b>            | <b>\$ 598,380</b>             |
| <b>EXPENDITURES</b>  |                   |                             |                              |                               |
| Current:   |                   |                             |                              |                               |
| Administration   | \$ 45,831         | \$ 29,500                   | \$ 0                         | \$ 75,331                     |
| Utilities  | 7,335             | 0                           | 0                            | 7,335                         |
| Ordinary maintenance   | 18,117            | 0                           | 0                            | 18,117                        |
| Capital expenditures   | 28,868            | 4,000                       | 0                            | 32,868                        |
| Subsidiary maintenance                                       | 2,548             | 0                           | 0                            | 2,548                         |
| Housing assistance payments                                  | 0                 | 249,280                     | 0                            | 249,280                       |
| Rent for leased dwellings                                    | 28,152            | 0                           | 0                            | 28,152                        |
| Facilities acquisition and construction                      | 13,171            | 0                           | 118,088                      | 131,259                       |
| <b>Total expenditures</b>                                    | <b>\$ 141,184</b> | <b>\$ 282,780</b>           | <b>\$ 118,088</b>            | <b>\$ 542,052</b>             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>\$ 45,889</b>  | <b>\$ 17,647</b>            | <b>\$ 0</b>                  | <b>\$ 63,536</b>              |
| <b>FUND BALANCES AT BEGINNING OF YEAR:</b>                   | <b>30,881</b>     | <b>45,149</b>               | <b>0</b>                     | <b>76,030</b>                 |
| <b>FUND BALANCES AT END OF YEAR</b>                          | <b>\$ 76,770</b>  | <b>\$ 62,796</b>            | <b>\$ 0</b>                  | <b>\$ 139,566</b>             |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOUSING AUTHORITY OF THE PARISH OF ORLÉANS  
Baton Rouge, Louisiana**

**GOVERNMENTAL FUNDS - GENERAL FUND  
Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances (Deficit) - Budget (GAAP Basis) and Actual  
For the Year Ended March 31, 1998**

Statement G

|  | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|-------------------|-------------------|---|
| <b>REVENUES</b>  |                   |                   |   |
| <b>Local sources:</b>  |                   |                   |   |
| Dwelling rental  | \$ 22,880         | \$ 21,218         | \$(1,662)                                       |
| Interest earnings  | 1,700             | 1,284             | 416   |
| Other  | 6,180             | 26,878            | 20,698  |
| <b>Federal sources:</b>                                      |                   |                   |   |
| Operating subsidy  | 68,800            | 68,800            | 0   |
| Annual Contributions Contract                                | 28,880            | 28,880            | 0   |
| <b>Total revenues</b>  | <u>\$ 137,840</u> | <u>\$ 187,437</u> | <u>\$ 49,597</u>                                |
| <b>EXPENDITURES</b>  |                   |                   |   |
| <b>Current:</b>  |                   |                   |   |
| Administration   | \$ 37,000         | \$ 45,804         | \$ 8,804  |
| Utilities  | 8,400             | 7,211             | 1,189   |
| Ordinary maintenance   | 18,000            | 19,117            | 1,117   |
| General expenditures   | 28,874            | 28,880            | 6   |
| Extraordinary maintenance                                    | 0                 | 2,848             | \$(2,848)                                       |
| Rent for leased dwellings                                    | 33,528            | 29,952            | 3,576   |
| Facilities acquisition and construction                      | 21,000            | 13,117            | 7,883   |
| <b>Total expenditures</b>                                    | <u>\$ 186,802</u> | <u>\$ 147,138</u> | <u>\$ 39,664</u>                                |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>\$ 51,038</u>  | <u>\$ 40,299</u>  | <u>\$ 10,739</u>                                |
| <b>FUND BALANCES AT BEGINNING OF YEAR</b>                    | <u>26,881</u>     | <u>26,881</u>     | <u>0</u>  |
| <b>FUND BALANCE(S) (Deficit) AT END OF YEAR</b>              | <u>\$ 77,925</u>  | <u>\$ 67,188</u>  | <u>\$ 10,737</u>                                |

(CONTINUED)



HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgiana, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Condensed Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended March 31, 1999

Statement 0

|  | BUDGET     | ACTUAL     | VARIANCE<br>FAVORABLE<br>UNFAVORABLE |
|--|------------|------------|--------------------------------------|
| <b>REVENUES</b>  |            |            |                                      |
| Local sources:   |            |            |                                      |
| Other  | \$ 0       | \$ 177     | 177                                  |
| Federal sources:   |            |            |                                      |
| Annual Contributions Contract                                | 279,000    | 280,483    | 1,483                                |
| Total revenues   | \$ 279,000 | \$ 280,660 | 1,660                                |
| <b>EXPENDITURES</b>  |            |            |                                      |
| Current:   |            |            |                                      |
| Administration   | \$ 48,000  | \$ 29,265  | 18,735                               |
| General expenditures   | 0          | 4,500      | (4,500)                              |
| Housing assistance payments                                  | 230,830    | 246,788    | (15,958)                             |
| Total expenditures   | \$ 278,830 | \$ 280,553 | 9,283                                |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | \$ 0       | \$ 9,107   | 9,107                                |
| <b>FUND BALANCES AT BEGINNING OF YEAR</b>                    | 41,140     | 41,740     | 600                                  |
| <b>FUND BALANCES AT END OF YEAR</b>                          | \$ 41,140  | \$ 49,471  | 8,331                                |

(Continued)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Flowing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

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**Housing Authority of the Parish of Grant  
Geopetrea, Louisiana**

**Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**INTRODUCTION**

Housing Authorities are chartered as a public corporation under the laws (LSA-R.S. 48:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the parish declaring a need for the Housing Authority to function in each parish. The Housing Authority of the Parish of Grant is governed by a five-member Board of Commissioners. The members, appointed by the Police Jury of Grant Parish, serve a four-year staggered term.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contribution contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate program provides assistance to low income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under this program, the Housing Authority enters into housing assistance payment contracts with landlords. The Section 8 Voucher program, another Section 8 housing assistance program, provides assistance to low income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

The Housing Authority had 28 units in management for the Leased Program from April 1, 1997 to October 31, 1997. The 28 units were converted to the Low Rent Program November 1, 1997 and the units will continue under this program. The Housing Authority was also the administrator for 133 Section 8 units.

|   |         |    |
|---|---------|----|
| FHA Leased Housing - April 1, 1997 to October 31, 1997    | FW 2828 | 28 |
| FHA Low Rent Housing - November 1, 1997 to March 31, 1998 | FW 2828 | 28 |
| Rental Certificates                                       | FW 7300 | 73 |
| Rental Vouchers   | FW 3251 | 38 |

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying general purpose financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied in governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. REPORTING ENTITY (Continued)**

The Housing Authority is a related organization of the Grant Parish Police Jury since the police jury appoints a voting majority of the Housing Authority's governing board. The police jury is not financially accountable for the Housing Authority as the police jury cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefits to, or impose financial burdens on, the police jury. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the police jury.

The Housing Authority includes all funds, account groups, activities, or costs, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying general-purpose financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority.

**B. FUNDS AND ACCOUNT GROUPS**

The accounts of the Housing Authority are organized and reported on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Funds of the Housing Authority are classified into two categories: governmental and fiduciary. In turn, each category is divided into fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** - Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** - the primary operating fund of the Housing Authority. It accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low rent housing assistance programs.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUNDS AND ACCOUNT GROUPS (Continued)**

**Governmental Funds (Continued)**

2. **Special Revenue Fund** - accounts for revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 housing assistance programs administered by the Housing Authority.

3. **Capital Projects Funds** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development projects.

**Fiduciary Funds** - account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority.

4. **Agency Fund** - is custodial in nature (assets equal liabilities) and does not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

**Tenants' Security Deposit Agency Fund** - accounts for assets held by the Housing Authority as an agent for the individual tenants.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting system applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

Other receipts become measurable and available when cash is received by the Housing Authority and are recognized as revenue at that time.

**Expenditures**

Salaries are recorded as expenditures when incurred.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (in any other form, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, or others) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

**Deferred Revenues**

The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**Fiduciary Funds**

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Housing Authority holds for others in an agency capacity.

**B. BUDGETS**

The following summarizes the budget activities of the Housing Authority during the year ended March 31, 1998:

1. The Housing Authority adopted budgets for the general fund, the special revenue fund and the capital projects funds. The capital projects funds' budget to actual comparison has not been included since the capital project is a multiple-year endeavor.
2. The Housing Authority adopted two budgets for the general fund. One budget applied to the Section 23 (Low-cost) Program which ended October 31, 1997. The second budget was adopted for the Low Rent Program which began November 1, 1997. For report purposes, the two budgets were combined for the general fund.
3. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
4. Encumbrances are not recognized within the accounting records for budgetary control purposes.
5. Formal budget integration (within the accounting records) is employed as a management control device.
6. The executive director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.
7. HUD approves all budgets adopted by the Housing Authority.

**Housing Authority of the Parish of Grant  
Greentown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes or certificates. Those are classified as investments if their original maturity exceeds 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. PREPAID ITEMS**

Certain payments for insurance reflect costs applicable to future accounting periods and are recorded as prepaid insurance.

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructure are capitalized. Interest expense during construction is capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at actual historical cost or estimated historical cost where actual historical cost was not obtainable. Fixed assets valued at estimated historical cost totaled \$3,077,238 as March 31, 1998.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not included in the general fixed asset account group.



**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The Housing Authority's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 35 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employee's right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 35 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

**K. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. FUND EQUITY**

Reserve/offset of fund balance represent amounts that are not appropriable or are legally obligated for a specific purpose.

Designations of fund balance represent tentative management plans that are subject to change.

**M. MEMORANDUM ONLY - TOTAL COLUMNS**

The total columns on the combined statements are captioned Memorandum Only to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidated one. Interfund eliminations have not been made in the aggregation of this data.

**N. NEW APPLICABLE GASB PRONOUNCEMENTS**

In November 1994, GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The Housing Authority participates in a cost sharing multiple-employer public employee retirement system which is a defined benefit plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The Housing Authority has not yet determined the effects of adoption.

**O. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecouping or nonrecouping permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

**P. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Housing Authority of the Parish of Grant  
Georgtown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At March 31, 1998, the Housing Authority has deposits and investments totaling \$95,228 as follows:

|  |                 |
|--|-----------------|
| Cash on hand   | \$ 59           |
| Demand deposits  | 21,649          |
| Interest-bearing demand deposits   | <u>57,520</u>   |
|  | <b>\$89,228</b> |
| <br>   |                 |
| Cash and cash equivalents  | \$26,274        |
| Cash and cash equivalents - restricted for payment of tenant security deposits | 1,415           |
| Investments  | <u>57,539</u>   |
|  | <b>\$85,228</b> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 1998, the Housing Authority has \$100,025 in deposits (adjusted bank balances). The entire amount of the deposits are secured from risk by \$100,025 of federal deposit insurance.

Investments during the year were either in demand or money market deposits at banks.

**NOTE 3 - RECEIVABLES**

The receivables of \$10,461 at March 31, 1998 are as follows:

| Class of Receivable | General<br>Fund | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Total           |
|---------------------|-----------------|-----------------------------|------------------------------|-----------------|
| Federal sources:    |                 |                             |                              |                 |
| Due from HUD        | <u>\$1,609</u>  | <u>\$7,418</u>              | <u>\$1,435</u>               | <u>\$10,461</u> |

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 4 - FIXED ASSETS**

The changes in general fixed assets are as follows:

|                          | Balance<br>April 1,<br>1997 | Additions        | Deletions       | Transfers  | Balance<br>March 31,<br>1998 |
|--------------------------|-----------------------------|------------------|-----------------|------------|------------------------------|
| Land                     | \$ -                        | \$ 2,580         | \$ -            | \$ -       | \$ 2,580                     |
| Buildings                | -                           | 334,890          | -               | -          | 334,890                      |
| Furniture and equipment  | 171,421                     | 19,382           | 34,222          | 100,080    | 256,561                      |
| Construction in progress | 32,987                      | 118,266          | -               | (183,080)  | 68,173                       |
| Total                    | <u>\$334,408</u>            | <u>\$572,528</u> | <u>\$34,222</u> | <u>\$-</u> | <u>\$872,714</u>             |

Furniture and equipment is mortgaged to HUD pursuant to the Annual Contribution Contract as collateral for the obligations owed the U. S. Government.

Additions of \$2,580 for land and \$334,890 for buildings for the year ended March 31, 1998 result from the conversion of 28 units from a leased housing program to a low-rent rental housing program.

**NOTE 5 - RETIREMENT SYSTEM**

The Housing Authority provides pension 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 from the first anniversary date of employment. Each participant in the plan is required to make a monthly contribution equal to five percent of his effective compensation. The employer makes a monthly contribution equal to eight percent of each participant's effective compensation. The Housing Authority's contributions for each employee (and income allocated to the employee's account) are fully vested after five years of continuous service. The Housing Authority's contributions for and interest earned by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for fiscal year ended March 31, 1998 was \$34,785. The Housing Authority's contributions were calculated using the base salary amount of \$54,789. Both the Housing Authority and the covered employees made the required contributions, amounting to \$7,081.

**NOTE 6 - ACCOUNTS PAYABLE**

The payables of \$22,097 at March 31, 1998 are as follows:

|                        | General<br>Fund | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Total           |
|------------------------|-----------------|-----------------------------|------------------------------|-----------------|
| Vendors                | \$2,120         | \$ -                        | \$4,965                      | \$6,515         |
| Withholdings           | 3,738           | -                           | -                            | 3,738           |
| Due to HUD             | -               | 14,854                      | -                            | 14,854          |
| Total accounts payable | <u>\$5,858</u>  | <u>\$14,854</u>             | <u>\$4,965</u>               | <u>\$25,677</u> |

Housing Authority of the Parish of Grant  
Georgtown, Louisiana

Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

**NOTE 7 - COMPENSATED ABSENCES**

At March 31, 1998, employees of the Housing Authority have accumulated and vested \$7,995 of employee leave benefits, which was computed in accordance with GASB Codification Section 608. Of this amount, \$7,995 is recorded within the general long-term debt account group.

**NOTE 8 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others follows:

|                            | Balance<br>April 1, 1997 | Additions    | Deductions     | Balance<br>March 31, 1998 |
|----------------------------|--------------------------|--------------|----------------|---------------------------|
| Agency funds:              |                          |              |                |                           |
| Treasury security deposits | <u>\$1,575</u>           | <u>\$800</u> | <u>\$1,650</u> | <u>\$1,425</u>            |

**NOTE 9 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligations transactions for the year ended March 31, 1998:

|                         | Compensated<br>Absences | Project Notes<br>Non-HUD (A) | Total           |
|-------------------------|-------------------------|------------------------------|-----------------|
| Balance, April 1, 1997  | \$7,464                 | \$1,400                      | \$88,864        |
| Additions               | 510                     | -                            | 510             |
| Deductions              | -----                   | -----                        | -----           |
| Balance, March 31, 1998 | <u>\$7,974</u>          | <u>\$1,400</u>               | <u>\$91,774</u> |

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. The timing of the official cancellation of the remaining note is unknown. The Housing Authority has not accrued interest on Project Notes - Non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project Notes - Non HUD.

All principal and interest requirements are funded in accordance with federal law by the annual contributions from U. S. Department of Housing and Urban Development.

Notes payable consist of the following at March 31, 1998:

|   |                |
|---|----------------|
| Project notes held by HUD<br>Project LA 126-987 | <u>\$1,400</u> |
|---|----------------|

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

**NOTE 10 - INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

| Receivable Fund  | Payable Fund        | Amount         |
|------------------|---------------------|----------------|
| General          | Rental Certificates | \$ 308         |
|                  | Rental Vouchers     | 350            |
| Special Revenue: |                     |                |
| Rental Vouchers  | Rental Certificates | <u>1,001</u>   |
|                  |                     | <u>\$2,659</u> |

**NOTE 11 - INTERGOVERNMENTAL PAYABLE**

The intergovernmental payable of \$13,316 consists of payments in lieu of taxes due Grant Parish at March 31, 1998.

**NOTE 12 - DEFERRED REVENUE**

Deferred revenue consists of prepaid rent in the amount of \$126 in the general fund at March 31, 1998.

**NOTE 13 - LEASE AGREEMENT**

The Housing Authority leased 28 residential rental units from the Grant Leased Housing Corporation, Georgetown, Louisiana. The initial term of the lease covered a five-year period, commencing November 1, 1993. The lease contained three automatically renewable terms of five years each, comprising a maximum lease term, including renewals, of twenty years and was not cancellable except in accordance with the lessor's right to purchase the project as explained below. Future minimum lease payments for the noncancelable lease periods was \$49,992 annually.

The lessee had the right at any time to purchase the project during the term of the lease by depositing funds in the principal and interest fund held by the trustee under the terms of the indenture, sufficient to pay and discharge all the outstanding bonds of the issuer issued under and secured by the indenture with respect to the project.

When the bonds and interest were paid in full, the lease was to be terminated and an unamortized title to the project was to be turned over to the lessee in accordance with articles of incorporation of the lessee.

During the year, the Housing Authority exercised its option to purchase the project. The project was then converted to a Low Rent Housing - PHA Owned program on November 1, 1997. The project will continue as a Low Rent Housing program and will be funded by HUD under the Performance Funding System calculation for the operating subsidy as a Low Rent project.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

There is one major construction project in progress at March 31, 1998. This includes modernizing rental units at the Housing Authority's project. As approved by HUD, this project is being funded by HUD. Funds are requested periodically as the cost is incurred.

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and Civil Circular No. A-133 through March 31, 1998, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

The turn-of-the century will be an exciting time for many, but could turn into a disaster unless plans have been made concerning year 2000 compliance for many Housing Authority's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two-digits to represent the last two years of the 1990's dates, therefore the programs are conditioned to expect dates between the year 1990 and 1999. If dates for the year 2000 are entered into these noncompliant programs, the programs will assume the year 2000 to be the year 1900. Many arithmetic calculations, such as due dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems in important areas such as accounts payable and payroll just to name a few.

The Housing Authority's management doesn't expect this matter to have any significant disruption or material financial impact to the Housing Authority.

**NOTE 15 - FUND EQUITY**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The reservation of fund balance in the general fund is for prepaid items.

**NOTE 16 - DEFICIT FUND BALANCE BUDGETED**

The Housing Authority budgeted a deficit fund balance in the general fund for the year ended March 31, 1998. LSA-R.S. 17:88(2) prohibits governments in Louisiana from budgeting a deficit fund balance; therefore, the Housing Authority's adopted budget violated state statute.

**SUPPLEMENTAL INFORMATION**



**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**SPECIAL REVENUE FUNDS**

**RENTAL CERTIFICATES**

(Section 5 - Rental Certificates, CPDA #04.857)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assigned to rental units of their choice; however, a public housing agency may also attach up to 15 percent of its rent/fairly housing in rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

**RENTAL VOUCHERS**

(Section 5 - Rental Vouchers, CPDA #14.855)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
Georgetown, Louisiana

**SPECIAL REVENUE FUNDS**  
Combining Balance Sheet  
March 31, 1988

Exhibit 9

|  | <u>RENTAL<br/>CERTIFICATES</u> | <u>RENTAL<br/>VOUCHERS</u> | <u>TOTAL</u>            |
|--|--------------------------------|----------------------------|-------------------------|
| <b>ASSETS</b>                            |                                |                            |                         |
| Cash and cash equivalents                | \$ 17,048                      | \$ 6,777                   | \$ 23,825               |
| Investments, at cost                     | 8,628                          | 3,480                      | 12,108                  |
| Receivables                              | 21,000                         | 6,350                      | 27,350                  |
| Interfund receivable                     | <u>0</u>                       | <u>1,871</u>               | <u>1,871</u>            |
| <b>TOTAL ASSETS</b>                      | <b><u>\$ 46,676</u></b>        | <b><u>\$ 18,478</u></b>    | <b><u>\$ 65,154</u></b> |
| <b>LIABILITIES AND FUND EQUITY</b>       |                                |                            |                         |
| <b>Liabilities</b>                       |                                |                            |                         |
| Accounts, salaries and other payables    | \$ 18,277                      | \$ 4,777                   | \$ 23,054               |
| Interfund payable                        | <u>3,058</u>                   | <u>590</u>                 | <u>3,648</u>            |
| <b>Total liabilities</b>                 | <b><u>\$ 21,335</u></b>        | <b><u>\$ 5,367</u></b>     | <b><u>\$ 26,702</u></b> |
| <b>Fund equity</b>                       |                                |                            |                         |
| <b>Fund balances:</b>                    |                                |                            |                         |
| Designated and undesignated              | \$ 24,850                      | \$ 14,831                  | \$ 39,681               |
| <b>Total equity</b>                      | <b><u>\$ 24,850</u></b>        | <b><u>\$ 14,831</u></b>    | <b><u>\$ 39,681</u></b> |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | <b><u>\$ 46,185</u></b>        | <b><u>\$ 19,198</u></b>    | <b><u>\$ 65,383</u></b> |

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS  
 (Georgelais, Louisiana)

SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended March 31, 1998

Exhibit 2

|  | RENTAL<br>CERTIFICATES | RENTAL<br>VOUCHERS | TOTAL      |
|--|------------------------|--------------------|------------|
| <b>REVENUES</b>                                      |                        |                    |            |
| Local sources:                                       |                        |                    |            |
| Other  | \$                     | \$                 | 177        |
| Federal sources:                                     |                        |                    |            |
| Annual Contributions Contract                        | 183,328                | 107,814            | 291,142    |
| Total revenues                                       | \$ 183,328             | \$ 107,814         | \$ 291,142 |
| <b>EXPENDITURES</b>                                  |                        |                    |            |
| Current:   |                        |                    |            |
| Administration                                       | \$ 19,381              | \$ 18,282          | \$ 37,663  |
| General expenditures                                 | 5,242                  | 1,887              | 7,129      |
| Housing assistance payments                          | 198,245                | 88,141             | 286,386    |
| Total expenditures                                   | \$ 222,868             | \$ 108,310         | \$ 331,178 |
| EXCESS (Deficiency) OF REVENUES<br>OVER EXPENDITURES | \$ 60,460              | \$ 1,504           | \$ 61,964  |
| FUND BALANCES AT BEGINNING OF YEAR                   | 28,000                 | 11,540             | 39,540     |
| FUND BALANCES AT END OF YEAR                         | \$ 88,460              | \$ 13,044          | \$ 101,504 |

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**CAPITAL PROJECTS FUNDS**

**PROJECT LA 48-581**

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 48-581 is a Federal (H.U.) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 120-1.

**PROJECT LA 48-582**

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 48-582 is a Federal (H.U.) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 120-1.

**HOUSING AUTHORITY OF THE PARISH OF ORANT**  
 Georgetown, Louisiana

**CAPITAL PROJECTS FUNDS**  
 Combining Balance Sheet  
 March 31, 1999

Exhibit 3

|  | PROJECT<br>LA 48-901 | PROJECT<br>LA 48-902 | TOTAL    |
|--|----------------------|----------------------|----------|
| <b>ASSETS</b>                            |                      |                      |          |
| Receivables                              | \$ 0                 | \$ 4,300             | \$ 4,300 |
| <b>TOTAL ASSETS</b>                      | \$ 0                 | \$ 4,300             | \$ 4,300 |
| <b>LIABILITIES AND EQUITY</b>            |                      |                      |          |
| <b>Liabilities:</b>                      |                      |                      |          |
| Accounts, salaries and other payables    | \$ 0                 | \$ 4,300             | \$ 4,300 |
| <b>Total liabilities</b>                 | \$ 0                 | \$ 4,300             | \$ 4,300 |
| <b>Fund Equity - fund balances:</b>      |                      |                      |          |
| Unassigned                               | \$ 0                 | \$ 0                 | \$ 0     |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | \$ 0                 | \$ 4,300             | \$ 4,300 |

**HOUSING AUTHORITY OF THE PARISH OF ORANT**  
 Geopreneau, Louisiana

**CAPITAL PROJECTS FUNDS**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended March 31, 1999

Exhibit 4

|   | <u>PROJECT</u><br><u>LA 48-881</u> | <u>PROJECT</u><br><u>LA 48-892</u> | <u>TOTAL</u> |
|---|------------------------------------|------------------------------------|--------------|
| <b>REVENUES</b>   |                                    |                                    |              |
| Federal revenues - CDP Grants                               | \$ 80,000                          | \$ 36,983                          | \$ 116,983   |
| Total revenues  | \$ 80,000                          | \$ 36,983                          | \$ 116,983   |
| <b>EXPENDITURES</b>   |                                    |                                    |              |
| Facilities acquisition and construction                     | \$ 80,000                          | \$ 36,983                          | \$ 116,983   |
| Total expenditures  | \$ 80,000                          | \$ 36,983                          | \$ 116,983   |
| <b>EXCESS (deficiency) OF REVENUE<br/>OVER EXPENDITURES</b> | \$ 0                               | \$ 0                               | \$ 0         |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                    | \$ 0                               | \$ 0                               | \$ 0         |
| <b>FUND BALANCE AT END OF YEAR</b>                          | \$ 0                               | \$ 0                               | \$ 0         |

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Exhibit 5**

**GENERAL**

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

*The members of the Board of Commissioners serve without compensation.*

Mr. C. O. Dodge

Mr. Robert Phinckart

Mr. Greg Williams

Ms. Donna Sue Broutard

Mr. Henry Patterson

HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana

Exhibit B

ANALYSIS OF SURPLUS  
STATUTORILY BASED  
For the Year Ended March 31, 1998

**FHA OWNED AND LEASED HOUSING (ACC. FW 3000)**

**UNRESERVED SURPLUS**

|   |                 |
|---|-----------------|
| BALANCE PER PRIOR AUDIT   | \$ (1,895,487)  |
| Prior Audit Adjustments   | <u>5,438</u>    |
| BALANCE PER BOOKS, BEGINNING  | \$ (1,890,049)  |
| Net Loss  | 80,898          |
| (Provision for) Reduction of Operating Reserve (FHA Owned Housing)  | (7,600)         |
| (Provision for) Reduction of Operating Reserve (FHA Leased Housing) | <u>(15,834)</u> |
| BALANCE, ENDING   | \$ (1,892,683)  |

**OPERATING RESERVE - FHA OWNED HOUSING**

|  |                 |
|--|-----------------|
| BALANCE, BEGINNING   | \$ 0            |
| Provision for (Production of) Operating Reserve<br>Cash Withdrawal | <u>7,600</u>    |
| BALANCE, ENDING  | \$ <u>7,600</u> |

**OPERATING RESERVE - FHA LEASED HOUSING**

|  |                  |
|--|------------------|
| BALANCE, BEGINNING   | \$ 1,800         |
| Provision for (Production of) Operating Reserve<br>Cash Withdrawal | <u>15,834</u>    |
| BALANCE, ENDING  | \$ <u>16,834</u> |

**CUMULATIVE HUD CONTRIBUTION**

|  |                     |
|--|---------------------|
| BALANCE, BEGINNING   | \$ 1,766,767        |
| Annual Contribution  | 38,888              |
| Operating Stability - FHA Owned Housing                                | 10,587              |
| Operating Stability - FHA Leased Housing                               | 62,408              |
| Increase in fixed assets resulting from conversion of Section 20 units | <u>627,860</u>      |
| BALANCE, ENDING  | \$ <u>2,406,510</u> |

**CUMULATIVE HUD GRANTS**

|  |                   |
|--|-------------------|
| BALANCE, BEGINNING                         | \$ 7,768          |
| Comprehensive Improvement Assistance Grant | <u>132,898</u>    |
| BALANCE, ENDING                            | \$ <u>140,666</u> |

**TOTAL SURPLUS** \$ 624,491



HOUSING AUTHORITY OF THE PARISH OF GRANT  
Georgetown, Louisiana

Exhibit 1

ANALYSIS OF SURPLUS  
STATEMENT BASIS  
For the Year Ended March 31, 1998

| SECTION 8 (HCC FRY 2100 & 2150)                                   | RENTAL<br>CERTIFICATES | RENTAL<br>VOUCHERS |
|---|------------------------|--------------------|
| <b>UNRECORDED SURPLUS</b>   |                        |                    |
| BALANCE PER PRIOR AUDIT   | \$ (2,061,250)         | \$ (1,534,795)     |
| Price Audit Adjustments   |                        |                    |
| BALANCE PER BOOKS, BEGINNING                                      | \$ (2,061,250)         | \$ (1,534,795)     |
| Net Loss  | (776,090)              | (766,478)          |
| Provision for (Reduction of) Operating Reserve                    | 6,040                  | 6,290              |
| Provision for (Reduction of) Project Account                      | (1,235)                | 30,894             |
| BALANCE, ENDING   | \$ (2,136,290)         | \$ (1,244,089)     |
| <b>OPERATING RESERVE</b>  |                        |                    |
| BALANCE, BEGINNING  | \$ 20,894              | \$ 17,410          |
| Provision for (Reduction of) Operating Reserve<br>Cash Withdrawal | 6,291                  | 6,291              |
| BALANCE, ENDING   | \$ 27,185              | \$ 23,701          |
| <b>PROJECT ACCOUNT UNFUNDED</b>                                   |                        |                    |
| BALANCE, BEGINNING  | \$ 483,000             | \$ 392,000         |
| Provision for (Reduction of) Project Account Unfunded             | 7,237                  | (73,458)           |
| BALANCE, ENDING   | \$ 490,237             | \$ 318,542         |
| <b>CUMULATIVE HUD CONTRIBUTION</b>                                |                        |                    |
| BALANCE, BEGINNING  | \$ 2,601,040           | \$ 852,981         |
| Annual Contribution Earned  | 182,328                | 181,074            |
| BALANCE, ENDING   | \$ 2,783,368           | \$ 1,034,055       |
| <b>TOTAL SURPLUS</b>  | <b>\$ 28,188</b>       | <b>\$ 11,963</b>   |

HOUSING AUTHORITY OF THE PARISH OF ORLÉANS  
Georgiana, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL  
MODIFICATION COSTS  
COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM  
March 31, 1988

Exhibit B

1. The actual Comprehensive Improvement Assistance Program costs is as follows:

|                          | PROJECT<br>LA \$8,800 |
|--------------------------|-----------------------|
| Funds Approved           | \$ 100,000            |
| Funds Expended           | _____ 100,000         |
| Excess of Funds Approved | \$ _____ \$           |
| <br>                     |                       |
| Funds Advanced           | \$ 100,000            |
| Funds Expended           | _____ 100,000         |
| Excess of Funds Advanced | \$ _____ \$           |

2. The distribution of costs by project as shown on the final schedule of Comprehensive Improvement Assistance Program expenditures dated January 8, 1988, accompanying the actual modification certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Improvement Assistance Program costs have been paid and all related liabilities have been discharged through payment.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Other Report Required by  
Government Auditing Standards**

The first report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The section of the report on compliance is based solely on the audit of the general-purpose financial statements and presents, where applicable, compliance matters that would be material to the general-purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the general-purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.

**Other Report Required by  
OMB of Management And Budget (OMB Circular No. A-133)**

The second report following this page contains information on the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular No. A-133. The section of the report on compliance is related to tests of compliance with laws, regulations, contracts and grants relating to federal awards programs. The section of the report on internal control over compliance is, likewise, related to matters that would be significant audit material to federal awards programs.

# ALLEN, GREEN & COMPANY, L.L.P.

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Ernest L. Allen, CPA  
a National  
Accounting Firm

Tom Green, CPA

Margie Whitman, CPA

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

### Board of Commissioners

Housing Authority of the Parish of Grant  
Geopline, Louisiana

We have audited the financial statements of Housing Authority of the Parish of Grant, as of and for the year ended March 31, 1998, and have issued our report thereon dated June 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Housing Authority of the Parish of Grant'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 these 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*.

### Management Letter Items

However, we noted certain immaterial instances of noncompliance which we have reported to management of the Housing Authority of the Parish of Grant in a separate letter dated June 17, 1998, included later in this report in the section titled Management Letter Items.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the Parish of Grant's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Housing Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs at item 98-F1.

Board of Commissioners  
Housing Authority of the Parish of Grant  
Georgetown, Louisiana

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 general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Management Letter Items

We noted other matters involving the internal control over financial reporting which we have reported to management of the Housing Authority of the Parish of Grant in a separate letter dated June 17, 1998 included later in this report in the section titled Management Letter Items.

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 17, 1998

# ALLEN, GREEN & COMPANY, LLP

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Ernest L. Allen, CPA  
*Chairman*

Tim Green, CPA

Magie Williams, CPA

## **Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133**

Board of Commissioners  
Housing Authority of the Parish of Grant  
Geopostown, Louisiana

### **Compliance**

We have audited the compliance of the Housing Authority of the Parish of Grant, Geopostown, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 1998. Housing Authority of the Parish of Grant's major federal programs are identified in the summary of auditors' 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 Parish of Grant's management. Our responsibility is to express an opinion on Housing Authority of the Parish of Grant'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 No. A-133, Audit of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. 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 Housing Authority of the Parish of Grant'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 Housing Authority of the Parish of Grant's compliance with those requirements.

In our opinion, Housing Authority of the Parish of Grant 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, 1998. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as items 98-02, 98-03 and 98-04.

Board of Commissioners  
Housing Authority of the Parish of Grant  
Georgelouis, Louisiana

#### Internal Control Over Compliance

The management of the Housing Authority of the Parish of Grant is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Housing Authority of the Parish of Grant'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 No. 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.

#### Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the Housing Authority of the Parish of Grant, Georgelouis, Louisiana, as of and for the year ended March 31, 1998, and have issued our report thereon dated June 17, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 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 aspects, in relation to the general-purpose financial statements taken as a whole.

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 17, 1998

**HOUSING AUTHORITY OF THE PARISH OF GRANT**  
 Bogalusa, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended March 31, 1998

| FEDERAL GRANTOR<br>PASS-THROUGH GRANTOR / PROGRAM NAME      | CFDA<br>NUMBER | GRANT ID # | EXPENDITURES             |
|---|----------------|------------|--------------------------|
| <b>U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT</b>           |                |            |                          |
| <b>DIRECT PROGRAMS</b>                                      |                |            |                          |
| <b>PUBLIC AND MOBILE HOUSING</b>                            |                |            |                          |
| Basic Construction  | 14.058         | FW 2830    | \$ 26,000                |
| Operating Subsidy   | 14.888         | FW 2830    | <u>88,992</u>            |
| <b>TOTAL PROGRAM</b>  |                |            | <b>\$ 115,000</b>        |
| Comprehensive Improvement Assistance Programs               | 14.852         | FW 2830    | 118,000                  |
| <b>SECTION 8 RENTAL CERTIFICATE PROGRAM</b>                 | 14.857         | FW 2100    | 183,328                  |
| <b>SECTION 8 RENTAL VOUCHER PROGRAM</b>                     | 14.850         | FW 2201    | <u>137,079</u>           |
| <b>TOTAL U.S. DEPT OF HOUSING AND URBAN<br/>DEVELOPMENT</b> |                |            | <b><u>\$ 453,307</u></b> |



Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended March 31, 1998

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the Parish of Grant, Georgetown, Louisiana. The Housing Authority of the Parish of Grant (the "Housing Authority") reporting entity is defined in note 1(A) in the Housing Authority's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on this schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 3(C) to the Housing Authority's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows:

|                        | <u>Federal Sources</u> |
|------------------------|------------------------|
| General fund           | \$107,978              |
| Special revenue funds: |                        |
| Rental Certificates    | 183,329                |
| Rental Vouchers        | 107,074                |
| Capital Project Funds: |                        |
| Project LA 48-803      | 89,083                 |
| Project LA 48-802      | 34,563                 |
|                        | <u>\$553,347</u>       |

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - FEDERAL AWARDS**

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 96-34, "Federal awards" do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contributions payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the Federal Financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards reported" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**NOTE 6 - INDEBTEDNESS**

As of March 31, 1998, the Housing Authority was indebted to the U. S. Department of Housing and Urban Development for project notes of \$3,480.

**Housing Authority of the Parish of Grant,  
Georgetown, Louisiana**

**Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998**

**PART I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There was a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The reportable condition disclosed was not considered to be a material weakness as defined by the Government Auditing Standards.

- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed audit findings which the auditor is required to report under OMB Circular No. A-133, Section 511(a).
- vii. The major federal program is:

**Section B Cluster**

CFDA #04.850

CFDA #04.857

Section B Rental Voucher Program

Section B Rental Certificate Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520(b) was \$300,000.
- ix. The auditor does not qualify as a low-risk auditor under OMB Circular No. A-133, Section 530.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998**

**PART III - Finding(s) related to the general-purpose financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and Title:      98-01                      Inadequate Segregation of Duties**

**1. Entity, unit, or program/department specific:**

*This finding applies entity-wide.*

**2. Criteria or specific requirement:**

*Adequate segregation of duties is an important component of good internal control.*

**3. Conditions found:**

*Segregation of duties is not adequate to provide effective internal control because some incompatible functions must be performed by administrative employees. The functions of opening the mail, collecting rent, recording the receipts in the rent register, preparing the deposit, making the deposit and check preparation are all performed by both of the administrative employees.*

**4. Proper perspective for judging the prevalence and consequences:**

*The Housing Authority does have some compensating controls for the inadequate segregation of duties. Receipts from HUD are wire-transferred to the bank account. All checks require two signatures, the Executive Director and a Board member. Payroll returns are prepared by an employee independent of check preparation. Recording of cash receipts and disbursements and preparation of bank reconciliations are performed by the tax accountant for the Housing Authority. Yet, often the control of requiring two signatures on all checks is overridden by the use of a rubber stamp in place of the board member's signature. This occurs because the board member is not available to sign checks. The Housing Authority does, upon prior year audit recommendation, maintain a list of all checks signed using the rubber stamp and has the board member sign off on the list to verify the use of the stamp.*

**5. Possible asserted effect, cause and effect:**

*Cause: Due to the small staff of the Housing Authority, HUD has approved salaries for only two full-time employees.*

*Effect: Internal controls could be strengthened if segregation of duties were increased.*

**6. Recommendations to prevent future occurrences:**

*Due to the size of the Housing Authority, further segregation of duties may be impractical. Continue to have board member sign list of checks signed using the rubber stamp, verifying the use of the stamp.*



Housing Authority of the Parish of Grant  
Greensboro, Louisiana

Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133, Section 310(a)

Reference # and Title: 98-11 Section 8 Tenant Files (Continued)

3. Possible asserted effect (cause and effect):

Cause: Unknown

Effect: Housing Authority is in violation with HUD guidelines.

6. Recommendations to prevent future occurrence:

A checklist of all information required to be in the tenant's file could be used to ensure all required information is obtained for the tenant file. Also, an employee should perform a periodic review of the files to ensure accuracy and compliance.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998

**PART III - Findings) and questioned costs for federal awards which are required to be reported under  
OMB Circular No. A-133, Section 5(f)(6)**

Reference # and Title: 98-03 Section 5 Waiting List

**1. Federal program and specific federal award identification:**

Section 8 - Rental Certificates - CFDA #14.857  
Section 8 - Rental Vouchers - CFDA #14.850  
AEC PW 2103 and 2151  
Department of Housing and Urban Development

**Entity, wide or program/department specific:**

This item applies to the Rental Certificate and the Rental Voucher Programs.

**2. Criteria or specific requirement:**

According to 24 CFR 982, the Housing Authority's administrative plan must state the Housing Authority's policy on when applicant's names may be removed from the waiting list. According to the Housing Authority's administrative plan, applicant names are to be removed if:

1. applicant does not respond,
2. allows certificate of participation to expire,
3. applicant does not choose a Housing Authority's referred unit.

**3. Condition found:**

During the test of waiting list, four applicants had been notified of possible certification, yet did not accept due to various reasons. These names still remained on the waiting list even though, according to the Housing Authority's administrative plan, their names should have been removed from the list.

**4. Proper perspective for judging the prevalence and consequences:**

The four instances found were a part of a random sample of eight awards.

**5. Possible asserted effect (cause and effect):**

Cause: Unknown

Effect: Housing Authority is not complying with their administrative plan which was drafted in part to comply with 24 CFR 982.

**6. Recommendations to prevent future occurrences:**

The Housing Authority should review administrative plan periodically in order to ensure that the waiting list is properly being maintained.

Housing Authority of the Parish of Grand  
Georgetown, Louisiana

Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998

**PART III - Findings) and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133, Section 509(a)**

**Reference # and Title:** 98-P4 HUD/Financials

**1. Federal program and specific federal award identification:**

Public and Indian Housing - CPDA #04-858  
ACC PW 2010  
Department of Housing and Urban Development

**Entity-wide or program/department specific:**

This item applies to the Section 20 Leased Program.

**2. Criteria or specific requirement:**

HUD regulations require accurate reporting on the year-end financial reports.

**3. Condition found:**

HUD Forms 52565, 52586, and 22908 for the Section 20 Leased Program were filed incorrectly. The provision for operating reserve was shown as (\$180,430) but should have been \$13,833.99. The coding operating reserve should have been \$15,837.40 but was shown as \$0.

**4. Proper perspective for judging the occurrence and consequences:**

The HUD financials are filed by the Housing Authority's tax accountant.

**5. Possible assessed effect (cause and effect):**

Cause: Unknown

Effect: Financial reporting to HUD for the year ended March 31, 1998 was incorrect.

**6. Recommendations to prevent future occurrences:**

Year-end financials should be reported accurately to HUD.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Other Information**

The information in this section concerns management's actions or inactions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Housing Authority of the Parish of Grant. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. We have not audited this information except as required by OMB Circular A-133 Section 500(c), and accordingly, no opinion is expressed. Section 500(c) requires the auditor to follow-up on prior audit findings, perform procedures to assess the representativeness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.



**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Summary Schedule of Prior Audit Findings  
March 31, 1998**

**Finding Reference #      Finding #1 of the Schedule of Reportable Conditions**

**Title:                      Inadequate Segregation of Duties**

**Initially occurred:      Fiscal Year Ended March 31, 1993**

**Condition:** Due to the small size of the Housing Authority, segregation of duties is not adequate to provide effective internal control because some incompatible functions must be performed by administrative employees. The functions of opening the mail, collecting rent, recording the receipt in the rent register, preparing the deposit, making the deposit and check preparation are all performed by both of the administrative employees. The Housing Authority does have some compensating controls for the inadequate segregation of duties. Receipts from HUD are wire-transferred to the bank account. All checks require two signatures, the Executive Director and a Board member. Payroll returns are prepared by an employee independent of check preparation. Recording of cash receipts and disbursements and possession of bank reconciliations are performed by the tax accountant for the Housing Authority. Via, often the control of requiring two-signatures on all checks is overriden by the use of a rubber stamp in place of the board member's signature. This occurs because the board member is not available to sign checks. The Housing Authority does, upon prior year audit recommendation, maintain a list of all checks signed using the rubber stamp and has the board member sign off on the list to ratify the use of the stamp.

**Corrective Action Planned:** No corrective action is planned due to the small size of the Housing Authority. It would not be cost effective for the Housing Authority to add enough employees to reach an adequate segregation of duties.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director

Housing Authority of the Parish of Grant

P. O. Box 10

Georgetown, LA 71432-8010

Telephone: (337) 827-3389

Fax: (337) 827-6678

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Summary Schedule of Prior Audit Findings  
March 31, 1998**

**Finding Reference #:** Finding #1 of the Schedule of Reportable Conditions

**Title:** Inadequate Controls of Cash Disbursements

**Initially occurred:** Fiscal Year Ended March 31, 1997

**Condition:** During the trial and review of cash disbursements, the following items were noted:

1. A check for \$208 was written to "CASH" rather than to the vendor even though the vendor's invoice was attached.
2. Credit card statements from which checks were paid had no type of description of the goods for which the charges made.
3. A check for repair services had no documentation to support the charge.
4. A check for materials was paid from the statement and not the original invoice.

**Corrective Action Taken:** No checks were noted which were written to "cash" nor were any instances noted where charges were paid without proper documentation.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director

Telephone: (504) 827-5889

Housing Authority of the Parish of Grant

Fax: (504) 827-9670

P. O. Box 100

Georgetown, LA 71450-0100

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Summary Schedule of Prior Audit Findings  
March 31, 1998**

**Finding Reference #:** **Finding #1 of the Schedule of Reportable Conditions**

**Title:** **Untimely Deposits/Deposit Discrepancies**

**Initially occurred:** **Fiscal Year Ended March 31, 1997**

**Condition:** Of the two months selected for receipt testing, four instances were noted of delay between the date of receipt per prenumbered receipt and the date of the deposit. Also, of the seven deposits tested during those two months, four of the deposits per prenumbered receipts did not equal the deposit per the bank statements.

**Corrective Action Taken:** The Housing Authority made deposits within three business days of receipt for the fiscal year ended March 31, 1998.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director  
Housing Authority of the Parish of Grant  
P. O. Box 10  
Georgetown, LA 71432-0010

Telephone: (518) 827-5889  
Fax: (518) 827-9678

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

**Finding Reference #:** Finding #1 of the Schedule of Findings and Questioned Costs

**Title:** Public Bid Law

**Initially occurred:** Fiscal Year Ended March 31, 1997

**Conditions:** According to Louisiana Public Bid Law, expenditures for materials and supplies over \$5,000 but under \$10,000 require the Housing Authority to obtain at least three telephone or facsimile quotations. Both documentation of the quotes received and a written confirmation of the offer accepted must be kept part of a purchase file. Of the one quote process tested, the Housing Authority did not obtain a written confirmation of the accepted offer to be made part of the purchase file.

**Corrective Action Taken:** No instances were noted where the Housing Authority did not comply with the Louisiana Public Bid Law concerning documentation of quotes.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director  
Housing Authority of the Parish of Grant  
P. O. Box 10  
Georgetown, LA 70432-0010

Telephone: (504) 827-5859  
Fax: (504) 827-8670

Housing Authority of the Parish of Calcasieu  
Geopostown, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

**Finding Reference #:** Finding #1 of the Schedule of Findings and Questioned Costs

**Title:** Inventory of Fixed Assets

**Initially occurred:** Fiscal Year Ended March 31, 1997

**Condition:** The Housing Authority did not maintain a comprehensive inventory of fixed assets in compliance with LSA-R.S. 24:515(D).

**Corrective Action Taken:** The Housing Authority compiled a complete inventory list of fixed assets in accordance with LSA-R.S. 24:515(D).

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director

Housing Authority of the Parish of Calcasieu

P. O. Box 30

Geopostown, LA. 71433-0030

Telephone: (337) 827-1489

Fax: (337) 825-8670



Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended March 31, 1998

Reference # and Title: 98-04 HUD Financials

Corrective Action Planned: We have swapped the accountants and we hope this will correct the reporting of financial statements.

Person Responsible for Corrective Action:

Mr. H. D. Jones, Executive Director Telephone: (504) 827-5889  
Housing Authority of the Parish of Grant Fax: (504) 825-8676  
P. O. Box 10  
Georgetown, LA 71433-0010

Anticipated Completion Date: The above corrective action plan is to be implemented by March 31, 1998.

**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Management Letter Items**



# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



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Monroe, Louisiana 70201  
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Ernest L. Allen, CPA  
*(President)*

Tim Green, CPA

Stepie Williamson, CPA

## Management Letter

Board of Commissioners  
Housing Authority of the Parish of Grant  
Georgetown, Louisiana

In planning and performing our audit of the financial statements of Housing Authority of the Parish of Grant for the year ended March 31, 1998, we considered the Housing Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 17, 1998, on the financial statements of Housing Authority of the Parish of Grant. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the Schedule of Management Letter Items presented later in this report.

Included later in this report is management's responses to our current-year management letter items. Management's responses can be found in the Corrective Action Plan for the Current-Year Management Letter Items. We have performed no audit work to verify the content of the responses.

Also included immediately following this letter is a Status of Prior Management Letter Items which reflects that no management letter was issued for the prior audit.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 17, 1998

**Housing Authority of the Parish of Grand  
Georgetown, Louisiana**

**Status of Prior Management Letter Items  
For the Year Ended March 31, 1998**

No management letter was issued for the year ended March 31, 1997. Accordingly, there are no prior items for which the status need be reported.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended March 31, 1988

**Reference # and Title:**                      **98-01**                      **Budget Concerns**

1. **Entity-wide or program/department specific:** This item applies to the Low Rent Program.
2. **Criteria or specific requirement:** After converting from Section 23 to the Low Rent Program, the Housing Authority will face some additional challenges in meeting financial requirements of daily operations. The Housing Authority received a letter from the director of the Office of Public Housing stressing that careful budgeting and monitoring of budget-to-actual expenditures will be necessary for upcoming fiscal years.
3. **Condition found:** The Housing Authority will be receiving their operating subsidy based on the Performance Funding System calculation under the Low Rent Program. This calculation will not yield as high of a subsidy as the Housing Authority is accustomed to under the Lease Program.
4. **Proper perspective for judging the prevalence and consequences:** The Housing Authority received approximately 21% of its total revenue from HUD under the Low Rent and Lease Programs for the past fiscal year.
5. **Possible essential effect (cause and effect):**  
  
Cause: Conversion to a Low Rent Program from a Section 8 Leased Housing Program.  
  
Effect: Budgeting and careful monitoring of expenditures will become even more important.
6. **Recommendations to prevent future occurrences:** The Housing Authority must carefully plan and monitor expenses for the upcoming year in light of the lower subsidy to be received. Close monitoring on a monthly basis will be necessary to ensure costs remain within the boundaries of the budget in order to prevent placing the Housing Authority at risk of becoming insolvent.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended March 31, 1998

Reference # and Title: 94-911 Section 23 Leased Housing Tenant Waiting List

1. Entity-wide or program/department-specific: This item applies to the Section 23 Leased Housing Programs.
2. Criteria or specific requirement: HUD requires tenants to be placed in accordance with procedures outlined by HUD and documentation maintained to support these placements.
3. Condition found: During test of waiting list for Section 23 Leased Housing, ten applicants were found that were not leased according to their placement on the waiting list. All had adequate reasons for not being leased, yet the Housing Authority did not have adequate documentation to support the reasoning for tenets of the ten applicants.

4. Proper perspective for judging the prevalence and consequences: Fifteen applicants were haphazardly chosen from the waiting list to be tested.

5. Possible asserted effect (cause and effect)

Cause: Unknown

Effect: The Housing Authority does not have proper documentation to support reasoning for housing certain applicants out of order of their placement on the waiting list.

6. Recommendations to prevent future occurrences: The Housing Authority should always document why applicants are not leased in accordance with placement on waiting list and maintain the documentation in their files.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended March 31, 1998

Reference # and Title: 98-014 Incorrect 941 Payroll Returns Filed

1. Entity-wide or program/department specific:

This item is applicable to the payroll reporting of the accounting system.

2. Criteria or specific requirements:

Internal Revenue Service regulations require accurate payroll tax information be reported quarterly on Form 941 in order that the correct payroll tax will be submitted.

3. Condition found:

The hired tax accountant reported the incorrect payroll for the quarter on two different 941 payroll tax return forms. For the second quarter of 1997, the total payroll for the quarter was under-reported by \$333. The third quarter of 1997 was also under-reported by \$682.

4. Proper perspective for judging the prevalence and consequences:

All tax reporting is performed by hired tax accountant.

5. Possible avoided effect (cause and effect):

Cause: Unknown.

Effect: Total payroll reported to the Internal Revenue Service was incorrect; therefore, the tax liability owed to the federal government was not accurate.

6. Recommendations to prevent future occurrences:

Housing Authority will need to instruct its accountant to file corrected 941 and W-2 tax forms.

Housing Authority of the Parishes of Grand  
Georgetown, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended March 31, 1998

Reference # and Title: 98-514 Inadequate Documentation Concerning Cash Disbursements

1. Entity-wide or program/department specific:

This item is applicable entity-wide.

2. Criteria or specific requirement:

Good internal control requires proper documentation for all disbursements to ensure charges are allowable and authorized.

3. Condition found:

During the test and review of cash disbursements, seven charges were noted for which documentation was not complete.

4. Proper perspective for judging the prevalence and consequences:

The seven charges were a part of a random sample of 48 items.

5. Possible asserted effect/cause and effect:

Cause: Unknown

Effect: Internal control over disbursements is weakened by not having proper documentation to support all costs.

6. Recommendations to prevent future occurrences:

All charges should be supported by original detailed invoices. For all credit card transactions, the Housing Authority employees should request a receipt for each individual charge, and the receipt should be kept with the monthly statement to support the charge. Contract labor charges should be supported by a signed contract, invoice, or some other type of documentation with the hired laborer's signature acknowledging he/she received payment for services rendered.

Housing Authority of the Parish of Grant  
Greensboro, Louisiana

Schedule of Management Letter Items  
As of and for the Year Ended March 31, 1998

Reference # and Title: 98-05 Deficit Fund Balance, Budgeted

1. **Entity-wide or program/department specific:**

This item is applicable to the general fund.

2. **Criteria or specific requirement:**

Louisiana Revised Statute 17:88(1) states in part that a budget shall detail revenues and expenditures, the total of which shall not exceed the expected means of financing composed of the beginning fund balance and revenues.

3. **Condition found:**

The Housing Authority budgeted an ending deficit fund balance in the general fund of \$1,118.

4. **Impact, perspective for, judging, the prevalence, and consequences:**

Although budgeting a deficit of the fund balance violates state law, the budget was approved by the Department of Housing and Urban Development.

5. **Possible asserted effect, cause, and effect:**

Cause: Unknown

Effect: The Housing Authority is in violation of Louisiana Revised Statute 17:88 (1).

6. **Recommendations to prevent future occurrences:**

The Housing Authority should take steps to reduce expenditures and/or increase revenues to gain budgetary control over available resources and to eliminate the deficit fund balance.

Housing Authority of the Parish of Grant  
Georgetown, Louisiana

Corrective Action Plan for Current Year Management Letter Items  
For the Year Ended March 31, 1998

Reference # and Title: 98-01

Budget Concerns

**Description:** The Housing Authority will be receiving their operating subsidy based on the Performance Funding System calculation under the Low Rent Program. This calculation will not yield as high of a subsidy as the Housing Authority is accustomed to under the Lease Program.

**Corrective action planned:** The Housing Authority will closely monitor the costs to remain within the boundaries of the budget to prevent the Housing Authority from incurring a risk.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director

Housing Authority of the Parish of Grant

P. O. Box 10

Georgetown, LA 71412-8010

Telephone: (318) 827-5889

Fax: (318) 827-0679

**Anticipated completion date:** By March 31, 1999.

Reference # and Title: 98-02

Tenant Waiting List

**Description:** During test of waiting list for Section 8 housing, ten applicants were found that were not housed according to their placement on the waiting list. All had adequate reasons for not being housed, yet the Housing Authority did not have adequate documentation to support the reasoning for status of the ten applicants.

**Corrective action planned:** The Housing Authority will document why applicants are not housed in accordance with placement on lists and maintain the documentation of file.

**Person Responsible for Corrective Action:**

Mr. H. D. Jones, Executive Director

Housing Authority of the Parish of Grant

P. O. Box 10

Georgetown, LA 71412-8010

Telephone: (318) 827-5889

Fax: (318) 827-0679

**Anticipated completion date:** By March 31, 1999.



**Housing Authority of the Parish of Grant  
Georgetown, Louisiana**

**Corrective Action Plan for Current-Year Management Letter Items  
For the Year Ended March 31, 1998**

**Reference # and Title:** 98-913

**Incorrect 941 Payroll Returns Filed**

**Description:** The hired fee accountant reported the incorrect payroll for the quarter on two different 941 payroll tax return forms. For the second quarter of 1997, the total payroll for the quarter was under-reported by \$531. The third quarter of 1997 was also under-reported by \$692.

**Corrective Action Planned:** The Housing Authority has changed fee accountants. We will get in touch with the old fee accountant to file amended 941 and W-2 tax forms or we will check into our new accountant taking care of this problem.

**Person Responsible for Corrective Action:**

Ms. H. D. Jones, Executive Director  
Housing Authority of the Parish of Grant  
P. O. Box 80  
Georgetown, LA 71631-0080

Telephone: (218) 817-5889  
Fax: (218) 817-9670

**Anticipated completion date:** By March 31, 1998.

**Reference # and Title:** 98-914

**Inadequate Documentation Concerning Cash Disbursements**

**Corrective Action Planned:** The contract labor charges will have documentation with the hired laborer's signature acknowledging payment for services rendered.

**Person Responsible for Corrective Action:**

Ms. H. D. Jones, Executive Director  
Housing Authority of the Parish of Grant  
P. O. Box 80  
Georgetown, LA 71631-0080

Telephone: (218) 817-5889  
Fax: (218) 817-9670

**Anticipated Completion Date:** By March 31, 1998.

**Reference # and Title:** 98-915

**Deficit Fund Balance Budgeted**

**Corrective Action Planned:** The Housing Authority will take steps to reduce expenditures and/or increase revenues to gain budgetary control over available resources and to eliminate the deficit. The budget was approved by HLD but is in violation of Louisiana Revised Statute 17:309(B).

**Person Responsible for Corrective Action:**

Ms. H. D. Jones, Executive Director  
Housing Authority of the Parish of Grant  
P. O. Box 80  
Georgetown, LA 71631-0080

Telephone: (218) 817-5889  
Fax: (218) 817-9670

**Anticipated Completion Date:** By March 31, 1998.