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# PARK PLACE OF DEQUINCY, INC.

## FINANCIAL STATEMENTS

Years Ended December 31, 1997 and 1996

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

Release Date 6/7/98



*Morse & Company*  
A Professional Corporation  
601 N. Public Administration

**FARK PLACE OF EQUINCY, INC.**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 1997 and 1996**

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**Mires & Company**  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Park Place of Delaware, Inc.

We have audited the accompanying statements of financial position of Park Place of Delaware, Inc. (a Delaware corporation) as of December 31, 1997 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Park Place of Delaware, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Place of Delaware, Inc. as of December 31, 1997 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 9, 1998 on our consideration of Park Place of Delaware, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular B-131, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements.

BOARD OF DIRECTORS  
Bank Place of DeQuincy, Inc.  
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The other accompanying financial information listed as "supplementary reports and schedules" in the table of contents is provided for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers, LLP, etc*

Wiers & Company, CPAs, AIC  
May 3, 1998

10/2/98

## FINANCIAL STATEMENTS

BASE BLACK OF INQUIRY, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash . . . . .	\$ 1,485	\$ 2,299
Rental assistance receivable . . . . .	1,881	1,758
Prepaid insurance . . . . .	<u>888</u>	<u>888</u>
TOTAL CURRENT ASSETS	<u>\$ 4,254</u>	<u>\$ 5,045</u>
<b>RESTRICTED ASSETS:</b>		
Cash . . . . .	<u>68,488</u>	<u>63,362</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Land . . . . .	68,800	68,800
Apartments . . . . .	592,462	592,462
Furniture and fixtures . . . . .	7,817	8,812
Machinery and equipment . . . . .	<u>5,182</u>	<u>5,182</u>
	1,274,661	1,275,066
Less accumulated depreciation . . . . .	<u>388,898</u>	<u>379,319</u>
	<u>885,763</u>	<u>895,747</u>
<b>OTHER ASSETS</b>		
Construction period interest, net . . . . .	37,230	18,448
Loan origination costs, net . . . . .	<u>8,742</u>	<u>8,888</u>
	<u>45,972</u>	<u>27,336</u>
TOTAL ASSETS	<u>\$ 921,789</u>	<u>\$ 878,928</u>

See accompanying notes.



LIABILITIES AND NET ASSETS	<u>1997</u>	<u>1996</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable . . . . .	\$ 5,250	\$ 1,988
Payroll taxes payable . . . . .	284	284
Interest payable . . . . .	2,883	2,511
Monthly deposits payable . . . . .	2,708	2,680
Current portion of long-term debt . . . . .	<u>6,502</u>	<u>2,332</u>
TOTAL CURRENT LIABILITIES	11,627	6,803
LONG-TERM DEBT, net of current portion . . . . .	<u>1,288,143</u>	<u>1,288,714</u>
	<u>1,288,143</u>	<u>1,288,714</u>
<b>NET ASSETS:</b>		
Unrestricted - operating . . . . .	(281,977)	(282,950)
Temporarily restricted:		
INSURANCE . . . . .	118	244
D&B SERVICE . . . . .	<u>41,488</u>	<u>48,812</u>
Total Net Assets	<u>(139,371)</u>	<u>(133,894)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,149,799</u>	<u>\$ 1,151,623</u>

PAKEL BLADE OF DEQUOY, INC.  
 STATEMENTS OF ACTIVITIES  
 Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>UNRESTRICTED NET ASSETS</b>		
Public Support, Revenues, and Reclassifications		
Rental income . . . . .	\$ 14,047	\$ 33,487
Federal subsidy - Social Income . . . . .	58,459	48,810
Federal subsidy - Interest Income . . . . .	73,141	71,396
Other . . . . .	881	1,379
Interest . . . . .	961	1,304
Transfer from reserve account . . . . .	<u>3,728</u>	<u>-</u>
Total Unrestricted Public Support, Revenues, and Reclassifications	149,316	156,276
Expenses		
Administrative expenses . . . . .	148,371	153,848
Transfer to restricted accounts . . . . .	<u>9,824</u>	<u>38,793</u>
Total Expenses	<u>158,195</u>	<u>192,641</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>14,121</b>	<b>(36,365)</b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Insurance . . . . .	(14)	148
DMC service . . . . .	<u>5,828</u>	<u>58,838</u>
<b>INCREASE IN PERMANENTLY RESTRICTED NET ASSETS</b>	<b>5,814</b>	<b>58,793</b>
<b>INCREASE IN NET ASSETS</b>	<b>19,935</b>	<b>(7,572)</b>
<b>NET ASSETS AS OF BEGINNING OF YEAR</b>	<b>129,150</b>	<b>148,442</b>
<b>NET ASSETS AS OF END OF YEAR</b>	<b><u>\$ 149,085</u></b>	<b><u>\$ 140,870</u></b>

See accompanying notes.

STATE BOARD OF DEPOSITORS, INC.  
 STATEMENTS OF ACTIVITIES  
 BUDGET (UNRESTRICTED ASSETS) AND ACTUAL  
 Years Ended December 31, 1997 and 1998

	1997		1998	
	Budget	Actual	Variance Favorable (Unfavorable)	1998 Actual
<b>UNRESTRICTED NET ASSETS</b>				
Public support, revenues, and Reconciliation				
Federal income . . . . .	\$ 33,001	\$ 34,047	\$ 2,046	\$ 38,487
Federal subsidy - rental income . . . . .	81,300	88,900	7,600	48,000
Federal subsidy - interest income . . . . .	-	75,141	75,141	75,136
Other . . . . .	6,700	981	(6,719)	5,579
Interest . . . . .	1,200	981	(219)	2,204
Transfer from reserve account . . . . .	-	8,728	8,728	-
Total Unrestricted Public Support, Revenues, and Reconciliations	92,201	149,187	72,816	187,206
Expenses				
Administrative expenses . . .	52,000	149,171	120,000	180,000
Transfer to restricted accounts . . . . .	-	8,881	(8,881)	50,767
Total Expenses	52,000	158,052	1148,062	231,000
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	40,201	(14,224)	(74,047)	(14,004)
<b>PERMANENTLY RESTRICTED NET ASSETS</b>				
Expenses . . . . .	-	(14)	(14)	144
Grant activity . . . . .	-	8,078	8,078	58,213
<b>INCREASE IN PERMANENTLY RESTRICTED NET ASSETS</b>	-	8,064	8,064	58,267
<b>INCREASE (DECREASE) TO NET ASSETS</b>	40,201	(14,004)	(65,983)	(10,744)
<b>NET ASSETS AS OF BEGINNING OF YEAR</b>	<u>(108,132)</u>	<u>(108,132)</u>	<u>-</u>	<u>(108,132)</u>
<b>NET ASSETS AS OF END OF YEAR</b>	<u>\$ (152,132)</u>	<u>\$ (171,136)</u>	<u>\$ (102,817)</u>	<u>\$ (108,132)</u>

See accompanying notes.

BARR PLACE OF BUSINESS, INC.  
 STATEMENTS OF CASH FLOWS  
 YEARS Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Decrease in net assets . . . . .	\$ 129,800	\$ (38,746)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation . . . . .	10,798	11,899
Amortization . . . . .	1,388	1,180
Change in operating assets		
(Increase) in rental receivable . . . . .	(180)	78
Decrease in prepaid expenses . . . . .	78	400
Increase (decrease) in operating liabilities		
Increase in accounts payable . . . . .	1,471	587
Increase in payroll taxes payable . . . . .	130	170
Increase in other payables . . . . .	80	(2,384)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>7,385</u>	<u>(2,384)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment . . . . .	(700)	(2,342)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt . . . . .	<u>(2,182)</u>	<u>(2,350)</u>
NET INCREASE (DECREASE) IN CASH	<u>4,503</u>	<u>(6,776)</u>
<b>CASH AT BEGINNING OF YEAR (STARTED)</b>	<u>61,681</u>	<u>68,457</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 66,184</u>	<u>\$ 61,681</u>

See accompanying notes.

PARK PLACE OF DEQUINCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997 and 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Place of Dequincy, Inc. is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code.

Park Place of Dequincy, Inc. was formed in 1987 to provide low income housing to the elderly, handicapped, and low-income individuals. The apartment complex was built with a Department of Agriculture Rural Rental Housing loan. Rental assistance is provided by the Farmers Home Administration based on tenants' ability to pay. In addition, the Farmers Home Administration provides an interest subsidy which aids in the loan payments. The more significant accounting policies applied in the preparation of the accompanying statements follow.

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

Cash and Investments

For purposes of the statement of cash flow, the organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

At December 31, 1997, the carrying amount of Park Place of Dequincy, Inc.'s deposits was \$47,891 and the bank balance was \$48,322. Of the bank balance the following was obtained as collateral:

	<u>Bank Balance</u>	<u>Market Value</u>
FVOC Insurance . . .	\$ 48,322	\$ 48,322
	<u>\$ 48,322</u>	<u>\$ 48,322</u>

Restricted Assets

As required in the loan agreement, Park Place of Dequincy, Inc. contributes \$10,767 annually into a reserve account until \$100,000 is attained. With prior written consent, funds in the reserve account may be used as follows: (1) loan payments if amounts for debt service are not sufficient; (2) costs of repairs or replacements caused by catastrophe or long-range depreciation; (3) improvements to housing project without creating new living units; (4) for other purposes which in the judgment of the Government will promote the loan purpose; and (5)

STATE PLACE OF RESIDENCY, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997 and 1996

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

10 per cent return on investment at the end of the operating year, provided that after such distribution the amount in the reserve will not be less than the required amount. The balance in the reserve account at December 31, 1997 and 1996 was \$28,889 and \$28,818, respectively. During 1997, \$8,728 of reserve funds was used for various repairs and maintenance projects; prior approval from Farmers Home Administration was obtained.

An insurance reserve account is maintained with monthly deposits equal to one-twelfth of the total anticipated insurance payments for the year. The balance in the insurance reserve account at December 31, 1997 and 1996 was \$118 and \$143, respectively.

A rental deposit account is maintained at a level equal to total monthly deposits on hand. The balance at December 31, 1997 and 1996 was \$2,789 and \$1,880, respectively.

Reconciliation of reserve accounts:

	<u>1997</u>	<u>1996</u>
Beginning balance at January 1	\$ 88,418	\$ 81,400
Additions . . . .	18,798	9,982
Paid out . . . . .	<u>(18,728)</u>	<u>(11,852)</u>
Ending balance at December 31	98,488	79,530
ADD:		
Insurance Reserve	118	143
Security Deposits	<u>2,789</u>	<u>1,880</u>
Total Restricted Cash	<u>\$ 101,395</u>	<u>\$ 81,553</u>

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	30-50
Furniture and fixtures	5
Machinery and equipment	5

DEAN PLACE OF DISTRICT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1977 and 1976

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

**Amortization**

Costs associated with the FHA loans are being amortized over the life of the loans, fifty years, using the straight-line method. Amortization for each year was \$149. Accumulated amortization totaled \$1,202 and \$1,313 for 1977 and 1976, respectively.

Interest expense incurred during the construction period is being amortized over the life of the property, thirty-one and a half years, using the straight-line method. Amortization for each year was \$8,399. Accumulated amortization totaled \$10,498 and \$8,880 for 1977 and 1976, respectively.

**Basis of Revenue Recognition**

Revenue is recognized monthly for the applicable monthly rental income.

**Cash Flow Information**

Cash paid for interest during 1977 and 1976 was \$96,338 and \$96,507, respectively.

**NOTE 2 - LONG-TERM DEBT**

Long-term debt at December 31, 1977 and 1976 consisted of the following:

	<u>1977</u>	<u>1976</u>
Note payable to FHA in monthly installments of \$7,988 including interest at 3.0% maturity March 1, 2010 . . . . .	\$ 1,218,488	\$ 1,237,748
Note payable to FHA in monthly installments of \$147 including interest at 3.0% maturity March 1, 2010 . . . . .	<u>    31,333</u>	<u>    31,333</u>
	1,249,821	1,269,081
Less: current portion . . . . .	<u>    3,373</u>	<u>    3,333</u>
	<u>\$ 1,246,448</u>	<u>\$ 1,265,748</u>

PARK PLACE OF DEPOSIT, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997 and 1996

**NOTE 2 - LONG-TERM DEBT**

Maturities of long-term debt, including interest, are as follows:

1998	\$ 88,819
1999	89,819
2000	90,819
2001	91,819
2002	92,819

**NOTE 3 - NET ASSET DEFICIT**

At December 31, 1997 and 1996, Park Place of Deposit, Inc. reports an unrestricted net asset fund deficit in the amounts of \$(294,017) and \$(296,954), respectively.

The deficit is a result of depreciation expense which is an unfunded expenditure under Farmers Home Administration's Rural Assistance Conditions. Park Place of Deposit, Inc. intends to increase rental fees over future years to minimize annual operating deficits.

**NOTE 4 - CHANGE IN ACCOUNTING METHOD AND FINANCIAL REPORTING**

During 1996, the Organization implemented Statement of Financial Accounting Standards No. 127. Fund balances for 1996 were reclassified during 1996 into one of three categories: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets.

**NOTE 5 - RESTRICTIONS ON NET ASSETS**

Permanently restricted net assets consist of bank accounts restricted for insurance coverage, repayment of debt, and repairs and maintenance of the Organization's facilities.



#### SUPPLEMENTAL INFORMATION

PRIME PLACE OF DISTRICT, INC.  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 Years ended December 31, 1997 and 1998

	<u>1997</u>	<u>1998</u>
Advertisements . . . . .	\$ -	\$ -
Amortization . . . . .	1,100	1,350
Auto expense . . . . .	121	497
Bank charges . . . . .	142	127
Depreciation . . . . .	21,788	21,400
Insurance . . . . .	6,344	6,800
Interest . . . . .	95,350	96,597
Office supplies . . . . .	800	718
Post control . . . . .	1,400	494
Professional fees . . . . .	2,315	2,950
Repairs and maintenance . . . . .	23,494	24,218
Salaries . . . . .	28,400	18,800
Supplies . . . . .	2,743	2,178
Taxes - payroll . . . . .	1,900	1,597
Telephone . . . . .	1,824	1,982
Utilities . . . . .	4,787	3,665
	<u>\$ 189,371</u>	<u>\$ 203,042</u>

FAIR PLAY FOR CUBANS, INC.  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 BUDGET (APPROXIMATE BASIS) & ACTUAL  
 YEARS ENDED DECEMBER 31, 1967 and 1968

	1967		Variance Favorable (Unfavorable)	1968	
	Budget	Actual		Budget	Actual
Advertisements . . . . .	\$ 200	\$ -	\$ 200	\$ -	
Association . . . . .	-	1,200	(1,200)	1,200	
Auto expenses . . . . .	100	221	(121)	497	
Bank charges . . . . .	100	143	(43)	107	
Depreciation . . . . .	-	21,500	(21,500)	21,500	
Insurance . . . . .	7,400	8,200	(800)	8,800	
Interest . . . . .	-	80,200	(80,200)	80,200	
Office supplies . . . . .	700	660	(40)	718	
Post control . . . . .	-	1,400	(1,400)	400	
Professional fees . . . . .	2,000	2,228	(228)	2,200	
Repairs and maintenance . . . . .	10,000	20,400	(10,400)	24,228	
Salaries . . . . .	21,400	14,400	7,000	18,900	
Supplies . . . . .	800	2,740	(1,940)	2,170	
Taxes - payroll . . . . .	2,810	2,800	10	2,800	
Telephone . . . . .	1,000	2,020	(1,020)	1,000	
Utilities . . . . .	8,200	8,700	(500)	8,600	
	<u>\$ 50,000</u>	<u>\$ 188,220</u>	<u>\$ 138,220</u>	<u>\$ 188,220</u>	

FACE PLACE OF INSURANCE, INC.  
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)  
December 31, 1997

<u>INSUROR</u>	<u>Kind of Insurance</u>
American Rural Housing Old Republic Surety Co.	Employee Dishonesty - Stealer
American Rural Housing Aetna/Travelers Insurance Company	Commercial Package - Liability and Property
Louisiana Workmen's Compensation Corporation	Workmen Compensation

<u>Property Covered</u>	<u>Amount of Insurance</u>	<u>Expiration Date</u>
Property Manager Resident Manager Board President	\$0.000	3/1/98
Building and contents	\$,287,280	3/1/98
N/A	N/A	N/A

FARE PLACE OF DEQUINCY, INC.  
 SUPPLEMENTAL SCHEDULE  
 BALANCE SHEET - SECTION 515 RURAL RENTAL HOUSING PROJECTS FORDIST

	<u>1991</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash . . . . .	\$ 3,450
Rental assistance receivable . . . . .	3,770
Prepaid insurance . . . . .	<u>500</u>
	<u>7,720</u>
<b>Restricted Cash and Funded Reserves</b>	
Cash . . . . .	<u>58,488</u>
<b>Property and Equipment</b>	
Land . . . . .	88,000
Apartments . . . . .	892,460
Furniture and fixtures . . . . .	1,045
Machinery and equipment . . . . .	<u>3,380</u>
	1,014,885
Less accumulated depreciation . . . . .	<u>282,360</u>
	<u>732,525</u>
<b>Other Assets</b>	
Construction period interest, net . . . . .	27,300
Loan origination costs, net . . . . .	<u>1,148</u>
	<u>28,448</u>
<b>Total Assets</b>	<u>\$ 1,011,198</u>

	<u>1991</u>
<b>LIABILITIES AND EQUITY</b>	
<b>Current liabilities</b>	
Accounts payable . . . . .	\$ 5,155
General taxes payable . . . . .	284
Interest payable . . . . .	1,893
Current portion of long-term debt . . . . .	<u>2,873</u>
	<u>10,205</u>
<b>Deposits and prepayment liabilities</b>	
Remainder deposits payable . . . . .	<u>2,208</u>
<b>Long-term liabilities</b>	
Long-term debt, net of current portion . . . . .	<u>1,828,143</u>
<b>Equity</b>	
Restricted - insurance . . . . .	118
Restricted - debt service . . . . .	61,689
Unrestricted - undesignated . . . . .	<u>1,221,013</u>
	<u>1,282,820</u>
<b>Total Liabilities and Equity</b>	<u>\$ 3,851,263</u>

PARK PLACE OF HOUSTON, INC.  
 SUPPLEMENTAL SCHEDULE  
 STATEMENT OF OPERATIONS - SECTION 512 BUNDS  
 RENTAL HOUSING PROJECTS FORMER

Revenue		<u>1227</u>
Tenant income . . . . .	\$	34,827
Rental assistance . . . . .		50,493
Levy fees, miscellaneous, etc. . . . .		901
Interest reduction subsidy . . . . .		<u>21,281</u>
	Total Revenue	<u>108,428</u>
Expenses		
Administration . . . . .		51,859
Operating and maintenance . . . . .		27,897
Utilities . . . . .		4,787
Taxes and insurance . . . . .		8,608
DEPRECIATION . . . . .		94,398
Depreciation . . . . .		<u>12,133</u>
	Total Expenses	<u>189,482</u>
	INCOME (LOSS) From Rental Operations	<u>(81,054)</u>
Other Income and Expenses		
Interest income . . . . .		1,873
Utility expenses . . . . .		-
Tenant utility allowance expenses . . . . .		<u>1,873</u>
	Net Income (Loss)	<u>\$ (77,358)</u>



PART THREE OF DOCUMENT, INC.  
 SUPPLEMENTAL SCHEDULE  
 DETAIL OF EXPENSES - SECTION 125 RURAL RENTAL PROGRAM PROJECTS FORMAL

	2897
<b>Maintenance and Operating</b>	
Maintenance and repairs - payroll . . . . .	8
Maintenance and repairs - supply . . . . .	2,782
Maintenance and repairs - contract . . . . .	21,989
Leasing and de-leasing . . . . .	122
Grease . . . . .	802
Services . . . . .	1,418
Furniture and furnishings replacement . . . . .	781
Other operating supplies . . . . .	-
	<u>27,882</u>
<b>Utilities</b>	
Electricity . . . . .	4,322
Water, sewer, trash removal . . . . .	672
	<u>4,994</u>
<b>Administrative</b>	
Auto management payroll . . . . .	28,480
Project auditing expense . . . . .	2,288
Legal expenses . . . . .	-
Advertising . . . . .	-
Telephones and messaging service . . . . .	2,524
Office supplies . . . . .	882
Office furniture and equipment . . . . .	-
Payroll taxes . . . . .	1,848
Workman's compensation . . . . .	794
Other administrative expenses . . . . .	222
	<u>37,838</u>

BANK PLACE OF DEPOSIT, INC.  
 SUPPLEMENTAL SCHEDULE  
 SCHEDULE OF ACCOUNTS PAYABLE - ACCOUNTS AND AMOUNT

Account Category	1-22-2008	11-22-2007	01-22-2008
Maintenance and repairs supply	\$ 73	\$ -	\$ 4,283
Electricity	262	-	-
Water and sewer	42	-	-
Telephone	148	-	-
Other administrative expense	6	-	-
Wolman's compensation	227	-	-
	<u>\$ 758</u>	<u>\$ -</u>	<u>\$ 4,283</u>

1991 PLACE OF RESIDENCY, INC.  
 SUPPLEMENTAL SCHEDULE  
 SCHEDULE OF RENTAL INFORMATION

<u>Item of Stock</u>	<u>Basic Rate</u> <u>Rental Rate</u>	<u>Market Rate</u> <u>Price</u>	<u>Number</u> <u>of Units</u>	<u>Number Occupied</u> <u>at Year-End</u>
One Bedroom	228	387	58	58
Two Bedroom	248	441	13	13

Company rate for year 1991  
 Company rate at year-end 1991

TRAK PLACE OF RESIDENCY, INC.  
SUPPLEMENTAL SCHEDULE  
OPERATION OF DIRECTORS  
Year Ended December 31, 1999

During the period covered by our audit, there were no payments made to or on behalf of directors.

**STIMULI ADULT REQUIRED REPORTS**



**Mirra & Company**  
*A Professional Corporation*

**Certified Public Accountants**

Member  
American Institute of Certified Public Accountants  
Division of Certified Public Accountants  
Division of Government Auditing Standards (GAO)

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

To the Board of Directors  
Park Place of DeQuincy, Inc.  
DeQuincy, Louisiana

We have audited the financial statements of Park Place of DeQuincy, Inc., (a nonprofit organization), as of and for the year ended December 31, 1997 and 1998, and have issued our report thereon dated May 5, 1998. We conducted our audits 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 Park Place of DeQuincy, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 97-1 (C).

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Park Place of DeQuincy, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 Park Place of DeQuincy, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 97-1 (AC).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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,

Board of Directors  
First Place of DeQuincy, Inc.  
Page 2

would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 99-4 (DC) to be a material weakness.

This report is intended for the information of management, others within the organization, federal auditing agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Miss & Company, CPAs, APC*

Miss & Company, CPAs, APC  
May 3, 1998

*M*  
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**Mirco & Company**  
*A Professional Corporation*  
**Certified Public Accountants**

Member  
of the Institute of Certified Public Accountants  
of the State of Louisiana • Certified Public Accountants  
of the State of Mississippi • Member of the AICPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

**Board of Directors  
Park Place of DeQuincy, Inc.  
DeQuincy, Louisiana**

**Compliance**

We have tested the compliance of Park Place of DeQuincy, Inc., a nonprofit organization, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended December 31, 1997. Park Place of DeQuincy, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Park Place of DeQuincy, Inc.'s management. Our responsibility is to express an opinion on Park Place of DeQuincy, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Park Place of DeQuincy, Inc.'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 Park Place of DeQuincy, Inc.'s compliance with these requirements.

As described in Item 97-19C in the accompanying schedule of findings and questioned costs, Park Place of DeQuincy, Inc. did not comply with requirements regarding special reporting that are applicable to its Department of Agriculture Rural Rental Housing Loan. Compliance with such requirements is necessary, in our opinion, for Park Place of DeQuincy, Inc. to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Park Place of DeQuincy, Inc. 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 December 31, 1997.

**Internal Control Over Compliance**

The management of Park Place of DeQuincy, Inc., is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Park Place of DeQuincy, Inc.'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 the internal control over compliance in accordance with OMB Circular A-133.



To the Board of Directors  
Park Place of DeQuincy, Inc.  
Page 2

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, would adversely affect Park Place of DeQuincy, Inc.'s ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 97-2(MC).

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 the 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. Our consideration of the internal control over compliance 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, of the reportable conditions described above, we consider item 97-2(MC) to be a material weakness.

This report is intended for the information of management, others within the organization, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Miras & Company, CPAs, APC*  
Miras & Company, CPAs, APC  
May 3, 1998

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*CPA*

BAKEL PLACE OF RESIDENCY, INC.  
 STATEMENT OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 1987

Federal Division/ Pass-through Grantor/Expense Title	Federal CFDA Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH</u>		
Mental Income Subsidy . . . . .	18.435	4 80,699
Interest Subsidy . . . . .	18.435	71,142
Mental Health Housing		
Loan Note B1 . . . . .	18.435	<u>1,280,714</u>
Total Expenditures of Federal Awards		<u>\$1,332,555</u>

NOTE A: This schedule was prepared using the modified accrual basis of accounting.

NOTE B: Outstanding Loan balances at December 31, 1987.

DEER PLACE OF HOUSING, INC.  
 CONSOLIDATED FINANCIAL AND COMPLIANCE STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1997

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Reportable conditions identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Reportable conditions identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditors' report issued on compliance for major programs: qualified

Any audit findings disclosed that are required to be reported in accordance with section 802(a) of Circular A-133?  Yes  No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
15-815	Department of Agriculture Rural Rental Housing Loans

Dollar threshold used to distinguish between type A and type B programs: \$150,000

Auditor qualified as low-risk auditor?  Yes  No

MARK PLACE OF DEQUINCY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 1987

SECTION II - FINANCIAL STATEMENT FINDINGS

87-012C - Internal control, material weakness

Description of Deficiency: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. We do note that this situation is inherent to most agencies of this type and is difficult to solve due to the funding limitations of Mark Place of Dequincy, Inc. We recommend that the President and other directors take an active interest in the review of all of the financial information. This was also a prior year finding.

87-10C - Noncompliance

Requirement:

FHA's loan regulation requires that an annual transfer to the Reserve Account of not less than \$10,707 be made until the amount in the Reserve Account reaches the sum of \$207,478.

See Section II, 87-10C for details.

SECTION III - FEDERAL AID FINDINGS AND QUESTIONED COSTS

87-212C - Internal Control, material weakness

87-11C - Noncompliance

Department of Agriculture Rural Rental Housing Loan (\$9,614)

Specific Requirement:

Borrowers must comply with terms of loan agreements/resolutions and FHA regulations.

1. FHA's loan regulation requires that an annual transfer to the Reserve Account of not less than \$10,707 be made until the amount in the Reserve Account reaches the sum of \$107,478.

Condition:

For the year ended December 31, 1987, \$9,614 was transferred to the Reserve Account, \$1,483 less than was required. The Reserve Account did not have a balance of \$207,478 at any time during the year.

Impact:

Mark Place of Dequincy, Inc was not in compliance with its loan agreement and therefore not in compliance with the grant requirement for the year ended December 31, 1987.

FACE PLACE OF SECURITY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 1997

Issue:

Administrative oversight.

Recommendation:

Face Place of Security, Inc. must take the required payments to the Bureau Account for each year.

Management's response:

Close attention to the loan requirements will be taken in the future.

FACE PLACE OF DEPOSIT, INC.  
CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1997

ET-1-1501

Contact person - Teresa Cannon, Manager

Corrective action - The President of the board of directors will continue to take an active role in the day to day operations of Park Place of Maryland, Inc. This corrective action plan is in effect as of May 3, 1998.

ET-1121

Contact person - Teresa Cannon, Manager

Corrective action - Monthly payments equal to 1/12th of the required annual payment will be made on a set day each month. This corrective action plan will be in effect June 1, 1998.

WARR BROS. CO. COMPANY, INC.  
SUMMARY STATEMENT OF FINANCIAL PERFORMANCE  
For the Year Ended December 31, 1959

14-1. SIGNIFICANT CONDITIONS, MATERIAL CHANGES

Lack of segregation of duties:

This condition cannot be alleviated due to its nature.