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**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Annual Financial Report  
As of and for the Year Ended September 30, 1999**

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

Release Date APR 19 2000

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**



**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Annual Financial Report  
As of and for the Year Ended September 30, 1999**

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**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Annual Financial Report  
As of and for the Year Ended September 30, 1999**

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Housing Authority of the City of Shreveport  
Shreveport, Louisiana

Annual Financial Report  
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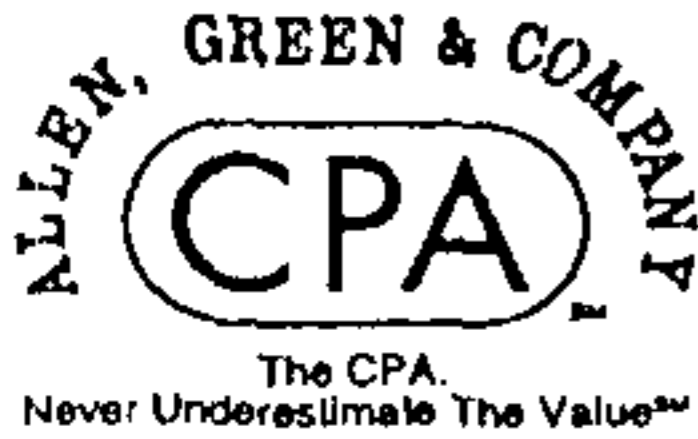
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of the Housing Authority of the City of Shreveport, Louisiana, as of and for the year ended September 30, 1999, as listed in the 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 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, as of September 30, 1999, the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 11 to the financial statements, the Housing Authority changed the accounting treatment of all funds from governmental funds to enterprise funds.

In accordance with Government Auditing Standards, we have also issued a report dated February 25, 2000, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority of the City of Shreveport, taken as a whole. The accompanying SUPPLEMENTAL INFORMATION, including the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular No. 133, Audits of States, Local Governments, and Non-Profit Organizations, 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.

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

Also, the accompanying OTHER INFORMATION, as 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, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
February 25, 2000

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana

ENTERPRISE FUNDS  
Combined Balance Sheet  
September 30, 1999

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 851,744
Investments	4,532,571
Accounts receivable	390,017
Interest receivable	54,557
Interfund receivable	139,388
Prepaid items and other assets	438,335
Inventory	<u>85,221</u>

Total Current Assets \$ 6,491,833

Restricted Assets

Tenant deposits	\$ 87,336
Bond account	75,646
Debt service account	421,430
Mortgage payment account	62,624
Repair and replacement account	84,874
Surplus account	<u>102,821</u>

Total Restricted Assets \$ 834,731

Fixed Assets

Land, buildings, and equipment (net)	<u>\$ 28,918,585</u>
--------------------------------------	----------------------

TOTAL ASSETS \$ 36,245,149

(CONTINUED)



HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana

ENTERPRISE FUNDS  
Combined Balance Sheet  
September 30, 1999

Statement A

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts payable	\$ 652,971
Interfund payable	139,388
Current portion of long term debt	<u>130,000</u>

Total Current Liabilities \$ 922,359

Current Liabilities Payable From Current Restricted Assets

Deposits due others	\$ 87,336
Accrued interest	<u>46,333</u>

Total Current Liabilities Payable From Current Restricted Assets \$ 133,669

Noncurrent Liabilities

Compensated absences payable	\$ 322,637
Notes and bonds payable	<u>4,505,000</u>

Total Noncurrent Liabilities \$ 4,827,637

Total Liabilities \$ 5,883,665

Fund Equity

Contributed Capital	\$ 25,262,506
Retained earnings:	
Reserved for debt payment	701,062
Unreserved	<u>4,397,916</u>

Total Fund Equity \$ 30,361,484

TOTAL LIABILITIES AND FUND EQUITY \$ 36,245,149

(CONCLUDED)

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

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana**

**ENTERPRISE FUNDS  
Combined Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended September 30, 1999**

Statement B

**OPERATING REVENUES**

Dwelling rental	\$ 1,562,800
Other	<u>170,827</u>
 Total revenues	 \$ <u>1,733,627</u>

**OPERATING EXPENSES**

Administration	\$ 1,602,372
Tenant services	161,349
Utilities	518,091
Ordinary maintenance & operations	1,041,779
Protective services	368,940
General expenses	728,942
Nonroutine maintenance	10,206
Housing assistance payments	8,995,114
Depreciation and amortization	<u>2,055,773</u>
 Total operating expenses	 \$ <u>15,482,566</u>

Income (loss) from Operations \$ (13,748,939)

**Nonoperating revenues (expenses)**

Interest earnings	\$ 383,212
Federal grants	11,869,677
Gain or loss on disposition of fixed assets	(13,287)
Interest and bank charges	<u>(309,887)</u>

Total nonoperating revenues (expenses) \$ 11,929,715

NET INCOME (Loss) \$ (1,819,224)

Depreciation on fixed assets acquired by contributions	2,013,664
Gain or loss on disposition of fixed assets	<u>13,287</u>

Increase (decrease) in retained earnings \$ 207,727

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana

ENTERPRISE FUNDS  
Combined Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended September 30, 1999

Statement B

FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 6,391,397
Cumulative effect of change in accounting principle	<u>(1,500,146)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	\$ <u>4,891,251</u>
RETAINED EARNINGS AT END OF YEAR	\$ <u>5,098,978</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS ORIGINALLY STATED	\$ 0
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>22,689,127</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS RESTATED	\$ 22,689,127
Capital Contributions	4,600,330
Depreciation transferred from retained earnings	(2,013,664)
Gain or loss on disposition of fixed assets transferred from retained earnings	<u>(13,287)</u>
CONTRIBUTED CAPITAL AT END OF YEAR	\$ <u>25,262,506</u>
FUND EQUITY, END OF YEAR	\$ <u>30,361,484</u>

(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana

ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended September 30, 1999

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (13,748,939)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation and Amortization	2,055,773
Changes in operating current assets and liabilities:	
(Increase) Decrease in interfund receivables	(69,378)
(Increase) Decrease in accounts receivables	(109,018)
(Increase) Decrease in interest receivables	(33,860)
(Increase) Decrease in prepaid items and and other assets	(260,124)
(Increase) Decrease in inventory	(17,221)
Increase (Decrease) in accounts payables	25,826
Increase (Decrease) in interfund payables	80,292
Increase (Decrease) in deposits due others	(839)
Increase (Decrease) in accrued interest	(62,590)
Increase (Decrease) in deferred revenue	<u>(781,078)</u>

NET CASH PROVIDED (USED) BY  
OPERATING ACTIVITIES

\$ (12,921,156)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal grants	<u>\$ 11,869,677</u>
----------------	----------------------

NET CASH PROVIDED (USED) BY NONCAPITAL  
FINANCING ACTIVITIES

\$ 11,869,677

CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES

Interest and bank charges on debt	\$ (309,887)
Proceeds from sale of fixed assets	2,050
Purchase fixed assets	(2,315,470)
Increase in compensated absences	66,223
Payment on bonds	(125,000)
Contributed capital	<u>2,100,330</u>

NET CASH PROVIDED (USED) BY CAPITAL  
AND RELATED FINANCING ACTIVITIES

\$ (581,754)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana

ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended September 30, 1999

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:

(Increase) Decrease in investments	\$ (20,658)
(Increase) Decrease in restricted assets	(1,436)
Interest earnings	<u>383,212</u>

NET CASH PROVIDED (USED) BY INVESTING  
ACTIVITIES

\$ 361,118

NET INCREASE (DECREASE) IN CASH AND  
CASH EQUIVALENTS

\$ (1,272,115)

CASH AND CASH EQUIVALENTS AT BEGINNING  
OF YEAR

2,123,859

CASH AND CASH EQUIVALENTS AT END  
OF YEAR

\$ 851,744

OTHER ACTIVITIES NOT AFFECTING CASH FLOW

Purchase fixed assets	\$ (2,537,500)
Contributed capital	<u>2,537,500</u>

\$ 0

(CONCLUDED)

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

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

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**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

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

The accompanying financial statements of the Housing Authority of the City of Shreveport (the Housing Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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**

Housing authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) 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 city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority of the City of Shreveport is governed by a five-member board of commissioners. The members, appointed by the Honorable Mayor of the City of Shreveport, serve a staggered term of five years.

The Housing Authority has the following units:

		<u># of Units</u>
PHA Owned Housing	FW 923	923
Section 8		
Rental Certificates	FW 2075	1,420
Rental Vouchers	FW 2215	316
Moderate Rehab	FW 2075	523
Existing - Stone Vista	FW 2163	151
New Construction - Goodman Plaza	FW 77-393	170
 Non HUD Programs:		
I-49 Dwelling Rental Units		58
Child Care		1
University Oaks I		65
University Oaks II		60

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, *fiscally independent* means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

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

**A. REPORTING ENTITY (Continued)**

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the City of Shreveport since the City appoints a voting majority of the Housing Authority's governing board. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Shreveport. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Shreveport.

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 financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

**B. FUNDS**

The accounts of the Housing Authority are organized and operated on the basis of funds. 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.

All funds of the Housing Authority are classified as proprietary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

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

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.



**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

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

**D. BUDGETS**

**General Budget Policies**

The Housing Authority adopted budgets for all funds. The budgets for the Comprehensive Grant Programs are multiple-year budgets.

HUD approves all budgets for all HUD-funded programs. The budget is controlled by fund at the function level. The Executive Director is authorized to transfer amounts between line items within any fund provided such does not change the total of any function.

All appropriations lapse at year-end.

**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.

Formal budget integration (within the accounting records) is employed as a management control device.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

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

**F. INVESTMENTS (Continued)**

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

*Definitions:*

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**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. INVENTORY AND PREPAID ITEMS**

All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year-end the amount of inventory is recorded for external financial reporting purposes.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. FIXED ASSETS**

Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). *Donated capital assets are recorded at their estimated fair value at the date of donation.* Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Building and site improvements	15 years
Office equipment (other than computers)	7 years
Computers and software	3 years
Automobiles and trucks	5 years

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**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 300 hours of annual leave which may be received upon termination or retirement. In a case where the employee notifies the Housing Authority not less than six months prior to retirement or resignation, annual leave in excess of 300 hours may be utilized prior to separation of employment. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

**K. FUND EQUITY**

Reservations represent those portions of fund equity that are not appropriable for expenses or legally segregated for a specific future use.

**L. 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 those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 1999, the Housing Authority has cash and cash equivalents (book balances) totaling \$851,744 as follows:

Deposits are stated at cost, which approximates fair value. 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 fair 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.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

At year-end, the Housing Authority's carrying amount of deposits was \$6,219,046 including restricted deposits of \$834,731, and the bank balance was \$5,634,847. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). \$5,534,847 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Housing Authority or its agent in the Housing Authority's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Housing Authority's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Housing Authority's name.

At year end, the Housing Authority investment balances included the following:

	<u>Category</u>			<u>Carrying Amount</u>		<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	
	Certificates of Deposit	<u>\$4,532,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**NOTE 3 - RECEIVABLES**

The receivables of \$390,017 at September 30, 1999, are as follows:

<u>Class of Receivables</u>	<u>Total</u>
Tenants	\$23,059
Others	7,991
HUD	<u>358,967</u>
Total	<u>\$390,017</u>

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**NOTE 4 - FIXED ASSETS**

The changes and balances in fixed assets are as follows:

	Balance October 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>1999</u>
Land	\$ 2,323,575	\$ 250,000	\$ -	\$ 2,573,575
Buildings and improvements	41,952,554	3,818,758	109,841	45,661,471
Furniture and equipment	1,387,004	183,961	183,511	1,387,454
Construction in progress	<u>10,000</u>	<u>571,271</u>	<u>-</u>	<u>581,271</u>
<b>Total</b>	<u><b>45,673,133</b></u>	<u><b>4,823,990</b></u>	<u><b>293,352</b></u>	<u><b>50,203,771</b></u>
Less accumulated depreciation:				
Buildings and improvements	18,283,439	1,875,342	-	20,158,781
Furniture and equipment	<u>1,126,244</u>	<u>168,335</u>	<u>168,175</u>	<u>1,126,404</u>
<b>Total</b>	<u><b>19,409,683</b></u>	<u><b>2,043,677</b></u>	<u><b>168,175</b></u>	<u><b>21,285,185</b></u>
<b>Fixed assets, net</b>	<u><b>\$26,263,450</b></u>	<u><b>\$2,780,313</b></u>	<u><b>\$ 125,177</b></u>	<u><b>\$28,918,585</b></u>

**NOTE 5 - RETIREMENT SYSTEM**

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one year of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to eight percent of each participant's basic (excludes overtime) compensation. The Housing Authority's contribution 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 and interest forfeited 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 year ended September 30, 1999, was \$1,257,139. The Housing Authority's contributions were calculated using the base salary amount of \$1,078,420. Both the Housing Authority and the covered employees made the required contributions of \$188,270 for the year ended September 30, 1999.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**NOTE 6 - ACCOUNTS PAYABLE**

The payables of \$652,971 at September 30, 1999, are as follows:

Vendors	\$140,342
Wages	113,758
Payable to HUD	276,343
Other	<u>122,528</u>
Total	<u>\$652,971</u>

**NOTE 7 - COMPENSATED ABSENCES**

At September 30, 1999, employees of the Housing Authority have accumulated and vested \$322,637 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

**NOTE 8 - LONG TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended September 30, 1999:

	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Total</u>
Balance, October 1, 1998	\$267,134	\$4,760,000	\$5,027,134
Additions	55,503	-	55,503
Deductions	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Balance, September 30, 1999	<u>\$322,637</u>	<u>\$4,635,000</u>	<u>\$4,957,637</u>

The following bonds are outstanding at September 30, 1999. The Mortgage Revenue bonds are collateralized with all revenues derived from operations of Goodman Plaza.

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Balance September 30, 1999</u>
<u>Mortgage revenue bonds</u>					
Series 1993	8-1-93	2019	6.100%	<u>\$5,295,000</u>	<u>\$4,635,000</u>

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**NOTE 8 - LONG TERM OBLIGATIONS (Continued)**

At September 30, 1999, the Housing Authority has reserved \$701,062 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2000	\$ 130,000	\$ 277,999	\$ 407,999
September 30, 2001	130,000	271,239	401,239
September 30, 2002	145,000	264,284	409,284
September 30, 2003	150,000	256,309	406,309
September 30, 2004	155,000	247,909	402,909
September 30, 2005 to maturity	<u>3,925,000</u>	<u>2,178,294</u>	<u>6,103,294</u>
	<u>\$4,635,000</u>	<u>\$3,496,034</u>	<u>\$8,131,034</u>

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

At September 30, 1999, the Housing Authority is involved in various litigation. In the opinion of legal counsel the potential loss on all claims will not materially affect the Housing Authority's financial position.

**Construction Projects**

There are certain major construction projects in progress at September 30, 1999. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Self-Insurance**

The Housing Authority is partially self-insured for employee's group and health insurance coverage. Claims are funded through employee contributions and operating funds of the Housing Authority. The Housing Authority maintains stop-loss coverage with an insurance company for claims in excess of \$5,000 per claim for each employee. All known claims filed and an estimate of incurred but not reported claims based on experience of the Housing Authority are made and accrued as necessary in the financial statements.

**Grant Disallowances**

The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 1999**

**NOTE 10 - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The Housing Authority established a risk management program for employee's group health insurance in 1995.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$5,000. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past year are as follows:

	<u>Current Year</u>
Unpaid claims, beginning of fiscal year	\$27,453
Incurred claims (including IBNRs)	127,590
Claim payments	148,266
Unpaid claims, end of fiscal year	6,777

**NOTE 11 - CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE**

Prior to the current fiscal year, the Housing Authority's books were maintained on a HUD-prescribed basis of accounting. Journal entries were made at year-end to convert to generally accepted accounting principles (GAAP). The funds of the Housing Authority were reported as governmental funds in the audit report. For the current fiscal year, HUD required that the Housing Authority convert from the HUD-prescribed basis of accounting to GAAP with use of enterprise funds being preferred by HUD. The beginning fund balance was restated as follows:

Fund balance at beginning of year, as originally stated	\$ 6,391,397
Land, buildings and equipment at October 1, 1998	26,263,450
Long-term obligations mortgage revenue bonds at October 1, 1998	( 4,760,000)
Mortgage revenue bond unamortized bond discount and issue costs	256,554
Long-term obligations - compensated absences at October 1, 1998	( 267,134)
Payroll, accounts payable and interest receivable accruals	<u>( 303,889)</u>
 Total equity, restated	 <u>\$ 27,580,378</u>

**NOTE 12 - SUBSEQUENT EVENTS**

The Housing Authority entered into a contract to purchase a building for \$925,000, to house the administrative staff.



**Housing Authority of the City of Shreveport**  
Shreveport, Louisiana

**Notes to the General-Purpose Financial Statements**  
As of and for the Year Ended September 30, 1999

**NOTE 13 - SEGMENT INFORMATION**

The Housing Authority maintains seven enterprise funds. Key financial information as of and for the year ended September 30, 1999 for these funds are as follows:

	Low Rent Public <u>Housing</u>	Public Housing Comprehensive <u>Grant Program</u>	Section 8	New construction and substantial Rehabilitation <u>Section 8</u>	Business Activities	Supportive Housing	Gateway <u>Grant</u>
Operating revenues	\$ 1,104,606	\$ -	\$ 22,712	\$ 354,882	\$ 251,427	\$ -	\$ -
Operating expenses excluding depreciation	2,334,691	114,286	9,182,830	1,522,703	248,479	1,858	21,946
Depreciation	1,701,123	129,449	29,281	131,272	64,648	-	-
Operating income	( 2,931,208)	( 243,735)	(9,189,399)	(1,299,093)	( 61,700)	( 1,858)	(21,946)
Non-operating revenues (expenses)	1,192,931	102,225	9,213,902	1,338,827	42,676	17,087	22,067
Net income (loss)	( 1,738,277)	( 141,510)	24,503	39,734	( 19,024)	15,229	121
Capital contributions	571,271	1,491,559	-	-	-	-	-
Fixed asset additions	594,592	1,381,952	23,876	198,944	2,514,786	-	-
Net working capital (liability)	2,041,111	-	1,388,711	2,196,688	628,675	15,229	121
Total assets	20,600,107	2,451,534	1,805,106	6,480,294	4,892,758	15,229	121
Total equity	\$ 20,090,067	\$ 2,290,852	\$ 1,405,582	\$ 1,714,858	\$ 4,844,775	\$ 15,229	\$ 121

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**SUPPLEMENTAL INFORMATION**

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**ENTERPRISE FUNDS**

**LOW RENT PUBLIC HOUSING**

Provides decent, safe and affordable dwellings for lower income families. Operating subsidy funds are received to achieve and maintain adequate operating and maintenance service and reserves.

**PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM**

To improve the physical quality of housing provided to low income households through modernization and development.

**SECTION 8**

**RENTAL CERTIFICATES**

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 assisted in rental units of their choice; however, a public housing agency may also attach up to 15 percent of its certificate funding to 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**

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.

**MOD REHAB #1, #2, #3, #4, #6, #7, #9, AND #10**

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 used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 10 percent of gross family income, or the portion of welfare assistance designated for housing toward rent.

(Continued)

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**ENTERPRISE FUNDS (Continued)**

**NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION**

**GOODMAN PLAZA**

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 used to make up the differences between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent.

**STONE VISTA**

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 used to make up the differences between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent.

**BUSINESS ACTIVITIES**

**I-49**

This fund originated from the displacement of homes caused by the construction of Interstate 49. The fund consists of rental income and expenses of single family rental units scattered throughout Caddo Parish. The fund also accounts for proceeds from the sale of rental units.

**CHILD CARE**

This fund accounts for the revenues and expenditures of a child care center operated for Housing Authority employees and residents.

**ARMSTRONG CENTER**

Community Center for Goodman Plaza. The center was closed during the year.

**UNIVERSITY OAKS I**

Apartment complex purchased in September 1999 to provide units under Section 8 and the open market.

**UNIVERSITY OAKS II**

Apartment complex purchased in September 1999 to provide units under Section 8 and the open market.

(Continued)

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**ENTERPRISE FUNDS (Continued)**

**SUPPORTIVE HOUSING**

Provides housing assistance to the disabled.

**GATEWAY GRANT**

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

(Concluded)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
**Shreveport, Louisiana**

**ENTERPRISE FUNDS**  
**Combining Balance Sheet**  
**September 30, 1999**

	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM	SECTION 8	NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 392,470	\$ 0	\$ 278,331	\$ 66,308
Investments	1,485,291	0	1,272,627	1,265,357
Accounts receivable	14,493	160,682	167,239	25,388
Interest receivable	28,229	0	18,249	0
Interfund receivable	139,388	0	0	0
Prepaid items and other assets	133,617	0	0	304,718
Inventory	85,221	0	0	0
	<b>\$ 2,278,709</b>	<b>\$ 160,682</b>	<b>\$ 1,736,446</b>	<b>\$ 1,661,771</b>
<b>Total current assets</b>				
<b>Restricted Assets</b>				
Tenants deposits	\$ 59,621	0	0	\$ 9,325
Bond account	0	0	0	75,646
Debt service account	0	0	0	421,430
Mortgage payment account	0	0	0	62,624
Repair and replacement account	0	0	0	84,874
Surplus account	0	0	0	102,821
	<b>\$ 59,621</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 756,720</b>
<b>Total restricted assets</b>				
<b>Fixed Assets</b>				
Fixed assets (net of accumulated depreciation)	<b>\$ 18,261,777</b>	<b>\$ 2,290,852</b>	<b>\$ 68,660</b>	<b>\$ 4,061,803</b>
<b>TOTAL ASSETS</b>	<b>\$ 20,600,107</b>	<b>\$ 2,451,534</b>	<b>\$ 1,805,106</b>	<b>\$ 6,480,294</b>

Exhibit 1

BUSINESS ACTIVITIES	SUPPORTIVE HOUSING	GATEWAY GRANT	TOTAL
\$ 100,652	\$ 13,862	\$ 121	\$ 851,744
509,296	0	0	4,532,571
20,848	1,367	0	390,017
8,079	0	0	54,557
0	0	0	139,388
0	0	0	438,335
0	0	0	85,221
<u>\$ 638,875</u>	<u>\$ 15,229</u>	<u>\$ 121</u>	<u>\$ 6,491,833</u>
\$ 18,390	\$ 0	\$ 0	\$ 87,336
0	0	0	75,646
0	0	0	421,430
0	0	0	62,624
0	0	0	84,874
0	0	0	102,821
<u>\$ 18,390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 834,731</u>
<u>\$ 4,235,493</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,918,585</u>
<u>\$ 4,892,758</u>	<u>\$ 15,229</u>	<u>\$ 121</u>	<u>\$ 36,245,149</u>

(Continued)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana**

**ENTERPRISE FUNDS  
Combining Balance Sheet  
September 30, 1999**

	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM</u>	<u>SECTION 8</u>	<u>NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 237,598	\$ 24,904	\$ 344,124	\$ 36,145
Interfund payable	0	135,778	3,610	0
Current portion of long term debt	0	0	0	130,000
<b>Total current liabilities</b>	<b>\$ 237,598</b>	<b>\$ 160,682</b>	<b>\$ 347,734</b>	<b>\$ 166,145</b>
<b>Current liabilities payable from restricted assets</b>				
Deposits due others	\$ 59,621	\$ 0	\$ 0	\$ 9,325
Accrued interest	0	0	0	46,333
<b>Total current liabilities payable from restricted assets</b>	<b>\$ 59,621</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 55,658</b>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	212,821	0	51,790	38,633
Notes and bonds payable	0	0	0	4,505,000
<b>Total noncurrent liabilities</b>	<b>\$ 212,821</b>	<b>\$ 0</b>	<b>\$ 51,790</b>	<b>\$ 4,543,633</b>
<b>Total liabilities</b>	<b>\$ 510,040</b>	<b>\$ 160,682</b>	<b>\$ 399,524</b>	<b>\$ 4,765,436</b>
<b>Fund Equity</b>				
Contributed Capital	\$ 18,391,290	2,290,852	\$ 0	\$ 359,660
Retained earnings:				
Reserved for debt payment	0	0	0	701,062
Unreserved	1,698,777	0	1,405,582	654,136
<b>Total Fund Equity</b>	<b>\$ 20,090,067</b>	<b>\$ 2,290,852</b>	<b>\$ 1,405,582</b>	<b>\$ 1,714,858</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 20,600,107</b>	<b>\$ 2,451,534</b>	<b>\$ 1,805,106</b>	<b>\$ 6,480,294</b>



Exhibit 1

<u>BUSINESS</u> <u>ACTIVITIES</u>	<u>SUPPORTIVE</u> <u>HOUSING</u>	<u>GATEWAY</u> <u>GRANT</u>	<u>TOTAL</u>
\$ 10,200	\$ 0	\$ 0	652,971
0	0	0	139,388
0	0	0	130,000
<u>\$ 10,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>922,359</u>
\$ 18,390	\$ 0	\$ 0	87,336
0	0	0	46,333
<u>\$ 18,390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>133,669</u>
\$ 19,393	\$ 0	\$ 0	322,637
0	0	0	4,505,000
<u>\$ 19,393</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>4,827,637</u>
<u>\$ 47,983</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>5,883,665</u>
\$ 4,220,704	\$ 0	\$ 0	25,262,506
0	0	0	701,062
624,071	15,229	121	4,397,916
<u>\$ 4,844,775</u>	<u>\$ 15,229</u>	<u>\$ 121</u>	<u>\$ 30,361,484</u>
<u>\$ 4,892,758</u>	<u>\$ 15,229</u>	<u>\$ 121</u>	<u>\$ 36,245,149</u>

(Concluded)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
Shreveport, Louisiana

**ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Fund Equity**  
**For the Year Ended September 30, 1999**

	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM</u>	<u>SECTION 8</u>	<u>NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8</u>
<b>OPERATING REVENUES</b>				
Dwelling rental	\$ 1,063,770	\$ 0	\$ 0	\$ 320,512
Other	40,836	0	22,712	34,370
<b>Total revenues</b>	<u>\$ 1,104,606</u>	<u>\$ 0</u>	<u>\$ 22,712</u>	<u>\$ 354,882</u>
<b>OPERATING EXPENSES</b>				
Administration	\$ 556,061	\$ 114,286	\$ 720,504	\$ 114,917
Tenant services	20,859	0	50,924	5,283
Utilities	379,720	0	0	135,889
Ordinary maintenance & operations	695,309	0	43,603	250,926
Protective services	203,996	0	77,077	87,195
General expenses	471,140	0	142,299	81,802
Nonroutine maintenance	7,606	0	0	0
Housing assistance payments	0	0	8,148,423	846,691
Depreciation and amortization	1,701,123	129,449	29,281	131,272
<b>Total operating expenses</b>	<u>\$ 4,035,814</u>	<u>\$ 243,735</u>	<u>\$ 9,212,111</u>	<u>\$ 1,653,975</u>
<b>Income (loss) from Operations</b>	<u>\$ (2,931,208)</u>	<u>\$ (243,735)</u>	<u>\$ (9,189,399)</u>	<u>\$ (1,299,093)</u>
<b>Nonoperating revenues ( expenses)</b>				
Interest earnings	99,942	0	93,305	159,893
Federal grants	1,093,849	114,286	9,120,597	1,489,187
Gain or loss on disposition of fixed assets	(860)	(12,061)	0	(366)
Interest and bank charges	0	0	0	(309,887)
<b>Total nonoperating revenues (expenses)</b>	<u>\$ 1,192,931</u>	<u>\$ 102,225</u>	<u>\$ 9,213,902</u>	<u>\$ 1,338,827</u>
<b>NET INCOME (loss)</b>	<u>\$ (1,738,277)</u>	<u>\$ (141,510)</u>	<u>\$ 24,503</u>	<u>\$ 39,734</u>
Depreciation on fixed assets by contributions	1,701,123	129,449	0	118,444
Gain or loss on disposition of fixed assets	860	12,061	0	366
<b>Increase (decrease) in retained earnings</b>	<u>\$ (36,294)</u>	<u>\$ 0</u>	<u>\$ 24,503</u>	<u>\$ 158,544</u>

Exhibit 2

BUSINESS ACTIVITIES	SUPPORTIVE HOUSING	GATEWAY GRANT	TOTAL
\$ 178,518	\$ 0	\$ 0	\$ 1,562,800
<u>72,909</u>	<u>0</u>	<u>0</u>	<u>170,827</u>
\$ 251,427	\$ 0	\$ 0	\$ 1,733,627
\$ 94,746	\$ 1,858	\$ 0	\$ 1,602,372
62,337	0	21,946	161,349
2,482	0	0	518,091
51,941	0	0	1,041,779
672	0	0	368,940
33,701	0	0	728,942
2,600	0	0	10,206
0	0	0	8,995,114
<u>64,648</u>	<u>0</u>	<u>0</u>	<u>2,055,773</u>
\$ 313,127	\$ 1,858	\$ 21,946	\$ 15,482,566
\$ (61,700)	\$ (1,858)	\$ (21,946)	\$ (13,748,939)
30,072	0	0	383,212
12,604	17,087	22,067	11,869,677
0	0	0	(13,287)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(309,887)</u>
\$ 42,676	\$ 17,087	\$ 22,067	\$ 11,929,715
\$ (19,024)	\$ 15,229	\$ 121	\$ (1,819,224)
64,648	0	0	2,013,664
<u>0</u>	<u>0</u>	<u>0</u>	<u>13,287</u>
\$ 45,624	\$ 15,229	\$ 121	\$ 207,727

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
Shreveport, Louisiana

**ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Fund Equity**  
**For the Year Ended September 30, 1999**

	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM</u>	<u>SECTION 8</u>	<u>NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8</u>
FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 2,177,659	\$ 0	\$ 1,365,648	\$ 2,292,601
<i>Cumulative effect of change in accounting principle</i>	<u>(442,588)</u>	<u>0</u>	<u>15,431</u>	<u>(1,095,947)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	\$ 1,735,071	\$ 0	\$ 1,381,079	\$ 1,196,654
RETAINED EARNINGS AT END OF YEAR	<u>\$ 1,698,777</u>	<u>\$ 0</u>	<u>\$ 1,405,582</u>	<u>\$ 1,355,198</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS ORIGINALLY STATED	\$ 0	\$ 0	\$ 0	\$ 0
<i>Cumulative effect of change in accounting principle</i>	<u>19,522,002</u>	<u>940,803</u>	<u>0</u>	<u>478,470</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS RESTATED	19,522,002	940,803	0	478,470
Capital Contributions	571,271	1,491,559	0	0
Depreciation transferred from retained earnings	(1,701,123)	(129,449)	0	(118,444)
Gain or loss of disposition of fixed assets transferred from retained earnings	<u>(860)</u>	<u>(12,061)</u>	<u>0</u>	<u>(366)</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>\$ 18,391,290</u>	<u>\$ 2,290,852</u>	<u>\$ 0</u>	<u>\$ 359,660</u>
FUND EQUITY, END OF YEAR	<u>\$ 20,090,067</u>	<u>\$ 2,290,852</u>	<u>\$ 1,405,582</u>	<u>\$ 1,714,858</u>

Exhibit 2

<u>BUSINESS</u> <u>ACTIVITIES</u>	<u>SUPPORTIVE</u> <u>HOUSING</u>	<u>GATEWAY</u> <u>GRANT</u>	<u>TOTAL</u>
\$ 555,489	\$ 0	\$ 0	\$ 6,391,397
<u>22,958</u>	<u>0</u>	<u>0</u>	<u>(1,500,146)</u>
\$ 578,447	\$ 0	\$ 0	\$ 4,891,251
\$ 624,071	\$ 15,229	\$ 121	\$ 5,098,978
\$ 0	\$ 0	\$ 0	\$ 0
<u>1,747,852</u>	<u>0</u>	<u>0</u>	<u>22,689,127</u>
1,747,852	0	0	22,689,127
2,537,500	0	0	4,600,330
(64,648)	0	0	(2,013,664)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,287)</u>
\$ 4,220,704	\$ 0	\$ 0	\$ 25,262,506
<u>\$ 4,844,775</u>	<u>\$ 15,229</u>	<u>\$ 121</u>	<u>\$ 30,361,484</u>

(CONCLUDED)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
**Shreveport, Louisiana**  
**ENTERPRISE FUNDS**  
**Combining Statement of Cash Flows**  
**For the Year Ended September 30, 1999**

	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM	SECTION 8	NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,931,208)	\$ (243,735)	\$ (9,189,399)	\$ (1,299,093)
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation and amortization	1,701,123	129,449	29,281	131,272
Changes in operating current assets and liabilities:				
(Increase) Decrease in interfund receivables	(88,425)	0	0	19,047
(Increase) Decrease in accounts receivables	(9,385)	(160,682)	(21,579)	104,736
(Increase) Decrease in interest receivables	(15,127)	0	(18,249)	0
(Increase) Decrease in prepaid items and and other assets	(25,556)	0	0	(234,568)
(Increase) Decrease in inventory	(17,221)	0	0	0
Increase (Decrease) in accounts payables	(27,004)	24,672	163	30,400
Increase (Decrease) in interfund payables	(19,047)	135,778	(36,439)	0
Increase (Decrease) in deposits due others	(14,004)	0	0	(50)
Increase (Decrease) in accrued interest	0	0	0	(62,590)
Increase (Decrease) in deferred revenue	0	0	(781,078)	0
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,445,854)</b>	<b>\$ (114,518)</b>	<b>\$ (10,017,300)</b>	<b>\$ (1,310,846)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Federal grants	\$ 1,093,849	\$ 114,286	\$ 9,120,597	\$ 1,489,187
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>\$ 1,093,849</b>	<b>\$ 114,286</b>	<b>\$ 9,120,597</b>	<b>\$ 1,489,187</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest and bank charges on debt	\$ 0	\$ 0	\$ 0	\$ (309,887)
Proceeds from sale of fixed assets	2,050	0	0	0
Purchase fixed assets	(591,476)	(1,491,559)	(23,876)	(198,944)
Increase in compensated absences	20,437	0	4,974	35,050
Payment on bonds	0	0	0	(125,000)
Contributed capital	571,271	1,491,559	0	0
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ 2,282</b>	<b>\$ 0</b>	<b>\$ (18,902)</b>	<b>\$ (598,781)</b>

Exhibit 3

<u>BUSINESS</u> <u>ACTIVITIES</u>	<u>SUPPORTIVE</u> <u>HOUSING</u>	<u>GATEWAY</u> <u>GRANT</u>	<u>TOTAL</u>
\$ (61,700)	\$ (1,858)	\$ (21,946)	\$ (13,748,939)
64,648	0	0	2,055,773
0	0	0	(69,378)
(20,741)	(1,367)	0	(109,018)
(484)	0	0	(33,860)
0	0	0	(260,124)
0	0	0	(17,221)
(2,405)	0	0	25,826
0	0	0	80,292
13,215	0	0	(839)
0	0	0	(62,590)
0	0	0	(781,078)
<u>\$ (7,467)</u>	<u>\$ (3,225)</u>	<u>\$ (21,946)</u>	<u>\$ (12,921,156)</u>
<u>\$ 12,604</u>	<u>\$ 17,087</u>	<u>\$ 22,067</u>	<u>\$ 11,869,677</u>
<u>\$ 12,604</u>	<u>\$ 17,087</u>	<u>\$ 22,067</u>	<u>\$ 11,869,677</u>
\$ 0	\$ 0	\$ 0	\$ (309,887)
0	0	0	2,050
(9,615)	0	0	(2,315,470)
5,762	0	0	66,223
0	0	0	(125,000)
<u>37,500</u>	<u>0</u>	<u>0</u>	<u>2,100,330</u>
<u>\$ 33,647</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (581,754)</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
 Shreveport, Louisiana  
 ENTERPRISE FUNDS  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 1999

	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE GRANT PROGRAM	SECTION 8	NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION SECTION 8
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
(Increase) Decrease in investments	\$ (57,896)	\$ 0	\$ (62,294)	\$ 111,758
(Increase) Decrease in restricted assets	(546)	0	0	12,325
Interest earnings	99,942	0	93,305	159,893
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ 41,500</b>	<b>\$ 0</b>	<b>\$ 31,011</b>	<b>\$ 283,976</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (308,223)</b>	<b>\$ (232)</b>	<b>\$ (884,594)</b>	<b>\$ (136,464)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>700,693</b>	<b>232</b>	<b>1,162,924</b>	<b>202,772</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 392,470</b>	<b>\$ 0</b>	<b>\$ 278,331</b>	<b>\$ 66,308</b>
<b>OTHER ACTIVITIES NOT AFFECTING CASH FLOW</b>				
Purchase fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Contributed capital	0	0	0	0
	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



Exhibit 3

<u>BUSINESS</u> <u>ACTIVITIES</u>	<u>SUPPORTIVE</u> <u>HOUSING</u>	<u>GATEWAY</u> <u>GRANT</u>	<u>TOTAL</u>
\$ (12,226)	\$ 0	\$ 0	\$ (20,658)
(13,215)	0	0	(1,436)
<u>30,072</u>	<u>0</u>	<u>0</u>	<u>383,212</u>
\$ 4,631	\$ 0	\$ 0	\$ 361,118
\$ 43,415	\$ 13,862	\$ 121	\$ (1,272,115)
<u>57,237</u>	<u>0</u>	<u>0</u>	<u>2,123,859</u>
\$ 100,652	\$ 13,862	\$ 121	\$ 851,744
(2,537,500)	0	0	(2,537,500)
<u>2,537,500</u>	<u>0</u>	<u>0</u>	<u>2,537,500</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(CONCLUDED)

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**OTHER INFORMATION**

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**



**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
Shreveport, Louisiana

**SECTION 8**  
**Combining Balance Sheet**  
**September 30, 1999**

	RENTAL CERTIFICATES	RENTAL VOUCHERS	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 48,536	\$ 66,843	\$ 55,944	\$ 20,397	\$ 2,897
Investments	620,653	206,884	31,156	35,607	22,254
Accounts receivable	0	37,021	0	11,352	79,329
Interest receivable	9,666	1,574	491	561	1,121
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 678,855</b>	<b>\$ 312,322</b>	<b>\$ 87,591</b>	<b>\$ 67,917</b>	<b>\$ 105,601</b>
<b>Fixed Assets</b>					
Fixed assets (net of accumulated depreciation)	68,660	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 747,515</b>	<b>\$ 312,322</b>	<b>\$ 87,591</b>	<b>\$ 67,917</b>	<b>\$ 105,601</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 152,970	\$ 5,968	\$ 62,986	\$ 43,068	\$ 0
Accrued payroll liabilities	17,717	0	0	0	0
Interfund payable	3,610	0	0	0	0
<b>Total Current Liabilities</b>	<b>\$ 174,297</b>	<b>\$ 5,968</b>	<b>\$ 62,986</b>	<b>\$ 43,068</b>	<b>\$ 0</b>
<b>Other Liabilities</b>					
Compensated absences payable	51,790	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 226,087</b>	<b>\$ 5,968</b>	<b>\$ 62,986</b>	<b>\$ 43,068</b>	<b>\$ 0</b>
<b>Fund Equity</b>					
<b>Retained Earnings:</b>					
Unreserved	\$ 521,428	\$ 306,354	\$ 24,605	\$ 24,849	\$ 105,601
<b>Total Fund Equity</b>	<b>\$ 521,428</b>	<b>\$ 306,354</b>	<b>\$ 24,605</b>	<b>\$ 24,849</b>	<b>\$ 105,601</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 747,515</b>	<b>\$ 312,322</b>	<b>\$ 87,591</b>	<b>\$ 67,917</b>	<b>\$ 105,601</b>

Exhibit 4

MOD REHAB #4	MOD REHAB #6	MOD REHAB #7	MOD REHAB #9	MOD REHAB #10	TOTAL
\$ 962	\$ 46,355	\$ 32,567	\$ 2,014	\$ 1,816	278,331
13,353	133,527	137,979	35,607	35,607	1,272,627
4,478	9,474	0	16,985	8,600	167,239
280	1,682	1,752	561	561	18,249
<u>\$ 19,073</u>	<u>\$ 191,038</u>	<u>\$ 172,298</u>	<u>\$ 55,167</u>	<u>\$ 46,584</u>	<u>1,736,446</u>
0	0	0	0	0	68,660
<u>\$ 19,073</u>	<u>\$ 191,038</u>	<u>\$ 172,298</u>	<u>\$ 55,167</u>	<u>\$ 46,584</u>	<u>1,805,106</u>
\$ 6,195	\$ 12,692	\$ 36,303	\$ 0	\$ 6,225	326,407
0	0	0	0	0	17,717
0	0	0	0	0	3,610
<u>\$ 6,195</u>	<u>\$ 12,692</u>	<u>\$ 36,303</u>	<u>\$ 0</u>	<u>\$ 6,225</u>	<u>347,734</u>
0	0	0	0	0	51,790
<u>\$ 6,195</u>	<u>\$ 12,692</u>	<u>\$ 36,303</u>	<u>\$ 0</u>	<u>\$ 6,225</u>	<u>399,524</u>
<u>\$ 12,878</u>	<u>\$ 178,346</u>	<u>\$ 135,995</u>	<u>\$ 55,167</u>	<u>\$ 40,359</u>	<u>1,405,582</u>
<u>\$ 12,878</u>	<u>\$ 178,346</u>	<u>\$ 135,995</u>	<u>\$ 55,167</u>	<u>\$ 40,359</u>	<u>1,405,582</u>
<u>\$ 19,073</u>	<u>\$ 191,038</u>	<u>\$ 172,298</u>	<u>\$ 55,167</u>	<u>\$ 46,584</u>	<u>1,805,106</u>

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
Shreveport, Louisiana

**SECTION 8**  
**Combining Schedule of Revenues, Expenses,**  
**and Changes in Fund Equity**  
**For the Year Ended September 30, 1999**

	<u>RENTAL</u> <u>CERTIFICATES</u>	<u>RENTAL</u> <u>VOUCHERS</u>	<u>MOD REHAB</u> <u>#1</u>	<u>MOD REHAB</u> <u>#2</u>	<u>MOD REHAB</u> <u>#3</u>
<b>OPERATING REVENUES</b>					
Dwelling rental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	<u>0</u>	<u>2,802</u>	<u>19,910</u>	<u>0</u>	<u>0</u>
Total revenues	<u>\$ 0</u>	<u>\$ 2,802</u>	<u>\$ 19,910</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>OPERATING EXPENSES</b>					
Administration	\$ 484,892	\$ 101,271	\$ 14,222	\$ 1,898	\$ 8,948
Tenant services	50,924	0	0	0	0
Ordinary maintenance & operations	43,603	0	0	0	0
Protective services	77,077	0	0	0	0
General expenses	100,036	17,190	0	200	2,514
Housing assistance payments	5,371,250	1,177,456	0	7,682	77,001
Depreciation	<u>29,281</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total operating expenses	<u>\$ 6,157,063</u>	<u>\$ 1,295,917</u>	<u>\$ 14,222</u>	<u>\$ 9,780</u>	<u>\$ 88,463</u>
Income from Operations	<u>\$ (6,157,063)</u>	<u>\$ (1,293,115)</u>	<u>\$ 5,688</u>	<u>\$ (9,780)</u>	<u>\$ (88,463)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest earnings	\$ 53,710	\$ 8,840	\$ 1,971	\$ 2,381	\$ 4,864
Annual contributions	<u>5,988,740</u>	<u>1,331,749</u>	<u>0</u>	<u>11,351</u>	<u>95,270</u>
Total nonoperating revenues (expenses)	<u>6,042,450</u>	<u>1,340,589</u>	<u>1,971</u>	<u>13,732</u>	<u>100,134</u>
NET INCOME	<u>\$ (114,613)</u>	<u>\$ 47,474</u>	<u>\$ 7,659</u>	<u>\$ 3,952</u>	<u>\$ 11,671</u>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR, AS ORIGINALLY STATED</b>					
	\$ 651,496	\$ 258,812	\$ 19,260	\$ 19,756	\$ 89,138
PRIOR PERIOD ADJUSTMENT	<u>(15,455)</u>	<u>68</u>	<u>(2,314)</u>	<u>1,141</u>	<u>4,792</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	<u>\$ 636,041</u>	<u>\$ 258,880</u>	<u>\$ 16,946</u>	<u>\$ 20,897</u>	<u>\$ 93,930</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 521,428</u>	<u>\$ 306,354</u>	<u>\$ 24,605</u>	<u>\$ 24,849</u>	<u>\$ 105,601</u>

Exhibit 5

MOD REHAB #4	MOD REHAB #6	MOD REHAB #7	MOD REHAB #9	MOD REHAB #10	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	22,712
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,712
\$ 4,356	\$ 40,555	\$ 40,156	\$ 12,546	\$ 11,660	\$ 720,504
0	0	0	0	0	50,924
0	0	0	0	0	43,603
0	0	0	0	0	77,077
906	8,240	8,240	2,486	2,487	142,299
46,581	595,922	615,364	119,940	137,227	8,148,423
0	0	0	0	0	29,281
\$ 51,843	\$ 644,717	\$ 663,760	\$ 134,972	\$ 151,374	\$ 9,212,111
\$ (51,843)	\$ (644,717)	\$ (663,760)	\$ (134,972)	\$ (151,374)	\$ (9,189,399)
1,230	7,511	7,792	2,503	2,503	93,305
51,178	662,615	684,891	141,024	153,779	9,120,597
52,408	670,126	692,683	143,527	156,282	9,213,902
\$ 565	\$ 25,409	\$ 28,923	\$ 8,555	\$ 4,908	\$ 24,503
\$ 11,965	\$ 144,038	\$ 94,331	\$ 45,587	\$ 31,265	\$ 1,365,648
348	8,899	12,741	1,025	4,186	15,431
\$ 12,313	\$ 152,937	\$ 107,072	\$ 46,612	\$ 35,451	\$ 1,381,079
\$ 12,878	\$ 178,346	\$ 135,995	\$ 55,167	\$ 40,359	\$ 1,405,582

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**GENERAL**

**COMPENSATION PAID BOARD MEMBERS**

*The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:*

Bob Owens, Chairman

Harold Kelly, Vice Chairman

E. A. Gene Richardson

Milton Williams

Reverend Dr. Murphy L. Hunt



Housing Authority of the City of Shreveport  
Shreveport, Louisiana

GOODMAN PLAZA  
Balance Sheet

Prepared for Bond Indenture  
September 30, 1999

Exhibit 6

ASSETS

Cash	\$ 14,631
Investments	1,205,366
Accounts receivable	14,006
Debt amortization funds	747,395
Unamortized bond discount and issue costs	243,727
Land, structures and equipment	4,845,376
Accumulated depreciation	<u>( 783,573)</u>
Total assets	<u>\$ 6,286,928</u>

LIABILITIES AND SURPLUS

Liabilities:	
Accounts payable	\$ 115,090
Bonds issued	5,295,000
Bonds retired	<u>( 660,000)</u>

Total liabilities 4,750,090

Surplus: 1,536,838

TOTAL LIABILITIES AND SURPLUS \$ 6,286,928

Housing Authority of the City of Shreveport  
Shreveport, Louisiana

GOODMAN PLAZA  
Statement of Revenues, Expenditures,  
and Changes in Surplus

Prepared for Bond Indenture  
For the Year Ended September 30, 1999

Exhibit 7

OPERATING REVENUES

Dwelling rental	\$ 320,512
Interest income	109,943
Federal revenue	34,370
Other income	<u>626,626</u>
Total operating revenues	<u>1,091,451</u>

OPERATING EXPENDITURES

Administration	96,137
Utilities	135,889
Ordinary maintenance and operations	250,926
General expense	164,530
Prior period adjustment	<u>( 1,788)</u>
Total operating expenditures	<u>645,694</u>

OTHER CHARGES

Interest and administration charges	309,887
Depreciation	118,444
Amortization	<u>12,828</u>
Total other charges	<u>441,159</u>

NET INCOME 4,598

BEGINNING SURPLUS, AS ORIGINALLY STATED 1,780,165

Prior period adjustment ( 247,925)

BEGINNING SURPLUS, RESTATED 1,532,240

ENDING SURPLUS \$ 1,536,838

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
Shreveport, Louisiana**

**STATEMENT OF CERTIFICATION OF ACTUAL  
MODERNIZATION COMPLETED  
September 30, 1999**

Exhibit 6

**PHA OWNED HOUSING (ACC FW 923)**

1. The actual modernization costs for the completed modernization program costs is as follows:

	<u>PROJECT LA 48P002 704 95</u>	<u>PROJECT LA 48P002 705 96</u>
Funds approved	\$ 1,256,669	\$ 1,053,010
Funds expended	<u>1,256,669</u>	<u>1,053,010</u>
Excess of funds approved	<u>\$ 0</u>	<u>\$ 0</u>
Funds advanced	\$ 1,256,669	\$ 1,053,010
Funds expended	<u>1,256,669</u>	<u>1,053,010</u>
Excess of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated September 28, 1998 for the Project LA 48P002 704 95 is in agreement with the PHA's records.
3. The distribution of costs as shown on the actual modernization cost certificate dated March 5, 1999 for Project LA 48P002 705 96 is in agreement with the PHA's records.
4. All modernization costs have been paid and all related liabilities have been discharged through payment.

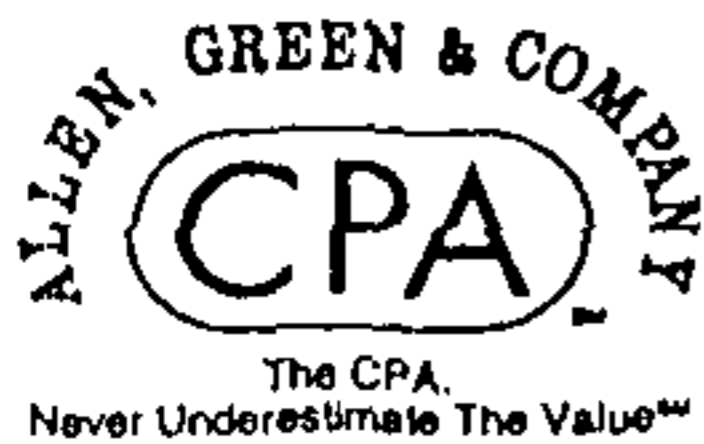
**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**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  
OFFICE 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 and/or material to federal awards programs.



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## **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 City of Shreveport  
Shreveport, Louisiana

We have audited the financial statements of the Housing Authority of the City of Shreveport, Shreveport, Louisiana, as of and for the year ended September 30, 1999, and have issued our report thereon dated February 25, 2000. 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 the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Management Letter Items

We noted other matters involving the internal control over financial reporting which we have reported to management of the Housing Authority in a separate letter dated February 25, 2000, included later in this report in the section titled Management Letter Items.

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green + Company, LLP*  
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
February 25, 2000

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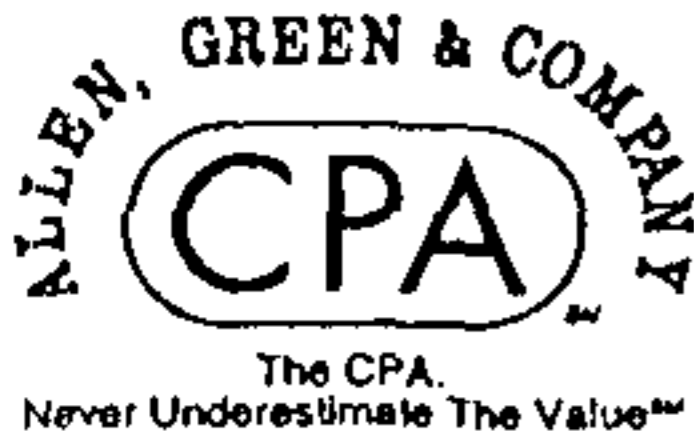
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## **Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133**

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

### Compliance

We have audited the compliance of the Housing Authority of the City of Shreveport, Shreveport, 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 September 30, 1999. The Housing Authority'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's management. Our responsibility is to express an opinion on the Housing Authority'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, Audits of States, Local Governments, and Non-Profit Organizations. Those 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 the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.*

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular No. A-133 and which is described in the accompanying schedule of findings and questioned costs as item 99-F1.

### Internal Control Over Compliance

The management of the Housing Authority 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 the Housing Authority'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.

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green + Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
February 25, 2000



**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 1999**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
United States Department of Agriculture Passed through Louisiana Department of Education: Child and Adult Care Food Program	10.558	N/A	\$ <u>12,604</u>
United States Department of Education Passed Through Louisiana Department of Education: Adult Education - State Administered Basic Grant Program (Gateway Grant)	84.002	N/A	<u>22,067</u>
United States Department of Housing and Urban Development Direct Programs			
Public and Indian Housing			
HOME Program	14.850(b)	FW923	571,271
Operating Subsidy	14.850(a)	FW923	<u>1,093,849</u>
Total Program			<u>1,665,120</u>
Public and Indian Housing Comprehensive Grant Programs	14.859	N/A	<u>1,590,496</u>
Section 8 Rental Certificate Program	14.857	FW2075	<u>5,988,740</u>
Section 8 Moderate Rehabilitation			
Mod Rehab #2	14.856	FW2075	11,351
Mod Rehab #3	14.856	FW2075	95,270
Mod Rehab #4	14.856	FW2075	51,178
Mod Rehab #6	14.856	FW2075	662,615
Mod Rehab #7	14.856	FW2075	684,891
Mod Rehab #9	14.856	FW2075	141,024
Mod Rehab #10	14.856	FW2075	<u>153,779</u>
Total Program			<u>1,800,108</u>
Section 8 Rental Vouchers Program	14.855	FW2075	<u>1,331,749</u>
Section 8 New Construction	14.182	N/A	<u>1,489,187</u>
Supportive Housing for Persons With Disabilities	14.181	N/A	<u>17,087</u>
Total United States Department of Housing and Urban Development			<u>13,882,487</u>
Total			<u>\$13,917,158</u>

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 1999**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to 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 the schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 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:

Low rent public housing	\$1,665,120
Public housing comprehensive grant program	1,590,496
Section 8	9,120,597
New construction and substantial rehabilitation	1,489,187
Business activities	12,604
Supportive housing	17,087
Gateway grant	<u>22,067</u>
Total	<u>\$13,917,158</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 98-14, "federal awards" do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of the Housing Authority bonds or for the Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" 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.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 1999**

**PART I - Summary of the Auditors' Results**

**Financial statement audit**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- 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 an audit finding which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA #14.859                      Public and Indian Housing Comprehensive Grant Programs
  - Section 8 Cluster
  - CFDA #14.855                      Section 8 Rental Vouchers Program
  - CFDA #14.857                      Section 8 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 \$417,515.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 1999**

**PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):**

**Reference # and title:                      99-F1                      Problems noted in Test of Tenant Files**

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

CFDA #14.855	Section 8 Rental Vouchers Program (FW 2075)
CFDA #14.857	Section 8 Rental Certificates Program (FW 2075)

**Criteria or specific requirement:** The Housing Authority must verify income eligibility and calculate the tenant's rent payment in accordance with 24 CFR sections 5.613 and 982.516. This includes determining adjusted gross income (including the value of assets totaling \$5,000 or more, expenses related to deductions from annual income, and other factors that affect the amount of assistance) and obtaining third-party verification of anticipated family annual income or documenting in the tenant file why third-party verifications were not possible (24 CFR sections 5.601 through 5.617, and 982.201).

The Housing Authority is required to submit Form 50058, Family Report, electronically to HUD each time the Housing Authority completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. The following key line items contain critical information: effective date of action, names, dates of birth, social security numbers, unit address, unit inspection dates, total annual income, and gross rent of unit.

The Housing Authority must determine that the rent to the owner is reasonable at the time of initial leasing (24CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.503).

**Condition found:** In testing tenant files the following exceptions were noted:

The rent calculation for one of the tenants was based on net income instead of gross income.  
The verified income for one tenant could not be reconciled to the amount reported on Form 50058.  
Two files did not contain documentation that a rent reasonableness test was conducted.  
Two files contained keypunch errors on the Form 50058. A birth date was incorrect in one and a social security number was incorrect in the other.

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

**Cause:** The auditor was unable to determine the cause.

**Effect:** It appears the tenant files referred to in the condition found section do not meet some federal standards.

**Recommendations to prevent future occurrences:** Files should be reviewed after all forms have been prepared to ensure information is complete and accurate.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Other Information**

The information in the following section concerns management's actions or intentions 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 City of Shreveport. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular No. A-133 Section 500(e), and accordingly, no opinion is expressed. Section 500(e) requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness 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 City of Shreveport  
Shreveport, Louisiana

Summary Schedule of Prior Audit Findings  
September 30, 1999

Finding reference #:                    98-1                    Inadequate Procedures Over Performing Rent Reasonableness Test

Initially occurred: Year ended September 30, 1998.

Condition: The Housing Authority uses three comparables for each bedroom size. The comparables for three-bedroom units has not changed since 1993. The same units and rent amounts are used presently as were used in 1993.

Corrective action taken: A directive was issued to the Section 8 contract administrator to conduct a rent comparability study city-wide by unit bedroom size and type immediately and annually thereafter for the duration of the contracted period. The rent comparability study was conducted by the Section 8 contract administrator as requested.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended September 30, 1999**

**Reference # and title:**                      **99-F1**                      **Problems Noted in Test of Tenant Files**

**Condition found:** In testing tenant files the following exceptions were noted:

The rent calculation for one of the tenants was based on net income instead of gross income.

The verified income for one tenant could not be reconciled to the amount reported on Form 50058.

Two files did not contain documentation that a rent reasonableness test was conducted.

Two files contained keypunch errors on the Form 50058. A birth date was incorrect in one and a social security number was incorrect in the other.

**Corrective action planned:** A directive will be issued to the Section 8 contract administrator to properly train it's staff in the Section 8 program's administration to include:

Determining participant's eligibility based on income and family composition

Review and double check documents for accuracy before confirming as record file and transmission

Ensure that each move-in file is documented by a rent reasonableness analysis to justify rental amount

**Person responsible for corrective action:**

Ms. Donzetta Kimble, Executive Director  
Housing Authority of the City of Shreveport  
623 Jordan Street  
Shreveport, Louisiana 71101

Telephone: (318) 227-8174

Fax: (318) 221-2579

**Anticipated completion date:** Immediately.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Management Letter Items**





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## Management Letter

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Housing Authority of the City of Shreveport, for the year ended September 30, 1999, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

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 February 25, 2000, on the financial statements of the Housing Authority. 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 internal control 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 as follows:

### **98-M1 Access to Check-Signing Device**

**Comment:** Adequate controls over disbursements require that duties be separated such that the person running accounts payable and payroll checks does not also have access to the check signer.

The Housing Authority runs checks off of a laser printer using a device to affix the seal and signatures when the check is run. This device is locked up in a fire-proof cabinet. The key to the fire-proof cabinet is kept in a locked filing cabinet. Most of the employees of the accounting department have a key which will open the filing cabinet and allow them access to the key to the fire-proof cabinet.

**Recommendation:** The key to the fire-proof cabinet where the check-signing device is kept should not be accessible to employees also running the accounts payable and payroll checks.

**Management's Response:** A directive will be issued to the Chief Financial Officer designating him as the primary custodian over the access key to the safe where the check signing device is stored. The Chief Financial Officer will assign a secondary person as custodian of the key in the Chief Financial Officer's absence. The Assistant Executive Director will monitor control for compliance to ensure that the check signing device is not accessible to the employees preparing payroll and accounts payable checks.

Board of Commissioners  
Housing Authority of the City of Shreveport  
Shreveport, Louisiana

**98-M1 General Ledger History Prints**

**Comment:** Due to a problem with the general ledger system, the history print for account balances does not include the correct beginning balance. In most cases the beginning balance is double the ending balance which also makes the ending balance incorrect. The transactions are correct and the trial balance is correct. Only the history prints are affected by this problem. This problem reduces the usefulness of the history prints to the accounting department and adds unnecessarily to their workload.

**Recommendation:** This problem should be corrected to ensure that history prints for accounts have correct ending balances.

**Management's Response:** The Chief Financial Officer will be directed to correct the problems with the general ledger history prints.

\* \* \* \* \*

We have performed no audit work to verify the content of the responses.

Included immediately following this letter is a Status of Prior Management Letter Items.

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 solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green + Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
February 25, 2000

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Status of Prior Management Letter Items  
September 30, 1999**

**98-M1 Error Reports From Multifamily Tenant Characteristics System (MTCS)**

**Comment:** This comment applies only to Section 8. The Housing Authority should have procedures in place to handle error reports from the MTCS Processing Center. According to the people responsible for processing the information, no procedures are in place to address these error reports.

**Corrective action taken:** The Section 8 contract administrator was directed to act on MTCS reports returned for corrections upon receipt, and complete and transmit all deferred MTCS reports to the MTCS processing center. A Housing Authority employee monitors the Section 8 contract administrator for compliance.

**98-M2 Suggestions to Improve Accounting System**

**Comment:** The Section 8 Existing, Voucher and Mod Rehab programs are accounted for in one fund. Revenue and expenditure items are detailed by program but the balance sheet for all programs is consolidated. For reporting purposes the programs are separated and the balance sheet must now be separated by use of a spreadsheet.

**Corrective action taken:** The Section 8 Existing, Voucher and Mod Rehab programs are still accounted for in one fund but the balance sheet is now detailed by program.

**Comment:** The Goodman Plaza debt service fund is not set up on the Housing Authority's books. Presently, some of the activity is recorded but not all the activity. For reporting purposes the activity in this fund is recorded from a spreadsheet.

**Corrective action taken:** A fund was set up for the debt service of Goodman Plaza and the monthly activity was recorded in this fund.

**Comment:** Stone Vista has a December 31 year-end and the activity included in the general ledger at September 30 did not include a full year. For reporting purposes Stone Vista activity is included for October through September.

**Corrective action taken:** Stone Vista was converted to the Housing Authority's year end of September 30 for general ledger recording.

**Housing Authority of the City of Shreveport  
Shreveport, Louisiana**

**Status of Prior Management Letter Items  
September 30, 1999**

**98-M3 Year 2000 Compliance**

**Comment:** The Housing Authority should strengthen the internal controls of its rent collection department. One person has too much control over the functions of this department. The supervisor should review more tenant files than she is now reviewing. Additionally, any adjustment to a tenant account receivable or tenant security deposit should be reviewed and approved in writing by the supervisor.

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect operations in the year 1999 and beyond. For many years programmers eliminated the first two digits from a year when writing programs. When the internal clocks in computers and other equipment roll over from 12/31/99 to 01/01/00 many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing data altogether.

The Governmental Accounting Standards Board has issued a Technical Bulletin which identifies four stages as necessary to implement a year 2000 compliant system. These four stages are described below:

Awareness Stage - Encompasses establishing a budget and project plan for dealing with the year-2000 issue.

Assessment Stage - The organization actually begins the process of identifying all of its systems and individual components of the systems.

Remediation Stage - The organization actually makes changes to systems and equipment. Decisions are made on how to make the systems or processes year 2000 compliant and the required system changes are made.

Validation/Testing Stage - The organization validates and tests the changes made during the conversion process.

**Corrective action taken:** The Housing Authority replaced and upgraded software to be year 2000 compliant and replaced computer hardware that was not year 2000 compliant. The Authority also prepared for converting to manual systems in the event of a year 2000 problem, but the Housing Authority did not experience any year 2000 problems with the December 31, 1999 rollover.