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HOUSING AUTHORITY OF THE  
TOWN OF BASILE, LOUISIANA

Report on Compiled  
Financial Statements

December 31, 1998

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

**JUN 02 1999**

Release Date \_\_\_\_\_

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Board of Directors  
Basile Housing Authority  
Basile, Louisiana 70515

We have compiled the accompanying general purpose financial statements of The Housing Authority of the Town of Basile, as of and for the two years ended December 31, 1998, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form financial statements information that is the representation of management of The Housing Authority of The Town of Basile. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Vige & Tujague  
May 19, 1999

FINANCIAL SECTION

HOUSING AUTHORITY OF THE TOWN OF BASILE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1998

	<u>Governmental</u> <u>Fund</u>	<u>Account</u> <u>Group</u>	
	<u>General</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
Cash and cash equivalents	\$ 28,209	\$ -	\$ 28,209
Receivables (net of allow- ance for uncollectible)	880	-	880
Prepaid items	1,557	-	1,557
Land, buildings and equipment	-	815,004	815,004
Total Assets	<u>\$ 30,646</u>	<u>\$815,004</u>	<u>\$845,650</u>

See Accountants' Compilation Report and Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF BASILE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1998

	<u>Governmental Fund</u>	<u>Account Group</u>	
	<u>General</u>	<u>General Fixed Assets</u>	<u>Totals (Memorandum Only).</u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts, and other payables	\$ 3,957	\$ -	\$ 3,957
Deposits due others	<u>2,358</u>	<u>-</u>	<u>2,358</u>
Total Liabilities	<u>6,315</u>	<u>-</u>	<u>6,315</u>
Equity and Other Credits:			
Investment in general fixed assets	-	815,004	815,004
Fund balances:			
Reserved	-	-	-
Unreserved	<u>24,331</u>	<u>-</u>	<u>24,331</u>
Total Equity and Other Credits	<u>24,331</u>	<u>815,004</u>	<u>839,335</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 30,646</u>	<u>\$ 815,004</u>	<u>\$845,650</u>

See Accountants' Compilation Report and Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF BASILE  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GENERAL FUND  
 For the Two Years Ended December 31, 1998

	<u>1998</u>	<u>1997</u>
<b>REVENUES</b>		
Local sources:		
Dwelling rental	\$ 28,135	\$ 25,293
Interest earnings	696	741
Other - grants	-	38,898
Federal sources:		
Operating subsidy	<u>18,821</u>	<u>23,133</u>
Total revenues	<u>47,652</u>	<u>88,065</u>
 <b>EXPENDITURES</b>		
Current:		
Administration	15,949	14,789
Utilities	9,834	11,813
Ordinary maintenance	10,701	8,757
General expenditures	9,105	9,291
Capital expenditures	<u>5,477</u>	<u>38,698</u>
Total expenditures	<u>51,066</u>	<u>83,348</u>
 <b>EXCESS (deficiency) OF REVENUES OVER (under) EXPENDITURES</b>		
	(3,414)	4,717
 <b>FUND BALANCE, BEGINNING</b>		
	<u>27,745</u>	<u>23,028</u>
 <b>Fund Balance, Ending</b>		
	<u>\$ 24,331</u>	<u>\$ 27,745</u>

See Accountants' Compilation Report and Notes to Financial Statements.

HOUSING AUTHORITY OF THE TOWN OF BASILE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
 For the two Years Ended December 31, 1998

	GENERAL FUND-1998			GENERAL FUND- 1997		
	BUDGET	ACTUAL	Variance Favorable (Unfavorable)	BUDGET	ACTUAL	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Local sources:						
Dwelling rental	\$ 25,055	\$ 28,135	\$ 3,080	\$ 23,292	\$ 25,293	\$ 2,001
Interest earnings	1,050	696	(354)	1,259	741	(518)
Other- Grant	-	-	-	38,898	38,898	-
Federal sources:						
Operating subsidy	<u>26,105</u>	<u>18,821</u>	<u>(7,284)</u>	<u>21,252</u>	<u>23,133</u>	<u>1,881</u>
Total revenues	<u>52,210</u>	<u>47,652</u>	<u>(4,558)</u>	<u>84,701</u>	<u>88,065</u>	<u>3,364</u>
<b>EXPENDITURES</b>						
Current:						
Administration	16,420	15,949	471	13,726	14,789	(1,063)
Utilities	12,913	9,834	3,079	10,849	11,813	(964)
Ordinary maintenance	9,600	10,701	(1,101)	9,600	8,757	843
General expenditures	10,650	9,105	1,545	10,550	9,291	1,259
Capital expenditures	<u>2,800</u>	<u>5,477</u>	<u>(2,677)</u>	<u>38,898</u>	<u>38,698</u>	<u>200</u>
Total expenditures	<u>52,383</u>	<u>51,066</u>	<u>1,317</u>	<u>83,623</u>	<u>83,348</u>	<u>275</u>
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES</b>						
	(173)	(3,414)	(3,241)	1,078	4,717	3,639
<b>FUND BALANCE, BEGINNING</b>						
	28,680	27,745	(935)	26,293	23,028	(3,265)
<b>Fund Balance, Ending</b>						
	<u>\$ 28,507</u>	<u>\$ 24,331</u>	<u>\$ (4,176)</u>	<u>\$ 27,371</u>	<u>\$ 27,745</u>	<u>\$ 374</u>

See Accountants' Compilation Report and Notes to Financial Statements.



NOTES TO  
GENERAL PURPOSE  
FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF BASILE  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1998

INTRODUCTION

The Housing Authority of the Town of Basile was created by Louisiana Revised Statute (LSA-R.S) 40:391 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Basile, Louisiana.

The authority is administered by a five-member board appointed by the Mayor. Members of the board serve three-year terms.

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

At December 31, 1998, the authority managed 22 public housing units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the 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.

Reporting Entity

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

The authority is a related organization of the Town of Basile, Louisiana since the mayor appoints a voting majority of the authority's governing board. The Town of Basile, Louisiana is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the Town of Basile, Louisiana. Accordingly, the authority is not a component unit of the financial reporting entity of the Town of Basile, Louisiana.

The authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the authority.

## NOTES TO FINANCIAL STATEMENT (continued)

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, 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 authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

### Fund Accounting

The authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The fund classifications follow:

### Governmental Funds

Governmental funds account for all or most of the authority's general activities, including the collection and disbursement of specific or legally restricted monies the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

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

### Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

## NOTES TO FINANCIAL STATEMENTS (continued)

### Revenues

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

Rental income and other income are recorded in the month earned.

Interest earnings are recorded when time deposits mature and interest is credited to the authority's deposits.

### Expenditures

Expenditures are recorded when the related fund liability is incurred. This includes expenditures for salaries and capital outlay in the general fund.

### Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

### Budgets

The authority uses the following budget practices:

1. The Executive Director prepares a proposed budget and submits same to the Board Commissioners no later than thirty days prior to the beginning of each fiscal year.
2. Following discussion and acceptance of the budget by the Board, it is sent to HUD for approval.
3. Upon approval by HUD, the budget is formally adopted.
4. Any budgetary amendments require the approval of the Executive Director and Board of Commissioners.
5. Any budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The budget comparison presented in the financial statements includes the original budget and all amendments.

## NOTES TO FINANCIAL STATEMENTS (continued)

### Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts and certificates of deposit with original maturities of 90 days or less. Under state law, the 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.

Under state law, the authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

### Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or 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.

### Prepaid Items

Payments made to insurance companies for coverage that will benefit the period beyond December 31, 1998 are recorded as prepaid insurance.

### Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No construction period interest costs have been incurred and capitalized for the fiscal year ended December 31, 1998. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

### Compensated Absences

The authority has one part time employee, hence no compensated absences are accrued.

### Fund Equity

#### **Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

NOTES TO FINANCIAL STATEMENTS (continued)

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

Total Columns on Combined Statements

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

NOTE 2 - FUND DEFICITS

No individual funds have deficits in unreserved fund balance at December 31, 1998.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1998, the authority has cash and cash equivalents totaling \$28,209 as follows:

Demand deposits	\$ 12,159
Time deposits	<u>16,050</u>
Total	<u>\$ 28,209</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the authority has \$28,209 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$-0- of pledged securities held by the custodial bank in the name of the fiscal agent banks (GASB Category 3).

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 - RECEIVABLES

The receivables of \$880 December 31, 1998, are as follows:

<u>Class of</u> <u>Receivable</u>	<u>General</u> <u>Fund</u>
Local sources:	
Tenants	<u>\$ 880</u>

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance</u> <u>December 31, 1996</u>	<u>1997</u> <u>Additions</u>	<u>1998</u> <u>Additions</u>	<u>Balance</u> <u>December 31, 1998</u>
Land, Building & Etc.	<u>\$ 770,829</u>	<u>\$ 38,698</u>	<u>\$ 5,477</u>	<u>\$815,004</u>

NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$3,957 at December 31, 1998, are as follows:

<u>General Fund</u>	<u>Amount</u>
Withholdings	\$ 783
Accounts	<u>3,174</u>
Total	<u>\$ 3,957</u>

NOTE 7 - LITIGATION AND CLAIMS

At December 31, 1998, the authority was not involved in any lawsuits or aware of any claims against it.

NOTE 8 - FEDERAL COMPLIANCE CONTINGENCIES

No questions of disallowed costs were noted for inclusion in our report.

Note 9- Related Party Transactions

The Authority contracted with Vezina Appliance to perform electrical work. A board member owns this company and is the only licensed electrician in town. The total amount of expenditures were \$1,207 and \$374 for years ended December 31, 1998 and 1997, respectively.