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**Housing Authority of the Town of Grambling
Grambling, Louisiana**

**General Purpose Financial Statements and
Independent Auditors Reports
As of and for the Year Ending September 30, 2000
With Supplemental Information Schedules**

*WILLIAM DANIEL McCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION*

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MANDEVILLE, LOUISIANA 70471

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 04/11/01

TABLE OF CONTENTS

Independent auditor's report and unqualified opinion on general purpose financial statements.

Exhibits– General purpose financial statements as of and for the fiscal year ending September 30, 2000:

- (A) Combined Balance Sheet for all funds
- (B) Combined Statement of Revenue, Expenses, and Change in Equity for all funds
- (C) Combined Statement of Cash Flows for all funds
- (D) Combined Statement of Revenues & Expenditures – Budget vs Actual for the general fund

Notes to the financial statements

Supplementary information schedules (GAAP):

- I Schedule of Expenditures of Federal Awards
- II Combining Balance Sheet for all funds
- III Combining Statement of Revenue, Expenses, and Change in Equity for all funds

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with governmental auditing standards

Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

Schedule of Prior Audit Findings

Schedule of Audit Adjusting Journal Entries

Schedule of Current Audit Findings and Questioned Costs

Schedule of Corrective Action Plan

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**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Commissioners
Housing Authority of the Town of Grambling
Grambling, Louisiana

I have audited the accompanying general purpose financial statements of the Housing Authority of the Town of Grambling (PHA) as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Town of Grambling as of September 30, 2000, and the results of its operations and the cash flows of its propriety fund types for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated February 15, 2001 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain 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 results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying Schedule of Expenditures of Federal Awards and Financial Data Schedule are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, and are 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 my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 15, 2001

**Housing Authority of the Town of Grambling
Grambling, Louisiana
Combined Balance Sheet - All Funds
As of September 30, 2000**

EXHIBIT A
Page 1 of 1

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 466,224
Total Accounts Receivable, Net of Allowance for Doubtful Accounts	31,316
Investments - Unrestricted	-
Interprogram Due From	112,859
Prepaid Expenses and Other Assets	16,218
Inventories	225
Total Current Assets	\$ 626,842
Noncurrent Assets:	
Total Fixed Assets, Net of Accumulated Depreciation	\$ 1,565,463
Other Assets	\$ -
Total Noncurrent Assets	\$ 1,565,463
Total Assets	\$ 2,192,305

Liabilities and Equity

Current Liabilities:	
Accrued Compensated Absences	\$ -
Accrued Wage/Payroll Taxes Payable	3,065
Accounts Payable < 90 Days	7,628
Accounts Payable - HUD PHA Programs	371,503
Accounts Payable - Other Government	-
Tenant Security Deposits	6,400
Deferred Revenues	7,615
Current Portion of LT Debt - Capital Projects	-
Accrued Liabilities - Other	-
Interprogram Due To	112,859
Total Current Liabilities	\$ 509,070
Total Noncurrent Liabilities	9,915
Total Liabilities	\$ 518,985
Total Fund Equity	\$ 1,673,320
Total Liabilities and Equity	\$ 2,192,305

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

EXHIBIT B

Page 1 of 1

**Combined Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000**

Revenues:	
Net Tenant Rental Revenue	\$ 79,249
HUD PHA Grants	451,141
Other Government Grants	-
Investment Income - Unrestricted	9,803
Other Revenue	3,487
Total Revenues	<u>\$ 543,680</u>
Operating Expenses:	
Administrative	\$ 132,431
Tenant Services	36
Utilities	9,752
Ordinary Maintenance & Operations	57,363
Extraordinary Maintenance	-
Insurance Premiums	30,313
Other General Expenses	10,517
Total Operating Expenses Before Depreciation	<u>\$ 240,412</u>
Excess Revenue Over Expenses Before Depreciation	\$ 303,268
Housing Assistance Payments	301,043
Casualty Losses - Non-capitalized	390
Depreciation Expense	87,901
Operating Transfers - In	
Operating Transfers - Out	
Net Operating Income (Loss) After Depreciation	<u>\$ (86,066)</u>
Beginning Equity @ 9/30/99	\$ 1,461,944
Net Operating Income (Loss) After Depreciation	(86,066)
Prior Period Adjustments	-
Capital Outlays	297,442
Ending Equity @ 9/30/00	<u>\$ 1,673,320</u>

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000**

EXHIBIT C
Page 1 of 2

Cash flows from operating activities:	
Cash received from tenants	\$ 79,249
Cash received from other income	3,487
Cash paid for goods and services	(428,101)
Cash paid to employees	<u>(93,967)</u>
Net cash provided by operating activities	<u>\$ (439,332)</u>
Cash flows from noncapital financing activities:	
Operating grants and subsidies - soft costs	\$ 34,387
Cash paid for goods and services	<u>(19,387)</u>
Net cash - soft costs	\$ 15,000
State/Local Grants	\$ -
Operating subsidy - Low rent	\$ 79,547
Operating subsidy - Section 8	<u>\$ 337,207</u>
Net cash provided from noncapital financing activities	<u>\$ 431,754</u>
Cash flows from capital and related financing activities:	
Proceeds from grants	297,442
Acquisition of capital assets	(297,442)
Proceeds from financing	
Acquisition of capital assets	<u></u>
Net cash used for capital and related financing activities	\$ -
Cash flows from investing activities:	
Interest on Investments	<u>\$ 9,803</u>
Total cash from investing activities	\$ 9,803
Total Cash Provided (Page 1)	\$ 2,225

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000**

EXHIBIT C
Page 2 of 2

Reconciliation of operating income to net cash provided by operating activities:

Adjustments to reconcile operating income to net cash	\$	<u>(3,416)</u>
Total net adjustments -non cash	\$	(3,416)
Adjustments to reconcile operating income to net cash:		
(Increase) Decrease in tenant rents receivable	\$	(335)
(Increase) Decrease in accounts receivable HUD-other projects		(22,241)
(Increase) Decrease due in supplies inventory		176
(Increase) Decrease in prepaid expenses		(2,213)
(Increase) Decrease in undistributed debits		
(Increase) Decrease in accounts receivable misc		(51)
Increase (Decrease) in accounts payable other governments		
Increase (Decrease) in deferred revenues		7,615
Increase (Decrease) in accounts payable misc		644
Increase (Decrease) in accounts payable HUD		219,876
Increase (Decrease) in accrued compensated absences		4,000
Increase (Decrease) in payroll taxes payable		2,787
Increase (Decrease) in tenant security deposits		<u>(3,150)</u>
Total adjustments to reconcile operating income to net cash	\$	<u>207,108</u>
Net change (decrease) in cash and cash equivalents	\$	205,917
Cash and cash equivalents at beginning of year		<u>260,307</u>
Cash and cash equivalents at end of year (exhibit A)	\$	<u><u>466,224</u></u>

See notes to financial statements

Housing Authority of the Town of Grambling
Grambling, Louisiana
Combined Statement of Revenues & Expenditures - Budget vs. Actual
Low-Rent Public Housing & Section 8 Programs
For Fiscal Year Ending September 30, 2000

	Low Rent Public Housing			Section 8 Voucher Program			Section 8 Moderate Rehab		
	Budget (HUD 52599)	Actual (Sch 3, Col B)	Variance Actual-Budget Over (Under)	Budget (HUD 52681)	Actual (Sch 3, Col H)	Variance Actual-Budget Over (Under)	Budget (HUD 52681)	Actual (Sch 3, Col H)	Variance Actual-Budget Over (Under)
Revenues									
Local Sources:									
Total Tenant Rental Revenue	\$ 87,060	\$ 79,249	\$ (7,811)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income - Unrestricted	2,580	3,001	421	-	6,802	6,802	-	-	-
Receipts from Sale of Equipment	-	-	-	-	-	-	-	-	-
Other Revenue	190,274	3,487	(186,787)	-	-	-	-	-	-
Federal Sources:									
Operating Subsidy / HUD PHA Grants	79,547	79,547	-	705,231	334,884	(370,347)	3,278	2,323	(955)
Annual Contributions	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 359,461	\$ 165,284	\$ (194,177)	\$ 705,231	\$ 341,686	\$ (363,545)	\$ 3,278	\$ 2,323	\$ (955)
Expenditures									
Administrative	\$ 51,700	\$ 49,467	\$ (2,233)	\$ 85,200	\$ 54,940	\$ (30,260)	\$ 284	\$ -	\$ (284)
Tenant Services	1,200	36	(1,164)	-	-	-	-	-	-
Utilities	10,030	9,752	(278)	-	-	-	-	-	-
Ordinary Maintenance & Operations	72,400	54,130	(18,270)	-	-	-	-	-	-
Employee Benefit Contributions	16,430	8,082	(8,348)	-	3,788	3,788	-	-	-
Other General Expenses	37,540	33,340	(4,200)	-	1,090	1,090	-	-	-
Payments in Lieu of Taxes	-	6,400	6,400	-	-	-	-	-	-
Nonroutine Maintenance	12,300	-	(12,300)	-	-	-	-	-	-
Capital Expenditures	18,530	-	(18,530)	-	-	-	-	-	-
Housing Assistance Payments	-	-	-	617,856	299,011	(318,845)	2,994	2,032	(962)
Total Expenditures	\$ 220,130	\$ 161,207	\$ (58,923)	\$ 703,056	\$ 358,829	\$ (344,227)	\$ 3,278	\$ 2,032	\$ (1,246)
Excess Revenues (Deficiency) Over Expenses	\$ 139,331	\$ 4,077	\$ (135,254)	\$ 2,175	\$ (17,143)	\$ (19,318)	\$ -	\$ 291	\$ 291

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

Housing Authorities are chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Grambling, Louisiana. This creation was contingent upon the local governing body of the city, county, or parish as applicable. A five member Board of Commissioners governs the PHA. The members, appointed by the Mayor of Grambling, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of 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 PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

NOTE A - FINANCIAL REPORTING:

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of September 30, 2000, and for the fiscal then ended, the PHA had no discretely presented component units or any component units that are required to be blended in these financial statements.

(2) Accounting Principle

The PHA uses the governmental GAAP enterprise method of accounting.

The enterprise method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The enterprise method recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable.

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

Depreciation expense must be recognized for the enterprise method of accounting. Under the HUD regulatory method of accounting, depreciation was not recognized.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(3) Budgetary Data

The PHA is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS:

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 2000. The categories are described as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3: Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category 1	Category 2	Category 3
\$466,224	\$100,000	\$ -0-	\$366,224

NOTE C - ACTIVITIES OF THE PHA:

At September 30, 2000, the PHA was managing 96 units of low-rent public housing under contract number FW-1444, a public housing comprehensive improvement assistance program, and section 8 rental voucher and moderate rehabilitation programs.

NOTE D - CONTINGENCIES:

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

NOTE E - FIXED ASSETS:

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Non-dwelling structures	20 Years
Equipment	3-7 Years

Public Housing Low Rent	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Land	\$ 120,589	-0-	-0-	\$ 120,589
Buildings	2,641,823	68,411	1,760,469	881,354
Furniture & Equipment -- Dwellings	52,575	1,361	35,011	17,564
Furniture & Equipment -- Administration	70,513	1,826	46,982	23,531
Leasehold Improvements	624,752	16,177	416,287	208,465
TOTAL	\$ 3,510,252	\$ 87,775	\$ 2,258,749	\$ 1,251,503

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

Public Housing CIAP	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Land	-0-	-0-	-0-	-0-
Buildings	-0-	-0-	-0-	-0-
Furniture & Equipment – Dwellings	-0-	-0-	-0-	-0-
Furniture & Equipment – Administration	\$ 628	\$ 126	\$ 126	\$ 502
Construction In Progress	313,458	-0-	-0-	313,458
TOTAL	\$ 314,086	\$ 126	\$ 126	\$ 313,960

The capitalization limit is \$5,000.

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F - LONG-TERM DEBT:

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the authority, and accordingly, have not been reported in the accompanying financial statements. The amount of this debt that has been reclassified to HUD Equity is \$934,728.

NOTE G - RETIREMENT PLAN:

The entity provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-month exclusionary period. The employee contributes 5% and the entity contributes 8% of the employee's base monthly salary. The entity's contributions for each employee (and interest allocated to the employee's account) vest at 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll for the fiscal year ending September 30, 2000 was \$93,967. The entity's contributions were calculated using the base salary amount of \$93,967. Contributions to the plan were \$4,698 and \$7,517, by the employees and the entity, respectively.

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

NOTE H - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

NOTE I - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

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

NOTE J - PRIOR PERIOD ADJUSTMENTS

None

NOTE K - INTERFUND RECEIVABLES / PAYABLES:

<i>Low Rent Interfund Receivable</i>	<i>112,859</i>
<i>Vouchers Interfund Payable</i>	<i>(112,709)</i>
<i>MR Interfund Payable</i>	<i>(150)</i>

NOTE L - COMPENSATED ABSENCES:

At September 30, 2000, employees of the PHA have accumulated and vested no employee-leave benefits, computed in accordance with GASB Codification Section C60.

**Housing Authority of the Town of Grambling
 Grambling, Louisiana
 Expenditures of Federal Awards
 For Fiscal Year Ending September 30, 2000**

**SCHEDULE I
 Page 1 of 1**

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	79,547
14.852	Public Housing Comprehensive Improvement Assistance Program	331,828
14.855	Section 8 Rental Voucher Program	334,885
14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	2,032
Total Federal Expenditures		<u>\$ 748,292</u>

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana
Combining Balance Sheet - All Funds
As of September 30, 2000**

SCHEDULE II
Page 1 of 2

<u>Assets</u>	<i>Public Housing</i>		<i>Section 8 Programs</i>		<i>Total</i>
	<i>Low Rent</i>	<i>CIAP</i>	<i>Rental Voucher</i>	<i>Moderate Rehab</i>	
Current Assets:					
Cash - Unrestricted	\$ 13,340	\$ -	\$ 452,884	\$ -	\$ 466,224
Cash - Restricted	-	-	-	-	-
Total Cash	\$ 13,340	\$ -	\$ 452,884	\$ -	\$ 466,224
Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable - HUD Other Projects	17,589	-	12,242	-	29,831
Accounts Receivable - Other Government	-	-	-	-	-
Accounts Receivable - Miscellaneous	502	-	-	-	502
Accounts Receivable - Tenants Dwelling Rents	3,604	-	-	-	3,604
Allowance for Doubtful Accounts - Dwelling Rents	(2,621)	-	-	-	(2,621)
Fraud Recovery	-	-	-	-	-
Total Accounts Receivable, Net of Allowance	\$ 19,074	\$ -	\$ 12,242	\$ -	\$ 31,316
Interprogram Due From	\$ 112,859	\$ -	\$ -	\$ -	\$ 112,859
Prepaid Expenses and Other Assets	16,218	-	-	-	16,218
Inventories	225	-	-	-	225
Total Other Assets	\$ 129,302	\$ -	\$ -	\$ -	\$ 129,302
Total Current Assets	\$ 161,716	\$ -	\$ 465,126	\$ -	\$ 626,842
Noncurrent Assets:					
Land	\$ 120,589	\$ -	\$ -	\$ -	\$ 120,589
Buildings	2,641,823	-	-	-	2,641,823
Furniture, Equipment & Machinery - Dwellings	52,575	-	-	-	52,575
Furniture, Equipment & Machinery - Administration	70,513	628	-	-	71,141
Leasehold Improvements	624,752	-	-	-	624,752
Accumulated Depreciation	(2,258,749)	(126)	-	-	(2,258,875)
Construction In Progress	-	313,458	-	-	313,458
Total Fixed Assets, Net of Accumulated Depreciation	\$ 1,251,503	\$ 313,960	\$ -	\$ -	\$ 1,565,463
Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total Noncurrent Assets	\$ 1,251,503	\$ 313,960	\$ -	\$ -	\$ 1,565,463
Total Assets	\$ 1,413,219	\$ 313,960	\$ 465,126	\$ -	\$ 2,192,305

See notes to financial statements

**Housing Authority of the Town of Grambling
Grambling, Louisiana
Combining Balance Sheet - All Funds
As of September 30, 2000**

SCHEDULE II
Page 2 of 2

<u>Liabilities and Equity</u>	<u>Public Housing</u>		<u>Section 8 Programs</u>		<u>Total</u>
	<u>Low Rent</u>	<u>CIAP</u>	<u>Rental Voucher</u>	<u>Moderate Rehab</u>	
Current Liabilities:					
Accrued Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wage/Payroll Taxes Payable	3,065				3,065
Accounts Payable < 90 Days	7,628				7,628
Accounts Payable - HUD PHA Programs			370,548	955	371,503
Accounts Payable - Other Government					-
Tenant Security Deposits	6,400				6,400
Deferred Revenues	7,615				7,615
Current Portion of LT Debt - Capital Projects					-
Accrued Liabilities - Other					-
Interprogram Due To			112,709	150	112,859
Total Current Liabilities	\$ 24,708	\$ -	\$ 483,257	\$ 1,105	\$ 509,070
Noncurrent Liabilities:					
Long-term Debt, Net of Current - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Noncurrent Liabilities - Other	4,464		5,451		9,915
Total Noncurrent Liabilities	\$ 4,464	\$ -	\$ 5,451	\$ -	\$ 9,915
Total Liabilities	\$ 29,172	\$ -	\$ 488,708	\$ 1,105	\$ 518,985
Equity:					
Project Notes (HUD)	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term Debt - HUD Guaranteed	934,728				934,728
Net HUD PHA Contributions	393,540	313,960			707,500
Other Contributions					-
Total Contributed Capital	\$ 1,328,268	\$ 313,960	\$ -	\$ -	\$ 1,642,228
Undesignated Fund Balance/Retained Earnings	\$ 55,779		\$ (23,582)	\$ (1,105)	31,092
Total Equity	\$ 1,384,047	\$ 313,960	\$ (23,582)	\$ (1,105)	\$ 1,673,320
Total Liabilities and Equity	\$ 1,413,219	\$ 313,960	\$ 465,126	\$ -	\$ 2,192,305

See notes to financial statements

SCHEDULE III
 Page 1 of 2
 Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
 For Fiscal Year Ending September 30, 2000

	Public Housing		Section 8 Programs			Total
	Low Rent	CIAP	Rental Voucher	Moderate Rehab		
Revenues:						
Net Tenant Rental Revenue	\$ 73,751	\$ -	\$ -	\$ -	\$ -	\$ 73,751
Net Tenant Revenue - Other	5,498	-	-	-	-	5,498
Total Tenant Rental Revenue	\$ 79,249	\$ -	\$ -	\$ -	\$ -	\$ 79,249
HUD PHA Grants	\$ 79,547	\$ 34,387	\$ 334,884	\$ 2,323	\$ -	\$ 451,141
Other Government Grants						
Investment Income - Unrestricted	3,001		6,802			9,803
Other Revenue	3,487					3,487
Total Other Revenue	\$ 86,035	\$ 34,387	\$ 341,686	\$ 2,323	\$ -	\$ 464,431
Total Revenue	\$ 165,284	\$ 34,387	\$ 341,686	\$ 2,323	\$ -	\$ 543,680
Operating Expenses:						
Administrative Salaries	\$ 27,805		\$ 47,940		\$ -	\$ 75,745
Auditing Fees	5,930		5,082			11,012
Compensated Absences	2,082		1,918			4,000
Employee Benefit Contributions-Administrative	4,849		3,788			8,637
Other Operating - Administrative	13,650	19,387				33,037
Tenant Services-Salaries						
Employee Benefit Contributions-Tenant Services						
Tenant Services-Other	36					36
Water	165					165
Electricity	8,962					8,962
Gas	485					485
Other Utilities Expense	140					140
Ordinary Maintenance & Operations-Labor	18,222					18,222
Ordinary Maintenance & Operations-Materials	11,489					11,489
Ordinary Maintenance & Operations-Contract	24,419					24,419
Employee Benefit Contributions-Maintenance	3,233					3,233
Insurance Premiums	30,313					30,313
Other General Expenses			1,090			1,090
Extraordinary Maintenance						
Payments in Lieu of Taxes	6,400					6,400
Bad Debt - Tenant Rents	3,027					3,027
Interest Expense						
Total Operating Expenses Before Depreciation	\$ 161,207	\$ 19,387	\$ 59,818	\$ -	\$ -	\$ 240,412

See notes to financial statements

Housing Authority of the Town of Grambling
 Grambling, Louisiana

SCHEDULE III
 Page 2 of 2

Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
 For Fiscal Year Ending September 30, 2000

	Public Housing		Section 8 Programs			Total
	Low Rent	CIAP	Rental Voucher	Moderate Rehab		
Excess Revenue Over Expenses Before Depreciation	\$ 4,077	\$ 15,000	\$ 281,868	\$ 2,323	\$	\$ 303,268
Housing Assistance Payments			299,011	2,032		301,043
Casualty Losses - Non-Capitalized	390					390
Depreciation Expense	87,775	126				87,901
Operating Transfers - In	15,000					15,000
Operating Transfers - Out		(15,000)				(15,000)
Net Operating Income (Loss) After Depreciation	\$ (69,088)	\$ (126)	\$ (17,143)	\$ 291	\$	\$ (86,066)
Beginning Equity @ 9/30/99	\$ 1,453,135	\$ 16,644	\$ (6,439)	\$ (1,396)	\$	\$ 1,461,944
Net Operating Income (Loss) After Depreciation	(69,088)	(126)	(17,143)	291		(86,066)
Prior Period Adjustments						
Capital Outlays Enterprise Fund		297,442				297,442
Ending Equity @ 9/30/00	\$ 1,384,047	\$ 313,960	\$ (23,582)	\$ (1,105)	\$	\$ 1,673,320

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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 GOVERNMENTAL AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the Town of Grambling
Grambling, Louisiana

I have audited the financial statements of the Housing Authority of the Town of Grambling (PHA), as of and for the year ended September 30, 2000 and have issued my report thereon dated February 15, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2000-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable

conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the PHA's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item 2000-1.

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 the 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. My consideration of the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 2000-1 to be a material weakness.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 15, 2001

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

Board of Commissioners
Housing Authority of the Town of Grambling
Grambling, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the Town of Grambling (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2000. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with: generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that I 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 PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

In my opinion, the PHA's 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, 2000.

Internal Control Over Compliance

The management of the PHA 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 my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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 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. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 15, 2001

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior audit Finding Number 99-1 (the audit for fiscal year ending 9/30/99 was late per state law) was not repeated in the current year.

The current audit is timely. Finding Number 2000-1 does indicate, however, that the same condition of late financials is causing continuing problems.

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

SCHEDULE OF AUDIT ADJUSTING JOURNAL ENTRIES

None

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS***

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- iii. The audit disclosed noncompliance that is material to the financial statements.
- iv. No reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was unqualified.
- vi. The report disclosed no audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

<u>CFDA#</u>	<u>Name of Program</u>
14.855	Section 8 Rental Voucher Program
14.856	Section 8 Moderate Rehabilitation Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- ix. The auditee was considered a low risk auditee.

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS
(continued)***

2. Finding(s) relating to the financial statements required to be reported with GAGAS are as follows:

Finding Number 2000-1

Statement of Condition(s)-The PHA received the monthly accounting reports from the fee accountant seriously late during the fiscal year. The PHA received all monthly reports from January 2000 through July 2000 on September 25, 2000, 6 days prior to the end of the fiscal year. The year-end financials were not submitted to HUD in a timely fashion, causing the PHA to lose 2 points of the PHAS score. As of the date of the fieldwork, February 15, 2001, the PHA had not received from the fee accountant the monthly reports for October 2000 through January 2001.

Criteria-The PHA must receive monthly financial reports in a timely manner in order to properly monitor budget versus actual figures.

Cause-The PHA indicates that the cause was a lack of communication between the PHA ED and the fee accountant. The ED hesitated to send monthly documentation to the fee accountant because of the delay in receiving the processed financial statements.

Effect-The PHA could not properly monitor monthly and year-to-date expenditures during the fiscal year. In fact, the PHA received a score of 18 out of 30 points in HUD's financial scoring. The loss of ½ point in this indicator would cause the PHA to be declared "troubled." Constant routine monitoring of this PHA's financial statements is extremely important.

3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a all with HUD oversight: NONE

**Housing Authority of the Town of Grambling
Grambling, Louisiana**

SCHEDULE OF CORRECTIVE ACTION PLAN

Finding 2000-1

Person Responsible-Bridgett Tanner

Estimated Completion Date-4/30/01

Action Planned-The ED has written the CEO of the fee accounting company concerning the lateness in delivering the monthly reports. The agreement between the parties was to establish a time period in which the PHA will submit the monthly work, and ten (10) days from receipt the fee accountant will send the financial statements to the PHA. Additionally, it was agreed that a different office within the fee accounting organization will now process our financials.