

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

**Annual Financial Report  
As of and for the Year Ended September 30, 2000**

**Housing Authority of the City of Shreveport  
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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, 2000, 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, 2000, the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 26, 2001, 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.

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  
January 26, 2001

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

ENTERPRISE FUNDS  
Combined Balance Sheet  
September 30, 2000

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,015,666
Investments	3,727,902
Accounts receivable	2,712,536
Interest receivable	78,733
Interfund receivable	0
Prepaid items and other assets	398,373
Inventory	<u>81,441</u>

Total Current Assets 8,014,651

Restricted Assets

Tenant deposits	91,624
Bond account	70,338
Debt service account	418,936
Mortgage payment account	77,976
Repair and replacement account	114,168
Surplus account	<u>198,900</u>

Total Restricted Assets 971,942

Fixed Assets

Land, buildings, and equipment (net)	<u>28,795,225</u>
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TOTAL ASSETS \$ 37,781,818

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**

**ENTERPRISE FUNDS  
Combined Balance Sheet  
September 30, 2000**

**Statement A**

**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Accounts payable	\$ 2,825,298
Interfund payable	0
Current portion of long term debt	<u>130,000</u>

Total Current Liabilities	<u>2,955,298</u>
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**Current Liabilities Payable From Current Restricted Assets**

Deposits due others	91,624
Accrued interest	<u>45,206</u>

Total Current Liabilities Payable From Current Restricted Assets	<u>136,830</u>
--	----------------

**Noncurrent Liabilities**

Compensated absences payable	366,288
Notes and bonds payable	<u>4,375,000</u>

Total Noncurrent Liabilities	<u>4,741,288</u>
------------------------------	------------------

Total Liabilities	<u>7,833,416</u>
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**Fund Equity**

Contributed Capital	24,311,885
Retained earnings:	
Reserved for debt payment	835,112
Unreserved	<u>4,801,405</u>

Total Fund Equity	<u>29,948,402</u>
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<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 37,781,818</u></b>
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(CONCLUDED)

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

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**

**ENTERPRISE FUNDS**  
**Combined Statement of Revenues, Expenses,**  
**and Changes in Fund Equity**  
**For the Year Ended September 30, 2000**

**Statement B**

**OPERATING REVENUES**

Dwelling rental	\$ 2,076,541
Other	<u>124,343</u>
 Total revenues	 <u>2,200,884</u>

**OPERATING EXPENSES**

Administration	1,700,902
Tenant services	173,863
Utilities	555,661
Ordinary maintenance & operations	1,272,984
Protective services	299,098
General expenses	801,093
Nonroutine maintenance	13,526
Housing assistance payments	9,123,324
Depreciation and amortization	<u>2,014,416</u>
 Total operating expenses	 <u>15,954,867</u>

Income (loss) from Operations (13,753,983)

**Nonoperating revenues (expenses)**

Interest earnings	405,047
Federal grants	12,167,513
Gain or loss on disposition of fixed assets	0
Interest and bank charges	<u>(282,622)</u>

Total nonoperating revenues (expenses) 12,289,938

NET INCOME (Loss) (1,464,045)

Depreciation on fixed assets acquired by contributions	2,001,587
Gain or loss on disposition of fixed assets	<u>0</u>

Increase (decrease) in retained earnings \$ 537,542

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

ENTERPRISE FUNDS  
Combined Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended September 30, 2000

Statement B

FUND BALANCES AT BEGINNING OF YEAR,	<u>\$ 5,098,975</u>
RETAINED EARNINGS AT END OF YEAR	<u>5,636,517</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	25,262,505
Capital Contributions	1,050,967
Depreciation transferred from retained earnings	(2,001,587)
Gain or loss on disposition of fixed assets transferred from retained earnings	<u>0</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>24,311,885</u>
FUND EQUITY, END OF YEAR	<u>\$ 29,948,402</u>

(CONCLUDED)

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

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**

**ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended September 30, 2000**

**Statement C**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ (13,753,983)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation and Amortization	2,014,416
Changes in operating current assets and liabilities:	
(Increase) Decrease in interfund receivables	139,388
(Increase) Decrease in accounts receivables	(2,322,519)
(Increase) Decrease in interest receivables	(24,176)
(Increase) Decrease in prepaid items and and other assets	39,962
(Increase) Decrease in inventory	3,780
Increase (Decrease) in accounts payables	2,172,327
Increase (Decrease) in interfund payables	(139,388)
Increase (Decrease) in deposits due others	4,288
Increase (Decrease) in accrued interest	(1,127)
Increase (Decrease) in deferred revenue	<u>0</u>

**NET CASH PROVIDED (USED) BY  
OPERATING ACTIVITIES**

(11,867,032)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Federal grants	<u>12,145,242</u>
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**NET CASH PROVIDED (USED) BY NONCAPITAL  
FINANCING ACTIVITIES**

12,145,242

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Interest and bank charges on debt	(282,622)
Proceeds from sale of fixed assets	0
Purchase fixed assets	(1,868,789)
Increase in compensated absences	43,651
Payment on bonds	(130,000)
Contributed capital	<u>1,050,967</u>

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

\$ (1,186,793)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended September 30, 2000

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:

(Increase) Decrease in investments	\$ 804,669
(Increase) Decrease in restricted assets	(137,211)
Interest earnings	<u>405,047</u>

NET CASH PROVIDED (USED) BY INVESTING  
ACTIVITIES

1,072,505

NET INCREASE (DECREASE) IN CASH AND  
CASH EQUIVALENTS

163,922

CASH AND CASH EQUIVALENTS AT BEGINNING  
OF YEAR

851,744

CASH AND CASH EQUIVALENTS AT END  
OF YEAR

1,015,666

(CONCLUDED)

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

**Housing Authority of the City of Shreveport  
Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 2000**

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**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

**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	934
Homeownership		11
Section 8		
Rental Certificates	FW 2075	165
Rental Vouchers	FW 2215	2,396
Moderate Rehab	FW 2075	429
Existing - Stone Vista	FW 2163	151
New Construction - Goodman Plaza	FW 77-393	170
Non HUD Programs:		
I-49 Dwelling Rental Units		56
Child Care		1
University Oaks I		64
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.

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

**Housing Authority of the City of Shreveport  
Notes to the General-Purpose Financial Statements  
As of and for the Year Ended September 30, 2000**

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.

**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:

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 reports 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.

**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

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 live 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	3 years
Automobiles and trucks	5 years

**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** At September 30, 2000, the Housing Authority has cash and cash equivalents (book balances) totaling \$1,015,666 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. At year-end, the Housing Authority's carrying amount of deposits was \$5,715,510 (which includes \$3,727,902 of time deposits and \$971,942 of restricted deposits), and the bank balance was \$5,304,735. Of the bank balance, \$100,000 was covered by

**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). \$5,204,735 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.

**NOTE 3 - RECEIVABLES** The receivables of \$2,712,536 at September 30, 2000, are as follows:

<u>Class of Receivables</u>	<u>Total</u>
Tenants	\$ 34,862
Others	6,659
HUD	<u>2,671,015</u>
Total	<u>\$2,712,536</u>

**NOTE 4 - FIXED ASSETS** The changes and balances in fixed assets are as follows:

	Balance October 1, 1999	Additions	Deletions	Balance September 30, 2000
Land	\$ 2,573,575	\$ 0	\$ 0	\$ 2,573,575
Buildings and improvements	45,661,471	1,831,132	0	47,492,603
Furniture and equipment	1,387,454	57,345	66,240	1,378,559
Construction in progress	<u>581,271</u>	<u>1,013,061</u>	<u>1,023,312</u>	<u>571,020</u>
Total	<u>50,203,771</u>	<u>2,901,538</u>	<u>1,089,552</u>	<u>52,015,757</u>
Less accumulated depreciation:				
Buildings and improvements	20,158,781	1,919,264	0	22,078,045
Furniture and equipment	<u>1,126,404</u>	<u>82,323</u>	<u>66,240</u>	<u>1,142,487</u>
Total	<u>21,285,185</u>	<u>2,001,587</u>	<u>66,240</u>	<u>23,220,532</u>
Fixed assets, net	<u>\$28,918,586</u>	<u>\$ 899,951</u>	<u>\$1,023,312</u>	<u>\$28,795,225</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, 2000, was \$1,573,767. The Housing Authority's contributions were calculated using the base salary amount of \$1,158,411. Both the Housing Authority and the covered employees made the required contributions of \$203,738 for the year ended September 30, 2000.

**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

**NOTE 6 - ACCOUNTS PAYABLE** The payables of \$2,825,298 at September 30, 2000, are as follows:

Vendors	\$ 150,595
Wages	61,247
Payable to HUD	2,460,877
Other	<u>152,579</u>
Total	<u><u>\$2,825,298</u></u>

**NOTE 7 - COMPENSATED ABSENCES** At September 30, 2000, employees of the Housing Authority have accumulated and vested \$366,288 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, 2000:

	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Total</u>
Balance, October 1, 1999	\$322,637	\$ 4,635,000	\$ 4,957,637
Additions	43,651	0	43,651
Deductions	<u>0</u>	<u>(130,000)</u>	<u>(130,000)</u>
Balance, September 30, 2000	<u><u>\$366,288</u></u>	<u><u>\$ 4,505,000</u></u>	<u><u>\$ 4,871,288</u></u>

The following bonds are outstanding at September 30, 2000. 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, 2000</u>
<u>Mortgage revenue bonds</u>					
Series 1993	8-1-93	2019	6.100%	<u>\$5,295,000</u>	<u>\$4,505,000</u>

At September 30, 2000, the Housing Authority has reserved \$835,112 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 130,000	\$ 271,239	\$ 401,239
2002	145,000	264,284	409,284
2003	150,000	256,309	406,309
2004	155,000	247,909	402,909
2005	170,000	239,074	409,074
2006 to maturity	<u>3,755,000</u>	<u>1,939,220</u>	<u>5,694,220</u>
	<u><u>\$4,505,000</u></u>	<u><u>\$3,218,035</u></u>	<u><u>\$7,723,035</u></u>

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At September 30, 2000, 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, 2000. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

**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.

**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	\$ 6,777
Incurred claims (including IBNRs)	196,223
Claim payments	257,589
Unpaid claims, end of fiscal year	54,589

**Housing Authority of the City of Shreveport**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended September 30, 2000**

**NOTE 11 - SEGMENT INFORMATION** The Housing Authority maintains eight enterprise funds. Key financial information as of and for the year ended September 30, 2000 for these funds are as follows:

	<u>Housing</u>	<u>Public Housing Comprehensive Grant Program</u>	<u>Section 8</u>	<u>New Construction and substantial Section 8</u>	<u>Business Activities</u>	<u>Supportive Housing</u>	<u>Gateway Grant</u>	<u>Drug Elimination</u>
Operating revenues	\$ 1,192,470	\$ 0	\$ 1,920	\$ 340,216	\$ 688,549	\$ 0	\$ 0	\$ 0
Operating expenses excluding depreciation	2,451,392	211,974	9,150,333	1,534,269	514,944	55,623	121	126,992
Depreciation	1,578,849	147,841	33,142	137,871	116,713	0	0	0
Operating income	(2,837,771)	(359,815)	(9,181,555)	(1,331,924)	56,892	(55,623)	(121)	(126,992)
Non-operating revenues (expenses)	1,183,825	112,527	9,358,747	1,403,583	38,800	43,193	0	126,992
Net income (loss)	(1,653,946)	(247,288)	177,192	71,659	95,692	(12,430)	(121)	0
Capital contributions	58,917	992,050	0	0	0	0	0	0
Fixed asset additions	43,803	907,463	792,588	20,715	8,460	0	0	0
Net working capital (liability)	1,987,695	(1,665)	813,628	2,247,791	844,217	2,799	0	0
Total assets	19,932,454	2,134,778	4,169,956	6,437,158	4,996,116	2,799	0	3,360
Total equity	19,397,538	2,133,113	1,582,774	1,786,515	4,940,466	2,799	0	0

**Housing Authority of the City of Shreveport**

**General Compensation Paid Board Members  
September 30, 2000**

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

David Watkins

Reverend Dr. Murphy L. Hunt

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

GOODMAN PLAZA  
Balance Sheet  
Prepared for Bond Indenture

Exhibit 1

ASSETS

Cash	\$ (26,302)
Investments	1,111,458
Accounts receivable	22,461
Debt amortization funds	880,318
Unamortized bond discount and issue costs	230,899
Land, structures and equipment	4,858,526
Accumulated depreciation	<u>(901,051)</u>
Total assets	<u>6,176,309</u>

LIABILITIES AND SURPLUS

Liabilities:	
Accounts payable	118,066
Bonds payable	<u>4,505,000</u>
Total liabilities	<u>4,623,066</u>
Surplus:	<u>1,553,243</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$ 6,176,309</u>

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT**  
**GOODMAN PLAZA**  
**Statement of Revenues, Expenses, and Change in Surplus**  
**Prepared for Bond Indenture**

**Exhibit 2**

**OPERATING REVENUES**

Dwelling rental	\$	331,662
Interest income		124,299
Federal revenue		612,047
Other income		<u>8,554</u>

Total revenues		<u>1,076,562</u>
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**OPERATING EXPENSES**

Administration		98,611
Utilities		130,499
Ordinary maintenance & operations		255,154
General expenses		<u>154,556</u>

Total operating expenses		<u>638,820</u>
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**OTHER CHARGES**

Interest and administration charges		282,622
Depreciation		125,042
Amortization		<u>12,829</u>

Total other charges		<u>420,493</u>
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NET INCOME		<u>17,249</u>
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BEGINNING SURPLUS		1,535,994
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ENDING SURPLUS	\$	<u>1,553,243</u>
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**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Business Activities	Child and Adult Care Food Program	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program
111	Cash - Unrestricted	\$251,227	\$0	\$11,354	\$2,632	\$395,161	\$0	\$0
	Cash - Other Restricted	\$37,500	\$0	\$151,899	\$0	\$0	\$0	\$0
114	Cash - Tenant Security Deposits	\$20,812	\$0	\$9,875	\$0	\$61,137	\$0	\$0
100	Total Cash	\$309,539	\$0	\$172,928	\$2,632	\$456,298	\$0	\$0
	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$167	\$0	\$4,671	\$22,600
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$1,258	\$0	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$21,026	\$0	\$2,674	\$0	\$11,163	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$8,613	\$0	\$25,187	\$0	\$40,754	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$29,639	\$0	\$27,861	\$167	\$53,175	\$4,671	\$22,600
131	Investments - Unrestricted	\$539,415	\$0	\$1,174,777	\$0	\$1,590,992	\$0	\$0
132	Investments Restricted	\$0	\$0	\$804,151	\$0	\$0	\$0	\$0
142	Prepaid Expenses and Other Assets	\$0	\$0	\$299,967	\$0	\$98,407	\$0	\$0
143	Inventories	\$0	\$0	\$0	\$0	\$81,441	\$640,226	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150	Total Current Assets	\$878,593	\$0	\$2,479,684	\$2,799	\$2,280,313	\$644,897	\$22,600
161	Land	\$505,713	\$0	\$412,428	\$0	\$1,659,715	\$0	\$0
162	Buildings	\$4,555,766	\$0	\$4,282,389	\$0	\$35,376,409	\$0	\$0
163	Furniture, Equipment & Machinery - Dwellings	\$4,913	\$0	\$115,905	\$0	\$481,407	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$36,848	\$0	\$47,806	\$0	\$462,535	\$0	\$0
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Business Activities	Child and Adult Care Food Program	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	(\$985,716)	\$0	(\$901,052)	\$0	(\$20,968,151)	\$0	\$0
180	Total Fixed Assets, Net of Accumulated Depreciation	\$4,117,524	\$0	\$3,957,476	\$0	\$17,011,915	\$0	\$0
180	Total Non-Current Assets	\$4,117,524	\$0	\$3,957,476	\$0	\$17,011,915	\$0	\$0
190	Total Assets	\$4,996,117	\$0	\$6,437,160	\$2,799	\$19,292,228	\$644,897	\$22,600
311	Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$4,671	\$19,240
312	Accounts Payable <= 90 Days	\$6,784	\$0	\$13,867	\$0	\$87,641	\$38	\$3,360
321	Accrued Wage/Payroll Taxes Payable	\$6,779	\$0	\$9,384	\$0	\$36,266	\$0	\$0
322	Accrued Compensated Absences	\$21,275	\$0	\$43,752	\$0	\$242,299	\$0	\$0
325	Accrued interest payable	\$0	\$0	\$45,206	\$0	\$0	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$23,761	\$0	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$77,136	\$0	\$0
341	Tenant Security Deposits	\$20,812	\$0	\$9,675	\$0	\$61,137	\$0	\$0
343	Current Portion of Long-term Debt - Capital Projects	\$0	\$0	\$130,000	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$55,650	\$0	\$275,645	\$0	\$504,479	\$4,709	\$22,600
351	Long-term Debt, Net of Current - Capital Projects	\$0	\$0	\$4,375,000	\$0	\$0	\$0	\$0
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$0	\$30,399	\$0	\$0
350	Total Noncurrent Liabilities	\$0	\$0	\$4,375,000	\$0	\$30,399	\$0	\$0
300	Total Liabilities	\$55,650	\$0	\$4,650,645	\$0	\$534,878	\$4,709	\$22,600
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Business Activities	Child and Adult Care Food Program	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program
504	Net HUD PHA Contributions	\$0	\$0	\$0	\$0	\$16,231,170	\$640,188	\$0
507	Other Contributions	\$4,103,990	\$0	\$0	\$0	\$0	\$0	\$0
508	Total Contributed Capital	\$4,103,990	\$0	\$0	\$0	\$16,231,170	\$640,188	\$0
509	Fund Balance Reserved for Encumbrances/Designated Fund Balance	\$0	\$0	\$157,300	\$0	\$0	\$0	\$0
510	Fund Balance Reserved for Capital Activities	\$130,333	\$0	\$0	\$0	\$0	\$0	\$0
511	Total Reserved Fund Balance	\$130,333	\$0	\$157,300	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$706,144	\$0	\$1,629,215	\$2,799	\$2,526,180	\$0	\$0
513	Total Equity	\$4,940,467	\$0	\$1,786,515	\$2,799	\$18,757,350	\$640,188	\$0
600	Total Liabilities and Equity	\$4,996,117	\$0	\$6,437,160	\$2,799	\$19,292,228	\$644,897	\$22,600
703	Net Tenant Rental Revenue	\$591,347	\$0	\$331,662	\$0	\$1,116,641	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$75,830	\$0	\$0
705	Total Tenant Revenue	\$591,347	\$0	\$331,662	\$0	\$1,192,471	\$0	\$0
706	HUD PHA Grants	\$0	\$0	\$1,507,317	\$43,193	\$1,071,619	\$0	\$126,993
708	Other Government Grants	\$0	\$22,272	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$38,801	\$0	\$50,137	\$0	\$117,956	\$0	\$0
715	Other Revenue	\$74,933	\$0	\$8,554	\$0	\$0	\$0	\$0
720	Investment Income - Restricted	\$0	\$0	\$123,001	\$0	\$0	\$0	\$0
700	Total Revenue	\$705,081	\$22,272	\$2,020,671	\$43,193	\$2,382,046	\$0	\$126,993
911	Administrative Salaries	\$87,834	\$0	\$78,212	\$0	\$382,915	\$0	\$0
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Business Activities	Child and Adult Care Food Program	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program
912	Auditing Fees	\$192	\$0	\$0	\$0	\$5,057	\$0	\$0
913	Outside Management Fees	\$0	\$0	\$1,635	\$0	\$0	\$0	\$0
914	Compensated Absences	\$6,197	\$0	\$5,118	\$0	\$29,478	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$31,667	\$0	\$60,892	\$0	\$283,553	\$0	\$0
916	Other Operating - Administrative	\$63,819	\$0	\$36,727	\$166	\$145,628	\$0	\$0
921	Tenant Services - Salaries	\$33,153	\$0	\$0	\$0	\$30,757	\$0	\$0
924	Tenant Services - Other	\$3,575	\$22,272	\$3,289	\$0	\$67,598	\$0	\$0
931	Water	\$12,692	\$0	\$9,087	\$0	\$78,284	\$0	\$0
932	Electricity	\$17,966	\$0	\$110,355	\$0	\$197,150	\$0	\$0
933	Gas	\$513	\$0	\$0	\$0	\$18,008	\$0	\$0
938	Other Utilities Expense	\$15,666	\$0	\$11,057	\$0	\$89,064	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$76,191	\$0	\$66,547	\$0	\$437,804	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$38,630	\$0	\$41,671	\$0	\$217,433	\$0	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$72,336	\$0	\$146,937	\$0	\$140,136	\$0	\$0
951	Protective Services - Labor	\$11,734	\$0	\$81,731	\$0	\$0	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$78,640	\$0	\$126,993
961	Insurance Premiums	\$8,008	\$0	\$20,837	\$0	\$148,288	\$0	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$77,136	\$0	\$0
964	Bad Debt - Tenant Rents	\$1,390	\$0	\$25	\$0	\$21,967	\$0	\$0
967	Interest Expense	\$0	\$0	\$276,872	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$481,563	\$22,272	\$950,992	\$166	\$2,448,896	\$0	\$126,993
970	Excess Operating Revenue over Operating Expenses	\$223,518	\$0	\$1,069,679	\$43,027	(\$66,850)	\$0	\$0
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Business Activities	Child and Adult Care Food Program	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Development	Public and Indian Housing Drug Elimination Program
971	Extraordinary Maintenance	\$11,112	\$0	\$0	\$0	\$2,497	\$0	\$0
973	Housing Assistance Payments	\$0	\$0	\$860,150	\$55,457	\$0	\$0	\$0
974	Depreciation Expense	\$116,714	\$0	\$137,870	\$0	\$1,578,849	\$0	\$0
900	Total Expenses	\$609,389	\$22,272	\$1,949,012	\$55,623	\$4,030,242	\$0	\$126,993
1001	Operating Transfers In	\$0	\$0	\$0	\$0	\$896,751	\$0	\$0
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$896,751	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$95,692	\$0	\$71,659	(\$12,430)	(\$751,445)	\$0	\$0
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$58,917	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$130,000	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$4,844,775	\$0	\$1,714,856	\$15,229	\$19,508,795	\$581,271	\$0
1112	Depreciation Add Back	\$116,714	\$0	\$125,042	\$0	\$1,578,849	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$968,505	\$0	\$0	\$0	\$0
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$560,390	\$0	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$1,528,895	\$0	\$0	\$0	\$0
1120	Unit Months Available	2,160	0	3,852	120	10,220	0	0
1121	Number of Unit Months Leased	2,132	0	3,798	120	9,905	0	0

(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Section 8 Rental Voucher Program	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0002	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0003	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0004	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0006	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0007
111	Cash - Unrestricted	\$2,246,092	\$0	\$21,564	\$84,131	\$5,980	\$187,629	\$183,736
100	Total Cash	\$2,246,092	\$0	\$21,564	\$84,131	\$5,980	\$187,629	\$183,736
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$6,251	\$37,813	\$4,097	\$52,988	\$23,177
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$1,341	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$1,341	\$0	\$6,251	\$37,813	\$4,097	\$52,988	\$23,177
131	Investments - Unrestricted	\$247,327	\$0	\$0	\$0	\$0	\$0	\$0
150	Total Current Assets	\$2,494,760	\$0	\$27,815	\$121,944	\$10,077	\$240,617	\$206,913
162	Buildings	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$11,723	\$0	\$0	\$0	\$0	\$8,253	\$14,411
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	(\$11,723)	\$0	\$0	\$0	\$0	(\$8,253)	(\$14,411)
160	Total Fixed Assets, Net of Accumulated Depreciation	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
180	Total Non-Current Assets	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
190	Total Assets	\$2,844,760	\$0	\$27,815	\$121,944	\$10,077	\$240,617	\$206,913
331	Accounts Payable - HUD PHA Programs	\$2,437,304	\$0	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$16,109	\$0	\$0	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$2,453,413	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300	Total Liabilities	\$2,453,413	\$0	\$0	\$0	\$0	\$0	\$0
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Section 8 Rental Voucher Program	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0002	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0003	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0004	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0006	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0007
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
612	Undesignated Fund Balance/Retained Earnings	\$391,347	\$0	\$27,815	\$121,944	\$10,077	\$240,617	\$208,913
513	Total Equity	\$391,347	\$0	\$27,815	\$121,944	\$10,077	\$240,617	\$208,913
600	Total Liabilities and Equity	\$2,844,760	\$0	\$27,815	\$121,944	\$10,077	\$240,617	\$208,913
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
706	HUD PHA Grants	\$3,357,858	\$0	\$16,055	\$48,343	\$10,084	\$702,857	\$710,462
711	Investment Income - Unrestricted	\$15,210	\$1,181	\$1,518	\$3,342	\$880	\$5,678	\$5,269
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$578
700	Total Revenue	\$3,373,068	\$1,181	\$17,571	\$51,686	\$10,964	\$708,535	\$716,309
911	Administrative Salaries	\$117,083	\$0	\$605	\$3,239	\$1,534	\$12,218	\$12,218
912	Auditing Fees	\$7,773	\$0	\$38	\$192	\$96	\$769	\$769
913	Outside Management Fees	\$239,814	\$0	\$1,203	\$1,874	\$467	\$20,056	\$19,586
914	Compensated Absences	\$7,173	\$0	\$0	\$0	\$0	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$55,221	\$0	\$54	\$1,670	\$482	\$4,893	\$4,893
916	Other Operating - Administrative	\$98,054	\$25,786	\$329	\$1,647	\$823	\$6,587	\$6,587
961	Insurance Premiums	\$38,496	\$0	\$127	\$1,017	\$452	\$3,727	\$3,727
962	Other General Expenses	\$3,232	\$0	\$0	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$566,846	\$25,786	\$2,356	\$9,639	\$3,854	\$48,250	\$47,780
970	Excess Operating Revenue over Operating Expenses	\$2,806,222	(\$24,605)	\$15,215	\$42,046	\$7,110	\$660,285	\$668,529
								(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Section 8 Rental Voucher Program	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0002	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0003	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0004	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0006	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0007
973	Housing Assistance Payments	\$2,721,229	\$0	\$12,249	\$25,704	\$9,911	\$598,013	\$597,610
900	Total Expenses	\$3,288,075	\$25,786	\$14,605	\$35,343	\$13,765	\$648,263	\$645,390
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$84,993	(\$24,605)	\$2,966	\$16,342	(\$2,801)	\$62,272	\$70,919
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$306,354	\$24,605	\$24,849	\$105,802	\$12,878	\$178,345	\$135,994
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$46,388
1113	Maximum Annual Contributions Commitment (Per ACC)	\$2,806,101	\$0	\$11,064	\$0	\$0	\$173,763	\$783,000
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$3,402,144	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$963,097	\$0	\$283,137	\$606,285	\$218,238	\$975,882	\$1,769,531
1116	Total Annual Contributions Available	\$7,171,342	\$0	\$294,201	\$606,285	\$218,238	\$1,149,645	\$2,552,531
1120	Unit Months Available	17,360	0	96	1,716	15	1,704	1,776
1121	Number of Unit Months Leased	16,355	0	84	116	15	1,991	1,358

(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0009	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0010	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program	Adult Education_State Grant Program	Total
111	Cash - Unrestricted	\$37,452	\$0	\$0	\$0	\$0	\$3,426,958
113	Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$189,399
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$91,624
100	Total Cash	\$37,452	\$0	\$0	\$0	\$0	\$3,707,981
122	Accounts Receivable - HUD Other Projects	\$27,342	\$76,031	\$2,391,997	\$24,270	\$0	\$2,671,404
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$1,258
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$34,863
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$0	\$8,238	\$0	\$0	\$84,133
120	Total Receivables, net of allowances for doubtful accounts	\$27,342	\$76,031	\$2,400,235	\$24,270	\$0	\$2,791,658
131	Investments - Unrestricted	\$0	\$0	\$175,392	\$0	\$0	\$3,727,903
132	Investments Restricted	\$0	\$0	\$0	\$0	\$0	\$804,151
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$398,374
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$721,667
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0
150	Total Current Assets	\$64,794	\$76,031	\$2,575,627	\$24,270	\$0	\$12,151,734
161	Land	\$0	\$0	\$0	\$0	\$0	\$2,577,856
162	Buildings	\$0	\$0	\$428,882	\$2,288,355	\$0	\$47,281,801
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$70,336	\$0	\$672,581
							(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0009	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0010	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program	Adult Education_State Grant Program	Total
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$169,934	\$91,805	\$0	\$843,315
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$0	\$0	(\$120,709)	(\$210,520)	\$0	(\$23,220,535)
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$0	\$478,107	\$2,239,976	\$0	\$28,154,998
180	Total Non-Current Assets	\$0	\$0	\$478,107	\$2,239,976	\$0	\$28,154,998
190	Total Assets	\$64,794	\$76,031	\$3,053,734	\$2,264,246	\$0	\$40,306,732
311	Bank Overdraft	\$0	\$26,187	\$2,450,156	\$24,270	\$0	\$2,524,524
312	Accounts Payable <= 90 Days	\$0	\$0	\$6,843	\$1,665	\$0	\$120,198
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$8,818	\$0	\$0	\$61,247
322	Accrued Compensated Absences	\$0	\$0	\$58,963	\$0	\$0	\$366,289
325	Accrued interest payable	\$0	\$0	\$0	\$0	\$0	\$45,206
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$59,532	\$0	\$0	\$2,520,597
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$77,136
341	Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$91,624
343	Current Portion of Long-term Debt - Capital Projects	\$0	\$0	\$0	\$0	\$0	\$130,000
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$16,109
310	Total Current Liabilities	\$0	\$26,187	\$2,584,312	\$25,935	\$0	\$5,952,930
351	Long-term Debt, Net of Current - Capital Projects	\$0	\$0	\$0	\$0	\$0	\$4,375,000
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$30,399
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	\$4,405,399
							(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0009	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0010	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program	Adult Education_State Grant Program	Total
300	Total Liabilities	\$0	\$26,187	\$2,584,312	\$25,935	\$0	\$10,358,329
504	Net HUD PHA Contributions	\$0	\$0	\$0	\$2,238,311	\$0	\$19,109,669
507	Other Contributions	\$0	\$0	\$0	\$0	\$0	\$4,103,990
508	Total Contributed Capital	\$0	\$0	\$0	\$2,238,311	\$0	\$23,213,659
509	Fund Balance Reserved for Encumbrances/Designated Fund Balance	\$0	\$0	\$0	\$0	\$0	\$157,300
510	Fund Balance Reserved for Capital Activities	\$0	\$0	\$0	\$0	\$0	\$130,333
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$287,633
512	Undesignated Fund Balance/Retained Earnings	\$64,794	\$49,844	\$469,422	\$0	\$0	\$6,447,111
513	Total Equity	\$64,794	\$49,844	\$469,422	\$2,238,311	\$0	\$29,948,403
600	Total Liabilities and Equity	\$64,794	\$76,031	\$3,053,734	\$2,264,246	\$0	\$40,306,732
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$0	\$2,039,650
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$75,830
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$2,115,480
706	HUD PHA Grants	\$138,973	\$151,473	\$4,147,489	\$112,527	\$0	\$12,145,243
708	Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$22,272
711	Investment Income - Unrestricted	\$1,893	\$1,893	\$36,390	\$0	\$0	\$280,146
715	Other Revenue	\$0	\$0	\$18,079	\$0	\$0	\$101,566
720	Investment Income - Restricted	\$0	\$0	\$1,323	\$0	\$0	\$124,902
							(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Lower Income Housing Assistance Program_Section B Moderate Rehabilitat LA002MR0009	Lower Income Housing Assistance Program_Section B Moderate Rehabilitat LA002MR0010	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program	Adult Education_State Grant Program	Total
700	Total Revenue	\$140,866	\$153,366	\$4,203,281	\$112,527	\$0	\$14,789,609
911	Administrative Salaries	\$3,240	\$3,240	\$34,973	\$0	\$0	\$737,311
912	Auditing Fees	\$192	\$192	\$2,322	\$1,500	\$0	\$19,092
913	Outside Management Fees	\$7,313	\$6,524	\$71,632	\$0	\$0	\$370,104
914	Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$47,966
915	Employee Benefit Contributions - Administrative	\$1,670	\$1,670	\$16,495	\$0	\$0	\$463,160
916	Other Operating - Administrative	\$1,647	\$1,647	\$86,712	\$111,027	\$121	\$587,307
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$63,910
924	Tenant Services - Other	\$0	\$0	\$9,407	\$0	\$0	\$106,141
931	Water	\$0	\$0	\$0	\$0	\$0	\$100,063
932	Electricity	\$0	\$0	\$0	\$0	\$0	\$325,471
933	Gas	\$0	\$0	\$0	\$0	\$0	\$18,521
938	Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$115,787
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$580,542
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$0	\$0	\$297,734
943	Ordinary Maintenance and Operatlons - Contract Costs	\$0	\$0	\$0	\$0	\$0	\$359,409
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$93,465
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$205,633
961	Insurance Premiums	\$975	\$976	\$11,499	\$0	\$0	\$238,129
962	Other General Expenses	\$0	\$0	\$2,197	\$0	\$0	\$5,429
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$77,136
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$23,382
967	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$276,872
							(Continued)

**Housing Authority of the City of Shreveport  
Financial Data Schedule  
For the Year Ended September 30, 2000**

PHA: LA002 FYED: 09/30/2000

Line Item #	Account Description	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0009	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat LA002MR0010	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program	Adult Education_State Grant Program	Total
969	Total Operating Expenses	\$15,037	\$14,249	\$235,237	\$112,527	\$121	\$5,112,564
970	Excess Operating Revenue over Operating Expenses	\$125,829	\$139,117	\$3,968,044	\$0	(\$121)	\$9,677,045
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$13,609
973	Housing Assistance Payments	\$116,202	\$129,633	\$3,986,908	\$0	\$0	\$9,113,066
974	Depreciation Expense	\$0	\$0	\$33,142	\$147,843	\$0	\$2,014,418
900	Total Expenses	\$131,239	\$143,882	\$4,255,287	\$260,370	\$121	\$16,253,657
1001	Operating Transfers In	\$0	\$0	\$0	\$0	\$0	\$896,751
1002	Operating Transfers Out	\$0	\$0	\$0	(\$896,751)	\$0	(\$896,751)
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	(\$896,751)	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$9,627	\$9,484	(\$52,006)	(\$1,044,594)	(\$121)	(\$1,464,048)
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$992,051	\$0	\$1,050,968
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$130,000
1103	Beginning Equity	\$55,167	\$40,360	\$521,428	\$2,290,854	\$121	\$30,361,483
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$46,388
1112	Depreciation Add Back	\$0	\$0	\$0	\$147,843	\$0	\$1,968,448
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$46,920	\$3,625,349	\$0	\$0	\$8,414,702
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$3,402,144
1115	Contingency Reserve, ACC Program Reserve	\$0	\$28,511	\$3,908,014	\$0	\$0	\$9,313,085
1116	Total Annual Contributions Available	\$0	\$75,431	\$7,533,363	\$0	\$0	\$21,129,931
1120	Unit Months Available	540	552	6,256	0	0	46,367
1121	Number of Unit Months Leased	509	452	4,904	0	0	41,139



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1963 - 2000

## **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, 2000, and have issued our report thereon dated January 26, 2001. 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Housing Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 00-F1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition referred to above to be a material weakness.

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

January 26, 2001



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1963 - 2000

## 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, 2000. 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, 2000. However, the results of our auditing procedures disclosed two instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as items 00-F2 and 00-F3.

### 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.

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  
January 26, 2001

**Housing Authority of the City of Shreveport  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2000**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture Passed through Louisiana Department of Education: Child and Adult Care Food Program	10.558	N/A	\$ <u>22,271</u>
United States Department of Housing and Urban Development Direct Programs			
Public and Indian Housing			
HOME Program	14.850(b)	FW923	58,917
Operating Subsidy	14.850(a)	FW923	<u>1,071,619</u>
Total Program			<u>1,130,536</u>
Public and Indian Housing Drug Elimination Program	14.854	N/A	<u>126,992</u>
Public and Indian Housing Comprehensive Grant Programs	14.859	N/A	<u>1,104,577</u>
Section 8 Rental Certificate Program	14.857	FW2075	<u>4,147,489</u>
Section 8 Moderate Rehabilitation			
Mod Rehab #2	14.856	FW2075	16,055
Mod Rehab #3	14.856	FW2075	48,343
Mod Rehab #4	14.856	FW2075	10,084
Mod Rehab #6	14.856	FW2075	702,857
Mod Rehab #7	14.856	FW2075	710,462
Mod Rehab #9	14.856	FW2075	138,973
Mod Rehab #10	14.856	FW2075	<u>151,473</u>
Total Program			<u>1,778,247</u>
Section 8 Rental Vouchers Program	14.855	FW2075	<u>3,357,858</u>
Section 8 New Construction	14.182	N/A	<u>1,507,317</u>
Supportive Housing for Persons With Disabilities	14.181	N/A	<u>43,193</u>
Total United States Department of Housing and Urban Development			<u>13,083,682</u>
Total			<u>\$13,218,480</u>

**Housing Authority of the City of Shreveport**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2000**

**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:

Non operating revenues - federal grants	\$12,167,513
Capital contributions	<u>1,050,967</u>
Total	<u>\$13,218,480</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  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2000**

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

**Financial statement audit**

- i. The type of audit report issued was unqualified.
- ii. There was one reportable condition 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 audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA #14.854                      Public and Indian Housing Drug Elimination Program
  - CFDA #14.850                      Public and Indian Housing HOME Program and Operating Subsidy
  
  - 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 \$396,554.
- 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  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2000**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Reference # and title: 00-F1                      Rent Collections Controls at University Oaks**

**Criteria or specific requirement:** The Housing Authority is responsible for establishing and maintaining a system of internal control which should reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited would be detected within a timely period by employees in the normal course of performing their assigned functions. Strong controls over rent collections require that the actual collection of the rent and the record keeping for accounts receivable not be performed by the same person.

**Condition found:** The rental register for University Oaks is maintained by the employees at University Oaks who are also collecting the rent. Rent is accepted by money order only. The money orders are delivered to the administrative office of the Housing Authority and the deposit is made by an accounting department employee. The rental income posted to the general ledger of the Housing Authority is the amount collected. No rental register is maintained by the accounting department.

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

**Cause:** University Oaks is a new development for the current year and procedures have not been established to separate the collection of rent from the record keeping.

**Effect:** The Housing Authority has not reduced to a relatively low level the risk of misstatements being undetected.

**Recommendations to prevent future occurrences:** The Housing Authority should review employee assignments regarding University Oaks and develop procedures to ensure adequate separation of duties.

**Housing Authority of the City of Shreveport  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2000**

**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: 00-F2                      Problems Noted in Test of Tenant Files**

**Federal program and specific federal award identification:** The finding relates specifically to the low rent program.

**Criteria or specific requirement:** The Housing Authority must reexamine family income and composition at least once every twelve months and adjust the total rent and housing assistance payment as necessary (24CFR sections 5.617 and 960.209). Changes in the rent calculation resulting from a reexam should be reflected on the rental register.

The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority completes an admission or reexamination. 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.

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

- Two files with no reexamination within the twelve month period.
- One file in which the rent calculation did not agree to the rental register.
- One file with no documentation for the social security numbers reported on Form 50058.

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

**Cause:** The auditor could not 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:** The Housing Authority should have a tracking system in place to ensure that files are reexamined at least once every twelve months. Files should be reviewed after all forms are complete to ensure all the required documentation is present and any changes in the rent calculation are reflected in the accounts receivable records.

**Reference # and title: 00-F3                      Selection from the Waiting List**

**Federal program and specific federal award identification:** The finding relates only to the low rent program.

**Criteria or specific requirement:** The Housing Authority has established written policies for admission of tenants. According to the policy all applications for public housing are date and time stamped when submitted in completed form. This date and time stamp are to be used to determine the priority of the applications within each category, regardless of when the application is approved. All applicants for public housing shall be assigned to units on a first come - first served basis in accordance with the date and time of their application and according to the following order of priority: (a) applicants being displaced by public action; (b) servicemen or veteran status; (c) elderly or disabled; (d) homeless; (f) all other applicants.

**Condition found:** From a listing of applicants recently placed in housing a name was chosen and traced back to the waiting list to see if the applicant was placed according to the above policy. Five names were noted ahead of the applicant placed who had not been placed in housing. Of the five applicants noted, two of these names should have been on the Goodman Plaza waiting list instead of the low rent waiting list. The other three applicants had not been offered housing.

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

**Housing Authority of the City of Shreveport  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2000**

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

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

**Effect:** It appears the Housing Authority did not follow their policy in regards to placing applicants from the waiting list in the instance noted.

**Recommendations to prevent future occurrences:** The policy for placing applicants from the waiting list should be followed. Documentation should be retained explaining any instances where an applicant was placed before another applicant on the list.

**Housing Authority of the City of Shreveport  
Summary Schedule of Prior Audit Findings  
September 30, 2000**

**Finding reference #: 99-1                      Problems noted in Test of Tenant Files**

**Initially occurred:** Year ended September 30, 1999.

**Condition:** 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 taken:** A directive was issued to the Section 8 contract administrator to properly train its staff in the Section 8 program's administration which included:

- 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

**Housing Authority of the City of Shreveport  
Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended June 30, 2000**

**Reference # and title: 00-F1**                      **Rent Collections Controls at University Oaks**

**Condition found:** The rental register for University Oaks is maintained by the employees at University Oaks who are also collecting the rent. Rent is accepted by money order only. The money orders are delivered to the administrative office of the Housing Authority and the deposit is made by an accounting department employee. The rental income posted to the general ledger of the Housing Authority is the amount collected. No rental register is maintained by the accounting department.

**Corrective action planned:** The Housing Authority will generate a rental register for University Oaks Apartments I and II through the Housing Authority's Automated/Central Processing Department monthly.

The Housing Authority will generate and mail residents' statements through the Housing Authority's Automated/Accounting Department each month for the tracking of accounts receivable. University Oaks I and II management staff will forward Changes in Family Composition and Income (50058) to the Housing Authority's Automated/Accounting Department as they occur for indexing into the computer.

The Housing Authority's Automated/Accounting Department will be directed to establish records on all residents of University Oaks Apartments I and II. University Oaks I and II management staff will provide lease information on all new move-ins (subsidized and open market) to the Housing Authority's Automated/Accounting Department.

University Oaks I and II management staff will be restructured and educated on resident accounting/rent collection, etc., refined procedures.

The Assistant Executive Director will monitor for task compliance.

**Person responsible for corrective action:**

Ms. Donzetta Kimble, Executive Director  
Housing Authority of the City of Shreveport  
2500 Line Avenue  
Shreveport, Louisiana 71104

Telephone: (318) 227-8174  
Fax: (318) 221-2579

**Anticipated completion date:** September 30, 2001.

**Reference # and title: 00-F2**                      **Problems Noted in Test of Tenant Files**

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

- Two files with no reexamination within the twelve month period.
- One file in which the rent calculation did not agree to the rental register.
- One file with no documentation for the social security numbers reported on Form 50058.

**Corrective action planned:** The Housing Authority's Central Processing Department will be directed to send recertification reminders to the site managers ninety (90) days before the residents' anniversary dates. A staff person will be assigned to track the recertifications that are due each month.

Site managers' performance will be monitored to ensure that each public housing family's income and composition are examined at least once annually.

Site managers will ensure changes resulting from recertification are reflected in the rent calculation.

**Housing Authority of the City of Shreveport  
Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended June 30, 2000**

A directive will be issued to the Housing Authority's Central Processing Department head with instruction to establish and implement procedures to review public housing applicants' and residents' rent calculation.

The Housing Authority's Central Processing Department head will ensure that the rental amounts are composed and transposed into the computer correctly.

Site managers and tenant selection workers will reconcile rental register to rent calculation for accuracy.

The Central Processing Department head will ensure staff is properly trained and retrained for familiarization in rent calculation.

A directive will be issued to the Housing Authority's Central Processing Department head with instruction to develop and implement procedures to ensure that the tenant selection workers compile applicants' file with all documentation required by the Code of Federal Regulations.

The Central Processing Department head will be instructed to monitor site managers' performance to ensure that changes in families' income and composition requiring special and/or annual recertification are performed in compliance with the Code of Federal Regulations to include all forms and reporting requirements.

A staff person will be assigned to review files for completeness.

The assigned tasks will be monitored for task compliance.

**Person responsible for corrective action:**

Ms. Donzetta Kimble, Executive Director  
Housing Authority of the City of Shreveport  
2500 Line Avenue  
Shreveport, Louisiana 71104

Telephone: (318) 227-8174  
Fax: (318) 221-2579

**Anticipated completion date:** September 30, 2001.

**Reference # and title:** 00-F3

**Selection from the Waiting List**

**Condition found:** From a listing of applicants recently placed in housing a name was chosen and traced back to the waiting list to see if the applicant was placed according to the above policy. Five names were noted ahead of the applicant placed who had not been placed in housing. Of the five applicants noted, two of these names should have been on the Goodman Plaza waiting list instead of the low rent waiting list. The other three applicants had not been offered housing.

**Corrective action planned:** A directive will be issued to the Housing Authority's Central Processing Department head to accept applications after public notice and house each applicant on a first-come-first-serve basis in accordance with the preference denoted in the Consent Decree and by board resolutions.

The Housing Authority's Central Processing Department head will document and authenticate justification to any and all deviation from the requirements set forth in the Consent Decree or board action.

**Housing Authority of the City of Shreveport  
Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended June 30, 2000**

The Assistant Executive Director will monitor for compliance with policy.

**Person responsible for corrective action:**

Ms. Donzetta Kimble, Executive Director  
Housing Authority of the City of Shreveport  
2500 Line Avenue  
Shreveport, Louisiana 71104

Telephone: (318) 227-8174  
Fax: (318) 221-2579

**Anticipated completion date:** September 30, 2001.

**Housing Authority of the City of Shreveport  
Status of Prior Management Letter Items  
For the Year Ended September 30, 2000**

**99-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.

**Corrective action taken:** A directive was 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 assigned a secondary person as custodian of the key in the Chief Financial Officer's absence. The Assistant Executive Director monitors control for compliance to ensure that the check signing device is not accessible to the employees preparing payroll and accounts payable checks.

**99-M2    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.

**Corrective action taken:** The Chief Financial Officer was directed to correct the problems with the general ledger history prints.