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STATE OF LOUISIANA
LEGISLATIVE AUDITOR

01/11/2001

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Release Date 04/11/01

HOUSING AUTHORITY OF THE TOWN OF JONESBORO

Annual Audit Report

JONESBORO, LOUISIANA
SEPTEMBER 30, 2000

Jean Sickels

Certified Public Accountant

870 Cinderella Court
Decatur, GA 30033
(404)297-9881

R.R. # 1 BOX 187
Larwill, IN 46764
(219)327-3475

HOUSING AUTHORITY
OF THE TOWN OF JONESBORO

Jonesboro, Louisiana
September 30, 2000

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Jean Sickels

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

INDEPENDENT AUDITOR'S OPINION

Board of Commissioners
Housing Authority of the
Town of Jonesboro
839 Harvey Place
Jonesboro, Louisiana 71251

HUD - New Orleans Office
Public Housing Division
Hale Boggs Federal Building
501 Magazine Street
New Orleans, Louisiana 70130-3099

I have audited the accompanying general-purpose financial statements of the Housing Authority of the Town of Jonesboro, as of and for the year ended September 30, 2000 as listed in the table of contents. These financial statements are the responsibility of the Housing Authority'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 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 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 significant estimates made by management, as well as evaluating the overall 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 Jonesboro as of September 30, 2000 and the results of its income, expenses, changes in retained earnings and cash flows for its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, I have also issued my report dated March 1, 2001 on my consideration of the Housing Authority of the Town of Jonesboro's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority of the Town of Jonesboro, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is not a required part of the general-purpose financial statements. The accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a part of the general-purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and, in my opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Jean Sickels
Certified Public Accountant

Decatur, Georgia
March 1, 2001

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

BALANCE SHEETS
SEPTEMBER 30, 2000

	<u>Annual Contributions Contract FW-1213 Low Income Public Housing</u>	<u>Annual Contributions Contract FW-1213 Comprehensive Improvement Assistance Program</u>		<u>(Totals Memorandum Only)</u>
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash	\$ 87,074	\$ 0	\$	87,074
Investments	638,487	0		638,487
Prepaid expenses	<u>19,614</u>	<u>0</u>		<u>19,614</u>
Current Assets	<u>745,175</u>	<u>0</u>		<u>745,175</u>
<u>Property and Equipment</u>				
Land, structure and equipment	<u>1,543,053</u>	<u>21,402</u>		<u>1,564,455</u>
Property and Equipment	<u>1,543,053</u>	<u>21,402</u>		<u>1,564,455</u>
TOTAL ASSETS	\$ <u>2,288,228</u>	\$ <u>21,402</u>	\$	<u>2,309,630</u>
<u>LIABILITIES AND EQUITY</u>				
<u>Current liabilities</u>				
Accounts payable	\$ 20,367	\$ 0	\$	20,367
Accrued liabilities	42,802	0		42,802
Deferred revenue	<u>624</u>	<u>0</u>		<u>624</u>
Current liabilities	63,793	0		63,793
<u>Equity</u>				
Retained earnings	681,382	0		681,382
Contributed capital	<u>1,543,053</u>	<u>21,402</u>		<u>1,564,455</u>
Total equity	<u>2,224,435</u>	<u>21,402</u>		<u>2,245,837</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>2,288,228</u>	\$ <u>21,402</u>	\$	<u>2,309,630</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	Annual Contributions <u>Contract</u> FW-1213 Low Income Public Housing	Annual Contributions <u>Contract</u> FW-1213 Comprehensive Improvement Assistance Program	(Totals Memorandum Only)
<u>OPERATING REVENUES</u>			
Total rental income	\$ 220,986	\$ 0	\$ 220,986
Other income	10,906	0	10,906
 TOTAL OPERATING REVENUE	 <u>231,892</u>	 <u>0</u>	 <u>231,892</u>
<u>OPERATING EXPENSES</u>			
Administrative	101,444	0	101,444
Utilities	10,147	0	10,147
Ordinary maintenance and operation	178,543	0	178,543
Protective Services	17,242	0	17,242
General expense	60,219	0	60,219
Extraordinary maintenance	36,241	0	36,241
Depreciation expense	72,238	0	72,238
 TOTAL EXPENSES	 <u>476,074</u>	 <u>0</u>	 <u>476,074</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Intergovernmental	208,758	333,269	542,027
Interest income	25,684	0	25,684
 TOTAL NONOPERATING REVENUES (EXPENSES)	 <u>234,442</u>	 <u>333,269</u>	 <u>567,711</u>
 NET INCOME (LOSS)	 (9,740)	 333,269	 323,529
<u>RETAINED EARNINGS</u>			
OCTOBER 1, 1999	304,021	0	304,021
Operating transfers	333,269	(333,269)	0
Restatement of fixed assets	(18,406)	0	(18,406)
Depreciation add back	72,238	0	72,238
 RETAINED EARNINGS SEPTEMBER 30, 2000	 <u>681,382</u>	 <u>0</u>	 <u>681,382</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

STATEMENTS OF CASH FLOWS
SEPTEMBER 30, 2000

Cash Flows from Operating Activities

Net income	\$	323,529
Depreciation		72,238
Restatement of fixed assets		18,091
(Increase) Decrease in:		
Accounts receivable		120
Prepaid expenses		(2,416)
Increase (Decrease) in:		
Accounts payable		22,134
Accrued liabilities		(13,392)
Deferred credits		(132)
		<hr/>
Net Cash Flows Provided (Used) by Operating Activities		420,172

Cash Flows from Investing Activities

Purchase of fixed assets		(39,808)
(Increase) Decrease in:		
Investments		(338,763)
		<hr/>
Net Cash Flows Provided (Used) by Investing Activities		(378,571)

Net Increase (Decrease) in Cash		41,601
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Beginning Cash and Cash Equivalents		45,473
		<hr/>

Ending Cash and Cash Equivalents	\$	<u>87,074</u>
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The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

NOTE A - Summary of Significant Accounting Policies:

The HOUSING AUTHORITY OF THE TOWN OF JONESBORO ("The Authority") was established under the provision of Louisiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contract with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of a public housing program (Contract No. FW-1213).

Reporting Entity

Management of the Housing Authority of the Town of Jonesboro has reviewed all potential component units to determine if any should be included in these financial statements. Management has concluded that there are no component units that should be included in these financial statements.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the Town and concluded that the Town does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the Town is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the Town government. Debt incurred by the Authority is not an obligation of the Town, the Town does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Authority is a separate reporting entity.

HOUSING AUTHORITY OF THE TOWN OF JONESBORO

The financial statements of the HOUSING AUTHORITY OF THE TOWN OF JONESBORO include the following:

<u>Management:</u>	<u>Units</u>
Low-Income Public Housing	<u>192</u>

Basis of Presentation

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Fund accounting - The financial activities of the Authority are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, income and expenses.

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2000
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Proprietary funds:

Proprietary funds are used to account for the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and / or net income is necessary for management accountability.

Basis of accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared using the accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets - Budgets are adopted on the basis of accounting consistent with the basis of accounting for the fund to which it applies. The Authority prepares annual operating budgets for the Low Income Public Housing program. The budgets are formally adopted by its governing Board and are approved by the funding agency. The budgets for the programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

The Combined Statement of Revenues, Expenditures and Changes in Net Assets - Budget to Actual has not been presented in this report. This presentation has been omitted because the authority does not annually adopt a legally authorized budget. The authority's budget is adopted by the authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The authority's budget represents budgetary execution and management by it's board and HUD, therefore, budgetary data and presentation is not required.

Cash Deposits and Investments - Cash Deposits and Investments consist of Certificates of Deposit and Discount Notes issued by agencies of the United States Government and are stated at fair value. Cash deposits and investments are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. All cash deposits and investments are classified as category 1 investments. Category 1 investments are insured or registered or are securities that are held by the government or it's agent in the government name.

Tenant Receivables - Receivables for rentals and service charges are reported in the General Fund at net of an allowance for doubtful accounts. The Housing Authority Board takes monthly action as required to write off specific uncollectible accounts receivable balances.

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2000
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Fixed assets - Fixed assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Building	40 years
Leasehold improvements	10 years
Furniture & Fixtures	5-10 years
Maintenance equipment	5-10 years

Compensated Absences - Employees earn annual leave and sick leave. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at the balance sheet date is reported in the Enterprise fund.

NOTE B - Cash Deposits and Investments:

The Authority's cash deposits include deposits with financial institutions. The carrying amount of the Authority's deposits was \$725,561 and the bank balance was \$735,872. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by third party custodians in Authority's name	\$735,872
Amount collateralized with securities held by the Pledging financial institution's trust department in the Authority's name	<u>0</u>
Total bank balance	<u>\$735,872</u>

Investments made by the Authority are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

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

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS
September 30, 2000
(Continued)

NOTE B - Cash Deposits and Investments:
(Continued)

Cash, Deposits and Investments at September 30, 2000 consist of the following:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Investment Accounts	\$155,616	\$ 0	\$ 0	\$155,616	\$155,616
Certificates of Deposit	482,552	\$ 0	\$ 0	482,552	\$482,552
Checking	87,393	0	0	87,393	87,393
	<u>\$725,561</u>	<u>\$ 0</u>	<u>\$ 0</u>	725,561	<u>725,561</u>
Investment in state investment pool				0	0
Total investments				<u>\$725,561</u>	<u>\$725,561</u>

NOTE C - Prepaid Expenses:

Prepaid expenses at September 30, 2000 consist of the following:

Prepaid insurance \$ 19,614

NOTE D - Fixed Assets:

A summary of changes in fixed assets is as follows:

	<u>Balance September 30, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2000</u>
Land	\$ 680,738	\$ 0	\$ 0	\$ 680,738
Building	2,757,107	0	0	2,757,107
Equipment	254,403	18,406	(12,403)	260,406
Leasehold Improvements	0	21,402	0	21,402
Accumulated Depreciation	<u>(2,095,363)</u>	<u>(72,238)</u>	<u>12,403</u>	<u>(2,155,198)</u>
	<u>\$ 1,596,885</u>	<u>\$ (32,430)</u>	<u>\$ 0</u>	<u>\$ 1,564,455</u>

Major construction renovation through the Modernization Grant Program costs of \$333,269 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Current period depreciation expense is \$72,238.

NOTE E - Accounts payable:

Accounts payable at September 30, 2000, consist of the following:

Vendors and contractors	\$ 5,647
Security deposits	<u>14,720</u>
	<u>\$ 20,369</u>

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

NOTES TO FINANCIAL STATEMENTS
September 30, 2000
(Continued)

NOTE F - Accrued liabilities:

Accrued liabilities at September 30, 2000, consist of the following:

Accrued compensated absences	\$ 19,579
Accrued salary and wages	3,137
Payment in lieu of taxes	20,086
	<u>\$ 42,802</u>

NOTE G - Deferred Revenue:

Deferred revenue at September 30, 2000 consist of the following:

Prepaid rents	<u>\$ 624</u>
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NOTE H - Annual Contributions by Federal Agencies:

Annual Contributions Contract FW-1213- Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. Operating subsidy contributions for the Low-Income Public Housing Program were as follows:

For the year ended September 30, 2000	<u>\$208,758</u>
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NOTE I - Contingencies:

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no examinations for the year ended September 30, 2000. Areas of noncompliance, if any, as a result of examinations would be included as a part of the "Findings and Questioned Costs" section of this report.

NOTE J - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management.

NOTE K - Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A.

Major Programs

Programs are labeled as either a type "A" program or a type "B" program as required by OMB Circular A-133. Type "A" programs are programs that have expenditures in excess of 300,000. Type "B" programs have expenditures of less than 300,000.

SUPPLEMENTAL INFORMATION

PHA: LA061 FYED: 09/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Public Housing Comprehensive Improvement	Total
111	Cash - Unrestricted	\$87,074	\$0	\$0	\$87,074
100	Total Cash	\$87,074	\$0	\$0	\$87,074
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$0	\$0	\$0
131	Investments - Unrestricted	\$638,487	\$0	\$0	\$638,487
142	Prepaid Expenses and Other Assets	\$19,614	\$0	\$0	\$19,614
150	Total Current Assets	\$745,175	\$0	\$0	\$745,175
161	Land	\$680,738	\$0	\$0	\$680,738
162	Buildings	\$2,757,107	\$0	\$0	\$2,757,107
163	Furniture, Equipment & Machinery - Dwellings	\$157,566	\$0	\$0	\$157,566
164	Furniture, Equipment & Machinery - Administration	\$102,840	\$0	\$0	\$102,840
165	Leasehold Improvements	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$-2,155,198	\$0	\$0	\$-2,155,198
167	Construction In Progress	\$0	\$21,402	\$21,402	\$21,402
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,543,053	\$21,402	\$21,402	\$1,564,455
180	Total Non-Current Assets	\$1,543,053	\$21,402	\$21,402	\$1,564,455
190	Total Assets	\$2,288,228	\$21,402	\$21,402	\$2,309,630

PHA: LA061 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
312	Accounts Payable <= 90 Days	\$5,647	\$0	\$0	\$5,647
321	Accrued Wage/Payroll Taxes Payable	\$3,137	\$0	\$0	\$3,137
322	Accrued Compensated Absences	\$19,579	\$0	\$0	\$19,579
333	Accounts Payable - Other Government	\$20,086	\$0	\$0	\$20,086
341	Tenant Security Deposits	\$14,720	\$0	\$0	\$14,720
342	Deferred Revenues	\$624	\$0	\$0	\$624
310	Total Current Liabilities	\$63,793	\$0	\$0	\$63,793
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0
300	Total Liabilities	\$63,793	\$0	\$0	\$63,793
504	Net HUD PHA Contributions	\$1,543,053	\$21,402	\$1,564,455	
508	Total Contributed Capital	\$1,543,053	\$21,402	\$1,564,455	
511	Total Reserved Fund Balance	\$0	\$0	\$0	
512	Undesignated Fund Balance/Retained Earnings	\$681,382	\$0	\$681,382	
513	Total Equity	\$2,224,435	\$21,402	\$2,245,837	
600	Total Liabilities and Equity	\$2,288,228	\$21,402	\$2,309,630	

PHA: LA061 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
703	Net Tenant Rental Revenue	\$211,007		\$0	\$211,007
704	Tenant Revenue - Other	\$9,979		\$0	\$9,979
705	Total Tenant Revenue	\$220,986		\$0	\$220,986
706	HUD PHA Grants	\$208,758		\$333,269	\$542,027
711	Investment Income - Unrestricted	\$25,684		\$0	\$25,684
715	Other Revenue	\$10,751		\$0	\$10,751
716	Gain/Loss on Sale of Fixed Assets	\$155		\$0	\$155
700	Total Revenue	\$466,334		\$333,269	\$799,603

PHA: LA061 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
911	Administrative Salaries	\$65,101		\$0	\$65,101
912	Auditing Fees	\$2,200		\$0	\$2,200
915	Employee Benefit Contributions - Administrative	\$14,465		\$0	\$14,465
916	Other Operating - Administrative	\$19,678		\$0	\$19,678
931	Water	\$1,911		\$0	\$1,911
932	Electricity	\$6,562		\$0	\$6,562
933	Gas	\$1,674		\$0	\$1,674
941	Ordinary Maintenance and Operations - Labor	\$75,204		\$0	\$75,204
942	Ordinary Maintenance and Operations - Materials and Other	\$61,865		\$0	\$61,865
943	Ordinary Maintenance and Operations - Contract Costs	\$13,684		\$0	\$13,684
945	Employee Benefit Contributions - Ordinary Maintenance	\$27,790		\$0	\$27,790
951	Protective Services - Labor	\$16,584		\$0	\$16,584
952	Protective Services - Other Contract Costs	\$658		\$0	\$658
961	Insurance Premiums	\$40,133		\$0	\$40,133
963	Payments in Lieu of Taxes	\$20,086		\$0	\$20,086
969	Total Operating Expenses	\$367,595		\$0	\$367,595
970	Excess Operating Revenue over Operating Expenses	\$98,739		\$333,269	\$432,008
971	Extraordinary Maintenance	\$36,241		\$0	\$36,241
974	Depreciation Expense	\$72,238		\$0	\$72,238
900	Total Expenses	\$476,074		\$0	\$476,074
1001	Operating Transfers In	\$333,269		\$0	\$333,269
1002	Operating Transfers Out	\$0		\$-333,269	\$-333,269
1010	Total Other Financing Sources (Uses)	\$333,269		\$-333,269	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$323,529		\$0	\$323,529

PHA: LA061 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
1101	Capital Outlays Enterprise Fund	\$0	\$21,402	\$0	\$21,402
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,900,906	\$0	\$0	\$1,900,906
1112	Depreciation Add Back	\$72,238	\$0	\$0	\$72,238
1120	Unit Months Available	2,304	0	0	2,304
1121	Number of Unit Months Leased	2,232	0	0	2,232

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

SEPTEMBER 30, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
~ Material weakness(es) identified? yes X no
~ Reportable condition(s) identified that are
not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements
noted? yes X no

FEDERAL AWARDS

Internal control over major programs:
~ Material weakness(es) identified? yes X no
~ Reportable condition(s) identified that are
not considered to be material weakness(es)? X yes none reported

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

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? X yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.852	Comprehensive Improvement Assistance Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

SEPTEMBER 30, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

PRIOR AUDIT FINDINGS

99-1

AUDIT CONDUCTED LATE.

PRIOR
CONDITION:

The prior audit was conducted after the due date imposed by the Louisiana legislative auditor.

CURRENT
CONDITION:

The Audit was submitted on time.

This finding is cleared.

SECTION II - FINANCIAL STATEMENT FINDINGS

00-1

LACK OF CURRENT GENERAL DEPOSITORY AGREEMENTS, LACK OF COLLATERALIZATION.

CONDITION:

The General Depository Agreements that the Authority could locate were executed in the 1980's. Also there was a lack of a general depository agreement and a lack of proof of Collateralization at one financial institution.

CFDA #:

14.850, 14.852

CRITERIA:

HUD guidebook 7475.1 requires Collateralization of Housing Authority funds and a current General Depository Agreement at all financial institutions.

RECOMMENDATION:

The Authority should execute current General Depository Agreements with all the institutions where they deposit funds. The Authority should monitor the information received from the financial institutions in order to insure the funds are properly collateralized.

REPLY: We will comply with the Auditor's recommendation.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 00-1 is also federal award findings.

HOUSING AUTHORITY OF THE TOWN OF JONESBORO
Jonesboro, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>AMOUNT</u>	<u>EXPENDITURES</u>
FW-1213	U. S. DEPARTMENT OF HUD Low Income Public Housing	14.850	\$ 208,758	\$ 208,758
FW-1213	Comprehensive Improvement Assistance Program	14.852	<u>354,671</u>	<u>354,671</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 563,429</u>	<u>\$ 563,429</u>

A - Indicates a type "A" federal financial assistance program as defined by OMB Circular A-133

B - Indicates a type "B" federal financial assistance program as defined by OMB Circular A-133

* - Indicates a program audited as major.

Jean Sicketts

Certified Public Accountant

870 Cinderella Court

Decatur, GA 30033-5812

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of the
Town of Jonesboro
839 Harvey Place
Jonesboro, Louisiana 71251

HUD - New Orleans Office
Public Housing Division
Hale Boggs Federal Building
501 Magazine Street
New Orleans, Louisiana 70130-3099

I have audited the general-purpose financial statements of the Housing Authority of the Town of Jonesboro, as of and for the year ended September 30, 2000 and have issued my report thereon dated March 1, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Jonesboro's general-purpose 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** which are described in the accompanying schedule of findings and questioned costs as item 00-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the Town of Jonesboro's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose 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 operation 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 judgement, could adversely affect the Housing Authority of the Town of Jonesboro's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 00-1.

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 amounts that would be material in relation to the general-purpose 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 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Decatur, Georgia
March 1, 2001

Jean Sickets

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

**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 Jonesboro
839 Harvey Place
Jonesboro, Louisiana 71251

HUD - New Orleans Office
Public Housing Division
Hale Boggs Federal Building
501 Magazine Street
New Orleans, Louisiana 70130-3099

Compliance

I have audited the compliance of the Housing Authority of the Town of Jonesboro 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 Housing Authority of the Town of Jonesboro'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 Housing Authority of the Town of Jonesboro's management. My responsibility is to express an opinion on the Housing Authority of the Town of Jonesboro'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 Housing Authority of the Town of Jonesboro's compliance with those requirements and performing such other procedures as I 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 Housing Authority of the Town of Jonesboro's compliance with those requirements.

As described in item 00-1 in the accompanying schedule of findings and questioned costs, the Housing Authority of the Town of Jonesboro did not comply with requirements regarding cash management that is applicable to its low income public housing, and comprehensive improvement assistance programs. Compliance with such requirements is necessary, in my opinion, for the Housing Authority of the Town of Jonesboro to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, the Housing Authority of the Town of Jonesboro 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.

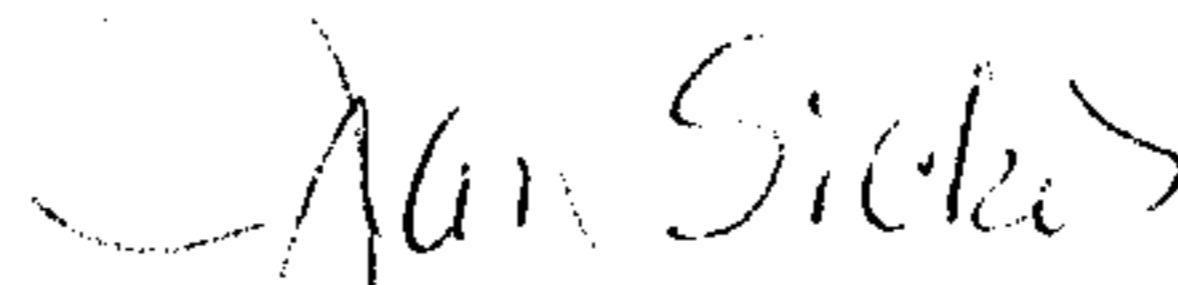
Internal Control Over Compliance

The management of the Housing Authority of the Town of Jonesboro 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 Housing Authority of the Town of Jonesboro'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.

I noted certain matters involving the internal control over compliance and its operation 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 compliance that, in my judgment, could adversely affect the Housing Authority of the Town of Jonesboro's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 00-1.

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 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. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Decatur, Georgia
March 1, 2001