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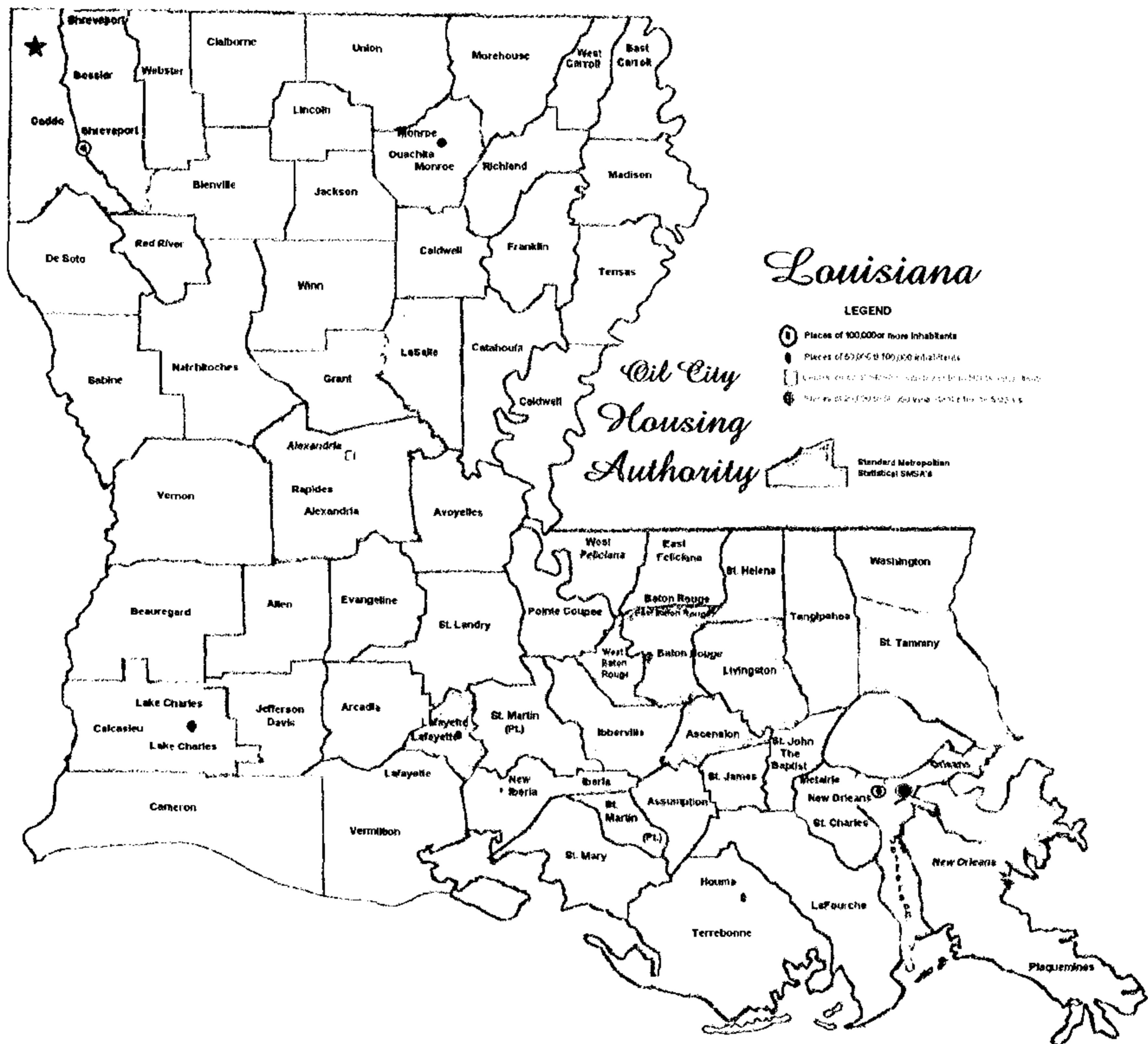
HOUSING AUTHORITY OF
THE TOWN OF OIL CITY
OIL CITY, LOUISIANA

*Report On Compiled
General Purpose Financial Statements
Twelve Months Ended September 30, 1999*

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

Release Date 3-1-00

HOUSING AUTHORITY OF
THE TOWN OF OIL CITY
OIL CITY, LOUISIANA



* The Oil City Housing Authority is chartered as a public corporation for the purpose of administering housing programs for low income families. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the Oil City Housing Authority to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

**HOUSING AUTHORITY OF THE TOWN OF OIL CITY
OIL CITY, LOUISIANA**

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JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

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Fax: (318) 992-4374

ACCOUNTANT'S COMPILATION REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

Board of Commissioners
Housing Authority of the Town of Oil City
PO Box 206
Oil City, LA 71061

I have compiled the general purpose financial statements and graphs of the Housing Authority of the Town of Oil City, as of and for the year ended September 30, 1999, as listed in the table of contents, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated December 30, 1999, on the results of our agreed-upon procedures,

December 30, 1999
Oil City, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the Town of Oil City
PO Box 206
Oil City, La. 71061

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Housing Authority of the Town of Oil City and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Housing Authority of the Town of Oil City's compliance with certain laws and regulations during the year ended September 30, 1999 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

* My review of expenditures found no expenditures for supplies exceeding \$5,000 or public works exceeding \$50,000.00

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

* Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

* Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

* None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

* I obtained a copy of the budget.

6. Trace the budget adoption and amendments to the minute book.

* The board approved the budget in the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

* Actual revenues or expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

* I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

* All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the executive director and the chairman of the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

* The Housing Authority posts its meetings.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

* I inspected all bank deposit entries in the books for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

* A reading of the minutes of the Authority for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I did not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Housing Authority of the Town of Oil City and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana
December 30, 1999

HOUSING AUTHORITY OF THE TOWN OF OIL CITY
OIL CITY, LOUISIANA

COMBINED BALANCE SHEET
September 30, 1999

Annual Contributions Contract FW-1362

	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Cash	\$ 1,896	\$ -0-	\$ 1,896
Investments	142,117	-0-	142,117
Deferred Charges	10,897	-0-	10,897
Land, Structures, & Equipment	-0-	3,992,180	3,992,180
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 154,910	\$ 3,992,180	\$ 4,147,090
LIABILITIES			
Accounts Payable	\$ 130	\$ -0-	\$ 130
Tenants' Security Deposits	7,364	-0-	7,364
Accrued Pilot	15,930	-0-	15,930
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 23,424	\$ -0-	\$ 23,424
Fund Balance	131,486	-0-	131,486
Investments in Fixed Assets	-0-	3,992,180	3,992,180
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND SURPLUS	\$ 154,910	\$ 3,992,180	\$ 4,147,090

"See Accountant's Report"
The notes are an integral part of this statement.

HOUSING AUTHORITY OF THE TOWN OF OIL CITY
OIL CITY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS
Twelve Months Ended September 30, 1999

Annual Contributions Contract FW-1362

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenue			
Operating Revenue			
Dwelling Rental	\$ 122,480	\$ 111,503	\$ (10,977)
Interest on General Fund Investments	6,020	3,990	(2,030)
Other Income	6,230	3,513	(2,717)
Operating Subsidy	16,351	16,351	-0-
Total Operating Revenue	<u>\$ 151,081</u>	<u>\$ 135,357</u>	<u>\$ (15,724)</u>
Operating Expenditures			
Administration	\$ 57,110	\$ 48,263	\$ 8,847
Tenant Services	1,000	311	689
Utilities	6,060	4,547	1,513
Ordinary Maintenance & Operation	54,890	51,720	3,170
Extra Ordinary Maintenance	42,000	41,686	314
General Expenditures	41,310	40,895	415
Replacement Equipment	8,540	8,528	12
Other	-0-	429	(429)
Total Expenditures	<u>\$ 210,910</u>	<u>\$ 196,379</u>	<u>\$ 14,531</u>
EXCESS OF REVENUES OVER EXPENDITURES	(59,829)	(61,022)	(1,193)
FUND BALANCE, BEGINNING	<u>192,508</u>	<u>192,508</u>	<u>-0-</u>
FUND BALANCE, ENDING	<u>\$ 132,679</u>	<u>\$ 131,486</u>	<u>\$ (1,193)</u>

"See Accountant's Report"
The notes are an integral part of this statement.

*Housing Authority of
the Town of Oil City
Oil City, Louisiana*

Notes to the Financial Statements

(1) SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization -

The entity is chartered as a public corporation for the purpose of administering housing programs for low income families.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

B. Financial Reporting -

1. Reporting entity. This report includes all funds and accounts which are controlled by the entity's governing body. Control was determined on the basis of budget adoption, authority to issue debt, authority to execute contracts and general oversight responsibility. The board is appointed by the Town of Oil City, Louisiana and is considered a related organization to that body. However, the Oil City Housing Authority is a legally separate entity and these financial statements contain only the financial activity of the entity.

2. Fund accounting. The accounts of the Oil City PHA (Public Housing Authority) are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The fund and the account group are reported by generic fund type in the financial statements.

GOVERNMENTAL FUND TYPE

General Fund

The general fund is the general operating fund of the PHA and is used to account for all financial resources except for those required to be accounted for in another fund.

ACCOUNT GROUP

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the PHA, except those accounted for in the general fund.

3. Basis of accounting. Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

Governmental Funds

These funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

*Housing Authority of
the Town of Oil City
Oil City, Louisiana*

*Notes to the Financial Statements
(Continued)*

(1) SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

Governmental Funds- (Cont.)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

C. Total Columns on Statements -

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

(2) COLLATERALIZATION OF UNRECONCILED CASH BALANCES AND INVESTMENTS

Cash on Hand	\$	200
Unreconciled Cash In Bank, Fully Insured By FDIC (Category 1)		143,813
Total Unreconciled Cash	\$	144,013

(3) FIXED ASSETS

All fixed assets are stated at cost. Changes in fixed assets are as follows:

	Beginning Of Period	Additions	Deletions	End of Period
Land, Structures & Equipment	\$ 3,983,652	\$ 8,528	\$ -0-	\$ 3,992,180

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

(4) BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended September 30, 1999:

1. The Housing Authority adopted a budget for the General Fund.
2. The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year-end.
3. Encumbrances are not recognized within the accounting records for budgetary control purposes.
4. Formal budget integration (within the accounting record) is employed as a management control device.

*Housing Authority of
the Town of Oil City
Oil City, Louisiana*

*Notes to the Financial Statements
(Continued)*

(4) BUDGETS – (CONT.)

5. The executive director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by five per cent or more and/or actual expenditures within a fund exceed budgeted expenditures by five per cent or more, a budget amendment is adopted by the Housing Authority in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The budget was amended during the year.

6. HUD approves all budgets adopted by the Housing Authority.

(5) CONTINGENCIES

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

(6) COMMISSIONERS

<u>Name</u>	<u>Title</u>	<u>Period Served</u>
John Holt	Chairman	10/01/1998 – 09/30/1999
Ellen Gay	Commissioner	10/01/1998 – 09/30/1999
Sylvia Pickard	Commissioner	10/01/1998 – 09/30/1999
Gene Self	Commissioner	02/01/1999 – 09/30/1999
Jon Sartor	Commissioner	10/01/1998 – 09/30/1999

(7) RETIREMENT SYSTEM

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous and uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 2% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended September 30, 1999, for employees who elected to participate, was \$14,341. The PHA's contributions were calculated using the base salary amount of \$14,341. Both the PHA and the covered employees made the required contributions for the year ended September 30, 1999. Employee contributions to the plan totaled \$310.50. The PHA contributions totaled \$860.46 for the year ended September 30, 1999.

*Housing Authority of the Town of Oil City
Oil City, Louisiana*

*Management Letter Comments
For The Year Ended September 30, 1999*

During the course of my compilation, I observed conditions and circumstances that may be improved. Below are situations noted for improvement, my recommendation for improvement and the PHA's response.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

1999-1) BUDGETS

Situation: The PHA overbudgeted its general fund revenue for the fiscal year ended September 30, 1999 by \$15,727 or 10%. The budget was not amended during the year to take into account the overage in revenues as required by the local government budget act.

Recommendation: When revenues fail to meet budgeted revenues by more than 5% or expenditures exceed the budget by more than 5%, the budget should be amended.

Village Response: The PHA will began amending its budgets when actual expenditures exceed budgeted expenditures by more than 5% or actual revenue fail to meet budgeted revenues by more than 5%.

*Housing Authority of the Town of Oil City
Oil City, Louisiana*

*Management's Summary
Of Prior Year Findings*

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

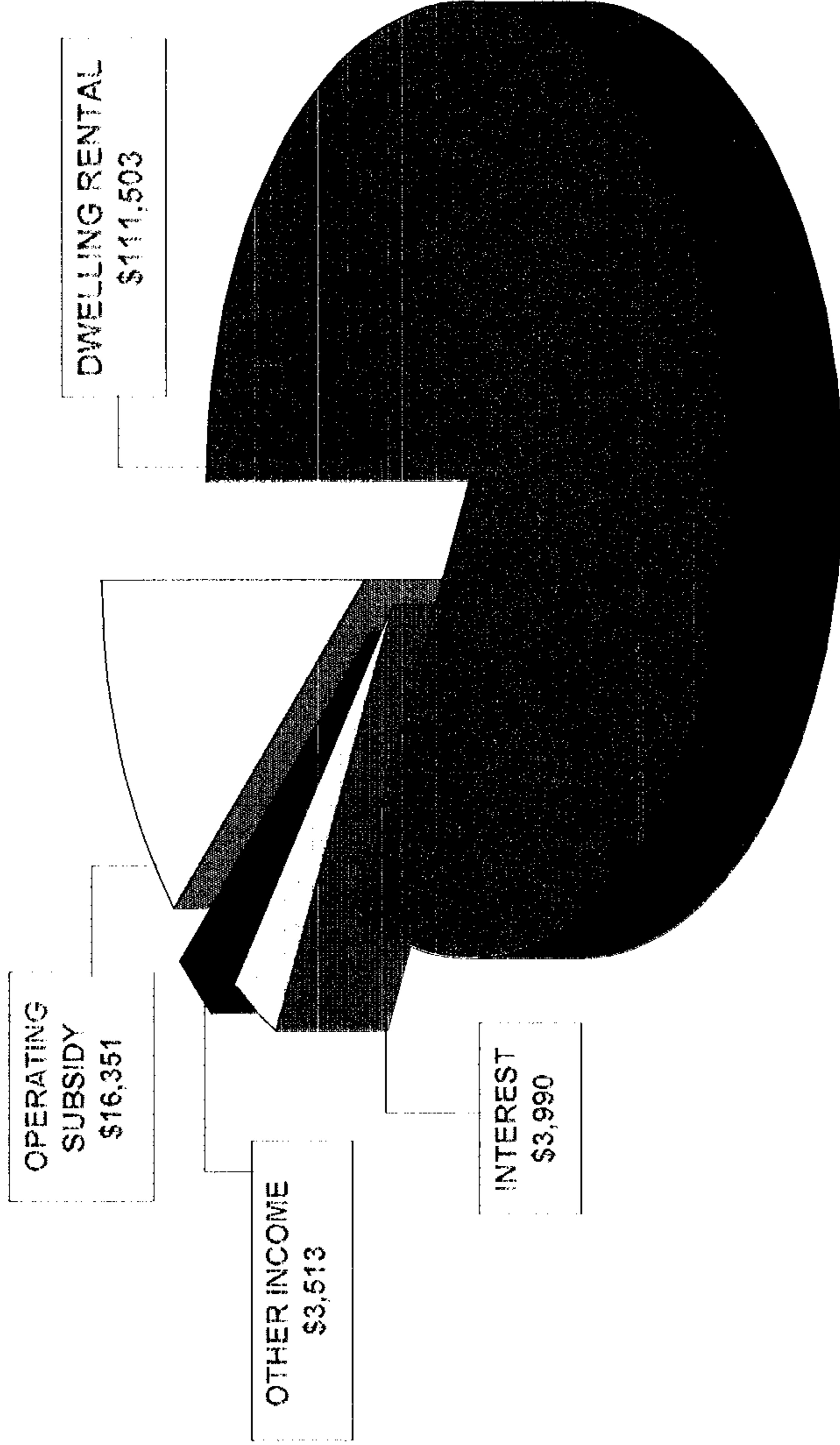
The management of the Housing Authority of the Town of Oil City, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their audit for the year ended September 30, 1998.

There were no prior year findings.

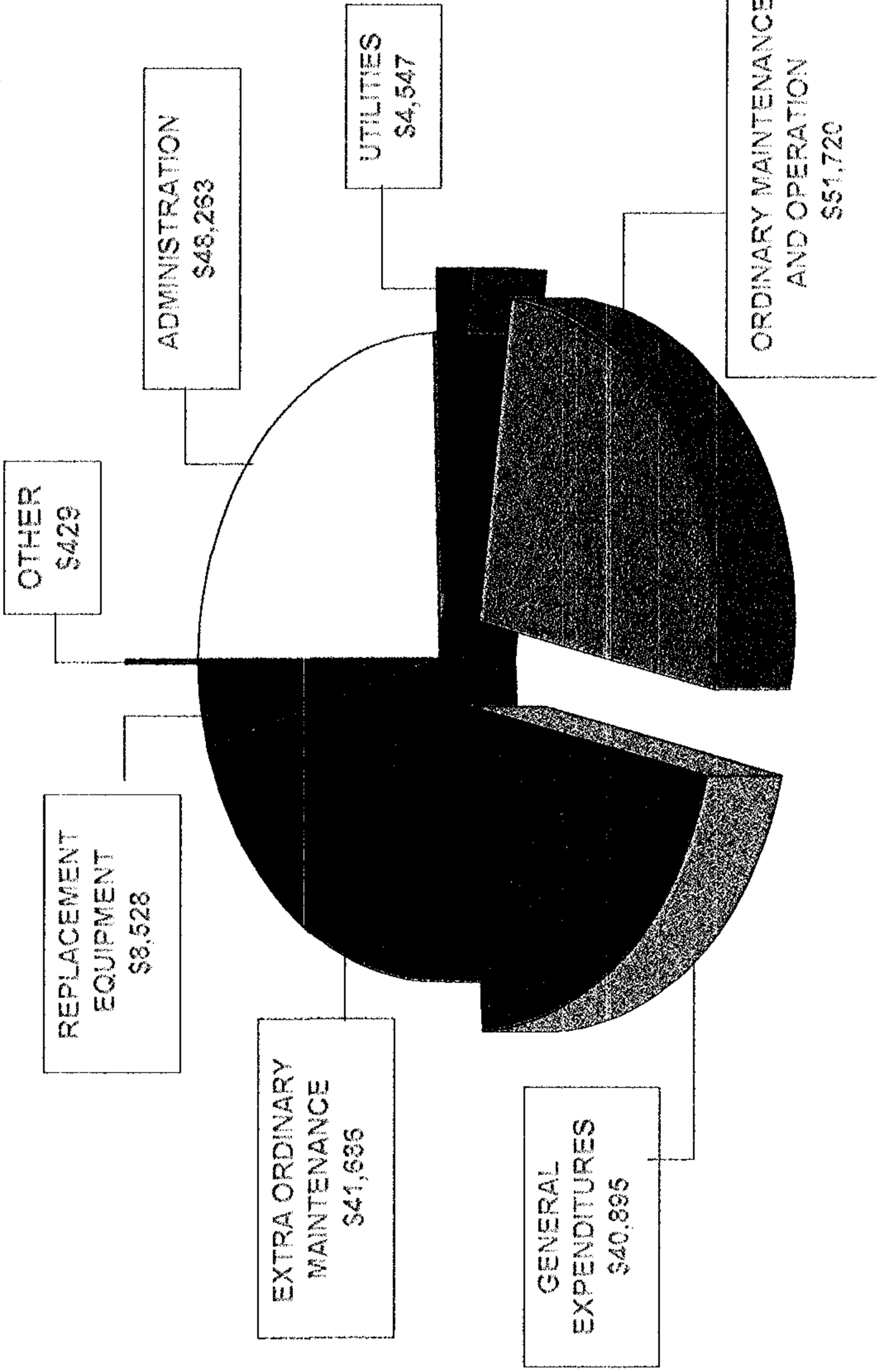
GRAPHS

OIL CITY HOUSING AUTHORITY

OPERATING REVENUES SEPTEMBER 30, 1999



OIL CITY HOUSING AUTHORITY OPERATING EXPENDITURES 9-30-1999



LOUISIANA ATTESTATION QUESTIONNAIRE

December 30, 1999

John R. Vercher (Auditor)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 30, 1999 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [x] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [x] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [x] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [x] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [x] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [x] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [x] No []

LOUISIANA ATTESTATION QUESTIONNAIRE

December 30, 1999

John R. Vercher (Auditor)

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Yes [x] No []

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Yes [x] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [x] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [x] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [x] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Mary Matlock Secretary _____ Date

_____ Treasurer _____ Date

_____ President _____ Date