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**HOUSING AUTHORITY OF THE CITY OF  
OAKDALE, LOUISIANA**

**REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

**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 MAR 22 2000

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION

## TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Summary of Auditor's Results and Schedule of Findings and Questioned Costs		1 - 2
Independent Auditor's Report		3 - 4
Financial Statements		
Balance Sheet - Enterprise Fund	A	5 - 6
Statement of Revenues, Expenses, and Changes in Retained Earnings - Enterprise Fund	B	7
Statement of Cash Flows - Enterprise Fund	C	8 - 9
Comparison of Actual HUD Revenue and Expenses to HUD Budgeted	D	10
Notes to Financial Statements		11 - 18
Supplementary Information		
Section 8 - HUD Contributions	E	19 - 20
Analysis of General Fund Cash Balance	F	21
Schedule of Federal Financial Assistance		22

## TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		23 - 24
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards		25 - 26
Schedule of Findings and Questioned Costs		27

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results

- A. We issued an unqualified opinion on the Housing Authority of the City of Oakdale, Louisiana for the audit of its financial statements for the year ended September 30, 1999.
- B. The financial statements are prepared on the Enterprise Method. See Auditor's Report and Note A.
- C. No reportable conditions in internal control were disclosed by our audit of the financial statements
- D. The audit did not disclose any noncompliance which is material to the financial statements.
- E. No reportable conditions in internal control were disclosed by our audit over major programs.
- F. We issued an unqualified opinion on compliance for major programs.
- G. Our audit disclosed no audit findings that we are required to report under 510(a) of OMB Circular A-133.
- H. Major programs are as follows, and see Schedule of Federal Expenditures for CFDA numbers and amounts:
  - 1. Low Income Housing
  - 2. Section 8 - Vouchers
  - 3. Section 8 - Existing

HOUSING AUTHORITY OF THE CITY OF OAKDALE

SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

- I. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- J. The Housing Authority of the City of Oakdale, Louisiana did not qualify for the year ended September 30, 1999 as a low-risk auditee.

Schedule of Findings and Questioned Costs

- K. There are no findings in these financial statements that is required to be reported in accordance with GAGAS.
- L. There are no audit findings or questioned costs for Federal awards which shall include audit findings as described in 510a of OMB Circular A-133.

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MIKE ESTES, CPA/PFS, CFP

MEMBER  
AMERICAN BOARD CERTIFIED  
PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Commissioners  
Housing Authority of the  
City of Oakdale  
Oakdale, Louisiana

Regional Inspector General for Audit  
Office of Inspector General  
Department of Housing and Urban  
Development

We have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Oakdale, Louisiana at and for the year ended September 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the City of Oakdale, Louisiana'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, and provisions of the Louisiana Governmental Audit Guide. 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 of the City of Oakdale, Louisiana as of September 30, 1999 and the results of its operations and changes in its total equity for the year then ended, in conformity with generally accepted accounting principles.

As described in Note A to the financial statements, the PHA has changed from the Governmental Funds to the Enterprise Funds method for the year ended September 30, 1999.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 9, 2000 on our consideration of Housing Authority of the City of Oakdale'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 on an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results 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 Oakdale, 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. 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.

***Mike Estes, P.C.***

Fort Worth, Texas  
March 9, 2000

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
BALANCE SHEET - ENTERPRISE FUND  
SEPTEMBER 30, 1999

FW - 719

**Assets**

Current assets		
Cash - Exhibit F	\$	86,035.00
Investments		262,107.00
Accounts receivable - HUD - Section 8		7,631.00
Accounts receivable - tenants, net of allowance for bad debts, \$1,441.00		2,328.00
Deferred Charges		6,335.00
Prepaid insurance		13,958.00
<b>Total current assets</b>		<u>378,394.00</u>
Fixed Assets		
Land		137,345.00
Buildings		4,730,992.00
Furniture, equipment & machinery		175,236.00
		<u>5,043,573.00</u>
Less: Accumulated depreciation		<u>4,867,618.00</u>
<b>Net fixed assets</b>		<u>175,955.00</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>554,349.00</u></u></b>

The Notes to Financial Statements are an integral part of these statements.



HOUSING AUTHORITY OF THE CITY OF OAKDALE  
BALANCE SHEET - ENTERPRISE FUND BASIS  
SEPTEMBER 30, 1999

FW - 719

**Liabilities**

Current liabilities

Tenant's security deposits	\$ 11,360.00
Accounts payable - HUD -Section 8 current year	6,146.00
Accounts payable - HUD - Section 8 prior years	21,470.00
Accounts payable - other	21,715.00
Accrued wages, compensated absences	33,355.00

<b>Total current liabilities</b>	<u>94,046.00</u>
----------------------------------	------------------

Fund equity

Net HUD contributions	176,035.00
-----------------------	------------

<b>Total contributed capital</b>	<u>176,035.00</u>
----------------------------------	-------------------

Retained earnings - Exhibit B	<u>284,268.00</u>
-------------------------------	-------------------

<b>Total Equity</b>	<u>460,303.00</u>
---------------------	-------------------

<b>Total Liabilities and Equity</b>	<u>\$ 554,349.00</u>
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The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - ENTERPRISE FUND  
YEAR ENDED SEPTEMBER 30, 1999

FW - 719

**Revenues**

Tenant revenue	\$ 212,123.00
HUD subsidy - Low Rent	131,257.00
HUD subsidy - Section 8	281,845.00
Interest income	21,436.00
Other revenue	27,988.00

<b>Total Operating Revenue</b>	<b>674,649.00</b>
--------------------------------	-------------------

Operating expenses

Administrative	151,338.00
Utilities	21,115.00
Maintenance	168,030.00
General expense	75,226.00
Depreciation	17,844.00
Protective services	301.00
HAP payments	235,909.00

<b>Total operating expenses</b>	<b>669,763.00</b>
---------------------------------	-------------------

<b>Net operating income</b>	<b>4,886.00</b>
-----------------------------	-----------------

Retained earnings (operating reserve), 9-30-98	305,589.00
--	------------

Deduct: HUD - REAC prior year GAAP adjustments	26,207.00
--	-----------

<b>Retained earnings, 9-30-99</b>	<b>\$ 284,268.00</b>
-----------------------------------	----------------------

Net HUD contribution, 9-30-98	5,424,146.00
-------------------------------	--------------

Current year addition and REAC adjustments	5,248,111.00
--	--------------

Net HUD contribution, 9-30-99	176,035.00
-------------------------------	------------

<b>Total Equity, 9-30-99 - Exhibit A</b>	<b>\$ 460,303.00</b>
--	----------------------

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
STATEMENT OF CASH FLOWS - ENTERPRISE FUND  
YEAR ENDED SEPTEMBER 30, 1999

FW - 719

Cash flows from operating activities:

Tenant revenue	\$ 212,123.00
Other operating revenue	27,988.00
Operating expenses	<u>(669,763.00)</u>
<b>Net cash (used) in operating activities</b>	<u>(429,652.00)</u>

Cash flows from noncapital financing activities

Operating subsidies received	<u>413,102.00</u>
<b>Net cash provided by noncapital financing activities</b>	<u>413,102.00</u>

Cash flows from capital and related financing activities

Equipment additions	<u>(20,650.00)</u>
<b>Net cash provided (required) by capital and financing activities</b>	<u>(20,650.00)</u>

Cash flows from investing activities

Interest income	<u>21,436.00</u>
<b>Net cash provided (used) from investing activities</b>	<u>\$ 21,436.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
 STATEMENT OF CASH FLOWS - ENTERPRISE FUND (continued)  
 YEAR ENDED SEPTEMBER 30, 1999

FW - 719

## Adjustments

Depreciation		17,844.00
NET HUD - REAC adjustments - noncash		(59,833.00)
Changes in assets and liabilities:		
Increase in accounts receivable	\$	(4,623.00)
Decrease in prepaid insurance		16,525.00
Decrease in debt amortization funds		36,514.00
Increase in deferred charges		(2,642.00)
Increase in accrued wages and payroll taxes		33,355.00
Decrease in security deposits		(174.00)
Decrease in deferred credits		(22,141.00)
Decrease in accounts payable		3,313.00
<b>Total adjustments</b>		<u>18,138.00</u>
Change in cash and equivalents		2,374.00
Cash and equivalents beginning of year		<u>345,768.00</u>
Cash and equivalents end of year - Exhibit A	\$	<u>348,142.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
COMPARISON OF ACTUAL HUD REVENUE AND  
EXPENSES TO HUD BUDGETED  
YEAR ENDED SEPTEMBER 30, 1999

FW - 719

	<u>HUD Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues			
Tenant revenue	\$ 202,857.00	\$ 212,123.00	\$ 9,266.00
HUD subsidy - Low Rent	131,257.00	131,257.00	0.00
HUD subsidy - Section 8	280,360.00	281,845.00	1,485.00
Interest income	8,200.00	21,436.00	13,236.00
Other revenue	22,958.00	27,988.00	5,030.00
	<u>645,632.00</u>	<u>674,649.00</u>	<u>29,017.00</u>
Operating expenses			
Administration	161,424.00	151,338.00	(10,086.00)
Utilities	19,040.00	21,115.00	2,075.00
Maintenance	161,578.00	168,030.00	6,452.00
General expense	63,696.00	75,226.00	11,530.00
Depreciation		17,844.00	17,844.00
Protective services	4,000.00	301.00	(3,699.00)
HAP payments	232,454.00	235,909.00	3,455.00
	<u>\$ 642,192.00</u>	<u>\$ 669,763.00</u>	<u>\$ 27,571.00</u>
Excess (deficient) revenues	3,440.00	4,886.00	1,446.00
Add:			
Depreciation - not budgeted by HUD	0.00	17,844.00	17,844.00
Deduct:			
Capital expenditures - budgeted by HUD	<u>(20,910.00)</u>	<u>(20,649.00)</u>	<u>261.00</u>
Excess (deficiency) of budgeted revenues over expenses	<u>\$ (17,470.00)</u>	<u>\$ 2081.00</u>	<u>\$ 19,551.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE

The Housing Authority of Oakdale, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the City of Oakdale, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities and housing assistance payments for eligible individuals.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of September 30, 1999, and for the fiscal then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE (continued)

(2) Change in Accounting Principle

For the year ended September 30, 1999, the PHA has changed from the Government Funds Method to the Enterprise Method. This change was strongly recommended by the Real Estate Assessment Center (REAC) of The Department of Housing and Urban Development.

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

The Enterprise Fund recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable. In the prior method used, the Governmental Funds Method, the modified accrual method was necessary.

Depreciation expense must be recognized for the Enterprise Fund. Under the Governmental Funds Method, depreciation was optional and the PHA elected not to recognize it.

REAC suggests that accumulated depreciation be charged to HUD Capital Contributions, not Retained Earnings. REAC directs that soft costs from development and modernization be deleted from fixed assets and charged to HUD Capital Contributions.

REAC also directs PHA's to delete outstanding debt owed to HUD, annual contributions and debt amortization funds receivable due from HUD, and close them to HUD Capital Contributions.

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE (continued)

The amount of the September 30, 1998 operating reserve becomes the beginning retained earnings. There is no cumulative effect on beginning retained earnings resulting from the accounting method change.

(3) Budgetary Data

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

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables, or depreciation. The budget does reflect furniture and equipment additions from operations.

(4) Cash and Cash Equivalents

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



HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE (continued)

(5) Tenant Receivables

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

(6) Compensated Absences

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

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1999. The categories are described as follows:

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

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

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

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (continued)

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

Total Bank Balances	Category		
	1	2	3
\$ <u>348,142</u>	\$ <u>228,268</u>	\$ <u>          </u>	\$ <u>119,874</u>

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 C - ACTIVITIES OF THE PHA

At September 30, 1999, the PHA was managing 155 units of low-rent in four projects under Program FW - 719, 20 units of Section 8 Vouchers and 120 units of Section 8 Existing under FW - 2095.

NOTE D - CONTINGENCIES

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

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE E - FIXED ASSETS

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

Site improvements	15 Years
Buildings	33 Years
Buildings improvements	15 Years
Nondwelling structures	15 Years
Equipment	3 to 7 Years

	09/30/99 <u>Cost</u>	09/30/98 <u>Accumulated Depreciation</u>	Current <u>Depreciation</u>	09/30/99 <u>Accumulated Depreciation</u>
Land	\$ 137,345			
Buildings and Improvements	4,730,992	4,730,992		4,730,992
Equipment	175,236	118,782	17,844	136,626
	<u>\$ 5,043,573</u>	<u>4,849,774</u>	<u>17,844</u>	<u>4,867,618</u>

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.

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE F - LONG-TERM DEBT

As noted in Note A, long-term debt owed to HUD has been closed to HUD Capital Contributions. For the year ended September 30, 1999, Housing Agency bonds outstanding of \$ 247,402.00 were closed to capital contributions.

NOTE G - RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employee contributes 6 % and the entity contributes 8 % of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20 % annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll in fiscal year ended September 30, 1999 was \$ 172,068.00 . The entity's contributions were calculated using the base salary amount of \$ 125,400.00 . Contributions to the plan were \$ 7,524.00 and \$ 10,032.00 by the employee and the entity, respectively.

NOTE H - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Cash and Investments

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

HOUSING AUTHORITY OF THE CITY OF OAKDALE

NOTES TO FINANCIAL STATEMENTS

(continued)

SEPTEMBER 30, 1999

NOTE I - ACCOUNTING FOR THE IMPAIRMENT OF LONG - LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE J - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

**SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
SECTION 8 - HUD CONTRIBUTIONS

SEPTEMBER 30, 1999

VOUCHERS

	<u>Unreserved Contributions</u>	<u>Operating Reserve</u>	<u>Project Account</u>	<u>Cumulative Contributions</u>	<u>Total</u>
Balance at 9/30/98	\$ 0.00	0.00	0.00	0.00	\$ 0.00
Recapture of reserves	\$ 0.00	0.00	0.00	0.00	\$ 0.00
Net Loss - net of subsidy	\$ (13,147.00)	0.00	0.00	0.00	\$ (13,147.00)
Subsidy	\$ 0.00	0.00	0.00	0.00	\$ 0.00
GAAP adjustments	\$ 0.00	0.00	0.00	0.00	\$ 0.00
Provision - Reserve	\$ (120.00)	0.00	0.00	13,267.00	\$ 13,147.00
Provision - Project	\$ <u>(7,524.00)</u>	<u>120.00</u>	<u>7,524.00</u>	<u>0.00</u>	<u>\$ 120.00</u>
Balance 9/30/99	\$ <u><u>(20,791.00)</u></u>	<u><u>120.00</u></u>	<u><u>7,524.00</u></u>	<u><u>13,267.00</u></u>	<u><u>\$ 120.00</u></u>

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
SECTION 8 - HUD CONTRIBUTIONS

SEPTEMBER 30, 1999

EXISTING

	<u>Unreserved Contributions</u>	<u>Operating Reserve</u>	<u>Project Account</u>	<u>Cumulative Contributions</u>	<u>Total</u>
Balance at 9/30/98	\$ (3,677,548.00)	30,541.00	409,556.00	3,290,436.00	\$ 52,985.00
Recapture of reserves	\$ (185,489.00)	0.00	(185,489.00)	0.00	\$ (370,978.00)
Net Loss - net of subsidy	\$ (256,016.00)	0.00	0.00	0.00	\$ (256,016.00)
Subsidy	\$ 0.00	0.00	0.00	268,578.00	\$ 268,578.00
GAAP adjustments	\$ 0.00	0.00	0.00	0.00	\$ 0.00
Provision - Reserve	\$ (12,561.00)	12,561.00	0.00	0.00	\$ 0.00
Provision - Project	\$ (109,866.00)	0.00	109,866.00	0.00	\$ 0.00
Other HUD adjustment	\$ <u>334,451.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	\$ <u>334,451.00</u>
Balance 9/30/99	\$ <u><u>(3,907,029.00)</u></u>	<u><u>43,102.00</u></u>	<u><u>333,933.00</u></u>	<u><u>3,559,014.00</u></u>	\$ <u><u>29,020.00</u></u>



HOUSING AUTHORITY OF THE CITY OF OAKDALE  
 ANALYSIS OF GENERAL FUND CASH BALANCE  
 ANNUAL CONTRIBUTION CONTRACT  
FW - 719

Composition Before Adjustments	
Net operating receipts retained:	
Retained earnings - Exhibit B	\$ <u>284,268.00</u>
	<u>284,268.00</u>
Adjustments	
Expenses/costs not paid:	
<i>Current liabilities</i>	94,126.00
Income not received:	
Accounts receivable	<u>(9,959.00)</u>
General Fund Cash Available	368,435.00
General Fund Cash:	
Invested	(262,107.00)
Applied to deferred charges (prepaid insurance, inventories, etc.)	<u>(20,293.00)</u>
General Fund Cash - Exhibit A	<u><u>86,035.00</u></u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 1999

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>GRANT ID NO.</u>	<u>PROGRAM EXPENDITURES</u>
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low-Income Housing			
Operating Subsidy	14.850	FW - 719	131,257.00
Major Program Total			<u>131,257.00</u>
 Section 8 Hap -			
Vouchers	14.855	FW - 719	13,267.00
Major Program Total			<u>13,267.00</u>
 Section 8 Hap -			
Certificates	14.857	FW - 719	268,578.00
Major Program Total			<u>268,578.00</u>
 Total HUD			 \$ <u><u>413,102.00</u></u>

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Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133

Housing Authority of the  
City of Oakdale  
Oakdale, Louisiana

We have audited the compliance of the Housing Authority of the City of Oakdale, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that is applicable to each of its major federal programs for the year ended September 30, 1999. The Housing Authority of the City of Oakdale, Louisiana'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 City of Oakdale, Louisiana's Management. Our responsibility is to express an opinion on the Housing Authority of the City of Oakdale, Louisiana'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 A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular 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 of the City of Oakdale, Louisiana's compliance with those requirements and performing such other procedures as we consider 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 of the City of Oakdale, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Oakdale, Louisiana 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, 1999.

#### Internal Control Over Compliance

The management of The Housing Authority of the City of Oakdale, Louisiana is responsible for establishing and maintaining 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 of the City of Oakdale, Louisiana'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 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 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.

***Mike Estes, P.C.***

Fort Worth, Texas  
March 9, 2000

The Notes to Financial Statements are an integral part of these statements.

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Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance with Governmental Auditing Standards

Housing Authority of the  
City of Oakdale  
Oakdale, Louisiana

We have audited the financial statements of the Housing Authority of the City of Oakdale, Louisiana as of and for the year ended September 30, 1999, and have issued our report thereon dated March 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Oakdale, Louisiana'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 *Governmental Auditing Standards*, or the Louisiana Governmental Audit Guide.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Oakdale, Louisiana'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is a matter of public record and its distribution is not limited.

*Mike Estes, P. C.*

Fort Worth, Texas  
March 9, 2000

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF OAKDALE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 1999

Prior Audit Findings and Questioned Costs

There were no prior audit findings.

Current Audit Findings

Questioned  
Costs

None.