

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

T A B L E O F C O N T E N T S

RECEIVED  
LEGISLATIVE AUDITOR  
00 MAR -9 AM 9:57

FINANCIAL SECTION

Independent Auditor's Report	1-2
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	4-7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, and Capital Project Funds	9-10
Notes to Financial Statements	11-20
Schedule of Expenditures of Federal Awards	21
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	22-23
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	24-25
<u>SUPPLEMENTAL INFORMATION (STATUTORY BASIS)</u>	
Statement of Modernization Costs - Uncompleted at September 30, 1999	26
Statement and Certification of Actual Modernization Costs	27
Status of Prior Audit Findings	28
Findings and Questioned Costs	29

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 15 2000

FINANCIAL SECTION

RICHARD C. URBAN  
CERTIFIED PUBLIC ACCOUNTANT

MEMBER:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:  
1137 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (318) 942-2154

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Eunice Housing Authority  
Eunice, Louisiana

We have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Eunice, Louisiana as of 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's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

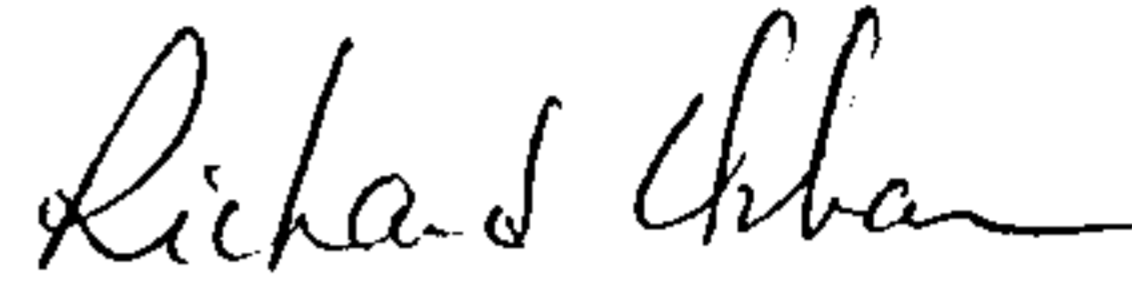
In our opinion, the general-purpose financial statements referred to above, present fairly in all material respects, the financial position of the Housing Authority of the City of Eunice, Louisiana, as of September 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2000, on our consideration of the Housing Authority of the City of Eunice, Louisiana internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements 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 supplemental information listed in the table of contents are included to meet

Board of Commissioners  
Eunice Housing Authority  
Eunice, Louisiana  
Page 2

HUD regulatory requirements. 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.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
January 24, 2000

GENERAL PURPOSE  
FINANCIAL STATEMENTS

EUNICE HOUSING AUTHORITY  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 September 30, 1999

	Governmental Fund Types	
	General	Capital Projects
ASSETS AND OTHER DEBITS		
Assets:		
Cash and cash equivalents	\$ 174,286	\$ ---
Investments, at cost	142,248	
Receivables (net of allow- ance for uncollectables)	1,471	8,623
Interfund receivable	8,623	---
Prepaid items	19,289	---
Land, buildings and equipment		
Other Debits:		
Amount to be provided for retirement of general long- term obligations	-----	-----
Total Assets	345,917	8,623

The accompanying notes are an integral part of this statement.

Fiduciary Fund	Account Groups		TOTALS (Memorandum Only)
Agency Fund	General Fixed Assets	General Long-term Obligations	
\$     ---	\$     ---	\$     ---	\$ 174,286
---	---	---	142,248
---	---	---	10,094
24,712	---	---	33,335
---	---	---	19,289
---	6,532,072	---	6,532,072
---	---	14,471	14,471
24,712	6,532,072	14,471	6,925,795
=====	=====	=====	=====

EUNICE HOUSING AUTHORITY  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 September 30, 1999

	Governmental Fund Types	
	General	Capital Projects
LIABILITIES, EQUITY, AND OTHER CREDITS		
Liabilities:		
Accounts, salaries, and other payables	\$ 23,757	\$ ----
Interfund payable	24,712	8,623
Deposits due others	----	----
Compensated absences payable	----	----
Total Liabilities	48,469	8,623
Equity and Other Credits:		
Investment in general fixed assets	----	----
Fund balances:		
Reserved	----	----
Unreserved	297,448	----
Total Equity and Other Credits	297,448	----
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	345,917	-----

The accompanying notes are an integral part of this statement.



Fiduciary Fund	Account Groups		TOTALS (Memorandum Only)
	General Fixed Assets	General Long-term Obligations	
Agency Fund			
\$ ---	\$ ---	\$ ---	\$ 23,757
---	---	---	33,335
24,712	---	---	24,712
---	---	14,471	14,471
<u>24,712</u>	<u>---</u>	<u>14,471</u>	<u>96,275</u>
---	6,532,072	---	6,532,072
---	---	---	---
---	---	---	297,448
<u>---</u>	<u>6,532,072</u>	<u>---</u>	<u>6,829,520</u>
24,712	6,532,072	14,471	6,925,795
=====	=====	=====	=====

EUNICE HOUSING AUTHORITY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended September 30, 1999

	Governmental Fund Types		TOTALS (Memorandum Only)
	General	Capital Projects	
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$296,875	\$ ---	\$296,875
Interest earnings	6,616	---	6,616
Other	7,267	---	7,267
Gain on sale of assets	1,600	---	1,600
Federal sources:			
Operating subsidy	144,668	---	144,668
Grants	---	403,477	403,477
Total revenues	457,026	403,477	860,503
<b>EXPENDITURES</b>			
Current:			
Administration	121,280	---	121,280
Tenant services	5,099	---	5,099
Utilities	156,881	---	156,881
Ordinary maintenance	130,555	18,234	148,789
General expenditures	46,491	---	46,491
Facilities acquisition and construction	10,251	319,505	329,756
Total expenditures	470,557	337,739	808,296
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES</b>			
	( 13,531)	65,738	52,207
<b>OTHER FINANCING SOURCES (uses)</b>			
Operating transfers in	65,738	---	65,738
Operating transfers out	---	( 65,738)	( 65,738)
Total other financing sources (uses)	65,738	( 65,738)	---
<b>EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES</b>			
	52,207	---	52,207
<b>FUND BALANCE, BEGINNING</b>			
	245,241	---	245,241
<b>FUND BALANCE, ENDING</b>			
	297,448	---	297,448

The accompanying notes are an integral part of this statement.

EUNICE HOUSING AUTHORITY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL,  
 DEBT SERVICE, AND CAPITAL PROJECT FUNDS  
 For the Year Ended September 30, 1999

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 291,360	\$ 296,875	\$ 5,515
Interest earnings	9,700	6,616	( 3,084)
Other	13,000	7,267	( 5,733)
Gain on sale of assets	---	1,600	1,600
Federal sources:			
Operating subsidy	144,668	144,668	---
Grants	---	---	---
Total revenues	<u>458,728</u>	<u>457,026</u>	<u>( 1,702)</u>
<b>EXPENDITURES</b>			
Current:			
Administration	110,580	121,280	( 10,700)
Tenant services	5,100	5,099	1
Utilities	156,600	156,881	( 281)
Ordinary maintenance	114,430	130,555	( 16,125)
General expenditures	84,670	46,491	38,179
Facilities acquisition & construct.	13,100	10,251	2,849
Total expenditures	<u>484,480</u>	<u>470,557</u>	<u>13,923</u>
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES</b>	( 25,752)	( 13,531)	12,221
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	---	65,738	65,738
Operating transfers out	---	---	---
Total other financing sources (uses)	<u>---</u>	<u>65,738</u>	<u>65,738</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES</b>	( 25,752)	52,207	77,959
<b>FUND BALANCE, BEGINNING</b>	<u>---</u>	<u>245,241</u>	<u>245,241</u>
<b>FUND BALANCE, ENDING</b>	<u>( 25,752)</u>	<u>297,448</u>	<u>323,200</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ ---	\$ ---	\$ ---
---	---	---
---	---	---
---	---	---
---	---	---
<u>403,477</u>	<u>403,477</u>	<u>---</u>
<u>403,477</u>	<u>403,477</u>	<u>---</u>
---	---	---
---	---	---
---	---	---
18,234	18,234	---
---	---	---
<u>319,505</u>	<u>319,505</u>	<u>---</u>
<u>337,739</u>	<u>337,739</u>	<u>---</u>
65,738	65,738	---
---	---	---
<u>( 65,738)</u>	<u>( 65,738)</u>	<u>---</u>
<u>( 65,738)</u>	<u>( 65,738)</u>	<u>---</u>
---	---	---
---	---	---
=====	=====	=====

EUNICE HOUSING AUTHORITY  
Eunice, Louisiana  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended September 30, 1999

INTRODUCTION

The Eunice Housing Authority (authority) was created by Louisiana Revised Statute (LSA-R.S.) 40:391 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Eunice, Louisiana.

The authority is administered by a five-member board appointed by the Mayor. Members of the board serve three-year terms.

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 rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the authority for the purpose of assisting the authority in financing the acquisition, construction, and leasing of housing units and to make annual contributions (subsidies) to the authority for the purpose of maintaining this low rent character.

At September 30, 1999, the authority manages 150 public housing units.

In addition, the authority is currently administering two separate modernization programs, and completed one during the fiscal year.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements of the authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the authority is legally separate and fiscally independent, the authority is a separate governmental reporting entity, or appointment of governing body, and other general oversight responsibility.

The authority is a related organization of the City of Eunice, Louisiana since the mayor appoints a voting majority of the authority's governing board. The City of Eunice, Louisiana is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the City of Eunice, Louisiana. Accordingly, the authority is not a component unit of the financial reporting entity of the City of Eunice, Louisiana.

The authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the authority.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

#### Fund Accounting

The authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the authority are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund

## NOTES TO FINANCIAL STATEMENTS (continued)

classifications and a description of each existing fund type follow:

### **Governmental Funds**

Governmental funds account for all or most of the authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund--the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.
2. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

### **Fiduciary Funds**

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the authority. The Tenants Security Deposits Agency Fund consists of the tenant security deposit accounts.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

### **Revenues**

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

## NOTES TO FINANCIAL STATEMENTS (continued)

Rental income, excess utilities, and other income are recorded in the month earned.

Interest earnings are recorded when time deposits mature and interest is credited to the authority's deposits.

### **Expenditures**

Expenditures are recorded when the related fund liability is incurred. This includes expenditures for salaries and capital outlay in the general fund.

The authority's liability for compensated absences is accounted for in the general long-term obligation account group and is recorded annually. At September 30, 1999, the liability for accumulated compensated absences was \$14,471 for the general fund.

### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

### **Deferred Revenues**

The authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the authority before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

### Budgets

The authority uses the following budget practices:

1. The Executive Director prepares a proposed budget and submits same to the Board Commissioners no later than thirty days prior to the beginning of each fiscal year.
2. Following discussion and acceptance of the budget by the Board, it is sent to HUD for approval.
3. Upon approval by HUD, the budget is formally adopted.
4. Any budgetary amendments require the approval of the Executive Director and Board of Commissioners.
5. Any budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).



## NOTES TO FINANCIAL STATEMENTS (continued)

7. The budget comparison presented in the financial statements includes the original budget and all amendments.

### Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts and certificates of deposit with original maturities of 90 days or less. Under state law, the authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

### Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

### Prepaid Items

Payments made to insurance companies for coverage that will benefit the period beyond September 30, 1999 are recorded as prepaid insurance.

### Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No construction period interest costs have been incurred and capitalized for the fiscal year ended September 30, 1999. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

### Compensated Absences

The authority follows Civil Service guidelines pertaining to the accumulation of vacation and sick leave. This leave may be accumulated and carried over between fiscal years, with a maximum of 300 hours of payment of leave upon termination or retirement. In addition, the Executive Director's employment contract allows him to accrue annual leave in excess of 300 hours to be paid upon retirement.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

### Fund Equity

#### **Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

#### **Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

### Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transaction, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

### Total Columns on Combined Statements

The total columns on the combined 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, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### **NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET**

There were no individual funds with expenditures/expenses over budgeted expenditures/expenses for the year ended September 30, 1999.

#### **NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

At September 30, 1999, the authority had cash, cash equivalents and investments totaling \$316,534 as follows:

NOTES TO FINANCIAL STATEMENTS (continued)

Demand deposits	\$174,286
Time deposits	<u>142,248</u>
Total	316,534 =====

Investments consist of certificates of deposit with maturity dates of 180 days. These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1999, the authority has \$316,534 in deposits. These deposits are secured from risk by \$260,216 of federal deposit insurance and \$100,000 of pledged securities held by the custodial bank in the name of the fiscal agent banks (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables of \$10,094 at September 30, 1999, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Local sources:	
Tenants	\$ 1,471
Federal sources:	
Grant funds	<u>8,623</u>
Total	10,094 =====

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

NOTES TO FINANCIAL STATEMENTS (continued)

	Balance <u>Sept 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Sept 30, 1999</u>
Land	\$ 382,412	\$ ---	\$ ---	\$ 382,412
Buildings	5,357,037	564,670	---	5,921,707
Equipment	217,702	10,251	---	227,953
Construction in progress:				
Modernization costs	244,165	---	244,165	---
Total	<u>6,202,316</u>	<u>574,921</u>	<u>244,165</u>	<u>6,532,072</u>
	=====	=====	=====	=====

NOTE 6 - RETIREMENT SYSTEMS

The authority participates in the Housing-Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through the plan, the authority provides pension benefits for all full-time employees. All eligible individuals must be employed for at least six months before participating in the plan. The authority has five employees participating as of September 30, 1999.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. Benefits of the plan are funded by employee and employer contributions. Participants in the plan are required to make a monthly contribution of five percent of their basic compensation. The authority makes a monthly contribution equal to seven percent of each participant's basic compensation.

The employer contributions and earnings allocated to each participant's account are fully vested after one year of continuous service.

The authority's total payroll for the fiscal year ended September 30, 1999, was \$127,909. The authority's contributions were made based on the total covered payroll of \$122,562. The authority and the covered employees made the required contributions for the year ended September 30, 1999. The employee contributions totaled \$6,134 while the authority's contributions totaled \$ 8,643 for the year ended September 30, 1999.

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$23,757 at September 30, 1999, are as follows:

<u>General Fund</u>	<u>Amount</u>
Payments in lieu of taxes	\$ 7,590
Withholdings	---
Accounts	<u>16,167</u>
Total	<u>23,757</u>
	=====

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 8 - CHANGES IN AGENCY FUND/DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Year</u>
Agency fund: Tenant security deposits	\$ 25,184	\$ 4,610	\$ 5,082	\$ 24,712

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 1999:

	<u>Compensated Absences</u>
Long-term obligations at Sept 30, 1998	\$ 12,200
Additions	2,271
Deductions	---
Long-term obligations at Sept 30, 1999	<u>14,471</u> =====

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fiduciary fund	General fund	\$24,712
General fund	Capital Projects	8,623

NOTE 11 - LITIGATION AND CLAIMS

At September 30, 1999, the authority was not involved in any lawsuits or aware of any claims against it.

NOTE 12 - COMPENSATED ABSENCES

At September 30, 1999, employees of the authority have accumulated and vested \$14,471 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$14,471 is recorded in the general long-term obligations account group.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 13 - YEAR 2000 COMPLIANCE

The Housing Authority of the City of Eunice, Louisiana has received assurances from its software providers that the Authority's accounting and tenant record keeping systems are Y2K compliant. Tests were conducted prior to the end of 1999 to insure compliance without any problems noted. Subsequently, an audit revealed no problems with any of the systems.

NOTE 14 - HUD GUARANTEED DEBT

At September 30, 1998, the Eunice Housing Authority was indebted to HUD through its annual contributions contract for \$183,363 of bonded indebtedness. In accordance with GASB Interpretation No. 2, Disclosure of Conduit Debt Obligations, in order to insure proper GAAP treatment of this debt, the Eunice Housing Authority has recorded the outstanding indebtedness as capital contributions.

HOUSING AUTHORITY OF THE CITY OF EUNICE  
Eunice, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended September 30, 1999

Federal Grantor/ Program Title	CFDA No.	Grant ID No.	Federal Award Received	Program Expenditures
U. S. Dept. of Housing and Urban Development				
Direct Programs:				
Low-Income HAP	14.850	FW- 715	\$ 144,668	\$ 144,668
Modernization:				
Program Year 1996	14.852	FW- 715	148,919	148,919
Program Year 1998	14.852	FW- 715	254,558	254,558
Total U.S. Dept. of Housing and Urban Development			548,145	548,145
Total federal assistance			548,145	548,145
Federal funds on hand at September 30, 1998			-0-	
Grant amounts received			548,145	
Program expenditures			( 548,145)	
Federal funds on hand at September 30, 1999			-0-	

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

MEMBER:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:  
1137 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (318) 942-2154

Board of Commissioners  
Housing Authority of Eunice  
Eunice, Louisiana

Department of Housing and  
Urban Development  
New Orleans, Louisiana

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

We have audited the financial statements of the Housing Authority of the City of Eunice, Louisiana, as of and for the year ended September 30, 1999, and have issued our report thereon dated January 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

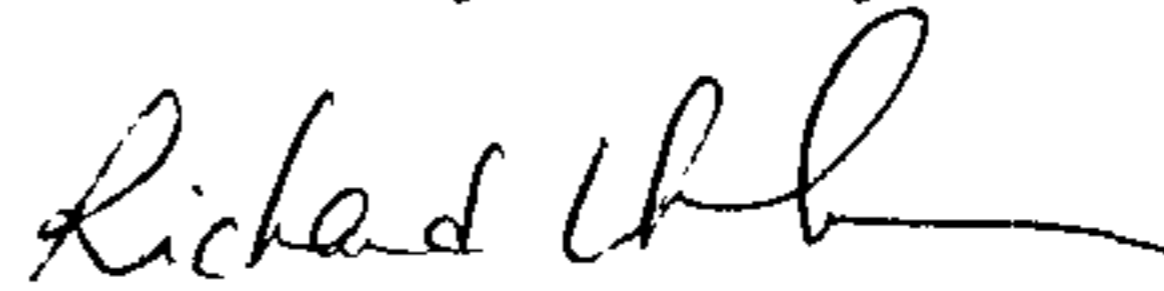
As part of obtaining reasonable assurance about whether the Housing Authority of the City of Eunice, Louisiana financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Eunice, Louisiana 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 intended for the information of the Board of Commissioners, management, the Department of Housing and Urban Development, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
January 24, 2000

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

MEMBER:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

OFFICE:  
1137 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (318) 942-2154

Board of Commissioners  
Housing Authority of Eunice  
Eunice, Louisiana

Department of Housing and  
Urban Development  
New Orleans, Louisiana

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

Compliance

We have audited the compliance of the Housing Authority of the City of Eunice, Louisiana, 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, 1999. The Housing Authority'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's management. Our responsibility is to express an opinion on the Housing Authority of the City of Eunice, Louisiana 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of the City of Eunice, Louisiana compliance with those requirements.

In our opinion, the Housing Authority of the City of Eunice, 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 is responsible for establishing and maintaining effective internal control over compliance with

requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular 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 Board of Commissioners, management, the Department of Housing and Urban Development, and the Legislative Auditor of the State of Louisiana, and is not intended to be used by anyone other than these specified parties.

  
RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
January 24, 2000

HOUSING AUTHORITY OF THE CITY OF EUNICE  
Eunice, Louisiana

STATEMENT OF MODERNIZATION COSTS -  
UNCOMPLETED AT SEPTEMBER 30, 1999

Annual Contributions Contract FW- 715

COMPREHENSIVE GRANT PROGRAM LA 48PO25-9110-1998

Funds approved	\$ 387,680.00
Funds advanced	254,557.69
Funds expended	<u>254,557.69</u>
Excess of funds advanced over funds expended	<u>-0-</u>

COMPREHENSIVE GRANT PROGRAM LA 48PO25-91299

Funds approved	\$ 289,445.00
Funds advanced	---
Funds expended	<u>---</u>
Excess of funds expended over funds advanced	<u>---</u>

HOUSING AUTHORITY OF THE CITY OF EUNICE  
Eunice, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
At September 30, 1999

1996 PHASE LA 48-025-910Z

FUNDS APPROVED	\$ 385,000.00
FUNDS EXPENDED	<u>385,000.00</u>
EXCESS OF FUNDS APPROVED	<u>-0-</u>
FUNDS ADVANCED	385,000.00
FUNDS EXPENDED	<u>385,000.00</u>
EXCESS OF FUNDS ADVANCED	<u>-0-</u>

- 1) The distribution of costs by project as shown on the Final Statement of Modernization Cost submitted to HUD for approval is in agreement with the PHA's records.
- 2) All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF EUNICE  
Eunice, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The following finding was noted with the previous audit report:

UNAUTHORIZED USE OF FUNDS

Subsequent to September 30, 1997, the Executive Director reimbursed the Eunice Housing Authority a total of \$2,990.60 for unauthorized advances on PHA credit cards as well as for personal use of PHA vehicle. An internal review of these actions revealed that the reimbursements covered a three-year period. Our examination disclosed no additional unauthorized use of funds. We also reviewed the results of the internal review and concurred with those findings. The Board of Commissioners had been made aware of the problem and had decided to deal with it by doing the following:

1. All PHA credit cards have been cancelled.
2. All travel must be approved in advance.
3. Payments for expenditures will be made only after original invoices have been examined and approved. No payments will be made from month-end statements.

The Board of Commissioners also decided to retain the Executive Director. Based upon the results of their internal review, the Board feels that restitution had been made in full, and that this incident will not happen again. Our audit for the year ended September 30, 1998, revealed that all necessary restitution was made to the PHA. In addition, the local district attorney reviewed the matter and decided that no further action was necessary.

Our current examination indicated that no violations occurred during the fiscal year ended September 30, 1999. The changes in travel policy are being strictly enforced. This finding is therefore closed.

HOUSING AUTHORITY OF THE CITY OF EUNICE  
Eunice, Louisiana

FINDINGS AND QUESTIONED COSTS

The following have been identified as major federal programs for the year ended September 30, 1999.

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Program Expenditures</u>
U.S. Dept. of Housing and Urban Development:			
Comp. Grant Programs	14.852	FW- 715	\$ 403,477

No findings were noted with this audit. All policies and procedures are being followed as prescribed. The employees and Board of Commissioners are handling their duties in a professional and responsible manner.