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FINANCIAL SECTION

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FINANCIAL SECTION

RICHARD C. URBAN
CERTIFIED PUBLIC ACCOUNTANT

NO. 00000
ANNUAL REPORT OF
CITY OF WILKE COUNTY, MISSISSIPPI
CITY OF WILKE COUNTY
CITY OF WILKE COUNTY, MISSISSIPPI

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ville Platte Housing Authority
Ville Platte, Louisiana

We have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Ville Platte, Louisiana as of and for the year ended June 30, 1997, as stated 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. These 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 Ville Platte, Louisiana, as of June 30, 1997, 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 November 19, 1997, on our consideration of the Housing Authority of the City of Ville Platte, 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, Antideficiency Act, local governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. The accompanying supplemental information statements and schedules listed in the table of

Board of Commissioners
Village Platte Housing Authority
Village Platte, Louisiana
Page 2

contents were prepared in conformity with the accounting practices prescribed by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.

Opalrose, Louisiana
November 15, 1997

GENERAL PURPOSE
FINANCIAL STATEMENTS

VILLE PLATTE READING AUTHORITY
FINANCIAL STATEMENT - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1997

	Governmental Fund Types		
	General	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 144,148	\$ 2,476	\$ 11,088
Investments	62,421	---	---
Receivables (net of allowance for uncollectables)	13,690	76,797	---
Interfund receivable	---	---	---
Prepaid items	24,850	---	---
Land, buildings and equipment	---	---	---
Other Debits:			
Amount available in debt service funds	---	---	---
Amount to be provided for retirement of general long-term obligations	---	---	---
Total Assets	244,472	79,133	11,088

The accompanying notes are an integral part of this statement.

Fiduciary Fund	Account Groups		TOTALS (Memorandum only)
	General Fixed Assets	General Long-term Debt/Equity	
\$ ---	\$ ---	\$ ---	\$ 153,647
---	---	---	82,431
---	---	---	88,805
22,844	---	---	22,844
---	---	---	24,800
---	7,138,042	---	7,138,042
---	---	78,133	78,133
---	---	643,177	643,177
22,844	7,138,042	722,310	8,218,089
*****	*****	*****	*****

VILLE PLANTER HOUSING AUTHORITY
CONDENSED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1997

	Governmental Fund Types		
	General	Debt Service	Capital Projects
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts, salaries, and other payable	\$ 25,223	\$ ---	\$ 11,888
Interfund payable	22,844	---	---
Deposits due others	---	---	---
Matured bonds and interest payable	---	38,717	---
Compensated absences payable	---	---	---
Bonds payable	---	---	---
Total liabilities	48,067	38,717	11,888
Equity and Other Credits:			
Investment in general fixed assets	---	---	---
Fund balances:			
Reserved	---	2,416	---
Unreserved	185,805	---	---
Total Equity and Other Credits	185,805	2,416	---
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	234,872	41,133	11,888

The accompanying notes are an integral part of this statement.

Fiduciary Fund	Account Groups		TOTAL (Memorandum Only)
	General Fixed Assets	General Long-term Obligations	
\$ ---	\$ ---	\$ ---	\$ 35,311
---	---	---	22,844
22,844	---	---	22,844
---	---	---	56,317
---	---	1,200	1,200
---	---	721,310	721,310
<u>22,844</u>	<u>---</u>	<u>722,510</u>	<u>801,226</u>
---	---	---	---
---	7,130,042	---	7,130,042
---	---	---	2,476
---	---	---	<u>126,485</u>
---	<u>7,130,042</u>	---	<u>7,130,042</u>
22,844	7,130,042	722,510	8,210,889
*****	*****	*****	*****

VILLE PLATTE HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 1997

	Governmental Fund Types			TOTALS (Memoranda Only)
	General	Debt Service	Capital Projects	
REVENUES				
Local sources:				
Building rental	\$286,973	\$ ---	\$ ---	\$286,973
Income utilities	73,807	---	---	73,807
Interest earnings	4,524	---	---	4,524
Other	21,840	---	---	21,840
Federal sources:				
Operating subsidy	271,120	---	---	271,120
Annual Contributions Contract	---	76,713	---	76,713
Grants	41,104	---	118,852	159,956
Total revenues	<u>728,528</u>	<u>76,713</u>	<u>118,852</u>	<u>924,093</u>
EXPENDITURES				
Current:				
Administration	181,385	---	---	181,385
Utilities	191,569	---	---	191,569
Garage services	2,772	---	---	2,772
Ordinary maintenance	183,641	---	---	183,641
General expenditures	121,590	---	---	121,590
Extraordinary maintenance	53,286	---	---	53,286
Facilities acquisition and construction	27,783	---	115,852	143,635
Debt services:				
Principal retirement	---	41,121	---	41,121
Interest and bond charges	---	26,256	---	26,256
Total expenditures	<u>648,645</u>	<u>67,377</u>	<u>115,852</u>	<u>831,874</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>81,222</u>	<u>9,336</u>	<u>---</u>	<u>90,558</u>
OTHER FINANCING SOURCES (uses)				
Prior year adj. aff. res. rec.	2,190	---	---	2,190
Proceeds from sale of assets	1,412	---	---	1,412
Total other financing sources (uses)	<u>3,602</u>	<u>---</u>	<u>---</u>	<u>3,602</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPEN- DITURES AND OTHER USES				
	89,627	9,336	---	98,963
FUND BALANCE, BEGINNING				
	<u>108,538</u>	<u>3,208</u>	<u>---</u>	<u>111,746</u>
FUND BALANCE, ENDING				
	194,485	2,474	---	196,959

The accompanying notes are an integral part of this statement.

VILLE PLAZA HOUSING AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GRAP BASIS) AND ACTUAL - GENERAL,
 HOUSY SERVICE, AND CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 1997

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Local sources:			
Rentling rental	\$ 290,300	\$ 290,973	\$ 6,733
Excess utilities	67,340	72,807	5,467
Interest earnings	880	4,524	3,644
Other	11,080	21,640	10,560
Federal sources:			
Operating subsidy	271,120	271,120	---
Annual Contributions Contract	---	---	---
Grants	---	81,104	81,104
Total revenues	<u>640,620</u>	<u>720,568</u>	<u>79,948</u>
EXPENDITURES			
Current:			
Administration	113,450	101,380	12,070
Utilities	168,880	191,569	(22,789)
Tenant services	8,570	7,772	798
Ordinary maintenance	183,190	183,641	(451)
Protective services	700	---	700
General expenditures	130,530	121,580	14,030
Extraordinary maintenance	13,290	13,284	6
Facilities acquisition & construction	32,380	27,793	4,587
Debt service:			
Principal retirement	---	---	---
Interest and bank charges	---	---	---
Total expenditures	<u>647,970</u>	<u>648,946</u>	<u>7,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(7,430)	81,622	89,052
OTHER FINANCING SOURCES (USES)			
Fine (pen. adj., off. res. fee)	---	7,190	7,190
Proceeds from sale of assets	---	1,425	1,425
Total other financing sources (uses)	---	<u>8,615</u>	<u>8,615</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES			
	(7,430)	90,237	97,667
FUND BALANCE, BEGINNING			
	---	106,578	106,578
FUND BALANCE, ENDING			
	(7,430)	196,485	203,815

The accompanying notes are an integral part of this statement.

Debt Service Fund			Capital Projects Fund		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
76,777	76,777	---	115,852	115,852	---
---	---	---	---	---	---
76,777	76,777	---	115,852	115,852	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	115,852	115,852	---
---	---	---	---	---	---
---	---	---	---	---	---
41,121	41,121	---	---	---	---
16,388	16,388	---	---	---	---
57,509	57,509	---	115,852	115,852	---
76,782	76,782	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
76,782	76,782	---	---	---	---
---	---	---	---	---	---
---	3,208	3,208	---	---	---
76,782	79,990	3,208	---	---	---

VILLE PLATTE HOUSING AUTHORITY
Ville Platte, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1997

INTRODUCTION

The Ville Platte Housing Authority (Authority) was created by Louisiana Revised Statute (LSA-R.S.) 48:391 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 Ville Platte, 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 June 30, 1997, the authority manages 225 public housing units. In addition, the authority is currently administering one separate modernization program.

NOTE 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 Ville Platte, Louisiana since the mayor appoints a voting majority of the authority's governing board. The City of Ville Platte, 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 Ville Platte, Louisiana. Accordingly, the authority is not a component unit of the financial reporting entity of the City of Ville Platte, Louisiana.

The authority includes all funds, account groups, activities, or others, 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. In 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 program.

2. **Debt service funds**--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes and bonds payable.

3. **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 **Tenant Security Deposits Agency Fund** consists of the tenant security deposit accounts. The

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, access 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.

Expenditures for principle and interest on long-term obligations are recognized when due. The authority's liability for compensated absences is accounted for in the general long-term obligation account group and is recorded annually. At June 30, 1993, the liability for accumulated compensated absences was \$1,200 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, or 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 of 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 CEO for approval.
3. Upon approval by CEO, 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, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE TO FINANCIAL STATEMENTS (continued)

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

Cash and Cash Equivalents and Investments

Cash includes accounts 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 June 30, 1993 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 infrastructure are not capitalized. No construction period interest costs have been incurred and capitalized for the fiscal year ended June 30, 1997. 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.

The cost of current leave privileges, computed in accordance with GSN Codification Section 060, 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.

NOTE 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 transactions, 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 amenable to a consolidation. Interfund eliminations have not been made in the preparation 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 June 30, 1997.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 1997, the authority had cash and cash equivalents and investments totaling \$20,068 as follows:

Demand Deposits	\$ 37,749
Time Deposits	58,088
Certificates of deposit (over 90 days)	<u>62,421</u>
Total	158,268

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 bank. 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 June 30, 1997, the authority has \$20,068 in deposits. These deposits are secured from risk by \$200,438 of Federal deposit insurance and \$165,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 99:1229 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 \$ 89,815 at June 30, 1997, are as follows:

Class of Receivable	General Fund	Debt Service Fund	Total
Local sources:			
Taxes	\$ 13,088	\$ ---	\$ 13,088
Federal sources:			
Accruing annual contr.	---	76,713	76,713
Total	13,088	76,713	89,815

NOTE 5 - FIXED ASSETS

The changes in several fixed assets are as follows:

NOTE 6 - FINANCIAL STATEMENTS (continued)

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 492,264	\$ ---	\$ ---	\$ 492,264
Buildings	3,685,969	362,157	---	4,048,126
Equipment	407,648	23,980	16,218	415,410
Construction in progress:				
Modernization costs	286,527	178,266	171,248	293,545
Total	7,872,408	574,392	387,466	8,059,334

NOTE 6 - ~~RETIREMENT PLAN~~

The authority participates in the Housing-Revenue 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 eight employees participating as of June 30, 1997.

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 to 3.5 percent of their basic compensation. The authority makes a monthly contribution equal to 3.5 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 June 30, 1997, was \$16,138. The authority's contributions were made based on the total covered payroll of \$184,698. The authority and the covered employees made the required contributions for the year ended June 30, 1997. The employee contributions totaled \$8,478 while the authority's contributions totaled \$8,478 for the year ended June 30, 1997.

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$36,371 at June 30, 1997, are as follows:

General Fund	Amount
Payable in lieu of taxes	\$27,821
Withholdings	5,816
Accounts	1,566
Capital Projects Fund	
Accounts - contractors	11,208
Total	\$36,371

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: Invest security Deposits	\$ 20,265	\$ 4,594	\$ 2,015	\$ 22,844

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	<u>Bonded Debt</u>
Long-term obligations at June 30, 1996	\$ 162,477
Additions	-----
Deductions	(41,527)
Long-term obligations at June 30, 1997	120,950

All authority bonds outstanding at June 30, 1997, in the amount of \$730,300, are single issue bonds with maturities from 2026 to 2077 and interest rates from 5.125% to 5%. Bond principal and interest payable in the next fiscal year are \$41,683 and \$13,998, respectively. The individual issues are as follows:

<u>Bond Issued</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding June 30, 1997</u>
Single issue	\$ 501,514	5 %	6/1/2011	\$1,284,500	\$ 585,030
Single issue	228,880	3.625 %	6/1/2006	351,208	148,872
Total bonds	<u>730,394</u>			<u>1,635,708</u>	<u>733,902</u>
	-----			-----	-----

All principal and interest requirements are funded in accordance with Federal law by the annual contributions contract from ISD. At June 30, 1997, the authority has accumulated \$2,416 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Fiscal Year Ending 6/30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
1996	41,683	13,998	55,681
1997	45,843	32,071	77,914
2000	48,263	38,112	86,375
	<u>135,789</u>	<u>84,181</u>	<u>219,970</u>
	-----	-----	-----

NOTE TO FINANCIAL STATEMENTS (continued)

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fiduciary fund	General fund	\$ 22,848

NOTE 11 - LITIGATION AND CLAIMS

At June 30, 1997, the authority was not involved in any lawsuits or claims of any claims against it. The authority did not retain the services of an attorney.

NOTE 12 - FEDERAL COMPLIANCE CONTINGENCIES

No questioned or disallowed costs were noted for inclusion in our report. All findings noted in the "Findings, Recommendations and Replies" section of this report were for administrative control purposes and do not materially affect the general purpose financial statements.

HOUSING AUTHORITY OF THE CITY OF WILLE PLATTE
Wille Platte, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1997

<u>Federal Grants/ Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Grant Amount Received</u>	<u>Program Expenditures</u>
U. S. Dept. of Housing and Urban Development				
Direct Programs:				
Low-Income HAP	14.850	FA-1179	\$ 347,837.00	\$ 347,837.00
Modernizations:				
Program Year 1993	14.852	FA-1179	33,321.47	33,321.47
Program Year 1994	14.852	FA-1179	<u>42,631.22</u>	<u>42,631.22</u>
Total U.S. Dept. of Housing and Urban Development			<u>423,689.69</u>	<u>423,689.69</u>
Total Federal assistance			<u>423,689.69</u>	<u>423,689.69</u>
Federal funds on hand at June 30, 1996			-0-	
Grant amounts received			423,689.69	
Program expenditures			<u>(423,689.69)</u>	
Federal funds on hand at June 30, 1997			-0-	

- 1) The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract the Housing Authority of the City of Wille Platte, Louisiana, bonded indebtedness. This bonded indebtedness was \$ 727,370 at June 30, 1997.

RICHARD C. URBAN
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Board of Commissioners
Housing Authority of Ville Platte
Ville Platte, 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 Ville Platte, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated November 19, 1997. 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 Ville Platte, 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 these 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 Ville Platte, 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, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.



RICHARD C. USHER, C.P.A.

Copeland, Louisiana
November 19, 1997

RICHARD C. URBAN
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Board of Commissioners
Housing Authority of Ville Platte
Ville Platte, 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 GAO CIRCULAR A-133**

Compliance

We have audited the compliance of the Housing Authority of the City of Ville Platte, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget GAO Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended June 30, 1997. 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 Ville Platte, 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 GAO Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and GAO 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 these 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 Ville Platte, Louisiana compliance with these requirements.

In our opinion, the Housing Authority of the City of Ville Platte, 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 June 30, 1997.

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 GAO 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, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana
November 19, 1997

HOUSING AUTHORITY OF THE CITY OF WILLS PLATON
Wills Platon, Louisiana

BALANCE SHEET
June 30, 1987

Annual Contributions Contract PW-1179

A S S E T S

Cash	\$ 95,333.27
Accounts receivable	13,858.35
Debt amortization funds	79,133.43
Investments	122,318.89
Deferred charges	28,818.31
Land, structures and equipment	<u>3,130,842.12</u>
Total Assets	3,468,736.37

LIABILITIES AND SURPLUS

Accounts payable	\$ 41,333.44
Accrued liabilities	37,827.00
Fixed liabilities	<u>131,218.32</u>
Total liabilities	710,464.96
Surplus	<u>8,688,271.41</u>
Total liabilities and surplus	3,468,736.37

See notes to financial statements.

BOARDING ASSEMBLY OF THE CITY OF VILLE PLATTE
 Ville Platte, Louisiana

STATEMENT OF REVENUE AND EXPENDITURES - 1984 CUMUL MONTHS
 Year Ended June 30, 1997

Annual Contributions Contract, PA-1179

OPERATING INCOME

Leasing rental	\$ 296,972.50
Income utilities	73,882.00
	<u>370,854.50</u>
Interest on general fund investments	4,524.00
Other income	<u>21,532.65</u>
Total operating income	396,911.15

OPERATING EXPENDITURES

Administration	181,305.00
Tenant Services	7,772.50
Utilities	181,568.70
Ordinary maintenance and operation	182,441.21
Extraordinary maintenance	53,286.07
General expenses	<u>121,489.50</u>
Total operating expenditures	<u>628,362.98</u>
Net operating loss	(231,451.83)

OTHER CHARGES (CREDITS)

Prior year adj. aff. residual receipts	(3,189.80)
Loss on sale of nonoperable equipment	18,793.18
Interest on bonds	<u>35,388.80</u>
Total other charges (credits)	<u>45,992.18</u>
Net loss	(285,460.64)

See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF WILLO PLATTE
Willo Platte, Louisiana

STATEMENT OF SURPLUS
Year Ended June 30, 1997

Annual Contributions Contract PA-1179

UNRECORDED SURPLUS

Balance per audit at June 30, 1996	\$1 5,098,743.771
Net loss at June 30, 1997	4 269,282.881
Reduction of operating reserves, June 30, 1997	57,258.48
Balance at June 30, 1997	4 5,811,682.751

RECORDED SURPLUS - OPERATING RESERVE

Balance per audit at June 30, 1996	321,613.12
Reduction of operating reserves, June 30, 1997	4 57,258.48
Balance at June 30, 1997	264,415.26

CUMULATIVE HHS CONTRIBUTIONS

Balance per audit at June 30, 1996	11,806,754.85
Monthly annual contribution, June 30, 1997	76,713.08
1998 Development funds received - Project Closed Out	87,189.98
Operating subsidy, June 30, 1997	271,129.08
Comprehensive Grant Program funds - fiscal year ended June 30, 1997	115,852.48
Balance at June 30, 1997	12,137,548.38

TOTAL SURPLUS	6,684,275.48
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See notes to financial statements.

HEADING AUTHORITY OF THE CITY OF WILKE PLATTE
Wilke Platte, Louisiana

COMPARISON OF RESIDUAL RECEIPTS AND ACCRUING
ANNUAL CONTRIBUTIONS - PER OMBUD HEADING
Year Ended June 30, 1997

Annual Contributions Contract PW-1179

COMPARISON OF RESIDUAL RECEIPTS

Operating Receipts

Operating income	\$	395,943.65
Prior year adjustments affecting residual receipts		7,189.58
OMB operating subsidy		<u>271,128.08</u>
Total operating receipts		674,261.31

Operating Expenditures

Operating expenditures		619,153.19
Replacement of non-expendable equipment		<u>24,898.13</u>
Total operating expenditures		<u>644,051.32</u>
Residual receipts (deficit) per audit		30,710.37
Audit adjustments deducted out	(<u>87,868.87</u>)
	(57,158.46)
Reduction of operating reserve		<u>57,158.46</u>
Residual receipts (deficit)		-0-

COMPARISON OF ACCRUING CONTRIBUTION

Fixed Annual Contribution		<u>76,717.00</u>
Accruing Annual Contribution		76,717.00

HEADING AUTHORITY OF THE CITY OF VILLEM PLATTE
Ville Platte, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
As June 30, 1997

	<u>PROGRAM 14. 61 FIDELITY</u>
FUNDS APPROVED	\$ 371,748.00
FUNDS EXPENDED	<u>371,748.00</u>
EXCESS OF FUNDS APPROVED	-0-

FUNDS ADVANCED	\$ 371,748.00
FUNDS EXPENDED	<u>371,748.00</u>
EXCESS OF FUNDS ADVANCED	-0-

- 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 PMA's records.
- 2) All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

STATEMENT OF REIMBURSEMENT COSTS -
UNCOMPLETED BY JUNE 30, 1993

Assess[ed] Contributions Contract #M-1178

HOUSING ASSISTANCE GRANT PROGRAM LA 48 PCCC 91195

Funds approved	\$ 324,000.00
Funds advanced	42,430.00
Funds expended	<u>46,034.18</u>
Excess of funds expended over funds advanced	(3,603.18) *****

HOUSING AUTHORITY OF THE CITY OF WILLS BLAINE
Wills Blaine, Louisiana

ANALYSIS OF GENERAL FUND CASH BALANCE
AT JUNE 30, 1993

Annual Contributions Contract, PA-1173

OPERATION BEFORE ADJUSTMENTS

Net operating receipts retained:	
Operating reserve	\$ 164,415.26
Federal security deposits	32,844.00
Excess rederivation costs incurred (page 31)	(3,403.14)
Audit adjustments affecting general fund cash	<u>35,394.06</u>
	228,250.18

ADJUSTMENTS

Expenses/costs not paid:	
accounts payable	18,489.64
accrued PAYEE	17,827.08
Income not received:	
accounts receivable	<u>(13,098.35)</u>
General fund cash available	242,482.47

OTHER APPLICATIONS OF GENERAL FUND CASH

Deferred charges	(24,873.31)
Investments	<u>(122,308.89)</u>
	<u>(147,182.20)</u>

GENERAL FUND CASH	95,300.27
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BOARDING AUTHORITY OF THE CITY OF VILLE PLATTE
Ville Platte, Louisiana

STATEMENT OF ADJUSTING JOURNAL ENTRIES
June 30, 1987

Acct. No. for Audit Expense	Description	Debit	Credit	Acct. No. for 1986 Books
3880.0	(1) Other income	\$ 38.11		6010.0
4570.0	Collection losses	1,394.77		6010.0
1120.0	Tenant accounts receivable		\$ 2,434.04	1120.0
1520.0	Other receivables		38.11	1120.0
2240.0	Prepaid items	1,179.27		2240.0
	To adjust tenant accounts and other receivables to actual at year end.			
6010.0	(2) Interest on bonds	36,380.00		6020.0
2342.0	Bonds payable	41,121.00		2342.0
2640.0	Cumulative M&D contributions		76,777.00	2640.0
1171.0	Debt service funds		792.00	1171.0
	To record debt service activity for FYE June 30, 1987.			
1480.4	(3) Land, structures & equip.	11,087.80		1480.4
2112.0	Accts. payable - construction		11,087.80	2112.0
	To capitalize and record as a payable the remaining 1985 CMAP funds to be spent to close out program (per M&D Approval).			
3690.2	(4) Other income	61,503.96		6010.0
2640.0	Cumulative M&D contributions		61,503.96	2640.0
	To properly record receipt of 1985 development funds at closing.			
2290.0	(5) Deferred credits	65,643.99		2290.0
1290.0	Work-in-progress		12,696.07	1290.0
4870.0	Casualty losses		73,958.95	6010.0
4420.0	Maintenance materials	1,008.12		6010.0
	To properly classify billed activity for repairs made and insurance proceeds received for fire-damaged units.			
4810.0	(6) Insurance expenses	2,208.41		6010.0
1211.0	Prepaid insurance		2,208.41	1211.0
4420.0	Maintenance materials	1,588.22		6010.0
2111.0	Accounts payable		1,588.22	2111.0
	To adjust prepaid insurance and accounts payable to actual.			
3810.0	(7) Unreserved surplus	112,480.84		N/A
6010.0	Prior yr. adj. off. res. rec.		61,208.30	N/A
6020.0	Prior yr. adj. M&D off. res. rec.		29,264.53	N/A
	To adjust for audit purposes prior year's book adjustments.			

HOUSING AUTHORITY OF THE CITY OF VILLA FLATTE
Villa Flatte, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The previous audit disclosed that as June 30, 1998, the PBA's deposits at its fiscal agent bank were undersecured by \$4,942. On October 27, 1998, the PBA received a pledge from its fiscal agent bank adequately securing its deposits. Our audit for the fiscal year ended June 30, 1999, indicated that all funds were properly and adequately secured. This finding is closed.

The previous audit also showed budget overruns in various controllable categories. We recommended that the PBA properly amend its budget to avoid these overruns. Our current audit did not show any budget overruns in "controllable categories". Budget revisions have been timely and properly made. This finding is closed.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATON
VILLE PLATON, LOUISIANA

FINDINGS AND SUGGESTED COSTS

The following have been identified as major federal programs for the year ended June 30, 1987.

<u>Federal Division/Program Title</u>	<u>OFDA No.</u>	<u>Grant ID No.</u>	<u>Program Expenditures</u>
U.S. Department of Housing and Urban Development:			
Low-income HAP	14,856	FW-1179	\$ 347,637

Item 1 - DELINQUENT ACCOUNTS RECEIVABLE

The PWA was carrying \$10,324 in delinquent accounts receivable at June 30, 1987. This amount represents tenants who have moved out using funds and have elected to set up a repayment plan with the Housing Authority. Also included in this amount are current tenants who are more than three months delinquent and are paying their past due balance over a set period of time.

Although this finding does not create any questioned costs, it is our opinion that this amount in delinquent accounts is excessive and its collectibility may be doubtful.

We recommend that the PWA pay closer attention to its collections and use its eviction policy to encourage tenants to timely pay their bills. Special attention should be paid to any account that exceeds the amount of security deposit for that tenant. The PWA should review its delinquent accounts regularly and write off any that are deemed uncollectible.