

OFFICIAL  
FILE COPY  

---

DO NOT SIGN OVER

When releasing  
copies from this  
copy and PLACE  
DATE IN FILE

98002226  
4065

HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1988  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the media, or reviewed, 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 FEB 4 1989

WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
405 MAGNOLIA LANE  
MANDERVILLE, LOUISIANA 70471

## TABLE OF CONTENTS

### INDEPENDENT AUDITORS' REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### EXHIBITS -- FINANCIAL STATEMENTS

- A COMBINED BALANCE SHEET AT JUNE 30, 1998, ALL FUNDS TYPES AND ACCOUNT GROUPS
- B COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--FOR THE YEAR ENDED JUNE 30, 1998
- C COMBINED STATEMENT OF REVENUES, EXPENDITURES, A AND CHANGES IN FUND BALANCES--BUDGET (GAAP BASIS) AND ACTUAL--GENERAL AND SPECIAL REVENUE FUNDS

#### NOTES TO THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

#### SUPPLEMENTARY INFORMATION SCHEDULES--GAAP BASIS

- I SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### SUPPLEMENTARY INFORMATION SCHEDULES--STATUTORY BASIS

- II BALANCE SHEET--STATUTORY BASIS
- III STATEMENT OF REVENUES AND EXPENDITURES --STATUTORY BASIS--ANNUAL CONTRIBUTIONS CONTRACT F.W. 998
- IV ANALYSIS OF SURPLUS--STATUTORY BASIS
- V PIW'S STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS PROJECT LAHPC000000 --STATUTORY BASIS

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-110

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS -- NONE

SCHEDULE OF ADJUSTING JOURNAL ENTRIES -- NONE

SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS

MANAGEMENT LETTER

CORRECTIVE ACTION PLAN

**WILLIAM DANIEL MCCABRELL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

**415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471**

**TELEPHONE 504-845-7700  
FAX 504-845-1313  
TELEFAX 504-674-6498  
E-MAIL: DANNYMAC@CMAQ.COM**

**MEMBER  
MISSISSIPPI SOCIETY OF CPAs  
LOUISIANA SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs**

**INDEPENDENT AUDITOR'S REPORT  
UNQUALIFIED OPINION ON GENERAL PURPOSE  
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA 70381**

I have audited the accompanying general purpose financial statements of the Housing Authority of The Town of Marksville (PHA) as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of The Town of Marksville as of June 30, 1998, and the results of its operations and changes in its surplus for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated September 10, 1998 on my consideration of the PHIA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHIA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audit 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 my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHIA, and for filing with the Department of HUD and should not be used for any other purpose.



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

September 10, 1998

Housing Authority of the Town of Metairie  
Metairie, LA 70001

ALL FUND TRUSTS AND ACCOUNT GROUPS

COMBINED BALANCE SHEET AS OF JUNE 30, 1999

EXHIBIT A

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUNDS					ACCOUNT GROUPS				
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Inventory Funds	General Fund Assets	Food Assets	Long Term Obligations	Debt Obligations	Total (Reconciliation Only)
Cash and Cash Equivalents	\$7,317.43	0.00	0.00	0.00	10,875.00	0.00	0.00	0.00	0.00	\$17,992.43
Reserve(s)	2,707.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,707.99
Interfund Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Insurance	23,954.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,954.25
Other	8,847.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,847.08
Land, Structures & Equipment	0.00	0.00	0.00	0.00	0.00	7,268,229.15	0.00	0.00	0.00	7,268,229.15
Other Debits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available to Cost Service Funds										
Amount to be Provided for Retirement of General Long Term Obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,118.00	0.00	9,118.00
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$718,226.17</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,875.00</b>	<b>\$7,268,229.15</b>	<b>\$0.00</b>	<b>\$9,118.00</b>	<b>\$0.00</b>	<b>\$7,226,458.26</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>										
Liabilities:										
Accounts Payable	18,019.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,019.00
Interfund Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debits Due Others	0.00	0.00	0.00	0.00	10,875.00	0.00	0.00	0.00	0.00	10,875.00
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compensated Absence Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,118.00	0.00	9,118.00
Notes & Bonds Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	\$18,019.00	\$0.00	\$0.00	\$0.00	\$10,875.00	\$0.00	\$0.00	\$9,118.00	\$0.00	\$28,002.00
Equity & Other Credits:										
Investment in General Fund Assets	0.00	0.00	0.00	0.00	0.00	7,268,229.15	0.00	0.00	0.00	7,268,229.15
Fund Balance(s):										
Reserved for Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserved for Debt Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unreserved & Unappropriated	\$0,229.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0,229.08
Total Equity & Other Credits	\$0,229.08	\$0.00	\$0.00	\$0.00	\$0.00	\$7,268,229.15	\$0.00	\$0.00	\$0.00	\$7,195,458.23
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$718,226.17</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,875.00</b>	<b>\$7,268,229.15</b>	<b>\$0.00</b>	<b>\$9,118.00</b>	<b>\$0.00</b>	<b>\$7,226,458.26</b>

See notes to financial statements

Housing Authority of the Town of Mandeville  
 Mandeville, LA 70471  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 1988

EXHIBIT B

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Memorandum Only
<b>REVENUES</b>					
AD VALOREM					
Local Sources:					
Dwelling Rental	154,085.12	0.00	0.00	0.00	154,085.12
Interest Charges	3,178.97	0.00	0.00	0.00	3,178.97
Other	32,978.18	0.00	0.00	0.00	32,978.18
Federal Grants:					
Operating Expenditures	108,328.00	0.00	0.00	0.00	108,328.00
Annual Contributions					
Grants					
Total Revenues	308,570.27	0.00	0.00	0.00	308,570.27
<b>EXPENDITURES</b>					
Current:					
Administration	65,448.00	0.00	0.00	0.00	65,448.00
Utilities	7,948.00	0.00	0.00	0.00	7,948.00
Ordinary Maintenance & Operations	108,113.74	0.00	0.00	0.00	108,113.74
Protective Services	0.00	0.00	0.00	0.00	0.00
General Expenditures	18,087.74	0.00	0.00	0.00	18,087.74
Nonrecurring Expenditures	0.00	0.00	0.00	0.00	0.00
Five Year Altering Plan, Receipts	3,832.48	0.00	0.00	0.00	3,832.48
Facilities Acquisition & Construction	7,005.14	0.00	0.00	158.00	7,163.14
Self Service:					
Principal Retirement					
Interest & Misc. Charges					
Total Expenditures	207,123.91	0.00	0.00	158.00	207,273.91
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	101,446.36	0.00	0.00	84,912.00	186,358.36
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers to					
Operating Transfers to					
Total other financing sources (uses)	0.00	0.00	0.00	0.00	0.00
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER FUND BALANCES AT BEGINNING OF YEAR</b>	101,446.36	0.00	0.00	84,912.00	186,358.36
<b>FUND BALANCES AT END OF YEAR</b>	101,446.36	0.00	0.00	84,912.00	186,358.36

SEE NOTES TO FINANCIAL STATEMENTS

Housing Authority of the Town of Manhattan

Manhattan, L.A. 11101

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—BUDGET VS. ACTUAL  
GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1998

EXHIBIT C

GENERAL FUND			
	Budget	Actual	Favorable Variance
<b>REVENUES</b>			
Local Taxes	172,190.00	184,690.70	(12,500.80)
Owning Rental	6,480.00	3,175.87	(3,304.13)
Interest Charges	12,000.00	20,978.78	8,978.78
Receipts from the Sale of Equipment			
Other	108,209.00	189,209.80	81,000.80
<b>Federal Revenues:</b>			
Operating Society			
Annual Contributions			
Grants			
<b>Total Revenues</b>	<b>308,879.00</b>	<b>398,055.25</b>	<b>89,176.25</b>
<b>EXPENDITURES</b>			
Current:			
Administration	91,550.00	85,440.00	6,110.00
Utilities	2,700.00	7,940.00	(5,240.00)
Facility Maintenance & Operations	108,280.00	166,170.34	(57,890.34)
Protective Services	0.00	0.00	0.00
General Expenditures	101,820.00	28,087.34	73,732.66
Non-uniform Maintenance	0.00	0.00	0.00
Pre-Year Allocating Dist. Receipts	0.00	0.00	0.00
Facilities Acquisition & Construction	3,148.00	3,932.49	(884.49)
Debt Service:			
Principal Retirement			
Interest & Bank Charges			
<b>Total Expenditures</b>	<b>306,398.00</b>	<b>287,522.87</b>	<b>18,875.13</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,519.00)</b>	<b>11,532.44</b>	<b>14,051.44</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers in			
Operating Transfers Out	0.00	0.00	0.00
Total Other Financing Sources (Uses)	(2,519.00)	11,532.44	14,051.44
<b>NET EXCESS (DEFICIENCY) OF REVENUES</b>	<b>(2,519.00)</b>	<b>23,064.88</b>	<b>25,583.88</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>80,170.84</b>	<b>68,717.64</b>	<b>11,453.20</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>77,651.84</b>	<b>103,229.09</b>	<b>25,577.25</b>

SEE NOTE 5 FINANCIAL STATEMENTS



**THE HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are classified as a public corporation under the laws (LSA-RS 40:397) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Marksville, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Mayor of Marksville, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contribution contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining the low rent character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	PW-308	108

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

GASB Statement Number 14 established criteria for determining the governmental reporting entity and composed units that should be included within the reporting entity. Because the PHA is legally separate and locally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

**C. FUND ACCOUNTING**

The PHA 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 governmental functions or activities.

A fund is a separately 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 spendable financial resources.

Funds of the PMA are classified in three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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

1. **General Fund**—the general operating fund of the PMA accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service Fund**—accounts 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.
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.

**Fiduciary Funds**—Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PMA. Fiduciary funds include:

1. **Tenant Security Deposits**—accounts for assets held by the PMA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## **B. 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: Property-federal settlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the PMA.

**Expenditures**—Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

**Other Financing Sources/Uses**—Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the qualifying events occur.

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

## **B. BUDGETS**

The following summarizes the budget activities of the PMA during the fiscal year:

1. The PMA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget compliance to actual has not been included since the said project is a multiple year endeavor.

2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year-end.

3. Encumbrances are not recognized within the accounting records for budgetary purposes.

4. Formal budget integration (within the accounting records) is employed as a management control device.

5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PMA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

## **F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

## **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PMA 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.

## **H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for 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.

## **I. INVENTORY**

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available expendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

## **J. 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 fund assets account group. Public domains or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

## **K. COMPENSATED ABSENCES**

The PMA follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 200 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by twelve months or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section 320, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is accounted in the general long term obligations account group. Leave benefits are based on accrued leave benefits or employees with 10 years service to a retirement of 25 days at their current annual salary.

## **L. 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.

## HL FUND EQUITY

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

## IL INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Procuring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## OL 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, details of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

## NOTE 3 -- CASH AND CASH EQUIVALENTS

At June 30, 1998, the FYIA has cash and cash equivalents totaling \$108,081.24 as follows:

Mutual Bearing Demand Deposits	\$108,081.24
Time Deposits	0.00
Petty Cash	200.00
Cash With Fiscal Agent	0.00
<b>Total</b>	<b>\$108,081.24</b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 collateral bank that is mutually acceptable to both parties. At June 30, 1998, the FYIA has \$108,081.24 in deposits (mutual bank balances). These deposits are secured from risk by \$280,000 of federal deposit insurance and \$944 of pledged securities held by the collateral bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledging securities are considered uncollateralized (Category 2) under the provisions of GASB Statement 5, Louisiana Revised Statute 28:1209 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within 10 days of being notified by the FYIA that the fiscal agent has failed to pay deposited funds on demand.

## NOTE 3--RECEIVABLES

The receivables of \$2,767.89 at June 30, 1998 are as follows:

<b>General Fund:</b>	
Treasury Accounts Receivable	\$2,767.89

**NOTE 4--FIXED ASSETS**

The changes in general fixed assets are as follows:

Land, Structures, & Equipment	
Balance 6-30-97	6,043,889.85
Net Additions	21,382.50
CIAP 95 closed to I,S,&E	400,000.00
Balance 6-30-98	7,866,229.15
CIAP 95	
Balance 6-30-97	199,958.80
Net Additions	178.80
Balance closed to I,S,&E	400,000.00
Balance 6-30-98	0.00

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes BNOA of ineligible expenditures as determined by HUD.

**NOTE 5--RETIREMENT SYSTEM**

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous or uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 8% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended June 30, 1998 was \$105,523.83. The PHA's contributions were calculated using the base salary amount of \$105,523.83. Both the PHA and the covered employees made the required contributions for the year ended June 30, 1998. Employee contributions to the plan totaled \$5,960.84. The PHA contributions totaled \$8,441.99 for the year ended June 30, 1998.

**NOTE 6--ACCOUNTS PAYABLE**

The payables of \$16,030.65 at June 30, 1998 are as follows:

Payments in Lieu of Taxes	\$14,655.14
Other	1,345.51

**NOTE 7--COMPENSATED ABSENCES**

At June 30, 1998, employees of the PMA have accumulated and vested \$9,118 of employee leave benefits, which was computed in accordance with GASB Codification Section 080. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

**NOTE 8—CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

Agency Funds:	
Tenant Security Deposits Balance 6-30-97	9,875.00
Net Additions	908.00
Tenant Security Deposits Balance 6-30-98	10,783.00

**NOTE 9—CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of the long term obligation transactions of the year ended June 30, 1998:

Compensated Absences:	
Balance 6-30-97	14,325.00
Balance 6-30-98	9,118.00

No notes and bonds are outstanding at June 30, 1998.

**NOTE 10—INTERFUND ASSETS/LIABILITIES**

Interfund receivables/payables at June 30, 1998 is as follows:

NONE

**NOTE 11—COMMITMENTS AND CONTINGENCIES**

NONE

Housing Authority of the Town of Marksville  
 Town of Marksville, Louisiana  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended June 30, 1999

SCHEDULE I

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U.S. Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		108,330.00
Leased Development		
Total Low Income Housing	14,859	108,330.00
Section 8 Cluster:		
Vouchers	14,859	
Certificates	14,857	
Moderate Rehabilitation	14,059	
New Construction	14,182	
Substantial Rehabilitation	14,182	
Total Section 8 Cluster		
Comprehensive Grants	14,859	
CIAP	14,852	180.00
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14,854	
Shelter + Care	14,238	
HOPE	14,858	
HOME	14,238	
Child Care Food Program (JURBAN)	10,558	
<b>TOTAL FEDERAL EXPENDITURES</b>		<b>108,490.00</b>

\*\*\*\*\*

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

SEE NOTES TO FINANCIAL STATEMENTS



Housing Authority of the Town of Marksville  
Marksville, LA 71351  
BALANCE SHEET-Statutory Basis  
Annual Contributions Contract FVH-200  
June 30, 1995

SCHEDULE B

ASSETS

Cash	27,790.82
Investments	75,121.51
Accounts Receivable	2,707.98
Debt Amortization Funds	0.00
Deferred Charges	28,511.31
Land, Structures and Equipment	7,856,229.15
<b>TOTAL ASSETS</b>	<b>7,190,340.88</b>

LIABILITIES AND SURPLUS

LIABILITIES

Accounts Payable	13,320.51
Notes Payable	0.00
Accrued Liabilities	14,865.14
Deferred Credits	0.00
Fund Liabilities	0.00
<b>TOTAL LIABILITIES</b>	<b>28,685.65</b>
Surplus	7,161,655.23
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>7,190,340.88</b>

see notes to financial statements

Housing Authority of the Town of Metairie  
Metairie, LA 71351  
STATEMENT OF INCOME AND EXPENSES-PHA OWNED HOUSING-Statutory Basis  
Annual Contributions Contract PW-368  
For the year Ended June 30, 1998

---

SCHEDULE III

OPERATING INCOME:

Dwelling Rental	154,008.10
Interest Income	3,775.07
Other Income	32,918.18

Total Operating Income 190,701.35

OPERATING EXPENSES:

Administration	85,448.02
Tenant Services	0.00
Utilities	7,948.80
Ordinary Maintenance and Operations	189,113.74
General Expense	79,087.74
Non-Routine Maintenance	0.00

Total Operating Expenses 561,597.30

NET OPERATING DEFICIT (364,895.95)

OTHER CHARGES:

Interest on Notes and Bonds	2,108.81
Prior Period Adjustments Affecting Residual Receipts	3,530.49
Gain or Loss from Disposition of Nonexpendable Equipment	(75,382.16)

TOTAL, OTHER CHARGES 2,257.14

DEFICIT (75,578.77)

see notes to financial statements

Housing Authority of the Town of Marksville  
 Marksville, LA 71351  
 ANALYSIS OF SURPLUS-Statutory Basis  
 For the year Ended June 30, 1995

SCHEDULE IV

	ACC FW-990
Unreserved Surplus	
Balance Per PHA 6-30-87	(2,787,551.09)
Deficit for the Year Ended 6-30-88	(75,576.27)
Provision for Operating Reserve	(13,508.44)
Balance 6-30-88	(2,876,635.80)
Reserved Surplus-Operating Reserve	
Balance Per PHA 6-30-87	88,717.64
Provision for Operating Reserve	13,508.44
Balance 6-30-88	102,226.08
Cumulative HUD Contributions	
Balance 6-30-87	9,783,265.44
Annual Contributions Required for 6-30-88	0.00
Operating Subsidy for 6-30-88	109,308.00
Contributions for Modernization Activities	89,662.88
Adjustments during the Year	506.63
Balance 6-30-88	9,982,742.95
Total Surplus	7,106,107.15

see notes to financial statements

Housing Authority of the Town of Marksville

Marksville, LA 71351

PHA's Statement and Certification of Actual Modernization Costs-Statutory Basis

COMPLETED PROJECT

LA48PC0480896

Annual Contributions Contract (FY-20)

For The Year Ended June 30, 1988

SCHEDULE Y

1. The actual modernization costs of the project are as follows:

	PROJECT LA48PC0480896
Funds Approved	\$400,000.00
Funds Expended	400,000.00
Excess of Funds Approved	0.00
-----	
FUNDS ADVANCED	
HLD	400,000.00
Funds Expended	400,000.00
Excess of Funds Advanced	0.00
-----	

1. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated August 5, 1987 accompanying the Actual Modernization Cost Certificate submitted to HLD 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.

(see notes to financial statements)

**WILLIAM DANIEL MCCABELL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

TELEPHONE 504-826-7772  
FAX 504-845-1313  
TELEFAX 504-874-6498  
E-MAIL DAN@MAC@CMAQ.COM

MEMBER  
MISSISSIPPI SOCIETY OF CPAs  
LOUISIANA SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs

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

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA 71351**

I have audited the financial statements of the Housing Authority of The Town of Marksville (PHA), as of and for the year ended June 30, 1998, and have issued my report thereon dated September 18, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and the SEU. However, this report is a matter of public record and its distribution is not limited.

September 10, 1998



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

**WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

405 MAGNOLIA LANE  
MANORVILLE, LOUISIANA 70471

TELEPHONE: 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-674-6498  
E-MAIL: DANNYMCC@CQM.COM

MEMBER  
MISSISSIPPI SOCIETY OF CPAs  
LOUISIANA SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs

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

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA 71351**

**Complies**

I have audited the compliance of the Housing Authority of The Town of Marksville (PIHA) 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 June 30, 1998. The PIHA'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 PIHA's management. My responsibility is to express an opinion on the PIHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Not Profit Organizations.

These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the PIHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PIHA's compliance with these requirements.

In my opinion, the PIHA 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, 1998.

### Internal Control Over Compliance

The management of the PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-115.

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and HRHA. However, this report is a matter of public record and its distribution is not limited.



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

September 10, 1998



**THE HOUSING AUTHORITY OF THE TOWN OF MARISSVILLE  
MARISSVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings in the prior audit.

THE HOUSING AUTHORITY OF THE TOWN OF MARKSVILLE  
MARKSVILLE, LOUISIANA

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Fig A-133, Section 505(d)

1. Summary Schedule of Auditor Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. There were no reportable conditions in internal controls found required to be disclosed at the financial statement level.
- iii. The audit disclosed no noncompliance which is material to the financial statements.
- iv. There no reportable conditions in internal control over major programs, as required by A-133, were disclosed by the audit.
- v. The compliance report issued for major programs was unqualified.
- vi. The report disclosed no audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.850	Low Rent
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$200,000.00.
- ix. The auditor was not considered a low risk auditor.

2. Findings relating to the financial statements required to be reported with GAGAS are as follows:

None

3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a, all with HUD oversight:

None

MARKSVILLE HOUSING AUTHORITY  
MARKSVILLE, LA.

#### MANAGEMENT LETTER

On July 17, 1990, the PMA and 2 PMA staff members filed suit against a member of the Marksville City Council and her liability carrier, if any, for damages stemming from various defamatory statements of the City Council member that have been published. After extensive discovery and motion practice, the Board of Commissioners of the PMA deemed it expedient to abandon further prosecution of the litigation and on October 4, 1997, the litigation by the PMA was dismissed. The 2 staff members remain as plaintiffs and the litigation is active.

The 2 staff member's position is that the city council member's accusations have impacted the 2 staff members in their capacity as employees of the PMA and they have incurred significant legal expenses in the institution and continued prosecution of the litigation. A question exists as to the obligation of the PMA, if any, to reimburse them for costs expended to date and to fund the continued prosecution of the suit. Their position is that absent their employment at the PMA, there is no way they would be involved in this matter and that the PMA is responsible for their costs. Ergo, at this time, because of the uncertainty as to the obligations of the PMA, if any, no contingency has been established on the general ledger of the PMA.

Additionally, there is evidence of a more than normal amount of disagreement between the PMA Board of Commissioners and the PMA staff, briefly described as follows:

In February of 1998, a staff member alleges that a member of the Board of Commissioners made very disparaging remarks to one of her family members.

In October of 1998, a contractor working for the PMA indicated the desire to file an ethical complaint against a PMA Board Member. As I understand it, the contractor's position is that the Board Member was critical of the contractor's work at the PMA in response to the contractor's notifying the city of Marksville that the Board Member was utilizing city workers on his personal property. The contractor indicated that he had video recordings of this on 2 consecutive dates and had notified the City of this both times to no avail. The charge of utilizing City workers does not affect the PMA in that it relates to the employment of the PMA Commissioner with the City, not as a PMA Board Member.

In November of 1988, the PMA Board of Commissioners passed a resolution establishing a policy that all evictions be discussed with the Board before final action is taken. It is the opinion of this auditor that evictions are the job of the PMA staff, not Board members. The day to day operation of the PMA is the responsibility of staff.

In December of 1988, a PMA staff member complained to the Board that the Board was taking the side of tenants in disputes. The staff member's position is that staff is simply attempting to execute the fair but firm occupancy policy as adopted by the Board. The staff member accuses the Board of Harassment and Discrimination in this matter.

In December of 1988, a conflict arose whereby the Board of Commissioners desired to review tenant's files. The PMA staff took the position that review of tenant files is severely restricted by the Privacy Act. This matter was referred to HUD and the PMA attorney for guidance. The PMA attorney contacted HUD and advised the PMA that the Board should have access to tenant files but only acting as a body in Executive Session.

**THE HOUSING AUTHORITY OF MONROEVILLE  
MONROEVILLE, LOUISIANA**

The Louisiana Legislative Auditor requires Management Letter Comments be treated as findings in that they require a Corrective Action Plan response from the PMA. The following is the PMA's corrective Action Plan.

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

**Management Letter Comment**

Contact Person Responsible for Action--Ms. Jane Walker, Executive Director

Anticipated Completion Date--March 31, 1988

Corrective Action Planned--We plan to ask for a written opinion from the Louisiana Attorney General to determine if the PMA is responsible for the legal fees incurred by the 2 staff members as mentioned in the Management letter.

We are referring all other matters in the Management letter to the Louisiana Ethics Commission, the Louisiana Legislative Auditor, and to our attorney.