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HOUSING AUTHORITY OF THE  
TOWN OF MAMOU, LOUISIANA

Report on Audit of  
Financial Statements And  
Supplementary Information

For the Year Ended June 30, 1998

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

Release Date

FEB 19 1999

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Mamou Housing Authority  
Mamou, Louisiana 70554

## Independent Auditors' Report

We have audited the accompanying General Purpose financial statements of the Housing Authority of the Town of Mamou, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These financial statements are the responsibility of the management of the Housing Authority of the Town of Mamou, Louisiana. Our responsibility is to express an opinion on these 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 Audit Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 Town of Mamou, Louisiana, 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, we have also issued our report dated December 5, 1998, on our consideration of The Housing Authority's 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 basic financial statements taken as a whole. The accompanying supplementary information on pages 25 to 34 is presented for purpose of additional analysis and is not a required part of the basic

financial statements of The Housing Authority of the Town of Mamou. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Vige & Tujague*

Vige & Tujague  
December 5, 1998

**FINANCIAL SECTION**

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1998

	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
Cash and cash equivalents	\$ 71,933	\$ 5,584	\$ 1,364
Receivables	3,053	-	57,597
Savings	41,347	-	-
Interfund receivable	3,382	-	-
Prepaid items	7,662	-	-
Land, buildings and equipment	-	-	-
<b>Other Debits:</b>			
Amount available in debt service funds	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-
	-	-	-
<b>Total Assets</b>	<b><u>\$127,377</u></b>	<b><u>\$ 5,584</u></b>	<b><u>\$ 58,961</u></b>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>	<u>Fiduciary Fund</u>	<u>Account Groups</u>		<u>TOTALS (Memorandum Only)</u>
	<u>Agency Fund</u>	<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	
\$ 334	\$ -	\$ -	\$ -	\$ 79,215
10,249	-	-	-	70,899
-	-	-	-	41,347
-	18,198	-	-	21,580
-	-	-	-	7,662
-	-	4,355,690	-	4,355,690
-	-	-	58,961	58,961
-	-	-	510,622	510,622
<u>\$ 10,583</u>	<u>\$ 18,198</u>	<u>\$4,355,690</u>	<u>\$569,583</u>	<u>\$5,145,976</u>



HOUSING AUTHORITY OF THE TOWN OF MAMOU  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1998

	Governmental Fund Types		
	General	Special Revenue	Debt Service
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts, salaries, and other payables	\$ 10,388	\$ -	\$ -
Interfund payable	18,198	3,382	-
Deposits due others	-	-	-
Other Liabilities	-	3,513	-
Matured bonds and interest payable	-	-	57,597
Compensated absences payable	-	-	-
Bonds & Notes payable	-	-	-
	<u>28,586</u>	<u>6,895</u>	<u>57,597</u>
Total Liabilities			
	<u>28,586</u>	<u>6,895</u>	<u>57,597</u>
Equity and Other Credits:			
Contributed capital	-	-	-
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved	7,662	-	1,364
Unreserved	<u>91,129</u>	<u>(1,311)</u>	<u>-</u>
	<u>98,791</u>	<u>(1,311)</u>	<u>1,364</u>
Total Equity and Other Credits	<u>98,791</u>	<u>(1,311)</u>	<u>1,364</u>
	<u>98,791</u>	<u>(1,311)</u>	<u>1,364</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$127,377</u>	<u>\$ 5,584</u>	<u>\$ 58,961</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>	<u>Fiduciary Fund</u>	<u>Account Groups</u>		<u>TOTALS (Memorandum Only)</u>
	<u>Agency Fund</u>	<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	
\$ 10,249	\$ -	\$ -	\$ -	\$ 20,637
-	-	-	-	21,580
-	18,198	-	-	18,198
-	-	-	-	3,513
-	-	-	-	57,597
-	-	-	6,729	6,729
-	-	-	562,854	562,854
<u>10,249</u>	<u>18,198</u>	<u>-</u>	<u>569,583</u>	<u>691,108</u>
-	-	4,355,690	-	4,355,690
334	-	-	-	1,698
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,480</u>
<u>334</u>	<u>-</u>	<u>4,355,690</u>	<u>-</u>	<u>4,454,868</u>
<u>\$ 10,583</u>	<u>\$ 18,198</u>	<u>\$4,355,690</u>	<u>\$569,583</u>	<u>\$5,145,976</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended June 30, 1998

	<u>Governmental Fund Types</u>				<u>TOTALS (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>REVENUES</b>					
<b>Local sources:</b>					
Dwelling rental	\$ 153,631	\$ -	\$ -	\$ -	\$ 153,631
Interest earnings	1,244	-	-	-	1,244
Other	3,989	-	-	-	3,989
<b>Federal sources:</b>					
Operating subsidy	152,132	59,851	-	-	211,983
Annual Contributions					
Contract	-	-	57,597	-	57,597
Grants	-	-	-	402,231	402,231
Total revenues	<u>310,996</u>	<u>59,851</u>	<u>57,597</u>	<u>402,231</u>	<u>830,675</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Administration	65,869	7,922	-	-	73,791
Utilities	71,138	-	-	-	71,138
Ordinary maintenance	69,003	-	-	-	69,003
Housing Payments	-	50,199	-	-	50,199
General expenditures	78,077	-	-	-	78,077
Facilities acquisition and construction	-	-	-	375,197	375,197
<b>Debt service:</b>					
Principal retirement	-	-	25,789	-	25,789
Interest and bank charges	1,421	-	31,224	-	32,645
Total expenditures	<u>285,508</u>	<u>58,121</u>	<u>57,013</u>	<u>375,197</u>	<u>775,839</u>
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>25,488</u>	<u>1,730</u>	<u>584</u>	<u>27,034</u>	<u>54,836</u>
<b>OTHER FINANCING SOURCES (uses)</b>					
Transfers in	26,700	-	-	-	26,700
Transfers out	-	-	-	(26,700)	(26,700)
Total other financing sources (uses)	<u>26,700</u>	<u>-</u>	<u>-</u>	<u>(26,700)</u>	<u>-</u>
<b>EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	52,188	1,730	584	334	54,836
FUND BALANCE, BEGINNING	<u>46,603</u>	<u>(3,041)</u>	<u>780</u>	<u>-</u>	<u>44,342</u>
FUND BALANCE, ENDING	<u>\$ 98,791</u>	<u>\$ (1,311)</u>	<u>\$ 1,364</u>	<u>\$ 334</u>	<u>\$ 99,178</u>

The accompanying notes are an integral part of this statements.

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL  
 AND SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 1998

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	Variance Favorable (Unfavorable)	BUDGET	ACTUAL	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
<b>Local sources:</b>						
Dwelling rental	\$ 148,824	\$ 153,631	\$ 4,807	\$ -	\$ -	\$ -
Interest earnings	2,361	1,244	(1,117)	-	-	-
Other	3,300	3,989	689	62,224	59,851	(2,373)
<b>Federal sources:</b>						
Operating subsidy	152,132	152,132	-	-	-	-
Annual Contributions	-	-	-	-	-	-
Contract	-	-	-	-	-	-
Grants	-	-	-	-	-	-
<b>Total revenues</b>	<u>306,617</u>	<u>310,996</u>	<u>4,379</u>	<u>62,224</u>	<u>59,851</u>	<u>(2,373)</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
Administration	74,535	65,869	8,666	9,112	7,922	1,190
Utilities	76,309	71,138	5,171	-	-	-
Ordinary maintenance	69,592	69,003	589	-	-	-
Housing Payments	-	-	-	53,112	50,199	2,913
General expenditures	75,927	78,077	(2,150)	-	-	-
Facilities acquisition & construction	-	-	-	-	-	-
<b>Debt service:</b>						
Principal retirement	-	-	-	-	-	-
Interest and bank charges	1,421	1,421	-	-	-	-
<b>Total expenditures</b>	<u>297,784</u>	<u>285,508</u>	<u>12,276</u>	<u>62,224</u>	<u>58,121</u>	<u>4,103</u>
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES</b>	8,833	25,488	16,655	-	1,730	1,730
<b>OTHER FINANCING SOURCES</b>						
Transfers in	<u>26,700</u>	<u>26,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	35,533	52,188	16,655	-	1,730	1,730
<b>FUND BALANCE, BEGINNING</b>	<u>47,312</u>	<u>46,603</u>	<u>(709)</u>	<u>-</u>	<u>(3,041)</u>	<u>(3,041)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 82,845</u>	<u>\$ 98,791</u>	<u>\$ 15,946</u>	<u>\$ -</u>	<u>\$ (1,311)</u>	<u>\$ (1,311)</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
 DEBT SERVICE, AND CAPITAL PROJECT FUNDS  
 Year Ended June 30, 1998

	DEBT SERVICE FUND			CAPITAL PROJECTS FUND		
	BUDGET	ACTUAL	Variance Favorable (Unfavorable)	BUDGET	ACTUAL	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Local sources:						
Dwelling rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-	-	-
Other	-	-	-	-	-	-
Federal sources:						
Operating subsidy	-	-	-	-	-	-
Annual Contributions						
Contract	57,597	57,597	-	-	-	-
Grants	-	-	-	404,000	402,231	(1,769)
Total revenues	57,597	57,597	-	404,000	402,231	(1,769)
<b>EXPENDITURES</b>						
Current:						
Administration	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Ordinary maintenance	-	-	-	-	-	-
Housing Payments	-	-	-	-	-	-
General expenditures	-	-	-	-	-	-
Facilities acquisition & construction	-	-	-	377,300	375,197	2,103
Debt service:						
Principal retirement	25,789	25,789	-	-	-	-
Interest and bank charges	31,527	31,224	303	-	-	-
Total expenditures	57,316	57,013	303	377,300	375,197	2,103
Other Financial Sources						
Transfers Out	-	-	-	26,700	(26,700)	-
<b>EXCESS (deficiency) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES</b>						
	281	584	303	-	334	334
<b>FUND BALANCE, BEGINNING</b>						
	-	780	780	-	-	-
<b>FUND BALANCE, ENDING</b>						
	\$ 281	\$ 1,364	\$ 1,083	\$ -	\$ 334	\$ 334

The accompanying notes are an integral part of this statement.

**NOTES TO  
GENERAL PURPOSE  
FINANCIAL STATEMENTS**

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1998

INTRODUCTION

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

The authority participates in The Section 8 housing assistance payment program. The existing and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under this program, the authority enters into housing assistance payment contracts with landlords.

At June 30, 1998, the authority managed 120 public housing units and provides assistance to 20 Section 8 housing Units.

In addition, the authority is currently administering a modernization program.

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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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.

The authority is a related organization of the Town of Mamou, Louisiana since the mayor appoints a voting majority of the authority's governing board. The Town of Mamou, 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 Town of Mamou, Louisiana. Accordingly, the authority is not a component unit of the financial reporting entity of the Town of Mamou, Louisiana.

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

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

### Fund Accounting

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

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

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



## NOTES TO FINANCIAL STATEMENTS (continued)

### **Governmental Funds**

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

1. General Fund--the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.

2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 housing assistance programs administered by the authority.

3. Debt service funds--account for transaction 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.

4. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

### **Fiduciary Funds**

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

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or 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

## NOTES TO FINANCIAL STATEMENTS (continued)

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.

Rental income 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, 1998, the liability for accumulated compensated absences was \$6,729.

### 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.

### Budgets

The authority uses the following budget practices:

1. The Executive Director prepares a proposed budget and submits same to the Board Commissioners no later than thirty days prior to the beginning of each fiscal year.
2. Following discussion and acceptance of the budget by the Board, it is sent to HUD for approval.
3. Upon approval by HUD, the budget is formally adopted.
4. Any budgetary amendments require the approval of the Executive Director and Board of Commissioners.

## NOTES TO FINANCIAL STATEMENTS (confined)

5. Any budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The budget comparison presented in the financial statements includes the original budget and all amendments.

### Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts and certificates of deposit purchased 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, 1998 are recorded as prepaid insurance.

### Fixed Assets

Fixed assets of governmental funds are recorded as expenditures as the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No construction period interest costs have been incurred and capitalized for the fiscal year ended June 30, 1998. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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 vacation pay upon termination or retirement.

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

### 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.

NOTES TO FINANCIAL STATEMENTS (continued)

Total Columns on Combined Statements

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

NOTE 2 - FUND DEFICITS

The Section 8 Special Revenue Fund had a fund balance deficit at June 30, 1998 in the amount of \$1,311.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1998, the authority has cash and cash equivalents totaling as follows:

Demand deposits	\$ 79,215
Time deposits	<u>41,347</u>
Total	<u>\$120,562</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the authority has \$120,562 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance and a pledge of securities in the amount of \$50,000.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 - RECEIVABLES

The receivables of \$70,899 at June 30, 1998, are as follows:

Class of Receivable	General Fund	Capital Projects	Debt Service Fund	Total
Local sources:				
Tenants	\$ 282	\$ -	\$ -	\$ 282
Federal sources:				
Hud	2,771	10,249	-	13,020
Accruing annual contr.	-	-	57,597	57,597
Total	<u>\$ 3,053</u>	<u>\$10,249</u>	<u>\$57,597</u>	<u>\$ 70,899</u>

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 393,732	\$ -	\$ -	\$ 393,732
Buildings	3,064,309	-	-	3,064,309
Equipment	50,238	-	12,521	37,717
Modernization Costs-CIAP	<u>458,062</u>	<u>401,870</u>	<u>-</u>	<u>859,932</u>
TOTAL	<u>\$3,966,341</u>	<u>\$ 401,870</u>	<u>\$ 12,521</u>	<u>\$4,355,690</u>

NOTE 6 - RETIREMENT SYSTEMS

The authority participates in the Housing-Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through the plan, the Authority provides pension benefits for all full-time employees. All eligible individuals must be employed for at least three months before participating in the plan. The authority had four employees participating as of June 30, 1998.

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

NOTES TO FINANCIAL STATEMENTS (continued)

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, 1998, was \$83,802. The authority's contributions were made based on the total covered payroll. The Authority and the covered employees made the required contributions for the year ended June 30, 1998. The employee contributions totaled \$4,190 while the authority's contributions totaled \$6,704 for the year ended June 30, 1998.

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$20,637 at June 30, 1998, are as follows:

<u>General Fund</u>	<u>Amount</u>
General Fund - Accounts	\$ 10,388
Capital Projects - Construction	<u>10,249</u>
Total	<u>\$ 20,637</u>

NOTE 8 - CHANGES IN AGENCY FUND/DEPOSITS DUE OTHERS

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

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Year</u>
Agency fund:				
Tenant security deposits	<u>\$ 19,342</u>	<u>\$ 5,196</u>	<u>\$ 6,340</u>	<u>\$ 18,198</u>

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, 1998:

	<u>Bonded Debt</u>	<u>Compensated Absences/Other</u>	<u>Total</u>
Long-term obligations at June 30, 1997	\$588,643	\$ 18,442	\$607,085
Additions	-	2,221	2,221
Deductions	<u>25,789</u>	<u>13,934</u>	<u>39,723</u>
Long-term obligations at June 30, 1998	<u>\$562,854</u>	<u>\$ 6,729</u>	<u>\$569,583</u>

NOTES TO FINANCIAL STATEMENTS (continued)

All authority bonds outstanding at June 30, 1998, in the amount of \$562,854, are single issue bonds with maturities from 1998 to 2014 and interest rates from 3.375% to 6.6%. Bond principal and interest payable in the next fiscal year are \$29,730 and \$27,867, respectively. The individual issues are as follows:

<u>Bond Issues</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding June 30, 1998</u>
Federal					
Financing	\$173,447	6.60%	11/1/97	\$ -0-	\$ -0-
Single issue	260,000	3.375%	5/1/05	10,391	74,545
Single issue	755,000	5.125%	6/1/14	245,385	488,309
Total bonds				<u>\$255,776</u>	<u>\$562,854</u>

All principal and interest requirements are funded in accordance with Federal Law by the annual contributions contract from HUD. At June 30, 1998, the authority has accumulated \$1,364 in the debt service funds for future debt requirements. The bonds are due as follows for the next five years:

<u>Fiscal Year Ending 6/30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
1999	29,730	27,867	57,597
2000	31,588	26,773	58,361
2001	32,234	25,308	57,542
2002	34,698	23,796	58,494
2003	<u>35,950</u>	<u>22,179</u>	<u>58,129</u>
	<u>\$164,200</u>	<u>\$125,923</u>	<u>\$290,123</u>

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fiduciary Fund	General Fund	<u>\$18,198</u>
General Fund	Special Revenue	<u>\$ 3,382</u>

NOTE 11 - LITIGATION AND CLAIMS

At June 30, 1998, the authority was not involved in any lawsuits or aware of any claims against it.

NOTE 12 - FEDERAL COMPLIANCE CONTINGENCIES

No questions of disallowed costs were noted for inclusion in our report.



NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 13 - COMPENSATED ABSENCES

At June 30, 1998, employees of the authority have accumulated and vested \$6,729 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$6,729 is recorded in the general long-term obligations account group.

NOTE 14 - OTHER LIABILITIES

In August, 1995 the former Director was terminated. The Housing Authority agreed to pay his severance pay and annual leave and buy the remaining portion of his contract in the amount of \$31,461 and \$42,500 plus interest, respectively. The severance and annual pay were paid in fiscal year ended June 30, 1998. The remaining portion of his contract were paid in three installments (including interest):

2/15/96	\$15,750
10/1/96	\$15,750
10/1/97	\$15,355

The October 1997 payment in the amount of \$15,750 was made and is included in General Expenses in the General Fund.

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Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

## Independent Auditors' Report on Federal Financial Assistance

We have audited the general purpose financial statements of the Housing Authority of the Town of Mamou, Louisiana, for the year ended June 30, 1998, and have issued our report thereon dated December 5, 1998. These general purpose financial statements are the responsibility of the Housing Authority of the Town of Mamou, Louisiana's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the Consolidated Audit Guide for Audits of HUD Programs issued by the U. S. Department of Housing and Urban Development, Office of the Inspector General. Those standards and the guide require that we 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 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 accordance with Government Auditing Standards, we have also issued our report dated December 5, 1998 on our consideration of The Housing Authority of the Town of Mamou's 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 basic financial statements of The Housing Authority of the Town of Mamou 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, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic 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.

*Vige and Tujague*  
Vige and Tujague  
December 5, 1998

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Year Ended June 30, 1998

<u>Federal Grantor/ Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Grant Amount Received</u>	<u>Program Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Programs:				
Low Income HAP	14.850	FW-2013	\$209,729	\$209,729
CIAP	14.852	FW-2013	402,231	401,897
Section 8 HAP	14.146	FW-2261	<u>59,851</u>	<u>58,121</u>
TOTAL U.S. DEPT. OF HOUSING AND URBAN DEVELOP- MENT			<u>671,811</u>	<u>669,747</u>
TOTAL FEDERAL ASSISTANCE			<u>671,811</u>	<u>669,747</u>

1. The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract the Housing Authority of the Town of Mamou, Louisiana, bonded indebtedness and F.F.B. notes. This bonded indebtedness and notes payable were \$562,854 at June 30, 1998.

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

BALANCE SHEET  
JUNE 30, 1998

Annual Contributions

Contract

ASSETS

	<u>FW-2013</u>	<u>FW-2261</u>
Cash	\$ 73,631	\$ 5,584
Accounts receivable	282	-
Accounts receivable-Sect. 8	3,382	-
Accounts receivable-Hud	13,020	-
Debt amortization fund	57,597	-
Investments	41,347	-
Deferred charges	7,662	-
Land, structures and equipment	<u>4,355,690</u>	<u>-</u>
Total Assets	<u>\$4,552,611</u>	<u>\$ 5,584</u>

LIABILITIES AND SURPLUS

Tenant Security Deposits	\$ 18,198	\$ -
Accounts payable	18,688	3,382
Accrued liabilities	1,949	3,513
Fixed liabilities	<u>562,854</u>	<u>-</u>
Total Liabilities	<u>\$ 601,689</u>	<u>\$ 6,895</u>
Surplus	<u>3,950,922</u>	<u>(1,311)</u>
Total Liabilities and Surplus	<u>\$4,552,611</u>	<u>\$ 5,584</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATEMENT OF REVENUE AND EXPENDITURES - PHA OWNED HOUSING  
Year Ended June 30, 1998

Annual Contributions Contract FW-2013

Operating Income

Dwelling rental	\$ 153,631
Interest on general fund investments	1,244
Other income	<u>29,767</u>
Total operating income	<u>184,642</u>

Operating Expenditures

Administration	65,869
Utilities	71,138
Ordinary maintenance and operation	69,003
General expense	<u>78,077</u>

Total operating expenditures 284,087

Net operating loss (99,445)

Other charges

Loss on Disposal of Equipment	11,627
Interest on bonds and notes	<u>32,645</u>
Total Other Charges	<u>44,272</u>

NET LOSS \$ (143,717)

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATEMENT OF REVENUE AND EXPENDITURES - HOUSING ASSISTANCE  
PAYMENTS PROGRAM  
Year Ended June 30, 1998

Annual Contributions Contract FW-2261

Operating Expenditures

Administrative expenses	\$ 7,922
Housing assistance payments	<u>50,199</u>
Total operating expenditures	<u>58,121</u>
NET OPERATING LOSS	\$ <u>(58,121)</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATEMENT OF SURPLUS  
Year Ended June 30, 1998

	<u>Annual Contributions Contract</u>	
	<u>FW-2013</u>	<u>FW-2261</u>
<b><u>UNRESERVED SURPLUS</u></b>		
Balance per audit at June 30, 1997	\$ (3,314,697)	\$ (495,665)
Net loss, June 30, 1998	(143,717)	-
PHA Owned Housing		
Housing Assistance Payments Programs	-	(58,121)
Provision for Reduction of Reserves for year ended June 30, 1998:		-
PHA Owned Housing	(7,253)	
Housing Assistance Payments Program:		
Operating reserve	-	(590)
Balance at June 30, 1998	<u>\$ (3,465,667)</u>	<u>\$ (554,376)</u>
<b><u>RESERVED SURPLUS - OPERATING RESERVE</u></b>		
Balance per audit at June 30, 1997	\$ 59,124	\$ 99,313
Provision for (reduction of) operating reserves for year ended June 30, 1998:		
PHA Owned Housing	7,253	-
Housing Assistance Payments Program	-	590
Balance at June 30, 1998	<u>\$ 66,377</u>	<u>\$ 99,903</u>
<b><u>CUMULATIVE HUD CONTRIBUTIONS</u></b>		
Balance per audit at June 30, 1997	\$ 6,738,252	\$ 393,311
Annual Contributions, year ended June 30, 1998:		
PHA Owned Housing	57,597	-
Housing Assistance Payments Program	-	62,224
Housing Assistance Payments Refund		(2,373)
Prior Period Adjustment	-	
Operating subsidy, June 30, 1998	152,132	-
Cumulative HUD Grants - CIAP - June 30, 1998	402,231	-
Balance at June 30, 1998	<u>7,350,212</u>	<u>453,162</u>
<b>TOTAL SURPLUS</b>	<u>\$ 3,950,922</u>	<u>\$ (1,311)</u>



HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL  
CONTRIBUTIONS - PHA OWNED HOUSING  
Year Ended June 30, 1998

Annual Contributions Contract FW-2013

Computation of Residual Receipts

Operating Receipts

Operating income	\$ 184,642
HUD operating subsidy	<u>152,132</u>
Total operating receipts	<u>336,774</u>

Operating Expenditures

Loss on Disposal of Equipment	11,627
Interest - Operating	32,645
Operating expenditures	<u>284,087</u>
Total operating expenditures	<u>328,359</u>

Residual receipts (deficit) per audit	8,415
Audit adjustments -Prior Year	<u>(1,162)</u>
Residual receipts (deficit) before provision for reserve	7,253
Reduction of operating reserve	<u>(7,253)</u>
Residual receipts	<u>\$ -0-</u>

Computation of Accruing annual Contribution

Fixed Annual Contribution	\$ <u>57,597</u>
Accruing annual Contribution	<u>\$ 57,597</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
Year Ended June 30, 1998

Annual Contributions Contract FW-2261

Maximum Contribution Available

Maximum annual contribution authorized	\$ <u>75,456</u>
Maximum contribution for period	58,711
Project account balance at beginning of fiscal year	<u>99,313</u>
Total annual contribution available	<u>158,024</u>

Annual Contribution Required

Administration expenses	7,922
Housing assistance payments	<u>50,199</u>
Total funds required	<u>58,121</u>
Total annual contribution required	<u>99,903</u>

Project Account Change

Provision for project account	<u>99,903</u>
-------------------------------	---------------

Annual Contribution Earned

58,711

Operating Reserve Change

Annual contribution earned	<u>58,711</u>
----------------------------	---------------

Total operating receipts earned

58,711

Operating Expenditures

Operating Expenditures	<u>58,121</u>
------------------------	---------------

Net operating receipts available

590

Provision for operating reserve

\$ (590)

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED  
AT JUNE 30, 1998

Annual Contributions Contract FW-2013

1997 PHASE LA 48-P03191097

Funds approved	\$ <u>475,000</u>
Funds advanced and due	\$ 22,800
Funds expended	<u>22,800</u>
Excess of funds advanced over funds expended	<u>\$ -0-</u>

1996 Phase LA 48P03190996

Funds Approved	\$ <u>375,000</u>
Funds Advanced and Due	\$ 147,686
Funds Expended	<u>147,352</u>
Excess of funds advanced over funds expended	<u>\$ 334</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
At June 30, 1998

1995 PHASE LA 48 P03190895

FUNDS APPROVED	\$275,000
FUNDS EXPENDED	<u>275,000</u>
EXCESS OF FUNDS APPROVED	<u>      -</u>
FUNDS ADVANCED	\$275,000
FUNDS EXPENDED	<u>275,000</u>
EXCESS OF FUNDS ADVANCED	<u>      -</u>

1) The distribution of costs by project as shown on the Final Statement of Modernization Cost submitted to HUD for approval is in agreement with the PHA's records.

2) All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

ANALYSIS OF GENERAL FUND CASH BALANCE  
AT JUNE 30, 1998

	<u>Annual Contributions Contract</u>	
	<u>FW-2013</u>	<u>FW-2261</u>
<u>Composition Before Adjustments</u>		
Net operating receipts retained:		
Operating reserve	\$ 66,377	\$ (1,311)
Tenant security deposits	18,198	-
Audit adjustments affecting general fund cash	<u>34,112</u>	<u>-</u>
	118,687	(1,311)
 <u>Adjustments</u>		
Expenses/Costs not paid:		
Accounts payable	18,688	3,382
Accrued Liabilities	1,949	-
Due to HUD	-	3,513
Income not received:		
Accounts receivable	<u>(16,684)</u>	<u>-</u>
General fund cash available	<u>122,640</u>	<u>5,584</u>
 <u>Other Applications of General Fund Cash</u>		
Deferred charges	(7,662)	-
Investments	<u>(41,347)</u>	<u>-</u>
	<u>(49,009)</u>	<u>-</u>
GENERAL FUND CASH	<u>\$ 73,631</u>	<u>\$ 5,584</u>

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

Schedule of Adjusting Journal Entries  
June 30, 1998

	<u>Debit</u>	<u>Credit</u>	<u>Acct No.</u>
Unreserved Surplus	13,124.13		2810
Accounts Receivable - Other		3,659.00	1129
Accounts Receivable - Tenants	350.00		1122
Cumm. Hud Contributions		2,771.00	2840
Prepaid Insurance	433.00		1211
Machinery & Equipment		2,071.94	1400.2
Cash - Debt Service		702.93	1171
Bonds Payable	2,026.05		2322
Unreserved Surplus - Sec. 8	75.00		
Accounts Payable		6,520.02	2111
Accounts Payable		3,272.33	2111
Payroll Taxes Payable		240.96	2115
Cumm. Hud Cont. Sec. 8	4,725.00		
Due from Hud - Sect. 8		1,495.00	
To post prior year audit entries			
Accounts Receivable - Other	228.00		1129
Tenant Security Deposits	200.00		2114
Dwelling Rental	349.00		2810
Accounts Receivable - Tenants		777.00	1122
To Adjust Accts Receivable to Actual			
Prepaid Insurance	1,729.00		1211
Insurance		1,729.00	2810
To Adjust Prepaid Insurance to Actual			
HUD Annual Contributions		17,487.77	2840
HUD Note Payment	17,487.77		2322
To Adjust Acc to Actual			
Accounts Receivable - CIAP	10,249.00		1129
HUD Subsidy - Grants		10,249.00	2840
To record receivable Due from HUD from 1996 CIAP Program to pay for Retainage Due			

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

Schedule of Adjusting Journal Entries  
June 30, 1998

	<u>Debit</u>	<u>Credit</u>	<u>Acct. No.</u>
Machinery & Equipment	10,249.00		1400.2
Accounts Payable		10,249.00	2111
To Record Retainage Payable			
Bonds Payable		999.03	2322
Interest	999.03		2810
Interest Payable	27,867.00		2133
Interest		27,867.00	2810
Cash-Debt Service	537.24		1171
Interest		537.24	2810
To Adjust Notes Payable, Interest Payable, and Cash Debt Service to Actual			
Dwelling Rental	561.00		2810
Accounts Receivable - Other		561.00	1129
To Adjust A/R Other to Actual			
Salaries		1,822.33	2810
Labor		1,450.00	2810
Account Payable	3,272.33		2111
To Reverse 063097 Accrued Salaries			
Accounting		275.00	2810
Materials		1,110.80	2810
Sundry		294.00	2810
Utilities		4,285.22	2810
Contract Costs		480.00	2810
Accounting- Sec.8		75.00	2810
Accounts Payable	6,520.02		2111
To Reverse 063097 Accts Payable			
Sundry	370.15		2810
Utilities	4,540.76		2810
Materials	1,057.89		2810
Accounts Payable		5,968.80	2111
To Record 063098 Accts Payable			

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

Schedule of Adjusting Journal Entries  
June 30, 1998

	<u>Debit</u>	<u>Credit</u>	<u>Acct No.</u>
Salaries		3,061.20	2810
Salaries - Sec.8	3,061.20		2810
Employee Benefits		902.52	2810
Employee Benefits - Sec 8	902.52		2810
Sundry		480.00	2810
Sundry - Sec.8	480.00		2810
Accounting		1,200.00	2810
Accounting - Sec 8	1,200.00		2810
To Record Expense Reimbursement to Housing Authority			
Travel	900.00		2810
Accounting	225.00		2810
Sundry	1,289.66		2810
Employee Benefits	872.49		2810
Unreserved Surplus - Sec 8		3,287.15	2810
To Reverse Entry Allocating Expenses			
Accounts Receivable - Sect. 8		1,216.00	1129
Due From HUD-SECT.8	6,415.00		2118
Unreserved Surplus - Sec. 8		5,199.00	2810
To Adjust Payable to Actual			
Payroll Taxes Payable		1,815.31	2810
Employee Benefits	1,815.31		2810
To Adjust Payroll Taxes Payable to Actual			



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

The Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

We have audited the financial statements of the Housing Authority of the Town of Mamou as of and for the year ended June 30, 1998, and have issued our report thereon dated December 5, 1998. 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 Town of Mamou's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the Town of Mamou's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does

not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have described in the accompanying Schedule of Finding and Questioned Costs.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Vige & Tujague*

Vige & Tujague  
December 5, 1998

# VIGE & TUJAGUE

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

Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

We have audited the compliance of the Housing Authority of the Town of Mamou 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 Housing Authority of the Town of Mamou's major federal programs are identified in the accompanying schedule of federal financial assistance. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the Town of Mamou's management. Our responsibility is to express an opinion on the Housing Authority of the Town of Mamou's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and the Consolidated Audit Guide for Audits of HUD Programs (The "Guide") issued by the U.S. Department for Housing and Urban Development, Office of Inspector General. Those standards, OMB Circular A-133 and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Town of Mamou's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Housing Authority of the Town of Mamou's compliance with those requirements.

In our opinion, the Housing Authority of the Town of Mamou 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 Housing Authority of the Town of Mamou 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 of the Town of Mamou's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and The Guide.

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 requirement 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, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Vige & Tujague*

Vige & Tujague  
December 5, 1998

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR HUD PROGRAM TRANSACTIONS

Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

We have audited the financial statements of the Housing Authority of the Town of Mamou, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated December 5, 1998.

In connection with our audit of the 1998 financial statements of the Housing Authority of the Town of Mamou, Louisiana and with our consideration of Housing Authority of the Town of Mamou, Louisiana internal control structure used to administer HUD programs, as required by the Consolidated Audit Guide for Audits of HUD Programs (the "Guide") issued by the U.S. Department of Housing and Urban Development. We selected certain transactions applicable to certain nonmajor HUD-assisted programs for the year ended June 30, 1998.

As required by the Guide, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and any special provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Mamou Housing Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under The Guide.

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.

*Vige & Tujague*  
Vige and Tujague  
December 5, 1998

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO AFFIRMATIVE FAIR HOUSING AND NONDISCRIMINATION

Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

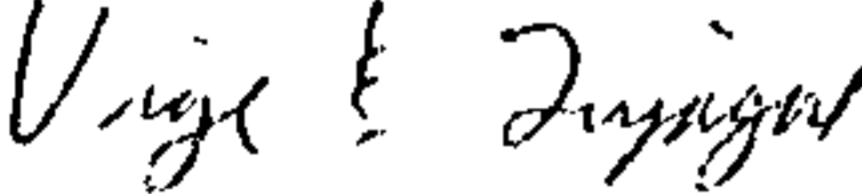
We have audited the financial statements of Housing Authority of Mamou, Mamou, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated December 5, 1998.

We have applied procedures to test Mamou Housing Authority's compliance with the Affirmative Fair Housing and Nondiscrimination requirements applicable to its HUD-assisted programs, for the year ended June 30, 1998.

Our procedures were limited to the applicable compliance requirement described in the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Mamou Housing Authority's compliance with the Affirmative Fair Housing and Nondiscrimination requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under The Guide.

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.

  
Vige and Tujague  
December 5, 1998

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

Current Audit findings No. 1 and No. 2 were listed as audit findings in the prior year and were not cleared.

HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

FINDINGS RECOMMENDATIONS, AND REPLIES

- (1) FINDINGS: The Housing Authority is required to amend its budget if revenue collections and expenditures are not within 5% of budgeted revenues and expenditures. The Housing Authority exceeded their budget in several categories by greater than 5%.
- Recommendation: We recommend that The Authority monitor its budget periodically and amend the budget as needed. Such amendments should provide a more accurate projection of estimated revenues and expenditures, and better control over spending.
- Reply: The Authority will monitor its budget and amendments will be prepared in conformity with legal requirements.
- (2) FINDINGS: Due to the small number of employees, The Town did not have an adequate segregation of functions within the accounting system.
- Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response: No response is considered necessary.
- (3) Finding: The Housing Authority is required by HUD to submit an annual reporting to HUD on its Section 8 Program. This reporting consists of a calculation to determine whether or not HUD overpaid or under paid the Housing Authority for Housing assistance payments. We noted errors in this computation.
- Recommendation: We recommend that The Housing Authority review the year end settlement calculation before submitting it to HUD.
- Response: The year end settlements calculation will be reviewed as recommended.



HOUSING AUTHORITY OF THE TOWN OF MAMOU  
Mamou, Louisiana

FINDINGS RECOMMENDATIONS, AND REPLIES

(4) Finding: We noted during our audit that the prior year audit adjusting entries were not recorded on the year end financial statements for the Low Rent Housing Program which were submitted to HUD.

Recommendation: We recommend that management meet with the fee accountant to make sure these entries are posted to the financial statements.

Reply: We will comply with the recommendation.

HOUSING AUTHORITY OF THE TOWN OF MAMOU .  
Mamou, Louisiana

ACTIVITIES OF THE PHA

- 1a The PHA administers 120 units of owned low-income housing.
- 1b The PHA administers 20 units of housing assistance payment vouchers.
- 1c The PHA is also administering a modernization project.
  
- 2 Board members serve without compensation.