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**HOUSING AUTHORITY OF THE VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 APR 19 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1999  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

~~Parish Clerk of Court  
LSA-RS 24:516 provides that this report shall be  
available for inspection for a period of not less  
than one year from the date of receipt.  
Legislative Auditor~~

*WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION*

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

TABLE OF CONTENTS

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

EXHIBITS—GENERAL PURPOSE FINANCIAL STATEMENTS

- A COMBINED BALANCE SHEET AT SEPTEMBER 30, 1999, ALL FUNDS
- B COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS—ALL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 1999
- C COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—BUDGET (GAAP BASIS) AND ACTUAL—GENERAL AND SPECIAL REVENUE FUNDS
- D COMBINED STATEMENT OF CASH FLOWS—ALL 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 STATEMENT OF REVENUES AND EXPENDITURES—(NON-GAAP)—LOW RENT HOUSING FUND

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-133

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES-NONE

SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS

CORRECTIVE ACTION PLAN

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

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

TELEPHONE 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-807-6498  
E-MAIL [william@mccaskill.com](mailto:william@mccaskill.com)

MEMBER  
LOUISIANA SOCIETY OF CPA'S  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

**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 VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA 70592**

I have audited the accompanying general purpose financial statements of the Housing Authority of the Village of Youngsville (PHA) as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the 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 applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards required 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.

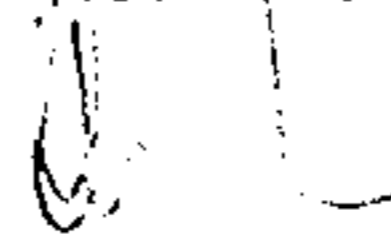
In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Village of Youngsville as of September 30, 1999, and the results of its operations and changes in its total equity for the year ended in conformity with generally accepted accounting principles.

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

In accordance with Government Auditing Standards, I have also issued a report dated December 9, 1999 on my consideration of the PHA'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 PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as 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, Audits of States, Local Governments, and Non Profit organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in 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 PHA, 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

December 9, 1999

Housing Authority of the Village of Youngsville  
COMBINED BALANCE SHEET – ALL FUNDS  
September 30, 1999

---

EXHIBIT A

LOW RENT  
FW-1172

ASSETS

Current assets:

Cash and cash equivalents	28,226.34
Cash with fiscal agent	-
Tenants rents receivable	-
Due from U.S. Department of HUD	14,414.08
Prepaid insurance	5,833.00
Supplies inventory	-
Other receivables	557.58
	-----
Total current assets	49,031.00

Fixed assets (net)	290,140.00
	-----

Total assets	339,171.00
	=====

LIABILITIES AND FUND EQUITY

Current liabilities:

Accounts Payable and accrued liabilities	13,047.34
Deferred revenues	-
Current portion of long-term debt	-
Security deposits	1,775.00
	-----
Total current liabilities	14,822.34

Noncurrent liabilities:

Homeownership funds held for tenants	-
Accrued vacation pay	-
Noncurrent portion of long-term debt	-
	-----
Total liabilities	14,822.34

Fund equity:

Contributed capital (net)	290,140.00
Retained earnings	34,208.66
	-----
Total fund equity	324,348.66
	-----

Total liabilities and fund equity	339,171.00
	=====

see notes to financial statements

Housing Authority of the Village of Youngsville  
 COMBINED STATEMENT OF REVENUES, EXPENSE AND  
 CHANGES IN RETAINED EARNINGS--ALL FUNDS  
 For the year Ended September 30, 1999

EXHIBIT B

	LOW RENT FW-1172
Operating revenues:	
Dwelling rental	32,955.00
Interest income	265.61
Other income	2,503.54
HUD operating subsidy	14,414.00
	-----
Total operating revenues	50,138.15
	-----
Operating expenses:	
Adminstration	11,945.60
Tenant services	-
Utilities	273.23
Ordinary maintenance	14,439.81
General expense	17,337.54
Protective services	-
Non-routine maintenance	-
Housing assistance payments	-
Prior Year Affecting Residual Receipts	107.28
	-----
Operating expenses before depreciation	44,103.46
	-----
Operating income/(loss) before depreciation	6,034.69
Depreciation expense	26,569.93
Net operating income/(loss) after depreciation	(20,535.24)
Retained earnings (operating reserve), 9-30-98	28,173.97
Add: HUD--REAC prior year GAAP adjustments	-
Operating income/(loss) before depreciation	6,034.69
	-----
Retained earning (operating reserve), 9-30-99	34,208.66
Net HUD contribution, 9-30-98	567,784.15
Current year addition and REAC adjustments	(277,644.15)
	-----
Net HUD contribution, 9-30-99	290,140.00
	-----
Total Equity, 9-30-99	324,348.66
	=====

see notes to financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS--BUDGET VS. ACTUAL  
 GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 1999

REVENUES	Budget	Actual	Favorable Variance
Local Sources:			
Dwelling Rental	34,430.00	32,955.00	(1,475.00)
Interest Charges	1,500.00	265.61	(1,234.39)
Receipts from the Sale of Equipment			
Other	2,540.00	2,503.54	(36.46)
Federal Sources:			
Operating Subsidy	14,414.00	14,414.00	-
Annual Contributions			
Grants			
Total Revenues	52,884.00	50,138.15	(2,745.85)
EXPENDITURES	-----	-----	-----
Current:			
Administration	11,840.00	11,945.60	(105.60)
Utilities	470.00	273.23	196.77
Ordinary Maintenance & Operations	22,320.00	14,439.81	7,880.19
Protective Services	-	-	-
General Expenditures	19,410.00	17,337.20	2,072.80
Nonroutine Maintenance	-	-	-
Prior Year Adjustments Affecting Residual Receipts	-	107.28	(107.28)
Facilities Acquisition & Construction	-	-	-
Debt Service:			
Principal Retirement			
Interest & Bank Charges			
Total Expenditures	54,040.00	44,103.12	9,936.88
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,156.00)	6,035.03	7,191.03
OTHER FINANCING SOURCES (USES)			
Operating Transfers In			
Operating Transfers Out			
Total Other Financing Sources (Uses)	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUES	(1,156.00)	6,035.03	7,191.03
RETAINED EARNINGS AT BEGINNING OF YEAR	28,173.97	28,173.97	-
RETAINED EARNINGS AT END OF YEAR	27,017.97	34,209.00	7,191.03

=====

see notes to financial statements



Housing Authority of the Village of Youngsville  
 COMBINED STATEMENT OF CASH FLOWS -- ALL FUNDS  
 For the Year Ended September 30, 1999

EXHIBIT D  
 page 1 of 2

LOW RENT  
 FW-1172

Cash flows from operating activities:	
Cash received from tenants	32,955.00
Cash received from other income	2,503.54
Cash paid for goods and services	(29,106.66)
Cash paid to employees	(14,160.00)
	-----
Net cash provided by operating activities	(7,808.12)
	-----
Cash flows from noncapital financing activities:	
Operating grants and subsidies	-
	-----
Cash flows from capital and related financing activities:	
Proceeds from the issuance of notes	-
Acquisition of capital assets	-
Proceeds from sale of equipment	-
	-----
Net cash used for capital and related financing activities	-
	-----
Cash flows from investing activities:	
Interest on investments	265.61
	-----
Net increase in cash and cash equivalents	(7,542.51)
Cash and cash equivalents at beginning of year	35,768.85
	-----
Cash and cash equivalents at end of year	28,226.34
	=====

see notes to financial statements

Housing Authority of the Village of Youngsville  
COMBINED STATEMENT OF CASH FLOWS--ALL FLOWS  
For the Year Ended September 30, 1999

EXHIBIT D  
page 2 of 2

LOW RENT  
FW-1172

Reconciliation of operating income to net cash provided by operating activities:

Operating income (loss)	(20,535.24)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	26,569.93
Decrease in tenant rents receivable	477.00
Increase due from U.S.Department of HUD	(14,414.08)
(Increase) decrease in supplies inventory	-
Decrease in accounts receivable	166.42
Increase in prepaid insurance	(3,074.00)
Increase in accounts payable and accrued liabilities	3,268.00
Increase in security deposits	2.00
(Increase) decrease in accrued vacation pay	-
Untraced difference	(268.15)
	-----
Total adjustments	12,727.12
	-----
Net cash provided by operating activities	(7,808.12)
	=====

see notes to financial statements

**THE HOUSING AUTHORITY OF THE VILLAGE OF YOUNGSVILLE**  
**YOUNGSVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana, for the purpose of providing safe and sanitary dwelling accommodations for the residents of Youngsville, 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 Youngsville, 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 contributions 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 this low rent character.

(1) Financial Reporting Entity

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

(2) Change in Accounting Principle

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

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

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

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

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

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

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

### (3) Budgetary Data

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

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

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

### (4) Cash and Cash Equivalents

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

### (5) Tenant Receivables

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

### (6) Compensated Absences

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

**NOTE B – CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

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

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

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

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

Total Bank Balances	Category		
	1	2	3
\$28,201.34	28,201.34		

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

**NOTE C -- ACTIVITIES OF THE PHA**

At September 30, 1999, the PHA was managing 20 units of low-rent in 1 project under FW-1172.

**NOTE D -- CONTINGENCIES**

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

NOTE E -- FIXED ASSETS

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

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Nondwelling structures	20 Years
Equipment	3 to 7 Years

	Cost	Current Depreciation	Prior Depreciation	9-30-99 Net
Land	\$19,760	--	---	19,760
Buildings and Improvements	620,355	26,570	323,405	270,380
Equipment	22,630	--	22,630	0
Site Improvement	58,785	--	58,785	0
	<u>\$ 721,530</u>	<u>26,570</u>	<u>404,820</u>	<u>290,140</u>

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F -- LONG-TERM DEBT

As noted in Note A, long-term debt owed to HUD has been closed to HUD Capital Contributions. For the year ended Month date, year, Housing Agency bonds outstanding of \$0.00 were closed to capital contributions.

NOTE G -- RETIREMENT PLAN

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

The entity's total payroll in fiscal year ended September 30, 1999 was \$14,160. The entity's contributions were calculated using the base salary amount of \$14,160. Contributions to plan were \$708 and \$1132.80 by the employee and the entity, respectively.

#### NOTE H -- DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

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

##### Cash and Investments

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

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

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

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

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

#### NOTE K -- INTERFUND ASSETS/LIABILITIES

Interfund receivables/payable at September 30, 1999 are as follows:

NONE

Housing Authority of the Village of Youngsville  
 Village of Youngsville, Louisiana  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended September 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		14,414.00
Leased		
Development		
Total Low Income Housing	14.850	14,414.00
Section 8 Cluster:		
Vouchers	14.855	
Certificates	14.857	
Moderate Rehabilitation	14.856	
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		_____
Comprehensive Grants	14.859	_____
CIAP	14.852	_____
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14.854	_____
Shelter + Care	14.238	_____
HOPE	14.858	_____
HOME	14.239	_____
Child Care Food Program (USDA)	10.558	_____
 TOTAL FEDERAL EXPENDITURES		 14,414.00 =====

NOTE: This schedule of expenditures of federal awards is prepared on the GAAP basis of accounting.

see notes to financial statements



Housing Authority of the Village of Youngsville  
Youngsville, Louisiana 70592

SCHEDULE II

STATEMENT OF INCOME AND EXPENSE--PHA OWNED HOUSING

Annual Contribution Contract FW-1172 HUD Regulatory Basis  
For the year ended September 30, 1999

-----  
OPERATING INCOME:

Dwelling Rental	32,955.00
Interest Income	265.61
Other Income	2,503.54

Total Operating Income	----- 35,724.15
------------------------	--------------------

OPERATING EXPENSES:

Adminstration	11,945.60
Tenants Services	-
Utilities	273.23
Ordinary Maintenance and Operations	14,439.81
General Expense	17,337.54
Non-Routine Maintenance	-

Total Operating Expenses	----- 43,996.18
--------------------------	--------------------

NET OPERATING DEFICIT	----- (8,272.03)
-----------------------	---------------------

OTHER CHARGES:

Interest on Notes and Bonds	-
Prior Period Adjustments Affecting Residual Receipts	107.28
Gain or Loss from Disposition of Nonexpendable Equipment	-

TOTAL OTHER CHARGES	----- 107.28
---------------------	-----------------

DEFICIT	----- (8,379.31)
---------	---------------------

-----  
see notes to financial statements

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

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

TELEPHONE 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-674-6498  
E-MAIL [william@mccaskill.com](mailto:william@mccaskill.com)

MEMBER  
LOUISIANA SOCIETY OF CPA'S  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

**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 VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA 70592**

I have audited the financial statements of the Housing Authority of the Village of Youngsville (PHA), as of and for the year ended September 30, 1999, and have issued my report thereon dated December 9, 1999. I conducted my 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.

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.

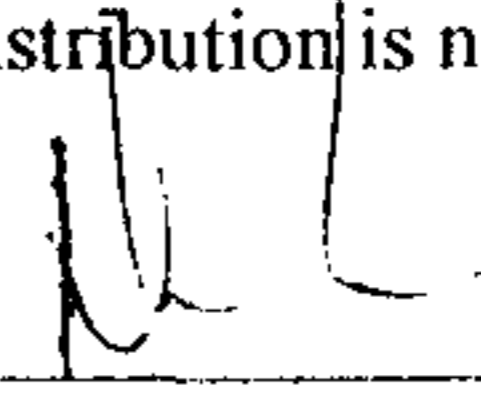
Internal Control Over Financial Reporting

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 cooperation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the 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 for HUD. However, this report is a matter of public record and its distribution is not limited.

December 9, 1999



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

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

415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471

TELEPHONE 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-807-6498  
E-MAIL

MEMBER  
LOUISIANA SOCIETY OF CPA'S  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

**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 VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA 70592**

Compliance

I have audited the compliance of the Housing Authority of the Village of Youngsville (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 1999. The PHA'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 PHA's management. My responsibility is to express an opinion on the PHA'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, Audits of States, Local Governments, and Non Profit Organizations.

Those 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 PHA'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 PHA's compliance with those requirements.

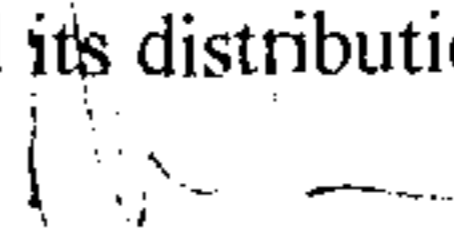
In my opinion, the PHA's complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended Month date, year.

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-133.

My consideration of the internal control over compliance would not necessarily disclose all matter in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation 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 HUD. However, this report is a matter of public record and its distribution is not limited.

  
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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

December 9, 1999

**THE HOUSING AUTHORITY OF THE VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR FINDINGS**

There were no findings in the prior audit.

**THE HOUSING AUTHORITY OF THE VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA**

**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**

Per A-133, Section 505(d)

1. Summary Schedule of Auditors 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. 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 Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- ix. The auditee was considered a low risk auditee.

2. Finding 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

**THE HOUSING AUTHORITY OF THE VILLAGE OF YOUNGSVILLE  
YOUNGSVILLE, LOUISIANA**

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

NONE