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HOUSING AUTHORITY OF THE  
TOWN OF MAMOU

FINANCIAL REPORT FOR THE  
YEAR ENDED JUNE 30, 2004

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 12-1-04

RICHARD C. URBAN  
CERTIFIED PUBLIC ACCOUNTANT

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RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

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

INDEPENDENT AUDITOR'S REPORT

OFFICE:  
1112 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (337) 942-2154  
FAX (337) 948-3813

To the Board of Commissioners  
Mamou Housing Authority  
Mamou, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Mamou, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority of the Town of Mamou, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2004, on our consideration of the Housing Authority of the Town of Mamou, Louisiana internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Mamou, Louisiana's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The accompanying supplemental information statements and schedules listed in the table of contents are included to meet HUD regulatory requirements. These statements were prepared in conformity with the accounting practices prescribed by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the 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.



Richard C. Urban, CPA

Opelousas, Louisiana  
November 3, 2004

FINANCIAL STATEMENTS

MAMOU HOUSING AUTHORITY  
STATEMENT OF FUND NET ASSETS -  
PROPRIETARY FUNDS  
June 30, 2004

<u>ASSETS</u>	<u>Low Rent</u>	<u>Housing Vouchers</u>	<u>Capital Funding</u>	<u>Total Enterprise Funds</u>
Current assets:				
Cash and cash equivalents	\$ 100,067	\$ 13,954	\$	\$ 114,021
Investments	201,979			201,979
Accounts receivable, net	4,689			4,689
Accrued interest receivable	1,286			1,286
Prepaid expenses	<u>28,550</u>	<u>---</u>	<u>---</u>	<u>28,550</u>
 Total current assets	 <u>336,571</u>	 <u>13,954</u>	 <u>-</u>	 <u>350,525</u>
Restricted assets:				
Cash and cash equivalents	<u>21,432</u>	<u>-</u>	<u>-</u>	<u>21,432</u>
 Total restricted assets	 <u>21,432</u>	 <u>-</u>	 <u>-</u>	 <u>21,432</u>
Non-current assets:				
Capital assets:				
Land and construction in progress	405,515		235,490	641,005
Other capital assets, net of accumulated depreciation	<u>2,798,461</u>	<u>-</u>	<u>-</u>	<u>2,798,461</u>
 Total non-current assets	 <u>3,203,976</u>	 <u>-</u>	 <u>235,490</u>	 <u>3,439,466</u>
 Total assets	 <u><u>3,561,979</u></u>	 <u><u>13,954</u></u>	 <u><u>235,490</u></u>	 <u><u>3,811,423</u></u>

See accompanying notes to financial statements.

<u>LIABILITIES</u>	<u>Low Rent</u>	<u>Housing Vouchers</u>	<u>Capital Funding</u>	<u>Total Enterprise Funds</u>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 14,007	\$ 600	\$	\$ 14,607
Wages and benefits payable	997	220		1,217
Accounts payable - HUD		2,620		2,620
Deferred revenue	<u>244</u>	<u>-</u>	<u>-</u>	<u>244</u>
<b>Total current liabilities</b>	<u>17,409</u>	<u>3,440</u>	<u>-</u>	<u>20,849</u>
<b>Liabilities payable from restricted assets:</b>				
Tenant security deposits	<u>21,432</u>	<u>-</u>	<u>-</u>	<u>21,432</u>
<b>Total liabilities payable from restricted assets</b>	<u>21,432</u>	<u>-</u>	<u>-</u>	<u>21,432</u>
<b>Non-current liabilities:</b>				
Compensated absences payable	<u>11,902</u>	<u>-</u>	<u>-</u>	<u>11,902</u>
<b>Total non-current liabilities</b>	<u>11,902</u>	<u>-</u>	<u>-</u>	<u>11,902</u>
<b>Total liabilities</b>	<u>50,743</u>	<u>3,440</u>	<u>-</u>	<u>54,183</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	3,203,976		235,490	3,439,466
Unrestricted	<u>307,260</u>	<u>10,514</u>	<u>-</u>	<u>317,774</u>
<b>Total net assets</b>	<u>3,511,236</u>	<u>10,514</u>	<u>235,490</u>	<u>3,757,240</u>

MAMOU HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS – PROPRIETARY FUNDS  
Year Ended June 30, 2004

	<u>Low Rent</u>	<u>Housing Vouchers</u>	<u>Capital Funding</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES</u>				
Charges for services:				
Tenant rental revenue	\$ 177,248	\$	\$	\$ 177,248
HUD operating grants	293,899	60,190		354,089
Other income	<u>3,602</u>	<u>-</u>	<u>-</u>	<u>3,602</u>
Total operating revenues	<u>474,749</u>	<u>60,190</u>	<u>-</u>	<u>534,939</u>
 <u>OPERATING EXPENSES</u>				
Administrative salaries	62,602	5,167		67,769
Auditing fees	9,385	600		9,985
Compensated absences	310			310
Employee benefit contributions - admin.	26,229	198		26,427
Other operating - administrative	39,487	5,981		45,468
Utilities	97,727	1,529		99,256
Ordinary maintenance - labor	60,239			60,239
Ordinary maintenance - materials	23,459			23,459
Ordinary maintenance - contract costs	22,706	75		22,781
Employee benefit contributions - ord. main.	26,228	196		26,424
Insurance premiums	45,151			45,151
Other general expenses	640			640
Extraordinary maintenance	14,418			14,418
Housing assistance payments		50,550		50,550
Depreciation	<u>161,697</u>	<u>-</u>	<u>-</u>	<u>161,697</u>
Total operating expenses	<u>590,278</u>	<u>64,296</u>	<u>-</u>	<u>654,574</u>
Operating income (loss)	<u>(115,529)</u>	<u>(4,106)</u>	<u>-</u>	<u>(119,635)</u>
 <u>NON-OPERATING REVENUE (EXPENSE)</u>				
Capital grants			235,436	235,436
Investment income	<u>5,402</u>	<u>153</u>	<u>-</u>	<u>5,555</u>
Total non-operating revenue (expense)	<u>5,402</u>	<u>153</u>	<u>235,436</u>	<u>240,991</u>
Change in net assets	<u>(110,127)</u>	<u>(3,953)</u>	<u>235,436</u>	<u>121,356</u>
 Total net assets, beginning	 267,473	 14,467	 54	
Prior period adjustment for conversion	<u>3,353,890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, ending	<u>3,511,236</u>	<u>10,514</u>	<u>235,490</u>	
 Change in net assets of business-type activities				 <u>121,356</u>

See accompanying notes to financial statements,



MAMOU HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  
Year Ended June 30, 2004

	<u>Low Rent</u>	<u>Housing Vouchers</u>	<u>Capital Funding</u>	<u>Total Enterprise Funds</u>
<u>Cash flows from operating activities:</u>				
Cash received from tenants	\$ 176,675	\$	\$	\$ 176,675
Cash received from HUD (operations)	293,899	61,087		354,986
Other operating revenues	4,369			4,369
Cash payments to suppliers	(317,625)	( 51,388)		(369,013)
Cash payments to employees	(122,841)	( 5,167)	-	(128,008)
Net cash provided (used) by operating activities	<u>34,477</u>	<u>4,532</u>	-	<u>39,009</u>
<u>Cash flows from non-capital financing activities</u>				
Refunds of tenant security deposits	( 2,432)	-	-	( 2,432)
Net cash provided (used) by non-capital financing activities	<u>( 2,432)</u>	-	-	<u>( 2,432)</u>
<u>Cash flows from capital and related financing activities</u>				
Acquisition and construction of cap. assets	(11,783)		(235,490)	(247,273)
Capital grants received	-	-	235,436	235,436
Net cash provided (used) by capital and related financing activities	<u>( 11,783)</u>	-	<u>( 54)</u>	<u>( 11,837)</u>
<u>Cash flows from investing activities</u>				
Investment income	5,676	153		5,829
Purchase of investments	(201,979)	-	-	(201,979)
Net cash provided (used) by investing activities	<u>(196,303)</u>	<u>153</u>	-	<u>(196,150)</u>
Net increase (decrease) in cash and cash equivalents	(174,177)	4,685	( 54)	(169,546)
Cash and cash equivalents at July 1, 2003	<u>274,244</u>	<u>9,269</u>	<u>54</u>	<u>283,567</u>
Cash and cash equivalents at June 30, 2004	<u>100,067</u>	<u>13,954</u>	-	<u>114,021</u>

See accompanying notes to financial statements.

	<u>Low Rent</u>	<u>Housing Vouchers</u>	<u>Capital Funding</u>	<u>Total Enterprise Funds</u>
<u>Reconciliation of operating income (loss)</u>				
<u>to net cash provided (used) by</u>				
<u>operating activities:</u>				
Operating income (loss)	\$( 115,529)	\$( 4,106)		\$( 119,635)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	161,697			161,697
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	( 2,681)	897		( 1,784)
(Increase) decrease in accrued interest receivable	274			274
(Increase) decrease in prepaid expenses and other assets	( 11,322)	4,330		( 6,992)
Increase (decrease) in accounts payable	2,059	600		2,659
Increase (decrease) in wages and benefits payable	216	191		407
Increase (decrease) in accounts payable - HUD		2,620		2,620
Increase (decrease) in deferred revenue	( 237)	-	-	( 237)
Total adjustments	<u>150,006</u>	<u>8,638</u>	<u>-</u>	<u>158,644</u>
Net cash provided (used) by operating activities	<u>34,477</u>	<u>4,532</u>	<u>-</u>	<u>39,009</u>

**MAMOU HOUSING AUTHORITY**  
**Mamou, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**INTRODUCTION**

The Mamou Housing Authority (authority) was created by Louisiana Revised Statute (LSA-R.S.) 40.391 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Mamou, Louisiana.

The authority is administered by a five-member board appointed by the Mayor of the Town of Mamou, Louisiana. Members of the board serve five-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 financial the acquisition, construction, and leasing of housing units and to make annual contributions (subsidies) to the authority for the purpose of maintaining this low rent character.

At June 30, 2004, the authority manages 120 public housing units, twenty Section 8 housing choice voucher program units, and one capital funding program.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

Financial Reporting Entity

GASB Codification Section 2100 defines 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 financial statements include all funds and activities that are within the oversight responsibility of the authority.

GASB Codification Section 2100 defines criteria for determining which component units should be considered part of the authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the authority to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the authority.
2. Organizations for which the authority does not appoint a voting majority, but are fiscally dependent on the authority.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The authority has no component units.

### Fund Accounting

The authority uses funds 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.

The authority accounts for its business-type activities as proprietary funds.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Operating income reported in proprietary fund financial statements

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to tenants for rents or other services as well as operating subsidies received from HUD. Principal operating expenses are the costs of providing these services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

### Basis of Accounting

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

### Budgets

The authority prepares its financial statements in accordance with generally accepted accounting principles. In accordance with the provisions of its annual contributions contract with the Department of Housing and Urban Development, the authority prepares an annual budget. This budget is prepared in conformity with the accounting practices prescribed by HUD, which is a comprehensive basis of accounting other than generally accepted accounting principles. Because of the differences in accounting practices, no budgetary information is provided in this report.

The following are the budgetary practices prescribed by HUD and used by the authority:

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

### Cash and Cash Equivalents

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

Under state law, the authority may invest in United States bonds, treasury notes, or

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

Prepaid Items

Payments made to insurance companies for coverage that will benefit the period beyond June 30, 2004 are recorded as prepaid insurance.

Capital Assets

Depreciation of all exhaustible capital assets used by the proprietary fund is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Dwelling structures and improvements	30 years
Vehicles, machinery and equipment	5 years

All fixed assets are stated at historical cost or estimated cost if historical cost is not available..

Compensated Absences

The authority follows Civil Service guidelines pertaining to the accumulation of vacation and sick leave. This leave may be accumulated and carried over between fiscal years, with a maximum of 300 hours of payment of leave upon termination or retirement at their then current rate of pay. Employees do not receive payment for unused sick leave upon termination or retirement. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current expense in the proprietary fund. The unpaid portion of leave privileges is recorded as a non-current liability in the proprietary fund.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2004, the authority has cash and cash equivalents totaling \$135,453 as follows:

Interest-bearing demand deposit	\$ 135,110
Other	<u>343</u>
Total	<u>135,453</u>

These deposits are stated at cost, which approximates market. Under state law, these

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent. 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, 2004, the authority has \$337,089 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$201,979
GASB Category 2	-
GASB Category 3	<u>135,110</u>
	<u>337,089</u>

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

NOTE 3 – RECEIVABLES

The receivables of \$4,689 at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>Amount</u>
Tenants (net of allowance for doubtful accounts of \$100)	\$ 2,751
Other	<u>1,938</u>
Total	<u>4,689</u>

NOTE 4 – RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 2004:

Tenant security deposits	\$ 21,432
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NOTE 5 - CAPITAL ASSETS

The changes in fixed assets are as follows:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	<u>6/30/03</u>	<u>Additions</u>	<u>Adjustments</u>	<u>6/30/04</u>
Land	\$ 84,668		309,064	\$ 393,732
Buildings	5,139,064		( 102,663)	5,036,401
Furniture and equipment	65,878		68,274	134,152
Construction in progress	<u>----</u>	<u>247,273</u>		<u>247,273</u>
	5,289,610	247,273	274,675	5,811,558
Accumulated deprec.	<u>-----</u>	<u>161,697</u>	<u>2,210,395</u>	<u>2,372,092</u>
	<u>5,289,610</u>	<u>85,576</u>	<u>(1,935,720)</u>	<u>3,439,466</u>

NOTE 6 – RETIREMENT SYSTEMS

The authority participates in the Housing-Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through the plan, the authority provides pension benefits for all full-time employees. All eligible individuals must be employed for at least six months before participating in the plan. 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 (excludes overtime) compensation. The authority makes a monthly contribution equal to eight percent of each participant's basic compensation. The employer contributions and earnings allocated to each participant's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan. The authority's total payroll for the fiscal year ended June 30, 2004, was \$123,152. The authority's contributions were made based on the total covered payroll of \$112,367. The authority and the covered employees made the required contributions for the year ended June 30, 2004. Employee contributions totaled \$5,619 while the authority's contributions totaled \$8,989 for the year ended June 30, 2004.

NOTE 7 – COMPENSATED ABSENCES

At June 30, 2004, employees of the authority have accumulated and vested \$11,902 of employee leave benefits, which is presented as a non-current liability of the proprietary fund in the balance sheet. Except as discussed above, the liability has been computed in accordance with GASB Codification Section C60.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 – RISK MANAGEMENT/LITIGATION AND CLAIMS

The authority is exposed to all common perils associated with the ownership and rental of real estate properties. To minimize loss occurrence and to transfer risk, the authority carries various commercial insurance policies including property, casualty, employee dishonesty, public official's liability, business auto and other miscellaneous policies. These policies are reviewed for adequacy by management annually.

At June 30, 2004, the authority was not involved in any lawsuits or aware of any claims against it.

NOTE 9 – FEDERAL COMPLIANCE CONTINGENCIES

The authority 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 refunds by the entity to federal grantors and/or program beneficiaries. No questioned or disallowed costs were noted for inclusion in our report.

NOTE 10 - PRIOR PERIOD ADJUSTMENTS

In accordance with GASB 34 the Mamou Housing Authority made several adjustments to its beginning balances in its proprietary funds in order to present its financial statements in accordance with accounting principles generally accepted in the United States of America. These adjustments include the following:

Investment in capital assets, net of related debt	\$ (3,203,976)
Net assets, unrestricted	( 149,914)
Capital assets	5,564,285
Accumulated depreciation	(2,210,395)

NOTE 11 - COMPENSATION OF BOARD MEMBERS

All board members serve without compensation.

**OTHER REPORTS AND SCHEDULES**

MAMOU HOUSING AUTHORITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2004

<u>Federal Grantor/ Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Federal Award Received</u>	<u>Program Expenditures</u>
U.S. Dept. of Housing and Urban Development				
Direct Programs:				
Low-income HAP	14.850	FW-2013	\$ 293,899	\$ 293,899
Housing Choice Vouchers	14.871	FW-2013	60,190	60,190
CFP:				
Program Year 2001	14.872	FW-2013	23,319	23,319
Program Year 2002	14.872	FW-2013	<u>212,117</u>	<u>212,117</u>
Total U.S. Dept. of Housing And Urban Development			<u>589,525</u>	<u>589,525</u>
Total federal assistance			<u>589,525</u>	<u>589,525</u>

**RICHARD C. URBAN**  
CERTIFIED PUBLIC ACCOUNTANT

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

OFFICE:  
1112 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (337) 942-2154  
FAX (337) 948-3813

Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the business-type activities of the Housing Authority of the Town of Mamou, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Housing authority's basic financial statements and have issued our report thereon dated November 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an *opinion on the internal control over financial reporting*. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Mamou, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts,

and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, the Department of Housing and Urban Development, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Richard C. Urban". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard C. Urban, CPA

Opelousas, Louisiana  
November 3, 2004

RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

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

OFFICE:  
1112 HEATHER DRIVE  
OPELOUSAS, LOUISIANA 70570  
PHONE (337) 942-2154  
FAX (337) 948-3813

Board of Commissioners  
Housing Authority of Mamou  
Mamou, Louisiana

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

Compliance

We have audited the compliance of the Housing Authority of the Town of Mamou, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority of the Town of Mamou, Louisiana's compliance based on our audit.

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

In our opinion, the Housing Authority of the Town of Mamou, Louisiana complied, in

all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

#### Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the Department of Housing and Urban Development, and the Legislative Auditor of the State of Louisiana, and is not intended to be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Richard C. Urban, CPA

Opelousas, Louisiana  
November 3, 2004

MAMOU HOUSING AUTHORITY  
STATEMENT OF MODERNIZATION COSTS –  
UNCOMPLETED AT JUNE 30, 2004

Annual Contributions Contract FW-2013

COMPREHENSIVE GRANT PROGRAM LA 48PO3150103

Funds approved	\$ 227,071
Funds advanced	-0-
Funds expended	<u>-0-</u>
Excess of funds advanced over funds expended	<u><u>-0-</u></u>



**MAMOU HOUSING AUTHORITY  
STATUS OF PRIOR AUDIT FINDINGS**

The previous audit contained no findings or questioned costs.

**MAMOU HOUSING AUTHORITY  
FINDINGS AND QUESTIONED COSTS**

The following have been identified as major federal programs for the year ended June 30, 2004. Program expenditures are based on the accrual basis of accounting.

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Program Expenditures</u>
U.S. Dept. of Housing and Urban Development:			
Low-income HAP	14.850	FW-1197	\$ 293,899

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Housing Authority of the Town of Mamou, Louisiana.
2. No reportable conditions required to be reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Required by Government Auditing Standards were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements which would be required to be reported in accordance with Government auditing Standards were disclosed during the audit.
4. No reportable conditions were identified during the audit of internal control over major federal award programs reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
6. No findings were found relative to the major federal award programs.
7. The threshold for distinguishing Types A and B programs was \$500,000.
8. The Housing Authority of the Town of Mamou qualified as a low-risk auditee.

**FINDINGS**

No findings were noted with this audit. The management and staff of the Housing Authority are performing their duties in a very professional and competent manner.

MAMOU HOUSING AUTHORITY  
 STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
 At June 30, 2004

2001 PHASE LA 48PO3150101

FUNDS APPROVED	\$ 242,451
FUNDS EXPENDED	<u>242,451</u>

EXCESS OF FUNDS APPROVED	<u>-0-</u>
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FUNDS ADVANCED	242,451
FUNDS EXPENDED	<u>242,451</u>

EXCESS OF FUNDS ADVANCED	<u>-0-</u>
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2002PHASE LA 48PO3150102

FUNDS APPROVED	\$ 230,115
FUNDS EXPENDED	<u>230,115</u>

EXCESS OF FUNDS APPROVED	<u>-0-</u>
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FUNDS ADVANCED	230,115
FUNDS EXPENDED	<u>230,115</u>

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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.