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**Housing Authority of the
CITY OF CROWLEY**
Crowley, Louisiana

**General Purpose Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended September 30, 2002
With Supplemental Information Schedules**

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

5150 Highway 22, Suite C-14
MANDEVILLE, LOUISIANA 70471

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

4/9/03

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
General Purpose Financial Statements
As of and for the Fiscal Year Ended September 30, 2002
With Supplemental Information Schedules

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William Daniel McCaskill, CPA
A Professional Accounting Corporation
5150 Highway 22, Suite C-14
Mandeville, Louisiana 70471

Telephone 985-845-7772
Fax 985-845-1313
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Crowley
Crowley, Louisiana

I have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Crowley as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the authority'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 auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Crowley as of September 30, 2002, and the results of its operations and the cash flows of its propriety fund types for the year ended in conformity with U.S. generally accepted accounting principles.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Independent Auditor's Report, 2002
Page Two

In accordance with Government Auditing Standards, I have also issued a report dated February 19, 2003 on my consideration of the authority's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, is presented for purposes of additional analysis, and is not a required part of the general purpose financial statements. The accompanying Financial Data Schedule, required by HUD, is presented for purposes of additional analysis, and is not a required part of the general-purpose financial statements. The accompanying combining schedules are presented for the purpose of additional analysis and are 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.


✓ William Daniel
McCaskill, CPA, APAC
Signature Valid

Digitally signed by
William Daniel McCaskill,
CPA, APAC
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McCaskill, CPA, APAC,
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Date: 2003.03.31
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William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 19, 2003

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
Combined Balance Sheet - Proprietary Fund Type -
Enterprise Funds
As of September 30, 2002

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 631,839
Accounts Receivable - HUD Other Projects	30,393
Accounts Receivable - Miscellaneous	412
Interprogram Due From	30,393
Prepaid Expenses and Other Assets	57,239
Inventories	13,445
Total Current Assets	<u>763,721</u>
Restricted Assets:	
Cash	<u>23,405</u>
Total Restricted Assets	<u>23,405</u>
Fixed Assets, Net of Accumulated Depreciation:	
Land	122,082
Buildings	10,174,286
Furniture, Equipment & Machinery - Dwellings	216,598
Furniture, Equipment & Machinery - Administration	264,714
Leasehold Improvements	1,464,476
Accumulated Depreciation	(8,947,404)
Construction In Progress	190,326
Total Fixed Assets, Net of Accumulated Depreciation	<u>3,485,078</u>
Total Assets	<u>\$ 4,272,204</u>

Liabilities and Equity

Current Liabilities (payable from current assets):	
Accounts Payable	\$ 66,950
Accrued Wages and Payroll Taxes Payable	3,914
Accrued Compensated Absences - Current	13,988
Deferred Revenue	321
Interprogram Due To	30,393
Total Current Liabilities (payable from current assets)	<u>115,566</u>
Current Liabilities (payable from restricted assets):	
Tenant Security Deposits	<u>23,405</u>
Long-term Liabilities:	
Accrued Compensated Absences - Noncurrent	14,771
Total Long-term Liabilities	<u>14,771</u>
Total Liabilities	<u>153,742</u>
Equity:	
Contributed Capital	2,284,323
Retained Earnings (Deficit)	1,834,139
Total Equity	<u>4,118,462</u>
Total Liabilities and Equity	<u>\$ 4,272,204</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
Proprietary Fund Type - Enterprise Funds
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
For Fiscal Year Ended September 30, 2002

Operating Revenues:	
Net Tenant Rental Revenue	\$ 399,061
Tenant Revenue - Other	93,805
Other Revenue	28,080
Total Operating Revenues	<u>520,946</u>
Operating Expenses:	
Administrative Expenses	323,896
General Expenses	145,608
Ordinary Maintenance & Operation	327,938
Tenant Services	33,142
Utilities	221,749
Housing Assistance Payments	1,085,229
Depreciation Expense	413,218
Total Operating Expenses	<u>2,550,780</u>
Operating Income (Loss)	<u>(2,029,834)</u>
Non-operating Revenues (Expenses)	
Federal Operating Grants	1,650,643
Federal Capital Grants	1,328,175
Investment Income	12,541
Casualty Losses	(1,000)
Total Non-operating Revenues (Expenses)	<u>2,990,359</u>
Income (Loss) Before Operating Transfers	<u>960,525</u>
Operating Transfers In (Out)	
Operating Transfers In	-
Operating Transfers Out	-
Total Operating Transfers In (Out)	<u>-</u>
Net Income (Loss)	960,525
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>-</u>
Increase (Decrease) in Retained Earnings	960,525
Retained Earnings at Beginning of Year	679,366
Prior Period Adjustments, Equity Transfer, and Correction of Errors	<u>194,248</u>
Retained Earnings at End of Year	<u>\$ 1,834,139</u>

The accompanying notes are an integral part of these financial statements.

Exhibit C

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Combined Statement of Cash Flows - Proprietary Fund Type - Enterprise Funds
For Fiscal Year Ended September 30, 2002

Cash flows from operating activities:	
Operating Income (Loss)	\$ (2,029,834)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	413,218
(Increase) Decrease in tenants accounts receivable	1,514
(Increase) Decrease in misc accounts receivable	(412)
(Increase) Decrease in prepaid items and other assets	(11,181)
(Increase) Decrease in supplies inventory	507
Increase (Decrease) in accounts payable	2,082
Increase (Decrease) in wages payable	1,029
Increase (Decrease) in accounts payable PHA programs	(67,855)
Increase (Decrease) in accrued compensated absences	4,524
Increase (Decrease) in tenant security deposits	(1,110)
Increase (Decrease) in other payables and deferred revenue	321
Net cash provided (used) by operating activities	<u>(1,687,197)</u>
Cash flows from noncapital financing activities	
Proceeds from federal operating grants	<u>1,677,266</u>
Cash flows from capital and related financing activities:	
Casualty losses	(1,000)
Payments to acquire, construct, or improve capital assets	(1,329,783)
Proceeds from federal capital grants	1,297,782
Net cash provided (used) for capital and related financing activities	<u>(33,001)</u>
Cash flow from investing activities:	
Investment income (interest income)	12,541
Net cash provided (used) for investing activities	<u>12,541</u>
Net increase (decrease) in cash and cash equivalents	(30,391)
Cash and cash equivalents at beginning of year	<u>685,635</u>
Cash and cash equivalents at end of year	<u><u>\$ 655,244</u></u>

There were no noncash transactions.

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Notes to the Financial Statements
For Fiscal Year Ended September 30, 2002

The Public Housing Authority (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Crowley, Louisiana. This creation was contingent upon the approval of the local governing body of the City. A five member Board of Commissioners governs the authority. The members, appointed by the City of Crowley Louisiana, serve a four year staggered term.

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

At September 30, 2002, the authority was managing 346 units of Low Rent Public Housing under FW-347, a Public and Indian Housing Drug Elimination Program, a Comprehensive Grant Program, a Housing Choice Vouchers Program, and a Capital Fund Program.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) 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.

(2) Financial Reporting Entity

Codification Section 2100 has defined the governmental reporting entity to be the authority itself. The authority has a separate governing body, is legally separate, and is fiscally independent of other state and local governments.

The authority is a related organization of the City of Crowley, Louisiana since the city appoints a voting majority of the authority's governing board. The city 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,

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

The financial statements include all funds and activities 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.

(3) 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.

Funds of the authority are classified as proprietary fund type – enterprise funds. Proprietary funds 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. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

(4) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

(5) Budgetary Data

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

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

(6) Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

(7) Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in certificates of deposits and those investments with original maturities of 90 days or less. Under state law, the authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

(8) Investments

Investments are limited by HUD regulations, state law, and the authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments. If the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value based on quoted market prices.

(9) Short-term Interfund Receivables and Payables

Short-term interfund loans are classified as Interprogram Due From and Due To. No eliminations have been made in the accompanying financial statements.

(10) Inventories

Inventory items are valued at cost on a first-in first-out (FIFO) basis. Any difference between cost and market is deemed immaterial. The authority uses a periodic inventory system and accounts for inventory using the purchase method.

(11) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses generally consist of prepaid insurance.

(12) Fixed Assets

Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value) using the straight-line method. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization limit is \$500. Estimated useful lives, in years, for depreciable assets are as follows:

Leasehold improvements	15 Years
Buildings	33 Years

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

Building improvements	15 Years
Non-dwelling structures	33 Years
Equipment	5-7 Years

Interest costs during construction have been capitalized. Infrastructure such as parking lots and sidewalks are included in leasehold improvements. All land and buildings 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.

(13) Compensated Absences

Employees may accumulate an unlimited number of annual and sick leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

NOTE B – CASH AND CASH EQUIVALENTS

At September 30, 2002, the authority has cash and cash equivalents (book balances) totaling \$655,244 as follows:

Interest-bearing demand deposits	\$601,885
Demand deposits	1,013
Time deposits	52,346
Total	<u>\$655,244</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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 September 30, 2002, the authority has \$670,046 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$153,434
GASB Category 2	-
GASB Category 3	516,612
Total	<u>\$670,046</u>

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 C – FIXED ASSETS

The following is a summary of fixed assets:

Land	\$ 122,082
Buildings	10,174,286
Furniture and Equipment:	
Dwellings	216,598
Administration	264,714
Leasehold Improvements	1,464,476
Construction in progress	190,326
Total	<u>12,432,482</u>
Accumulated depreciation	<u>(8,947,404)</u>
Net fixed assets	<u>\$ 3,485,078</u>

NOTE D – CONDUIT DEBT OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the authority issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt of the authority, and accordingly, have not been included in debt in the accompanying financial statements. As of September 30, 2002 aggregate conduit debt totaled \$1,756,041.

NOTE E – SEGMENT INFORMATION

The Low Rent Public Housing Fund accounts for the federal grant received from HUD to provide and operate cost-effective, decent, safe and affordable dwellings for lower income families.

Public and Indian Housing Drug Elimination Fund accounts for funds received from HUD for the purpose of assisting the PHA to reduce drugs and drug-related crime in and around public housing developments, and to encourage the PHA to develop plans that include initiatives that can be sustained over a period of several years for addressing the problem of drugs and drug-related crime in and around the premises of public and Native American housing.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

The Comprehensive Grant Program Fund (CGP) accounts for the federal grants received from HUD to improve the physical quality of housing provided to low income households through modernization and development. Specifically, capital improvements, major repairs, management improvements, and related planning costs are funded through CGP.

The Housing Choice Vouchers Fund accounts for the federal grant received from HUD to aid very low income families in obtaining decent, safe, and sanitary rental housing.

The Capital Fund accounts for the federal grant received from HUD for the development, financing and modernization of public housing developments and for management improvements.

Selected segment information for the year ended September 30, 2002 follows:

	Low Rent	PHDEP	CGP	Vouchers	CFP
Operating revenues	\$520,946	\$ -	\$ -	\$ -	\$ -
Depreciation	362,488	-	50,730	-	-
Operating income (loss)	(755,378)	(4,939)	(50,730)	(1,218,787)	-
Operating grants	382,904	4,939	-	1,262,800	-
Interfund transfers in	-	-	-	-	-
Interfund transfers out	-	-	-	-	-
Net income (loss)	(365,712)	-	1,087,119	48,792	190,326
Fixed asset additions	1,608	-	1,137,849	-	190,326
Fixed asset deletions	-	-	-	-	-
Net working capital	360,480	-	-	264,270	-
Total assets	2,466,707	-	1,285,858	325,543	194,096
Long-term liabilities outstanding	12,493	-	-	2,278	-
Total equity	2,406,909	-	1,259,235	261,992	190,326

NOTE F - RETIREMENT PLAN

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, 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 this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to seven and one-half percent (7.5%) of each participant's

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2002 – Continued

basic (excludes overtime) compensation. Employees are required to contribute five percent (5%) of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee'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 year ended September 30, 2002, was \$316,279. The authority's contributions were calculated using the base salary amount of \$306,626. The authority made the required contributions of \$22,997 for the year ended September 30, 2002.

NOTE G - COMPENSATED ABSENCES

At September 30, 2002, employees of the authority have accumulated and vested \$28,759 of employee-leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements, with \$13,988 recorded as a current liability and \$14,771 recorded as a non-current liability.

NOTE H – INTERPROGRAM DUE FROM AND DUE TO

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Low Rent Public Housing Program	\$30,393	
Public Housing Comprehensive Grant Program		\$26,623
Public Housing Capital Fund Program		3,770
Total	<u>\$30,393</u>	<u>\$30,393</u>

NOTE I – PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS, AND CORRECTIONS OF ERRORS

Equity of \$446,109 was transferred from the Public Housing Comprehensive Grant Program to the Low Rent Public Housing Program. The Low Rent Housing Program also recorded a \$16,711 equity correction, \$193,585 to capitalize fees and costs for various modernization programs, \$23,645 to adjust accumulated depreciation to actual, \$39,693 to reclassify retained earnings to HUD Guaranteed Debt, and \$1,395,015 to reclassify HUD Contributions to Long-Term Debt – HUD Guaranteed.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Notes to the Financial Statements, 2002 – Continued

NOTE J – RISK MANAGEMENT

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.

NOTE K – LITIGATION AND CLAIMS

The authority is not involved in any lawsuits at September 30, 2002.

NOTE L – 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 refund by the entity to federal grantors and/or program beneficiaries.

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
Combining Balance Sheet - Proprietary Fund Type - Enterprise Funds
As of September 30, 2002

	<i>Low Rent Program</i>	<i>CGP</i>	<i>Housing Choice Vouchers</i>	<i>Capital Fund Program</i>	<i>Total</i>
Assets					
Current Assets:					
Cash and cash equivalents	\$ 309,747	\$ -	\$ 322,092	\$ -	\$ 631,839
Accounts Receivable - HUD Other Projects	-	26,623	-	3,770	30,393
Accounts Receivable - Miscellaneous	412	-	-	-	412
Total Receivables, Net of Allowances	412	26,623	-	3,770	30,805
Prepaid Expenses and Other Assets	53,788	-	3,451	-	57,239
Inventories	13,445	-	-	-	13,445
Interprogram - Due From	30,393	-	-	-	30,393
Total Current Assets	407,785	26,623	325,543	3,770	763,721
Restricted Assets:					
Cash	23,405	-	-	-	23,405
Total Restricted Assets	23,405	-	-	-	23,405
Fixed Assets:					
Land	122,082	-	-	-	122,082
Buildings	9,027,526	1,146,760	-	-	10,174,286
Furniture, Equipment & Machinery - Dwellings	216,598	-	-	-	216,598
Furniture, Equipment & Machinery - Administration	214,261	26,810	23,643	-	264,714
Leasehold Improvements	1,322,720	141,756	-	-	1,464,476
Accumulated Depreciation	(8,867,670)	(56,091)	(23,643)	-	(8,947,404)
Construction In Progress	-	-	-	190,326	190,326
Total Fixed Assets, Net of Accumulated Depreciation	2,035,517	1,259,235	-	190,326	3,485,078
Total Assets	\$ 2,466,707	\$ 1,285,858	\$ 325,543	\$ 194,096	\$ 4,272,204
Liabilities and Equity					
Liabilities:					
Current Liabilities (payable from current assets):					
Accounts Payable	\$ 7,994	\$ -	\$ -	\$ -	\$ 7,994
Accounts Payable - HUD PHA Programs	-	-	58,956	-	58,956
Accrued wage/payroll taxes payable	3,914	-	-	-	3,914
Accrued Compensated Absences, current	11,671	-	2,317	-	13,988
Deferred Revenue	321	-	-	-	321
Interprogram Due To	-	26,623	-	3,770	30,393
Total Current Liabilities (payable from current assets)	23,900	26,623	61,273	3,770	115,566
Current Liabilities (payable from restricted assets):					
Tenant Security Deposits	23,405	-	-	-	23,405
Long-term Liabilities:					
Accrued Compensated Absences - Noncurrent	12,493	-	2,278	-	14,771
Total Long-term Liabilities	12,493	-	2,278	-	14,771
Total Liabilities	59,798	26,623	63,551	3,770	153,742
Equity:					
Long Term Debt - HUD Guaranteed	1,756,041	-	-	-	1,756,041
Net HUD PHA Contributions	446,109	82,173	-	-	528,282
Total Contributed Capital	2,202,150	82,173	-	-	2,284,323
Retained Earnings (Deficit)	204,759	1,177,062	261,992	190,326	1,834,139
Total Equity	2,406,909	1,259,235	261,992	190,326	4,118,462
Total Liabilities and Equity	\$ 2,466,707	\$ 1,285,858	\$ 325,543	\$ 194,096	\$ 4,272,204

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings -
 Proprietary Fund Type - Enterprise Funds
 For Fiscal Year Ended September 30, 2002

	<i>Low Rent Program</i>	<i>PHDEP</i>	<i>CGP</i>	<i>Housing Choice Vouchers</i>	<i>Capital Fund Program</i>	<i>Total</i>
Operating Revenues:						
Net Tenant Rental Revenue	\$ 399,061	\$ -	\$ -	\$ -	\$ -	\$ 399,061
Tenant Revenue - Other	93,805	-	-	-	-	93,805
Other Revenue	28,080	-	-	-	-	28,080
Total Operating Revenues	520,946	-	-	-	-	520,946
Operating Expenses:						
Administrative Expenses	193,945	4,939	-	125,012	-	323,896
General Expenses	139,961	-	-	5,647	-	145,608
Ordinary Maintenance & Operation	325,039	-	-	2,899	-	327,938
Tenant Services	33,142	-	-	-	-	33,142
Utilities	221,749	-	-	-	-	221,749
Housing Assistance Payments	-	-	-	1,085,229	-	1,085,229
Depreciation Expense	362,488	-	50,730	-	-	413,218
Total Operating Expenses	1,276,324	4,939	50,730	1,218,787	-	2,550,780
Operating Income (Loss)	(755,378)	(4,939)	(50,730)	(1,218,787)	-	(2,029,834)
Non-operating Revenues (Expenses)						
Federal Operating Grants	382,904	4,939	-	1,262,800	-	1,650,643
Federal Capital Grants	-	-	1,137,849	-	190,326	1,328,175
Investment Income	7,762	-	-	4,779	-	12,541
Casualty Losses	(1,000)	-	-	-	-	(1,000)
Total Non-operating Revenues (Expenses)	389,666	4,939	1,137,849	1,267,579	190,326	2,990,359
Income (Loss) Before Operating Transfers	(365,712)	-	1,087,119	48,792	190,326	960,525
Operating Transfers In (Out)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Operating Transfers In (Out)	-	-	-	-	-	-
Net Income (Loss)	(365,712)	-	1,087,119	48,792	190,326	960,525
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	-	-	-	-	-	-
Increase (Decrease) in Retained Earnings	(365,712)	-	1,087,119	48,792	190,326	960,525
Retained Earnings at Beginning of Year	376,223	-	89,943	213,200	-	679,366
Prior Period Adjustments, equity transfers, and correction of errors	194,248	-	-	-	-	194,248
Retained Earnings at End of Year	\$ 204,759	\$ -	\$ 1,177,062	\$ 261,992	\$ 190,326	\$ 1,834,139

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Compensation Paid Board Members
For Fiscal Year Ended September 30, 2002

Members of the Board of Commissioners serve without compensation.

William Daniel McCaskill, CPA

A Professional Accounting Corporation

5150 Highway 22, Suite C-14

Mandeville, Louisiana 70471

Telephone 985-845-7772
Fax 985-845-1313
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

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

Board of Commissioners
Housing Authority of the City of Crowley
Crowley, Louisiana

I have audited the financial statements of the Housing Authority of the City of Crowley (the authority), as of and for the year ended September 30, 2002 and have issued my report thereon dated February 19, 2003. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the authority'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 authority'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

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Independent Auditor's Report
on Compliance...Government
Auditing Standards, 2002
Page Two

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 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 board of commissioners, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

 **William Daniel
McCaskill, CPA,
APAC**
Signature
Valid

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William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 19, 2003

William Daniel McCaskill, CPA

**A Professional Accounting Corporation
5150 Highway 22, Suite C-14
Mandeville, Louisiana 70471**

Telephone 985-845-7772
Fax 985-845-1313
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
Mississippi Society of CPA's
American Institute of CPA's

INDEPENDENT AUDITOR'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 City of Crowley
Crowley, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Crowley (the authority) 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, 2002. The 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 authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my 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 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 authority'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 authority's compliance with those requirements.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Independent Auditor's Report
on Compliance...A-133, 2002
Page Two

In my opinion, the authority 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 September 30, 2002.

Internal Control Over Compliance

The management of the 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 my audit, I considered the 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 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 matters 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. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. 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 board of commissioners, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.


✓ William Daniel
McCaskill, CPA, APAC

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William Daniel
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Signature
Valid

William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 19, 2003

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Schedule of Expenditures of Federal Awards

For Fiscal Year Ended September 30, 2002

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	\$ 382,904
14.854	Public and Indian Housing Drug Elimination Program	4,939
14.859	Public Housing Comprehensive Grant Program	1,137,849
14.871	Housing Choice Vouchers	1,262,800
14.872	Public Housing Capital Fund Program	190,326
	Total Federal Expenditures	<u>\$ 2,978,818</u>

The authority had loan balances totaling \$1,756,041 classified as Long-Term Debt Outstanding - HUD Guaranteed, not included in the schedule above.

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2002

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Current Audit Findings and Questioned Costs
Fiscal Year Ended September 30, 2002

Per OMB Circular A-133, Section 505(d)

1. Summary Schedule of Auditor's Results:

- i. The type of auditor's report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by Government Auditing Standards, to the financial statements.
- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings, which the auditor is required to report under Section 510(a) of OMB Circular A-133.
- vii. The major federal programs are:

<u>CFDA#</u>	<u>Name of Program</u>
14.850a	Low Rent Public Housing
14.859	Public Housing Comprehensive Grant Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section 520(b) was \$300,000.
- ix. The auditee qualified as a low risk auditee under OMB Circular A-133, Section 530.

2. Findings required to be reported by Government Auditing Standards: None

3. Findings required to be reported by OMB Circular A-133: None

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Financial Data Schedule
For Fiscal Year Ended September 30, 2002

Line Item No.	Account Description	Low Rent Public Housing	PHDEP	CGP	Housing Choice Vouchers	Capital Fund Program	Total
111	Cash - unrestricted	\$ 309,747	\$ -	\$ -	\$ 322,092	\$ -	\$ 631,839
114	Cash - tenant security deposits	23,405	-	-	-	-	23,405
100	Total Cash						
122	Accounts receivable - HUD other projects	-	-	26,623	-	3,770	30,393
125	Accounts receivable - miscellaneous	412	-	-	-	-	412
120	Total Receivables for doubtful accounts						
142	Prepaid expenses and other assets	53,788	-	-	3,451	-	57,239
143	Inventories	13,445	-	-	-	-	13,445
144	Interprogram - due from	30,393	-	-	-	-	30,393
150	Total Current Assets						
161	Land	122,082	-	-	-	-	122,082
162	Buildings	9,027,526	-	1,146,760	-	-	10,174,286
163	Furniture, equipment, and machinery - dwellings	216,598	-	-	-	-	216,598
164	Furniture, equipment, and machinery - administration	214,261	-	26,810	23,643	-	264,714
165	Leasehold improvements	1,322,720	-	141,756	-	-	1,464,476
166	Accumulated depreciation	(8,867,670)	-	(56,091)	(23,643)	-	(8,947,404)
167	Construction in progress	-	-	-	-	190,326	190,326
160	Total fixed assets and accumulated depreciation						
180	Total Non-Current Assets						
190	Total Assets						
312	Accounts payable < 90 days	7,994	-	-	-	-	7,994
321	Accrued wage/payroll taxes payable	3,914	-	-	-	-	3,914
322	Accrued compensated absences	11,671	-	-	2,317	-	13,988
331	Accounts payable - HUD PHA Programs	-	-	-	58,956	-	58,956
341	Tenant security deposits	23,405	-	-	-	-	23,405
342	Deferred revenue	321	-	-	-	-	321
347	Interprogram - due to	-	-	26,623	-	3,770	30,393
300	Total Current Liabilities						

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Financial Data Schedule
For Fiscal Year Ended September 30, 2002

Line Item No.	Account Description	Low Rent Public Housing	PHDEP	CGP	Housing Choice Vouchers	Capital Fund Program	Total
354	Accrued compensated absences - noncurrent	12,493	-	-	2,278	-	14,771
350	Total Noncurrent Liabilities	12,493	-	-	2,278	-	14,771
300	Total Liabilities	12,493	-	-	2,278	-	14,771
503	Long term debt - HUD Guaranteed	1,756,041	-	-	-	-	1,756,041
504	Net HUD PHA contributions	446,109	-	82,173	-	-	528,282
508	Total	2,202,150	-	82,173	-	-	2,284,323
512	Undesignated fund balance/retained earnings	204,759	1,177,062	190,326	190,326	-	1,834,139
513	Total	204,759	1,177,062	190,326	190,326	-	1,834,139
600	Total Liabilities and Fund Balance	2,406,909	1,177,062	380,652	380,652	-	4,345,275
703	Net tenant rental revenue	399,061	-	-	-	-	399,061
704	Tenant revenue - other	93,805	-	-	-	-	93,805
705	Total Tenant Revenue	492,866	-	-	-	-	492,866
706	HUD PHA grants	382,904	4,939	-	1,262,800	-	1,650,643
706.1	Capital Grants	-	-	1,137,849	-	190,326	1,328,175
711	Investment income - unrestricted	7,762	-	-	4,779	-	12,541
715	Other revenue	28,080	-	-	-	-	28,080
707	Total Revenue	811,511	4,939	1,137,849	1,267,579	-	3,221,878
911	Administrative salaries	97,523	-	-	62,796	-	160,319
912	Auditing fees	3,272	-	-	3,272	-	6,544
914	Compensated absences	791	-	-	3,733	-	4,524
915	Employee benefit contributions - administrative	36,229	-	-	17,009	-	53,238
916	Other operating - administrative	56,130	4,939	-	38,202	-	99,271
921	Tenant services - salaries	24,165	-	-	-	-	24,165
923	Employee benefit contributions - tenant services	8,977	-	-	-	-	8,977
931	Water	39,875	-	-	-	-	39,875
932	Electricity	141,775	-	-	-	-	141,775
933	Gas	11,911	-	-	-	-	11,911

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Financial Data Schedule
For Fiscal Year Ended September 30, 2002

Line Item No.	Account Description	Low Rent		PHDEP	CGP	Housing Choice Vouchers	Capital Fund Program	Total
		Public Housing	Housing					
938	Other utilities expense	28,188	-	-	-	-	-	28,188
941	Ordinary maintenance and operations - labor	145,475	-	-	-	-	-	145,475
942	Ordinary maintenance and operations - materials and other	61,252	300	-	-	-	-	61,552
943	Ordinary maintenance and operations - contract costs	64,269	-	-	-	2,599	-	66,868
945	Employee benefit contributions - ordinary maintenance	54,043	-	-	-	-	-	54,043
961	Insurance premiums	105,237	-	-	-	5,647	-	110,884
963	Payments in lieu of taxes	30,975	-	-	-	-	-	30,975
964	Bad debt - tenant rents	3,749	-	-	-	-	-	3,749
969	Total Operating Expenses	4,938	4,938	-	-	-	-	9,876
970	Excise and Franchise Revenue Overcharges	(2,224)	(2,224)	-	-	2,021	-	(2,459,972)
972	Casualty losses - non capitalized	1,000	-	-	-	-	-	1,000
973	Housing assistance payments	-	-	-	-	1,085,229	-	1,085,229
974	Depreciation expense	362,488	-	-	50,730	-	-	413,218
999	Total Expenses	4,368	4,368	-	50,730	-	-	4,826
1001	Operating transfers in	-	-	-	-	-	-	-
1002	Operating transfers out	-	-	-	-	-	-	-
1010	Total other income and expenses (uses)	365,712	365,712	-	-	48,726	-	780
1000	Excess of total revenues over total expenses	365,712	365,712	-	-	48,726	-	780
MEMO ACCOUNT INFORMATION								
1103	Beginning equity	2,092,571	-	-	618,225	213,200	-	2,923,996
1104	Prior period adjustments, equity transfers, and correction of errors	680,050	-	-	(446,109)	-	-	233,941
1113	Maximum annual contributions commitment (Per ACC)	-	-	-	-	1,383,455	-	1,383,455
1115	Contingency reserve, ACC program reserve	-	-	-	-	364,835	-	364,835
1116	Total annual contributions available	-	-	-	-	1,748,290	-	1,748,290
1120	Unit Months Available	3,672	-	-	-	4,380	-	8,052
1121	Number of unit months leased	2,861	-	-	-	4,154	-	7,015

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Statement and Certification of Actual Modernization Costs
For Fiscal Year Ended September 30, 2002

Modernization Project Number LA48P029707-99:

Original Funds Approved	\$ 708,324
Less Funds Expended (Actual Modernization Cost)	<u>708,324</u>
Excess Funds Approved	<u><u>-</u></u>
Funds Disbursed	\$ 708,324
Less Funds Expended (Actual Modernization Cost)	<u>708,324</u>
Excess Funds Disbursed	<u><u>-</u></u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated August 6, 2002 accompanying the Actual Modernization Cost Certificate, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments. It is noted that the Actual Modernization Cost Certificate differs from LOCCS for individual line items and the total agrees.

This modified certification is being provided at the instruction of HUD staff.