

**HOUSING AUTHORITY OF THE
CITY OF PONCHATOULA**

Ponchatoula, Louisiana

**General-Purpose Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 2003
With Supplemental Information Schedules**

WILLIAM DANIEL McCASKILL, CPA
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HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
General-Purpose Financial Statements
As of and for the Fiscal Year Ended June 30, 2003
With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
General-Purpose Financial Statements:		
Proprietary Fund Type – Enterprise Fund:		
Balance Sheet	A	5
Statement of Revenues, Expenses and Changes in Retained Earnings	B	6
Statement of Cash Flows	C	7
Notes to the Financial Statements		8
	Schedule	Page
Supplemental Information Schedules (GAAP Basis):		
Schedule of Compensation Paid Board Members	1	14
Other Reports and Schedules:		
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		15
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with <u>OMB Circular A-133</u>		17
Schedule of Expenditures of Federal Awards	2	19
Schedule of Prior Audit Findings	3	20
Schedule of Current Year Findings and Questioned Costs	4	21
Financial Data Schedule	5	22

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Ponchatoula as of and for the year ended June 30, 2003, 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 Ponchatoula as of June 30, 2003, 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 PONCHATOULA
Ponchatoula, Louisiana
Independent Auditor's Report, 2003
Page Two

In accordance with Government Auditing Standards, I have also issued a report dated December 16, 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. 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
A Professional Accounting Corporation

December 16, 2003

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Proprietary Fund Type - Enterprise Fund - Balance Sheet

As of June 30, 2003

Assets

Current Assets:

Cash and Cash Equivalents	\$ 381,307
Accounts Receivable - HUD Other Projects	4,679
Accounts Receivable - Miscellaneous	540
Accounts Receivable - Tenants Dwelling Rents	1,364
Accrued Interest Receivable	873
Prepaid Expenses	17,916
Inventories	1,211
Total Current Assets	<u>407,890</u>

Restricted Assets:

Cash and cash equivalents	<u>18,021</u>
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Fixed Assets, Net of Accumulated Depreciation:

Land	78,941
Buildings	4,907,646
Furniture, Equipment & Machinery - Dwellings	78,101
Furniture, Equipment & Machinery - Administration	65,283
Leasehold Improvements	624,895
Accumulated Depreciation	(4,076,792)
Construction In Progress	125,385
Total Fixed Assets, Net of Accumulated Depreciation	<u>1,803,459</u>

Total Assets	<u><u>\$ 2,229,370</u></u>
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Current Liabilities (payable from current assets):

Accounts Payable - Vendors	\$ 9,031
Accounts Payable - Other Governments	6,303
Accrued Wages and Payroll Taxes Payable	3,176
Accrued Compensated Absences - Current	5,903
Total Current Liabilities (payable from current assets)	<u>24,413</u>

Current Liabilities (payable from restricted assets):

Tenant Security Deposits	<u>18,021</u>
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Long-term Liabilities:

Accrued Compensated Absences - Noncurrent	<u>53,049</u>
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Total Liabilities	<u>95,483</u>
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Equity:

Contributed Capital	1,238,338
Retained Earnings (Deficit)	895,549
Total Equity	<u>2,133,887</u>

Total Liabilities and Equity	<u><u>\$ 2,229,370</u></u>
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Proprietary Fund Type - Enterprise Fund -
Statement of Revenues, Expenses, and Changes in Retained Earnings
For Fiscal Year Ended June 30, 2003

Operating Revenues:	
Net Tenant Rental Revenue	\$ 173,343
Tenant Revenue - Other	5,404
Federal Operating Grants	371,834
Total Operating Revenues	<u>550,581</u>
Operating Expenses:	
Administrative Expenses	165,695
Tenant Services	812
Utilities	47,289
Ordinary Maintenance & Operation	123,347
Protective Services	9,293
General Expenses	53,237
Extraordinary Maintenance & Operation	5,550
Housing Assistance Payments	168,641
Depreciation Expense	219,565
Total Operating Expenses	<u>793,429</u>
Operating Loss	<u>(242,848)</u>
Non-operating Revenues	
Federal Grants	366,306
Investment Income	6,204
Other Revenue	6,303
Total Non-operating Revenues (Expenses)	<u>378,813</u>
Net Income	135,965
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>195,731</u>
Increase in Retained Earnings	331,696
Retained Earnings at Beginning of Year	<u>563,853</u>
Retained Earnings at End of Year	<u>\$ 895,549</u>

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

Exhibit C

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Proprietary Fund Type - Enterprise Fund - Statement of Cash Flows
For Fiscal Year Ended June 30, 2003

Cash flows from operating activities:	
Operating Loss	\$ (242,848)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	219,565
(Increase) Decrease in Accounts Receivable - HUD Other Projects	6,741
(Increase) Decrease in Accounts Receivable - Tenants Dwelling Rents, net	(1,229)
(Increase) Decrease in Prepaid Expenses	508
(Increase) Decrease in Inventories	777
Increase (Decrease) in Accounts Payable - Vendors	8,491
Increase (Decrease) in Accounts Payable - Other Governments	27
Increase (Decrease) in Accrued Wages and Payroll Taxes Payable	(503)
Increase (Decrease) in Accrued Compensated Absences	3,717
Increase (Decrease) in Tenant Security Deposits	166
Net cash used by operating activities	<u>(4,588)</u>
Cash flows from noncapital financing activities	
Other receipts	<u>6,303</u>
Cash flows from capital and related financing activities:	
Payments to acquire, construct, or improve capital assets	(371,705)
Proceeds from federal capital grants	394,484
Net cash provided by capital and related financing activities	<u>22,779</u>
Cash flow from investing activities:	
Interest Income	<u>6,221</u>
Net increase in cash and cash equivalents	30,715
Cash and cash equivalents at beginning of year	<u>368,613</u>
Cash and cash equivalents at end of year	<u>\$ 399,328</u>
Unrestricted cash and cash equivalents per Exhibit A	\$ 381,307
Restricted cash and cash equivalents per Exhibit A	<u>18,021</u>
Total cash and cash equivalents per Exhibit A	<u>\$ 399,328</u>

There were no noncash investing, capital or financing transactions.

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

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Notes to the Financial Statements
For Fiscal Year Ended June 30, 2003

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 Ponchatoula, 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 Ponchatoula 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 June 30, 2003, the authority was managing a Low Rent Public Housing Program, a Housing Choice Voucher 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. The authority also applies all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(2) 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. The authority is a related organization of the City of Ponchatoula, 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 PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2003 – Continued

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

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.

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.

Based on these criteria, the authority has no component units.

(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.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2003 – Continued

The authority's fund is classified as a proprietary fund type – enterprise fund. 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) 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.

(6) 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, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

(7) Investments

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

(8) 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.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2003 – Continued

(9) 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.

(10) 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:

Buildings	33 Years
Building improvements	15 Years
Leasehold improvements	15 Years
Equipment	3-7 Years

Interest costs during construction have been capitalized. 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.

(11) Compensated Absences

Employees earn annual and sick leave according to the policy for state employees. Employees may accumulate an unlimited number of annual leave hours. Employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. However, one employee, per written contract, shall be paid for twelve months service upon separation from employment with the authority. 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

See Note A for discussion of policies related to cash and cash equivalents. At June 30, 2003, the authority has cash and cash equivalents (book balances) totaling \$399,328 as follows:

Demand deposits	\$142,205
Time deposits	257,123
Total	<u>\$399,328</u>

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2003 – Continued

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 June 30, 2003, the authority has \$407,441 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$200,000
GASB Category 2	-
GASB Category 3	207,441
	<u>\$407,441</u>

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	\$78,941
Buildings	4,907,646
Furniture and Equipment:	
Dwellings	78,101
Administration	64,407
Leasehold Improvements	624,895
Construction in progress	125,385
Total	<u>5,879,375</u>
Accumulated depreciation	<u>(4,075,916)</u>
Net fixed assets	<u>\$1,803,459</u>

NOTE D - RETIREMENT PLAN

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by William M. Mercer, Incorporated, 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.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2003 – Continued

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 between eight (8) to twelve (12) percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five (5) percent 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 June 30, 2003, was \$143,076. The authority's contributions were calculated using the base salary amount of \$112,279. The authority made the required contributions of \$12,071 for the year ended June 30, 2003.

NOTE E – 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 F – 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 PONCHATOULA
Ponchatoula, Louisiana
Schedule of Compensation Paid Board Members
For Fiscal Year Ended June 30, 2003

Board members are not compensated for attending meetings.

See notes to financial statements

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**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 Ponchatoula
Ponchatoula, Louisiana

I have audited the financial statements of the Housing Authority of the City of Ponchatoula (the authority), as of and for the year ended June 30, 2003 and have issued my report thereon dated December 16, 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 PONCHATOULA
Ponchatoula, Louisiana
Independent Auditor's Report
on Compliance...Government
Auditing Standards, 2003
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
A Professional Accounting Corporation

December 16, 2003

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**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 Ponchatoula
Ponchatoula, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Ponchatoula (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 June 30, 2003. 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 PONCHATOULA
Ponchatoula, Louisiana
Independent Auditor's Report
on Compliance...A-133, 2003
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 June 30, 2003.

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
A Professional Accounting Corporation

December 16, 2003

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2003

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	172,979
14.871	Housing Choice Voucher Program	198,855
14.872	Public Housing Capital Fund Program	366,306
	Total Federal Expenditures	<u>\$ 738,140</u>

\$682,584 of Long-term Debt guaranteed by HUD not included in the above schedule is included in the equity section of the balance sheet.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Schedule of Prior Year Audit Findings
Fiscal Year Ended June 30, 2003

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Schedule of Current Audit Findings and Questioned Costs
Fiscal Year Ended June 30, 2003

Summary Schedule of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the authority.
2. No reportable conditions which would be required to be reported in the 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 were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the authority, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions disclosed during the audit of internal control over major federal award programs which would be required to be reported in the 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 were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the authority expresses an unqualified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The Capital Fund program was tested as a major program
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority qualified as a low-risk auditee.

SCHEDULE 5

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Financial Data Schedule
For Fiscal Year Ended June 30, 2003

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Housing Choice Voucher</i>	<i>Capital Fund Program</i>	<i>Total</i>
111	Cash - unrestricted	\$ 302,671	\$ 78,636	\$ -	\$ 381,307
114	Cash - tenant security deposits	18,021	-	-	18,021
100	Total Cash	320,692	78,636	-	399,328
122	Accounts receivable - HUD other projects	300	4,379	-	4,679
125	Accounts receivable - miscellaneous	540	-	-	540
126	Accounts receivable - tenants - dwelling rents	1,364	-	-	1,364
129	Accrued interest receivable	873	-	-	873
120	Total receivables, net of allowances for doubtful acco	3,077	4,379	-	7,456
142	Prepaid expenses and other assets	17,916	-	-	17,916
143	Inventories	1,211	-	-	1,211
150	Total Current Assets	342,896	83,015	-	425,911
161	Land	78,941	-	-	78,941
162	Buildings	4,520,498	-	387,148	4,907,646
163	Furniture, equipment, and machinery - dwellings	78,101	-	-	78,101
164	Furniture, equipment, and machinery - administrati	64,407	876	-	65,283
165	Leasehold improvements	573,317	-	51,578	624,895
166	Accumulated depreciation	(4,060,746)	(876)	(15,170)	(4,076,792)
167	Construction in progress	-	-	125,385	125,385
160	Total fixed assets, net of accumulated depreciation	1,254,518	-	548,941	1,803,459
190	Total Assets	1,597,414	83,015	548,941	2,229,370

SCHEDULE 5

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Financial Data Schedule

For Fiscal Year Ended June 30, 2003

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Housing Choice Voucher</i>	<i>Capital Fund Program</i>	<i>Total</i>
312	Accounts payable < 90 days	8,491	540	-	9,031
321	Accrued wage/payroll taxes payable	3,037	139	-	3,176
322	Accrued compensated absences	4,605	1,298	-	5,903
333	Accounts payable - other government	6,303	-	-	6,303
341	Tenant security deposits	18,021	-	-	18,021
310	Total Current Liabilities	40,457	1,977	-	42,434
354	Accrued compensated absences - noncurrent	30,271	22,778	-	53,049
350	Total Non-current Liabilities	30,271	22,778	-	53,049
300	Total Liabilities	70,728	24,755	-	95,483
502	Projected Notes (HUD)	-	-	-	-
503	LTD HUD Guaranteed	682,584	-	-	682,584
504	Net HUD PHA contributions	555,754	-	-	555,754
508	Total Contributed Capital	1,238,338	-	-	1,238,338
511	Total reserved fund balance	-	-	-	-
512	Undesignated fund balance/retained earnings	288,348	58,260	548,941	895,549
513	Total Equity	1,526,686	58,260	548,941	2,133,887
600	Total Liabilities and Equity	1,597,414	83,015	548,941	2,229,370

SCHEDULE 5

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Financial Data Schedule

For Fiscal Year Ended June 30, 2003

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Housing Choice Voucher</i>	<i>Capital Fund Program</i>	<i>Total</i>
703	Net tenant rental revenue	173,343	-	-	173,343
704	Tenant revenue - other	5,404	-	-	5,404
705	Total tenant revenue	178,747	-	-	178,747
706	HUD PHA grants	172,979	198,855	2,764	374,598
706.1	Capital Grants	-	-	363,542	363,542
711	Investment income - unrestricted	5,842	362	-	6,204
715	Other revenue	6,303	-	-	6,303
700	Total Revenue	363,871	199,217	366,306	929,394
	Administrative				
911	Administrative salaries	82,658	10,000	-	92,658
912	Auditing fees	3,375	1,673	-	5,048
914	Compensated absences	3,463	-	-	3,463
915	Employee benefit contributions - administrative	24,636	4,153	-	28,789
916	Other operating - administrative	27,684	7,088	965	35,737
	Tenant services				
924	Tenant services - other	812	-	-	812
	Utilities				
931	Water	10,725	-	-	10,725
932	Electricity	4,708	-	-	4,708
933	Gas	1,110	-	-	1,110
938	Other utilities expense	30,746	-	-	30,746

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Financial Data Schedule

For Fiscal Year Ended June 30, 2003

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Housing Choice Voucher</i>	<i>Capital Fund Program</i>	<i>Total</i>
	Ordinary Maintenance and Operation				
941	Ordinary maintenance and operations - labor	50,418	-	-	50,418
942	Ordinary maintenance and operations - materials and	18,006	-	-	18,006
943	Ordinary maintenance and operations - contract cost	40,468	-	-	40,468
945	Employee benefit contributions - ordinary maintenance	14,455	-	-	14,455
	Protective Services				
953	Protective services - other	9,293	-	-	9,293
	General Expenses				
961	Insurance premiums	38,952	1,644	-	40,596
962	Other general expenses	-	36	-	36
963	Payments in lieu of taxes	12,605	-	-	12,605
969	Total Operating Expense	374,114	24,594	965	399,673
970	Excess Operating Revenue Over Operating Expense	(10,243)	174,623	365,341	529,721
971	Extraordinary maintenance	5,550	-	-	5,550
973	Housing assistance payments	-	168,641	-	168,641
974	Depreciation expense	204,395	-	15,170	219,565
900	Total Expenses	584,059	193,235	16,135	793,429
1001	Operating transfers in	1,800	-	-	1,800
1002	Operating transfers out	-	-	(1,800)	(1,800)
1010	Total other financing sources (uses)	1,800	-	(1,800)	-
1000	Excess (deficiency) of total revenue over (under) total	(218,388)	5,982	348,371	135,965
	MEMO ACCOUNT INFORMATION				
1103	Beginning equity	1,745,074	52,278	200,570	1,997,922
1112	Depreciation "add-back"	195,731			195,731
1113	Maximum annual contributions commitment (Per ACC)		213,558		213,558
1115	Contingency reserve, ACC program reserve		10,741		10,741
1116	Total annual contributions available	-	224,299	-	224,299
1120	Unit Months Available	1,296	720		2,016
1121	Number of unit months leased	1,261	694		1,955