

**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, 2003  
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 this report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/21/04

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
 Crowley, Louisiana  
 General-Purpose Financial Statements  
 As of and for the Fiscal Year Ended September 30, 2003  
 With Supplemental Information Schedules

**CONTENTS**

	Exhibit	Page
<b>Independent Auditor's Report</b>		3
<b>General-Purpose Financial Statements:</b>		
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
<b>Supplemental Information Schedules (GAAP Basis):</b>		
Schedule of Compensation Paid Board Members	1	19
<b>Other Reports and Schedules:</b>		
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>		17
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>		19
Schedule of Expenditures of Federal Awards	2	21
Schedule of Prior Audit Findings	3	23
Schedule of Current Year Findings and Questioned Costs	4	24
Corrective Action Plan for Current Year Audit Findings	5	27
Financial Data Schedule	6	28

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

Telephone 985-845-1772  
Fax 985-845-1313  
E-mail [dmccp@highperformer.net](mailto:dmccp@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, 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 Crowley as of September 30, 2003, and the results of its operations and the cash flows of its proprietary 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, 2003  
Page Two

In accordance with Government Auditing Standards, I have also issued a report dated March 26, 2004 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-103, 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, APAC  
Member of the American Institute of Certified Public Accountants  
Member of the Louisiana State Board of Accountancy  
Member of the American Public Accounting Association  
Member of the American Society of Professional Accountants  
Member of the Louisiana Society of Certified Public Accountants

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 26, 2004

Exhibit B

HOUSING AUTHORITY OF THE CITY OF CROWLEY  
 Crowley, Louisiana  
 Proprietary Fund Type - Enterprise Fund - Balance Sheet  
 As of September 30, 2003

Assets

<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 873,810
Accounts Receivable - HUD Other Projects	27,883
Accounts Receivable - Miscellaneous	100
Accounts Receivable - Tenant's Dangling Funds	3,577
Accrued Interest Receivable	30
Prepaid Expenses	70,249
Inventories	4,570
Interprogram Due From	181,388
<b>Total Current Assets</b>	<b>1,262,827</b>
<b>Restricted Assets:</b>	
Cash and cash equivalents	22,487
<b>Total Restricted Assets</b>	<b>22,487</b>
<b>Fixed Assets, Net of Accumulated Depreciation:</b>	
Land	103,080
Buildings	60,178,040
Furniture, Equipment & Machinery - Dwellings	282,888
Furniture, Equipment & Machinery - Administration	286,758
Leasehold Improvements	1,888,120
Accumulated Depreciation	(9,373,320)
Construction In Progress	887,118
<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>63,405,676</b>
<b>Total Assets</b>	<b>\$ 4,558,190</b>
<b>Current Liabilities (payable from current assets):</b>	
Accounts Payable - Vendors	\$ 18,058
Accounts Payable - HUD PHA Programs	38,558
Accrued Wages and Payroll Taxes Payable	1,150
Accrued Compensation Absences - Current	8,054
Interprogram Due To	181,388
<b>Total Current Liabilities (payable from current assets)</b>	<b>167,208</b>
<b>Current Liabilities (payable from restricted assets):</b>	
Tenant Security Deposits	22,488
<b>Long-term Liabilities:</b>	
Other Long-term Liabilities	13,872
<b>Total Long-term Liabilities</b>	<b>13,872</b>
<b>Total Liabilities</b>	<b>203,568</b>
<b>Equity:</b>	
Contributed Capital	2,284,120
Reserved Fund Balance	-
Retained Earnings	1,873,890
<b>Total Equity</b>	<b>4,158,138</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,558,190</b>

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

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
 Crowley, Louisiana  
 Proprietary Fund Type - Enterprise Fund -  
 Statement of Revenues, Expenses, and Changes in Retained Earnings  
 For Fiscal Year Ended September 30, 2022

<b>Operating Revenues:</b>	
Net Tenant Rental Revenue	\$ 285,847
Tenant Revenue - Other	100,134
Federal Grants	<u>1,708,136</u>
Total Operating Revenues	<u>2,094,117</u>
<b>Operating Expenses:</b>	
Administrative Expenses	264,028
Tenant Services	33,885
Utilities	252,097
Ordinary Maintenance & Operation	268,731
Protective Services	-
General Expenses	144,044
Extraordinary Maintenance & Operation	-
Housing Assistance Payments	1,086,828
Depreciation Expense	402,170
Dwelling Units Rent Expense	-
Total Operating Expenses	<u>2,361,873</u>
<b>Operating Income (Loss)</b>	<u>(267,756)</u>
<b>Non-operating Revenues (Expenses)</b>	
Federal Grants	184,462
Gain (Loss) on Sale of Fixed Assets	-
Interest Income	6,864
Contract Losses	(2,892)
Flood Losses	-
Flood Recovery	-
Other Revenue	<u>17,479</u>
Total Non-operating Revenues (Expenses)	<u>185,853</u>
<b>Net Income (Loss)</b>	<u>134,763</u>
<b>Retained Earnings at Beginning of Year</b>	<u>1,834,138</u>
<b>Price Period Adjustments and Corrections of Errors</b>	<u>(66,657)</u>
<b>Retained Earnings at End of Year</b>	<u>\$ 1,872,244</u>

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

Exhibit C

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Proprietary Fund Type - Enterprise Fund - Statement of Cash Flows

For Fiscal Year Ended September 30, 2003

<b>Cash flows from operating activities:</b>	
Operating income (loss)	\$ (861,794)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	402,178
(Increase) Decrease in Accounts Receivable - PHA Projects	
(Increase) Decrease in Accounts Receivable - HUD Other Projects	(1,918)
(Increase) Decrease in Accounts Receivable - Other Government	
(Increase) Decrease in Accounts Receivable - Miscellaneous	277
(Increase) Decrease in Accounts Receivable - Tenants' Duesing Rents, net	(1,377)
(Increase) Decrease in Allowance for Doubtful Accounts - Duesing Rents	
(Increase) Decrease in Prepaid Expenses	(13,019)
(Increase) Decrease in Inventories	8,000
Increase (Decrease) in Other	440
Increase (Decrease) in Accounts Payable - Vendors	(47,882)
Increase (Decrease) in Accounts Payable - HUD PHA Programs	
Increase (Decrease) in Accounts Payable - PHA Projects	(11,597)
Increase (Decrease) in Accounts Payable - Other Government	
Increase (Decrease) in Accrued Wages and Payroll Taxes Payable	(1,754)
Increase (Decrease) in Accrued Compensated Absences	8,027
Increase (Decrease) in Deferred Revenue	(351)
Increase (Decrease) in Tenant Security Deposits	(1,000)
Increase (Decrease) in Other Current Liabilities	(1,000)
Increase (Decrease) in Accrued Liabilities - Other	
Net cash provided (used) by operating activities	<u>31,220</u>
<b>Cash flows from noncapital financing activities:</b>	
Other receipts	<u>17,378</u>
<b>Cash flows from capital and related financing activities:</b>	
Principal paid on bond debt	
Interest and bond charges paid on bond debt	
Payments to acquire, construct, or improve capital assets	(884,482)
Proceeds from federal capital grants	484,482
Proceeds from sale of fixed assets	
Net cash provided (used) by capital and related financing activities	<u>-</u>
<b>Cash flow from investing activities:</b>	
Investment income (interest income)	8,004
Purchases of investments	
Net cash provided (used) by investing activities	<u>8,004</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(50,571)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>850,244</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 799,673</u></b>

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 CROWLEY**  
Crowley, Louisiana  
Notes to the Financial Statements  
For Fiscal Year Ended September 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 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 the low rent character.

During the fiscal year ended September 30, 2003, the authority was managing Low Rent Public Housing, a Capital Fund Program, a Parish-wide Housing Choice Voucher Program, and a Comprehensive Improvement Assistance 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.



## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2003 - Continued

### (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 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, 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.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2003 – Continued

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.

### (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.

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

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2008 – Continued

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.

**(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 straightline 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	5-7 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 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 C80 is recognized as a current year expense when leave is earned.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2003 – Continued

**NOTE B – CASH AND CASH EQUIVALENTS**

See Note A for discussion of policies related to cash and cash equivalents. At September 30, 2003, the authority has cash and cash equivalents (book balances) totaling \$566,217 as follows:

Interest-bearing demand deposits	\$243,971
Demand Deposits	52,021
Other	225
Total	<u>\$566,217</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, 2003, the authority has \$685,998 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$152,248
GASB Category 3	<u>\$543,752</u>
	<u>\$695,998</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 38:1229 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.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2003 - Continued

**NOTE E- FIXED ASSETS**

The following is a summary of fixed assets:

Land	\$ 122,062
Buildings	10,179,642
Furniture and Equipment	
Dwellings	282,960
Administration	296,780
Leasehold Improvements	1,459,730
Construction in progress	607,440
Total	<u>\$12,928,614</u>
Accumulated depreciation	9,373,220
Net fixed assets	<u>\$ 3,555,394</u>

**NOTE G - 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 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, 2003, was \$222,643. The authority's contributions were calculated using the base salary amount of \$313,326. The authority made the required contributions of \$39,603 for the year ended September 30, 2003.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
Crowley, Louisiana  
Notes to the Financial Statements, 2003 – Continued

**NOTE H - COMPENSATED ABSENCES**

At September 30, 2003, employees of the authority have accumulated and vested \$22,726 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 \$9,664 recorded as a current liability and \$13,072 recorded as a non-current liability.

**NOTE I - PRIOR PERIOD ADJUSTMENTS AND CORRECTIONS OF ERRORS**

Equity of \$1,259,234 was transferred from the Comprehensive Improvement Assistance Program to the Low Rent Public Housing Program. The Low Rent Housing Program also recorded a \$26,623 to adjust Comprehensive Improvement Assistance Program accounts receivable for funds received and erroneously recorded, \$23,944 to properly state depreciation as per prior audit, and \$49,660 to adjust equity for settlement on modernization program due to ineligible expenses. The Housing Choice Vouchers Program recorded \$2,617 to record imputed interest not recorded for the fiscal year ended September 30, 2001 and \$5,173 to record receipts of administration fees earned from excess reserves.

**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 - 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

Notes to the Financial Statements, 2003 - Continued

**NOTE L - SUBSEQUENT EVENTS**

During the fiscal year HUD began recapturing what they termed excessive HCV operating reserves. The amount recaptured by reducing the administrative fee income for FY 2003 was \$69,547. The remaining excess operating reserve balance of \$25,903 should be recaptured in FY 2004. This action by HUD causes the HCV program to report an operating deficit for FY 2003 and for FY 2004.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Schedule of Compensation Paid Board Members

Fiscal Year Ended September 30, 2003

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 985-845-1210  
E-mail [danny@cpaspedco.com](mailto:danny@cpaspedco.com)

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 general-purpose financial statements of the Housing Authority of the City of Crowley (the authority), as of and for the year ended September 30, 2003 and have issued my report thereon dated March 28, 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 2003-1.

**Housing Authority of the City of Crowley**

Crowley, Louisiana  
Independent Auditor's Report  
on Compliance: Government  
Auditing Standards, 2003  
Page Two

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 assistance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as Item 2003-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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. My consideration of the internal control over financial reporting 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. However, of the reportable conditions described above, I consider Item 2003-1 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

  
A Professional Accounting Corporation  
March 28, 2004

**William Daniel McCaskill, CPA**  
A Professional Accounting Corporation  
5150 Highway 23, Suite C-14  
Mandeville, Louisiana 70471

Telephone: 855-845-1772  
Fax: 855-845-1511  
E-mail: danny@highperformer.net

Member of  
Louisiana Society of CPAs  
Mississippi Society of CPAs  
American Institute of CPAs

**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, 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, Audit 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 non-compliance 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, 2003  
Page Two

In our opinion, the Housing Authority of the City of Crowley 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, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2003-1.

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 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 that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the 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  
  
William Daniel McCaskill, CPA  
A Professional Accounting Corporation  
March 26, 2003

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
 Crowley, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For Fiscal Year Ended September 30, 2003

<i>Federal Grant/Pass-through Grant/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
<i>Direct Programs:</i>		
Low Rent Public Housing	14.850a	573,381
Housing Choice Voucher Program	14.871	1,261,734
Public Housing Capital Fund Program	14.872	487,182
<b>Total Federal Expenditures</b>		<b><u>2,322,297</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**HOUSING AUTHORITY OF THE CITY OF Crowley**  
Crowley, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2003

**NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the housing authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B—OTHER AWARDS**

\$1,756,641 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 CROWLEY**

Crowley, Louisiana

Schedule of Prior Year Audit Findings

Fiscal Year Ended September 30, 2003

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, 2003

**Summary Schedule of Auditor's Results:**

1. The type of auditor's report issued was unqualified.
2. There was one reportable condition disclosed during the audit of the financial statements and 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. The condition is reported as a material weakness.
3. One instance 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. There were no reportable conditions disclosed during the audit of internal control over major federal award programs is 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.
5. The type of report the auditor issued on compliance for major programs was unqualified.
6. The audit disclosed one audit finding, which the auditor is required to report under Section 510(e) of OMB Circular A-133.
  - a. The major federal programs are:
 

<u>CEMIL</u>	<u>Name of Program</u>
14.871	Housing Choice Vouchers
7. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section 530(b) was \$300,000.
8. The auditee qualified as a low risk auditee under OMB Circular A-133, Section 530.



**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2003

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**FINDING 2003-1**

**Program Affected:** CFP

**Condition:** The following procurements were completed as follows:

In June 2003 an architectural firm's contract was extended in the amount of \$25,800 without solicitation of other firms.

On April 2003 an architectural firm's contract was extended in the amount of \$48,000 without solicitation of other firms.

In April 2003 the modernization coordinator's contract was extended in the amount of \$15,140 without solicitation of other firms.

Additions or change orders were paid for the architectural contracts totaling \$17,262 without written amendment to the contract. It is noted that PHA staff did execute a written consideration of the need and reasonableness of the contract addition.

**Criteria:** Per the PHA's procurement policy, Federal regulations, and State law these procurements should include solicitation of other firms and change orders should be in writing.

**Effect:** The PHA violated its own procurement policy, Federal regulation, and State law.

**Questioned costs:** None

**PHA Response:** The board of commissioners at regular board meetings considered all contracts procured. Having gone through solicitation and the RFP process for these professional services in the past, the board felt it in the best interest of the PHA to utilize the services of those providers who had performed well. The minutes of the PHA include these contracts on the agenda.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)

Fiscal Year Ended September 30, 2003

and discussion by board members and authorization for the Executive Director to enter into each contract.

As to the contract addendum issue we did consider in writing the need for the additional work as well as that the extra amount was reasonable. The problem was with a general contractor and we needed the architect to provide these extra inspections and reports in order for us to attempt to complete the general contract according to the plans and specifications and to the advantage of the PHA. Our intention all along as we noted in the written consideration of the architect's contract scope increase was to back charge the general contractor for any additional costs of the architect.

### **FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

Finding 2003-1, is an instance of noncompliance with a nonmajor federal awards program that is required to be reported in accordance with OMB Circular A-133.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Corrective Action Plan for Current Year Findings

For Fiscal Year Ended September 30, 2003

**FINDINGS—FINANCIAL STATEMENTS AUDIT**

**2003-1**

**Recommendation:** That the PHA adhere to its procurement policy, Federal Regulation, and State law with all future procurements.

**Action Planned:** We will review our procurement policy, State law, and Federal regulation and ensure that all future procurements and contract amendments comply with all laws and regulations.

**Person Responsible:** Kenneth Habetz

**Anticipated Completion Date:** March 1, 2004

ISSUING AUTHORITY OF THE CITY OF ORDWAY  
 Ordway, Colorado  
 Financial Statements  
 For Fiscal Year Ended September 30, 2023

Line Item Number	Account Description	Local Fund Public Account	Grant	Planning District Number	Capital	Total
111 Cash - unrestricted		\$ 250,570	-	\$ 114,200	-	\$ 364,770
112 Cash - interest-earning accounts		20,400	-	-	-	20,400
113 Total Cash		270,970	-	114,200	-	385,170
122 Accounts receivable - HUD/other projects		-	-	27,400	-	27,400
123 Accounts receivable - miscellaneous		100	-	-	-	100
124 Accounts receivable - interest-earning notes		3,271	-	-	-	3,271
125 Account interest receivable		30	-	-	-	30
126 Total Accounts Receivable, net of allowance for doubtful accounts		3,401	-	27,400	-	30,801
140 Prepaid expenses and other assets		51,203	-	8,800	-	60,003
141 Inventories		4,813	-	-	-	4,813
142 Intergovernmental - due from		107,200	-	-	-	107,200
143 Total Current Assets		446,587	-	150,400	-	596,987
161 Land		122,200	-	-	-	122,200
162 Buildings		10,179,043	-	-	-	10,179,043
163 Furniture, equipment, and machinery - buildings		218,400	-	45,200	-	263,600
164 Furniture, equipment, and machinery - administration		242,142	-	11,400	11,000	264,542
165 Leasehold improvements		1,488,700	-	-	-	1,488,700
166 Accumulated depreciation		(9,320,813)	-	(23,000)	(74,000)	(9,377,813)
167 Construction in progress		-	-	500,440	607,400	1,107,840
168 Total Fixed Assets, net of accumulated depreciation		1,440,589	-	573,640	633,400	2,647,629
170 Total Assets		1,097,166	-	838,440	633,400	2,569,006
211 Accounts payable - vendors		18,800	-	-	-	18,800
212 Accounts payable/deferred payable		1,100	-	-	-	1,100
213 Accrued compensated absences		7,000	-	1,000	-	8,000
214 Accounts payable - HUD PPA Program		26,800	-	3,000	-	29,800
215 Tax and security deposits		22,400	-	-	-	22,400
216 Intergovernmental - due to		-	-	124,200	-	124,200
217 Total Current Liabilities		76,100	-	128,200	-	204,300
224 Accrued Compensated Absences - Accrued		10,400	-	1,200	-	11,600
225 Deferred capital contributions		10,000	-	1,200	-	11,200
226 Total Liabilities		86,500	-	129,400	-	215,900
231 LTIFPD Guarantee		1,700,000	-	-	-	1,700,000
232 Net LTIFPD contributions		(20,000)	-	-	-	(20,000)
233 Total Long-Term Liabilities		1,680,000	-	-	-	1,680,000
240 Fund Balance Reserved for capital activities (only for governmental)		-	-	-	-	-
241 Total Fund Balance		1,410,666	-	709,040	633,400	2,753,106
242 Long-Term Fund Interfund/other earnings		(84,500)	-	(20,000)	(107,100)	(1,111,600)
243 Total Equity		1,326,166	-	689,040	(73,700)	2,641,506
244 Total Liabilities and Equity		1,410,666	-	709,040	633,400	2,753,106

**COMMUNITY DEVELOPMENT OF THE CITY OF CHANDLER**  
**County Leaders**  
**Final 2012 Daily Schedule**  
**For Fiscal Year 2012 (September 30, 2012)**

Schedule B

Line Item Number	Account Description	104 001 Ratio Monthly	01P	Monthly Group Total	Capital	Total
101	Net asset rental revenue	24,827	-	-	-	24,827
104	Travel services - other	105,704	-	-	-	105,704
105	Travel services - other	1,000,000	-	-	-	1,000,000
106	AGG Pch grants	113,191	-	1,116,887	2,750	1,750,134
108.1	Capital items	-	-	-	494,432	494,432
111	Investment income - unrestricted	4,849	-	1,188	-	6,037
116	Other income	17,200	-	-	-	17,200
100	<b>Total Revenue</b>	<b>1,365,771</b>		<b>1,118,075</b>	<b>497,182</b>	<b>2,980,928</b>
<b>Administrative</b>						
011	Administrative salaries	87,488	-	88,288	-	175,776
012	Account fee	4,258	-	4,258	-	8,516
014	Compensated absences	6,898	-	-	-	6,898
001	Employee benefit contributions - administrative	27,227	-	8,942	-	36,169
005	Other operating - administrative	38,820	-	14,899	-	53,719
<b>Travel services</b>						
001	Travel services - salaries	23,888	-	-	-	23,888
002	Employee benefit contributions - travel services	8,878	-	-	-	8,878
004	Travel services - other	881	-	-	-	881
<b>Utilities</b>						
001	Water	41,887	-	-	-	41,887
002	Electricity	175,818	-	-	-	175,818
004	Gas	18,200	-	-	-	18,200
008	Other utility expense	48,181	-	-	-	48,181
<b>Delivery Maintenance and Operation</b>						
001	Delivery maintenance and operations - labor	146,500	-	-	-	146,500
002	Delivery maintenance and operations - materials and other	88,371	-	-	1,750	90,121
003	Delivery maintenance and operations - contract costs	88,482	-	1,888	-	90,370
005	Employee benefit contributions - delivery maintenance	81,278	-	-	-	81,278
<b>General Expenses</b>						
001	Insurance premiums	112,544	-	8,418	-	120,962
002	Other general expenses	-	-	1,288	-	1,288
003	Payments in lieu of taxes	18,889	-	-	-	18,889
004	Net AGG - interest and	3,000	-	-	-	3,000
005	Net AGG - interest - other	820,898	-	11,044	-	831,942
100	<b>Total Operating Expenses</b>	<b>1,365,771</b>		<b>1,118,075</b>	<b>497,182</b>	<b>2,980,928</b>
<b>Capital</b>						
001	Capital items - non-restricted	1,881	-	-	-	1,881
002	Shipping assistance payments	-	-	1,088,828	-	1,088,828
003	Depreciation expense	288,130	-	-	14,228	302,358
100	<b>Total Capital</b>	<b>2,169,811</b>		<b>1,099,856</b>	<b>14,228</b>	<b>2,283,935</b>
<b>Operating Transfer In</b>						
100	Operating transfer in	10,200	-	-	-	10,200
102	Operating transfer in	-	-	173,000	-	173,000
103	Operating transfer in	46,644	-	10,000	-	56,644
100	<b>Total Operating Transfer In</b>	<b>56,844</b>		<b>183,000</b>	<b>-</b>	<b>240,844</b>

**ISSUING AUTHORITY OF THE CITY OF GREELEY**  
 County, Location  
 Resolution/City Ordinance  
 For Fiscal Year Ending September 30, 2003

Schedule 4

Line Item Number	Account Description	Gen Fund Public Funding	Gen Fund C&I	Allowing Funds Transfer	Capital	Total
<b>MEMO ACCOUNT INFORMATION</b>						
100	Capital outlay - enterprise fund					-
102	Debt principal payments - enterprise funds					-
103	Beginning inventory	2,400,000	1,200,000	(81,000)	100,000	4,119,000
104	Price (cost) adjustments, equity transfers, and correction of errors	1,750,000	(1,200,000)	(7,700)		(88,000)
105	Changes in compensated absence liability (0.00) (0.00) (1 FOR GOVERNMENTAL FUNDS)					-
106	Changes in workers' liability claims (0.00) (0.00) (1 FOR GOVERNMENTAL FUNDS)					-
107	Changes in unexpended pension transfer liability (0.00) (0.00) (1 FOR GOVERNMENTAL FUNDS)					-
108	Changes in pension nonresponsibility liability (0.00) (0.00) (1 FOR GOVERNMENTAL FUNDS)					-
109	Changes in allowance for doubtful accounts - building code					-
110	Changes in allowance for doubtful accounts - other					-
112	Depreciation "add-back"	387,400				387,400
113	Maximum annual contributions authorized (Per AGC)			1,000,000		1,000,000
*Note: maximum annual contributions applicable to a period of two						
114	Non benefit credits					-
115	Contingency reserve, AGC program reserve			370,000		370,000
116	Total annual contributions available			1,770,700		1,770,700
101	Net Month Available	3,000		4,000		7,000
101	Number of net months issued	1,000		4,000		5,000