

**Housing Authority of the
Parish of St. Landry
Washington, 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 PARISH OF ST. LANDRY
Washington, Louisiana
General-Purpose Financial Statements
As of and for the Fiscal Year Ended June 30, 2003
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Parish of St. Landry
Washington, Louisiana

I have audited the accompanying general-purpose financial statements of the Housing Authority of the Parish of St. Landry 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 Parish of St. Landry 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 PARISH OF ST. LANDRY
Washington, Louisiana
Independent Auditor's Report, 2003
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In accordance with Government Auditing Standards, I have also issued a report dated December 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. 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 19, 2003

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Proprietary Fund Type - Enterprise Fund - Balance Sheet
As of June 30, 2003

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 818,781
Accounts Receivable - HUD Other Projects	106,222
Accounts Receivable - Miscellaneous	2,622
Accounts Receivable - Tenants Dwelling Rents	1,394
Allowance for Doubtful Accounts - Dwelling Rents	(386)
Accrued Interest Receivable	441
Prepaid Expenses	56,194
Interprogram Due From	112,650
Total Current Assets	<u>1,097,918</u>
Restricted Assets:	
Cash and cash equivalents	<u>16,562</u>
Fixed Assets, Net of Accumulated Depreciation:	
Land	171,656
Buildings	4,868,164
Furniture, Equipment & Machinery - Dwellings	97,221
Furniture, Equipment & Machinery - Administration	121,318
Leasehold Improvements	822,738
Accumulated Depreciation	(4,636,249)
Construction In Progress	16,141
Total Fixed Assets, Net of Accumulated Depreciation	<u>1,460,989</u>
Total Assets	<u><u>\$ 2,575,469</u></u>

Liabilities and Equity

Current Liabilities (payable from current assets):	
Bank Overdraft	\$ 10
Accounts Payable - Vendors	4,417
Accounts Payable - Other Governments	9,659
Accrued Compensated Absences - Current	9,037
Other Current Liabilities	2,081
Interprogram Due To	112,650
Total Current Liabilities (payable from current assets)	<u>137,854</u>
Current Liabilities (payable from restricted assets):	
Tenant Security Deposits	<u>13,030</u>
Long-term Liabilities:	
Accrued Compensated Absences - Noncurrent	18,753
Other Long-term Liabilities	3,532
Total Long-term Liabilities	<u>22,285</u>
Total Liabilities	<u>173,169</u>
Equity:	
Contributed Capital	1,002,323
Retained Earnings	1,399,977
Total Equity	<u>2,402,300</u>
Total Liabilities and Equity	<u><u>\$ 2,575,469</u></u>

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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, 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	\$ 130,731
Tenant Revenue - Other	8,833
Federal Operating Grants	1,988,854
Total Operating Revenues	<u>2,128,418</u>
Operating Expenses:	
Administrative Expenses	337,762
Tenant Services	159,633
Utilities	38,663
Ordinary Maintenance & Operation	184,659
General Expenses	90,458
Housing Assistance Payments	1,430,991
Depreciation Expense	184,344
Total Operating Expenses	<u>2,426,510</u>
Operating Loss	<u>(298,092)</u>
Non-operating Revenues (Expenses)	
Federal Operating Grants	39,173
Federal Capital Grants	222,384
Loss on Sale of Fixed Assets	(48)
Investment Income	7,142
Other Revenue	173,594
Total Non-operating Revenues (Expenses)	<u>442,245</u>
Net Income	144,153
Retained Earnings at Beginning of Year	1,262,786
Prior Period Adjustments and Corrections of Errors	<u>(6,962)</u>
Retained Earnings at End of Year	<u><u>\$ 1,399,977</u></u>

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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Proprietary Fund Type - Enterprise Fund - Statement of Cash Flows
For Fiscal Year Ended June 30, 2003

Cash flows from operating activities:	
Operating Loss	\$ (298,092)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	184,344
(Increase) Decrease in Accounts Receivable - PHA Projects	-
Decrease in Accounts Receivable - HUD Other Projects	1,117
Decrease in Accounts Receivable - Other Government	67,763
Decrease in Accounts Receivable - Miscellaneous	522
Increase in Accounts Receivable - Tenants Dwelling Rents, net	(910)
Decrease in Prepaid Expenses	(2,143)
(Increase) Decrease in Inventories	-
Decrease in Bank Overdraft	(25,037)
Decrease in Accounts Payable - Vendors	(16,169)
Increase (Decrease) in Accounts Payable - HUD PHA Programs	-
Increase (Decrease) in Accounts Payable - PHA Projects	-
Increase in Accounts Payable - Other Governments	9,659
Decrease in Accrued Wages and Payroll Taxes Payable	(3,011)
Decrease in Accrued Compensated Absences	(450)
Increase (Decrease) in Deferred Revenue	-
Increase in Tenant Security Deposits	720
Increase in Other Current Liabilities	5,613
Increase (Decrease) in Accrued Liabilities - Other	-
Net cash used by operating activities	<u>(76,074)</u>
Cash flows from noncapital financing activities	
Proceeds from federal operating grants	39,173
Other receipts	173,546
Net cash provided by noncapital financing activities	<u>212,719</u>
Cash flows from capital and related financing activities:	
Principal paid on bond debt	
Interest and fiscal charges paid on bond debt	
Payments to acquire, construct, or improve capital assets	(231,720)
Proceeds from federal capital grants	223,434
Net cash used for capital and related financing activities	<u>(8,286)</u>
Cash flow from investing activities:	
Interest Income	<u>7,530</u>
Net increase in cash and cash equivalents	135,889
Cash and cash equivalents at beginning of year	<u>699,454</u>
Cash and cash equivalents at end of year	<u>\$ 835,343</u>
Unrestricted cash and cash equivalents per Exhibit A	\$ 818,781
Restricted cash and cash equivalents per Exhibit A	<u>16,562</u>
Total cash and cash equivalents per Exhibit A	<u>\$ 835,343</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 PARISH OF ST. LANDRY
Washington, 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 St. Landry Parish, Louisiana. This creation was contingent upon the approval of the local governing body of the Parish. A five member Board of Commissioners governs the authority. The members, appointed by the Parish of St. Landry, 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. Also, the PHA was a vendor for a TANF 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 Parish of St. Landry, Louisiana since the parish appoints a voting majority of the authority's governing board.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2003 – Continued

The parish 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 parish. Accordingly, the authority is not a component unit of the financial reporting entity of the parish.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish 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.

The authority's component unit, St. Landry Public Housing Corporation, a Louisiana Nonprofit Corporation, has had no activity since its inception in September 2002 that resulted in any financial transactions or financial reporting. The entity was created for the purpose of providing another avenue of providing safe and sanitary dwelling accommodations for those individuals who cannot provide adequate housing for themselves.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2003 – Continued

(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 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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2003 – Continued

days or less, are classified as cash equivalents. Investments are stated at fair value based on quoted market prices.

(8) 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.

(9) 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. All items that fall in the following categories are capitalized. Estimated useful lives, in years, for depreciable assets are as follows:

Interest	33 Years
Fees and Costs	15 to 33 Years
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.

(10) Compensated Absences

Depending on their length of service, employees earn from 88 to 177 hours per year in annual leave. 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. 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 \$835,333, net of bank overdraft of \$10, as follows:

Demand deposits	\$540,283
Time deposits	295,000
Other	50
Total	<u>\$835,333</u>

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
 Washington, Louisiana
 Notes to the Financial Statements, 2003 – Continued

Unrestricted	\$818,771
Restricted	16,562
Total	<u>\$835,333</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 June 30, 2003, the authority has \$863,290 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$302,059
GASB Category 2	-
GASB Category 3	561,231
Total	<u>\$863,290</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	\$171,656
Buildings	4,868,164
Furniture and Equipment:	
Dwellings	97,221
Administration	121,318
Leasehold Improvements	822,738
Construction in progress	16,141
Total	<u>6,097,237</u>
Accumulated depreciation	<u>(4,636,249)</u>
Net fixed assets	<u>\$1,460,989</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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY

Washington, Louisiana

Notes to the Financial Statements, 2003 – Continued

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 8.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5 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 \$268,828. The authority's contributions were calculated using the base salary amount of \$236,178. The authority made the required contributions of \$20,075 for the year ended June 30, 2003.

NOTE E - COMPENSATED ABSENCES

At June 30, 2003, employees of the authority have accumulated and vested \$27,790 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

NOTE F - LEASES

During the year ended June 30, 2002, the authority entered into a capital lease for a copier. The lease is considered immaterial and has been presented as an operating lease.

The lease requires monthly payments of \$387 for 60 months beginning January 2002. Rent expense for the fiscal year ended totaled \$4,644 and is included in administrative expenses in the accompanying financial statements. The minimum annual commitments under the noncancelable lease is as follows:

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
 Washington, Louisiana
 Notes to the Financial Statements, 2003 – Continued

	<u>Fiscal Year Ending</u>	<u>Amount</u>
2004		\$4,644
2005		4,644
2006		4,644
2007		<u>2,322</u>
Total		<u>\$16,254</u>

NOTE G - PRIOR PERIOD ADJUSTMENTS AND CORRECTIONS OF ERRORS

The authority adjusted the prior year receivable from HUD for the Housing Choice Vouchers Program to the approved HUD form 52681. The adjustment was \$6,962.

NOTE H - 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 I - 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.

NOTE J – SUBSEQUENT EVENTS

Subsequent to the authority's fiscal year end, HUD notified the PHA that Congress had mandated that HUD recapture approximately \$300,000 of excess operating reserves from the HCV Program by not funding Administrative Fees until the amount targeted has been offset. This will result in the HCV Program encountering an annual deficit until the Administrative Fee income is restored. It should take about fourteen months for the full amount to be offset. There has been no transaction recorded on the PHA's financial statements for the effect of the possible offset.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Schedule of Compensation Paid Board Members
For Fiscal Year Ended June 30, 2003

Willie Haynes, III	\$	500
Larry Janise		450
Sharon Reed		500
Larris Soileau		500
Elie Stelly		<u>500</u>
Total	\$	<u>2,450</u>

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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 Parish of St. Landry
Washington, Louisiana

I have audited the financial statements of the Housing Authority of the Parish of St. Landry (the authority), as of and for the year ended June 30, 2003 and have issued my report thereon dated December 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 PARISH OF ST. LANDRY
Washington, Louisiana
Independent Auditor's Report
on Compliance...Government
Auditing Standards, 2003
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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 19, 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 Parish of St. Landry
Washington, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the Parish of St. Landry (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 its major federal program for the year ended June 30, 2003. The authority's major federal program is 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 its major federal program 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 I 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 PARISH OF ST. LANDRY
Washington, Louisiana
Independent Auditor's Report
on Compliance...A-133, 2003
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As described in item 2003-1 in the accompanying schedule of findings and questioned costs, the authority did not comply with the special requirement regarding its utility allowance schedule that is applicable to its Housing Choice Vouchers program. Compliance with such requirements is necessary, in my opinion, for the authority, to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, the authority, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program 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.

I noted a certain matter involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. 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 noncompliance with the 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

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Independent Auditor's Report
on Compliance...A-133, 2003
Page Three

considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness.

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 19, 2003

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
 Washington, 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	\$ 283,767
14.871	Housing Choice Voucher Program	1,705,087
14.872	Public Housing Capital Fund Program	261,557
	Total Federal Expenditures	<u>\$ 2,250,411</u>

\$585,405 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 PARISH OF ST. LANDRY
Washington, 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 PARISH OF ST. LANDRY
Washington, 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. One reportable condition was disclosed during the audit of internal control over major federal award programs and 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. The condition is reported as a material weakness.
5. The auditor's report on compliance for the major federal award programs for the authority expresses a qualified opinion on the major federal program.
6. An audit finding that is required to be reported in accordance with Section 510(a) of OMB Circular A-133 is reported in this Schedule.
7. The program tested as major program is CFDA No. 14.871, Housing Choice Vouchers.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority did not qualify as a low-risk auditee.

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Schedule of Current Audit Findings and Questioned Costs (Continued)
Fiscal Year Ended June 30, 2003

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

Finding 2003-1:

Program

CFDA No. 14.871 Housing Choice Vouchers

Condition

The authority has not updated the utility allowance rate data since October 2001. SEMAP Indicator No. 4, Utility Allowance Schedule, was submitted to HUD with a “yes” answer indicated that the schedule had been updated within the last twelve months.

Criteria:

Per 24 CFR 982.517, the utility allowance rate data should be updated every twelve months.

Cause

Unknown

Effect

The authority is not in conformance with the Code of Federal Regulations. SEMAP Indicator No. 4 was incorrectly completed. Housing assistance payments and total tenant payments may have been calculated incorrectly.

Questioned Costs

None

Recommendation

I recommend that the authority update the utility rate data and adjust HAP and TTP accordingly as soon as possible.

PHA's Response

See Corrective Action Plan

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Corrective Action Plan for Current Year Findings
For Fiscal Year Ended June 30, 2003

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

Finding 2003-1:

Action Planned

We are contracting for an updated utility allowance schedule. When the schedule update is complete, we will reexamine all tenant files and adjust HAP and TTP accordingly.

Person Responsible

Donna Taylor, Executive Director

Anticipated Completion Date

January 31, 2004

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Financial Data Schedule
For Fiscal Year Ended June 30, 2003

Line Item Number	Account Description	Low Rent Public Housing	Section 8 Certificate Program	CIAP	Housing Choice Voucher	Capital	State/ Local	Total
111	Cash - unrestricted	\$ 193,707	\$ -	\$ -	\$ 625,074	\$ -	\$ -	\$ 818,781
113	Cash - other restricted	-	-	-	3,532	-	-	3,532
114	Cash - tenant security deposits	13,030	-	-	-	-	-	13,030
100	Total Cash	206,737	-	-	628,606	-	-	835,343
122	Accounts receivable - HUD other projects	-	-	-	106,222	-	-	106,222
125	Accounts receivable - miscellaneous	2,612	-	-	-	-	10	2,622
126	Accounts receivable - tenants - dwelling rents	1,394	-	-	-	-	-	1,394
126.1	Allowance for doubtful accounts - dwelling rents	(386)	-	-	-	-	-	(386)
129	Accrued interest receivable	133	-	-	308	-	-	441
120	Total receivables, net of allowances for doubtful accounts	3,753	-	-	106,530	-	10	110,293
142	Prepaid expenses and other assets	56,194	-	-	-	-	-	56,194
144	Interprogram - due from	112,650	-	-	-	-	-	112,650
150	Total Current Assets	379,334	-	-	735,136	-	10	1,114,480
161	Land	171,656	-	-	-	-	-	171,656
162	Buildings	4,376,507	-	-	-	491,657	-	4,868,164
163	Furniture, equipment, and machinery - dwellings	84,068	-	-	-	13,153	-	97,221
164	Furniture, equipment, and machinery - administration	97,833	-	-	23,485	-	-	121,318
165	Leasehold improvements	822,738	-	-	-	-	-	822,738
166	Accumulated depreciation	(4,581,622)	-	-	(19,294)	(35,333)	-	(4,636,249)
167	Construction in progress	-	-	-	-	16,141	-	16,141
160	Total fixed assets, net of accumulated depreciation	971,180	-	-	4,191	485,618	-	1,460,989
180	Total Non-Current Assets	-	-	-	-	-	-	-
190	Total Assets	1,350,514	-	-	739,327	485,618	10	2,575,469

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Financial Data Schedule
For Fiscal Year Ended June 30, 2003

Line Item Number	Account Description	Low Rent Public Housing	Section 8 Certificate Program	CIAP	Housing Choice Voucher	Capital	State/ Local	Total
311	Bank overdraft	-	-	-	-	-	10	10
312	Accounts payable < 90 days	4,417	-	-	-	-	-	4,417
322	Accrued compensated absences	4,726	-	-	4,311	-	-	9,037
333	Accounts payable - other government	9,659	-	-	-	-	-	9,659
341	Tenant security deposits	13,030	-	-	-	-	-	13,030
345	Other current liabilities	2,081	-	-	-	-	-	2,081
347	Interprogram - due to	-	-	-	112,650	-	-	112,650
310	Total Current Liabilities	33,913	-	-	116,961	-	10	150,884
353	Non-current liabilities - other	-	-	-	3,532	-	-	3,532
354	Accrued compensated absences - noncurrent	10,251	-	-	8,502	-	-	18,753
350	Total Non-current Liabilities	10,251	-	-	12,034	-	-	22,285
300	Total Liabilities	44,164	-	-	128,995	-	10	173,169
503	LTD HUD Guaranteed	585,405	-	-	-	-	-	585,405
504	Net HUD PHA contributions	416,918	-	-	-	-	-	416,918
508	Total Contributed Capital	1,002,323	-	-	-	-	-	1,002,323
512	Undesignated fund balance/retained earnings	304,027	-	-	610,332	485,618	-	1,399,977
513	Total Equity	1,306,350	-	-	610,332	485,618	-	2,402,300
600	Total Liabilities and Equity	1,350,514	-	-	739,327	485,618	10	2,575,469
703	Net tenant rental revenue	130,731	-	-	-	-	-	130,731
704	Tenant revenue - other	8,833	-	-	-	-	-	8,833
705	Total tenant revenue	139,564	-	-	-	-	-	139,564
706	HUD PHA grants	283,767	-	-	1,705,087	39,173	-	2,028,027
706.1	Capital Grants	-	-	-	-	222,384	-	222,384
711	Investment income - unrestricted	842	-	-	6,300	-	-	7,142
715	Other revenue	93	-	-	-	-	173,501	173,594
716	Gain or loss on sale of fixed assets	(48)	-	-	-	-	-	(48)
700	Total Revenue	424,218	-	-	1,711,387	261,557	173,501	2,570,663

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, Louisiana
Financial Data Schedule
For Fiscal Year Ended June 30, 2003

Line Item Number	Account Description	Low Rent Public Housing	Section 8 Certificate Program	CIAP	Housing Choice Voucher	Capital	State/ Local	Total
911	Administrative salaries	53,217	-	-	126,977	-	6,656	186,850
912	Auditing fees	1,528	-	-	5,748	-	-	7,276
914	Compensated absences	(13,263)	-	-	-	-	-	(13,263)
915	Employee benefit contributions - administrative	22,080	-	-	45,782	-	3,900	71,762
916	Other operating - administrative	25,250	-	-	54,695	-	5,192	85,137
	Tenant services							
922	Relocation Costs	-	-	-	-	1,880	-	1,880
924	Tenant services - other	-	-	-	-	-	157,753	157,753
	Utilities							
931	Water	13,188	-	-	-	-	-	13,188
932	Electricity	9,324	-	-	-	-	-	9,324
933	Gas	7,378	-	-	-	-	-	7,378
938	Other utilities expense	8,773	-	-	-	-	-	8,773
941	Ordinary maintenance and operations - labor	94,791	-	-	-	-	-	94,791
942	Ordinary maintenance and operations - materials and other	20,059	-	-	-	-	-	20,059
943	Ordinary maintenance and operations - contract costs	22,622	-	-	7,858	-	-	30,480
945	Employee benefit contributions - ordinary maintenance	39,329	-	-	-	-	-	39,329
961	Insurance premiums	62,964	-	-	14,717	-	-	77,681
962	Other general expenses	-	-	-	813	-	-	813
963	Payments in lieu of taxes	9,659	-	-	-	-	-	9,659
964	Bad debt - tenant rents	2,305	-	-	-	-	-	2,305
969	Total Operating Expense	379,204	-	-	256,590	1,880	173,501	811,175
970	Excess Operating Revenue Over Operating Expenses	45,014	-	-	1,454,797	259,677	-	1,759,488
973	Housing assistance payments	-	-	-	1,430,991	-	-	1,430,991
974	Depreciation expense	147,893	-	-	1,795	34,656	-	184,344
900	Total Expenses	527,097	-	-	1,689,376	36,536	173,501	2,426,510
1001	Operating transfers in	37,293	-	-	-	-	-	37,293
1002	Operating transfers out	-	-	-	-	(37,293)	-	(37,293)
1010	Total other financing sources (uses)	37,293	-	-	-	(37,293)	-	-

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
Washington, 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>Section 8 Certificate Program</i>	<i>CIAP</i>	<i>Housing Choice Voucher</i>	<i>Capital</i>	<i>State/ Local</i>	<i>Total</i>
MEMO ACCOUNT INFORMATION								
1103	Beginning equity	1,107,647	399,014	264,289	196,269	297,890	-	2,265,109
1104	Prior period adjustments, equity transfers, and correction of errors	264,289	(399,014)	(264,289)	392,052	-	-	(6,962)
1112	Depreciation "add-back"	-	-	-	-	-	-	-
1113	Maximum annual contributions commitment (Per ACC)	-	-	-	1,594,704	-	-	1,594,704
	Prorata maximum annual contributions applicable to a period of							
1114	less than twelve months	-	-	-	-	-	-	-
1115	Contingency reserve, ACC program reserve	-	-	-	110,383	-	-	110,383
1116	Total annual contributions available	-	-	-	1,705,087	-	-	1,705,087
1120	Unit Months Available	1,680	-	-	6,552	-	-	8,232
1121	Number of unit months leased	1,555	-	-	6,439	-	-	7,994

HOUSING AUTHORITY OF THE PARISH OF ST. LANDRY
 Washington, Louisiana
 Statement and Certification of Actual Modernization Costs
 For Fiscal Year Ended June 30, 2003

	<u>LA48</u> <u>P06750100</u>	<u>LA48</u> <u>P06750101</u>
Original Funds Approved	\$ 269,319	\$ 274,664
Less Funds Expended (Actual Modernization Cost)	<u>269,319</u>	<u>274,664</u>
Excess Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Disbursed	\$ 269,319	\$ 274,664
Less Funds Expended (Actual Modernization Cost)	<u>269,319</u>	<u>274,664</u>
Excess Funds Disbursed	<u>\$ -</u>	<u>\$ -</u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Reports dated December 16, 2002 and May 28, 2003, respectively, accompanying the Actual Modernization Cost Certificates, 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.