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**Housing Authority of the
CITY OF THIBODAUX**
Thibodaux, Louisiana

**General-Purpose Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended December 31, 2002
With Supplemental Information Schedules**

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

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

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/20/03

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 General-Purpose Financial Statements
 As of and for the Fiscal Year Ended December 31, 2002
 With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
General-Purpose Financial Statements:		
Proprietary Fund Type – Enterprise Funds:		
Combined Balance Sheet	A	5
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	B	6
Combined Statement of Cash Flows	C	7
Notes to the Financial Statements		8
	Schedule	Page
Supplemental Information Schedules (GAAP Basis):		
Proprietary Fund Type - Enterprise Funds:		
Combining Balance Sheet	1	16
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	2	17
Schedule of Compensation Paid Board Members	3	18
Other Reports and Schedules:		
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		19
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>		21
Schedule of Expenditures of Federal Awards	4	23
Schedule of Prior Audit Findings	5	24
Schedule of Current Year Findings and Questioned Costs	6	25
Financial Data Schedule	7	26

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Housing Authority of the City of Thibodaux
Thibodaux, Louisiana**

I have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Thibodaux as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

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

In my opinion, the general-purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Thibodaux as of December 31, 2002, and the results of its operations and the cash flows of its propriety fund types for the year ended in conformity with U.S. generally accepted accounting principles.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX

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

In accordance with Government Auditing Standards, I have also issued a report dated June 3, 2003 on my consideration of the authority's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, is presented for purposes of additional analysis, and is not a required part of the general-purpose financial statements. The accompanying Financial Data Schedule, required by HUD, is presented for purposes of additional analysis, and is not a required part of the general-purpose financial statements. The accompanying combining schedules are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

 **William Daniel
McCaskill**

Digitally signed by
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William Daniel McCaskill, CPA
A Professional Accounting Corporation

June 3, 2003

Exhibit A

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Proprietary Fund Type - Enterprise Funds - Combined Balance Sheet
 As of December 31, 2002

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 1,002,741
Accounts Receivable - Tenants Dwelling Rents	10,027
Allowance for Doubtful Accounts - Dwelling Rents	(6,371)
Accrued Interest Receivable	1,189
Prepaid Expenses	19,611
Inventories	4,170
Total Current Assets	<u>1,031,367</u>
Fixed Assets, Net of Accumulated Depreciation:	
Land	552,040
Buildings	10,464,347
Furniture, Equipment & Machinery - Dwellings	173,101
Furniture, Equipment & Machinery - Administration	182,450
Leasehold Improvements	2,026,266
Accumulated Depreciation	(10,285,357)
Construction In Progress	378,819
Total Fixed Assets, Net of Accumulated Depreciation	<u>3,491,666</u>
Total Assets	<u><u>\$ 4,523,033</u></u>
Current Liabilities (payable from current assets):	
Accounts Payable - Vendors	\$ 5,167
Accounts Payable - Other Governments	42,739
Accrued Wages and Payroll Taxes Payable	763
Accrued Compensated Absences - Current	40,351
Other Current Liabilities	77,379
Tenant Security Deposits	19,695
Total Current Liabilities (payable from current assets)	<u>186,094</u>
Total Liabilities	<u>186,094</u>
Equity:	
Contributed Capital	2,828,285
Retained Earnings (Deficit)	1,508,654
Total Equity	<u>4,336,939</u>
Total Liabilities and Equity	<u><u>\$ 4,523,033</u></u>

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

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Proprietary Fund Type - Enterprise Funds -
 Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
 For Fiscal Year Ended December 31, 2002

Operating Revenues:	
Net Tenant Rental Revenue	\$ 544,978
Tenant Revenue - Other	64,753
Other Revenue	2,488
Total Operating Revenues	<u>612,219</u>
Operating Expenses:	
Administrative Expenses	379,195
Tenant Services	1,301
Utilities	158,379
Ordinary Maintenance & Operation	406,683
General Expenses	145,251
Depreciation Expense	482,881
Total Operating Expenses	<u>1,573,690</u>
Operating Income (Loss)	<u>(961,471)</u>
Non-operating Revenues (Expenses)	
Federal Operating Grants	661,598
Federal Capital Grants	265,768
Investment Income	28,094
Casualty Losses	(2,130)
Total Non-operating Revenues (Expenses)	<u>953,330</u>
Income (Loss) Before Operating Transfers	<u>(8,141)</u>
Operating Transfers In (Out)	
Operating Transfers In	100,000
Operating Transfers Out	(100,000)
Total Operating Transfers In (Out)	<u>-</u>
Net Income (Loss)	<u>(8,141)</u>
Retained Earnings at Beginning of Year	1,025,285
Prior Period Adjustments, Equity Transfers, Corrections of Errors	491,510
Retained Earnings at End of Year	<u>\$ 1,508,654</u>

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

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Combined Statement of Cash Flows - Proprietary Fund Type - Enterprise Funds
 For Fiscal Year Ended December 31, 2002

Cash flows from operating activities:	
Operating Income (Loss)	\$ (961,471)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	482,881
(Increase) Decrease in Accounts Receivable - PHA Projects	-
(Increase) Decrease in Accounts Receivable - HUD Other Projects	-
(Increase) Decrease in Accounts Receivable - Other Government	-
(Increase) Decrease in Accounts Receivable - Miscellaneous	57,456
(Increase) Decrease in Accounts Receivable - Tenants Dwelling Rents	1,610
(Increase) Decrease in Accrued Interest Receivable	2,087
(Increase) Decrease in Prepaid Expenses	(3,313)
(Increase) Decrease in Inventories	42
Increase (Decrease) in Accounts Payable - Vendors	5,228
Increase (Decrease) in Accounts Payable - HUD PHA Programs	-
Increase (Decrease) in Accounts Payable - PHA Projects	-
Increase (Decrease) in Accounts Payable - Other Governments	21,243
Increase (Decrease) in Accrued Wages and Payroll Taxes Payable	-
Increase (Decrease) in Accrued Compensated Absences	(1,549)
Increase (Decrease) in Deferred Revenue	-
Increase (Decrease) in Tenant Security Deposits	-
Increase (Decrease) in Other Current Liabilities	-
Increase (Decrease) in Accrued Liabilities - Other	-
Net cash provided (used) by operating activities	<u>(395,786)</u>
Cash flows from noncapital financing activities	
Proceeds from federal operating grants	<u>661,598</u>
Cash flows from capital and related financing activities:	
Payments to acquire, construct, or improve capital assets	(267,500)
Proceeds from federal capital grants	265,768
Net cash provided (used) for capital and related financing activities	<u>(1,732)</u>
Cash flow from investing activities:	
Investment income (interest income)	28,094
Casualty losses	(2,130)
Net cash provided (used) for investing activities	<u>25,964</u>
Net increase (decrease) in cash and cash equivalents	290,044
Cash and cash equivalents at beginning of year	<u>712,697</u>
Cash and cash equivalents at end of year	<u>\$ 1,002,741</u>

There were no noncash investing or financing transactions.

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

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Notes to the Financial Statements
For Fiscal Year Ended December 31, 2002

The Public Housing Authority (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Thibodaux, 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 Thibodaux 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 December 31, 2002, the authority was managing 306 units of Low Rent Public Housing under FW-2005, a Comprehensive Grant Program, and a Capital Fund Program.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Presentation

The accompanying financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

(2) Financial Reporting Entity

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 Thibodaux, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to,

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Notes to the Financial Statements, 2002 – Continued

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

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

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.

As required by generally accepted accounting principles, these financial statements present the authority (the primary government) and its component units. The component units included in the accompanying financial statements are blended with the authority's funds.

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.

Funds of the authority are classified as proprietary fund type – enterprise funds. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Notes to the Financial Statements, 2002 – Continued

their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

(4) Basis of Accounting

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

(5) Budgetary Data

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

(6) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(7) Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in certificates of deposits and those investments with original maturities of 90 days or less.

(8) Investments

Investments are limited by HUD regulations, state law, and the authority's investment policy. State law authorizes investment in bonds or other direct obligations of the United States of America or the state of Mississippi, or of any county or municipality of this state, interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds, and any type of investment permitted by Sections 27-105-33(d) and 27-105-33(e). However, HUD regulations authorize investment only in federal investments. If the original maturities of investments exceed 90 days, they are classified as investments. If the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value based on quoted market prices.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Notes to the Financial Statements, 2002 – Continued

(9) Short-term Interfund Receivables and Payables

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

(10) Inventories

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

(11) Prepaid Items

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

(12) Fixed Assets

Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value) using the straight-line method. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization limit is \$300. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	33 Years
Building improvements	15 Years
Leasehold improvements	15 Years
Fees and Costs	15 Years
Equipment	3-7 Years

Interest costs during construction have been capitalized. Infrastructure such as parking lots and sidewalks are included in leasehold improvements. All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

(13) Compensated Absences

Employees earn from 8 to 192 hours per year in annual leave and sick leave. Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Notes to the Financial Statements, 2002 – Continued

NOTE B – CASH AND CASH EQUIVALENTS

At December 31, 2002, the authority has cash and cash equivalents (book balances) totaling \$1,002,741 as follows:

Demand deposits	\$500
Interest-bearing demand deposits	926,106
Time deposits	76,135
Total	<u>\$1,002,741</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 December 31, 2002, the authority has \$1,020,040 in deposits (bank balances), categorized below to reflect the amount of risk assumed by the authority.

GASB Category 1	\$176,135
GASB Category 2	-
GASB Category 3	843,905
Total	<u>\$1,020,040</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

Land	\$552,040
Buildings	10,464,347
Furniture and Equipment:	
Dwellings	173,101
Administration	182,450
Leasehold Improvements	2,026,266
Construction in progress	378,819
Total	<u>13,777,023</u>
Accumulated depreciation	<u>(10,285,357)</u>
Net fixed assets	<u>\$3,491,666</u>

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Notes to the Financial Statements, 2002 – Continued

NOTE D – SEGMENT INFORMATION

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

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

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

Selected segment information for the year ended December 31, 2002 follows:

	Low Rent Public Housing	CGP	Capital Fund Program
Operating revenues	\$612,219	-	-
Depreciation	482,881	-	-
Operating income (loss)	(842,287)	-	\$(119,184)
Operating grants	442,414	-	219,184
Interfund transfers in	100,000	-	-
Interfund transfers out	-	-	(100,000)
Net Income (loss)	(273,909)	-	265,768
Fixed asset additions	1,732	-	265,768
Fixed asset deletions	-	-	-
Net working capital	845,273	-	-
Total assets	4,144,214	-	378,819
Long-term liabilities outstanding	-	-	-
Total equity	3,958,120	-	378,819

NOTE E - RETIREMENT PLAN

The authority participates in the Louisiana Housing Council Group Retirement Plan, administered by Broussard, Bush and Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities that are members of the Louisiana Housing Council. Through this plan, the authority provides pension benefits for all of its full-time employees. All full-time employees who have attained age 18 are eligible to participate in the plan on the first day of the month after completing three months of continuous and uninterrupted employment.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Notes to the Financial Statements, 2002 – Continued

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% percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 6% 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. Early retirement may be elected on the first day of any month within 10 years of the employee's normal retirement date, provided the employee has completed five years of service with the authority. With the authority's consent, employees may defer retirement to the first day of any month beyond normal retirement date.

The authority's total payroll for the year ended December 31, 2002, was \$327,002. The authority's contributions were calculated using the base salary amount of \$247,614. The authority made the required contributions of \$19,809 for the year ended December 31, 2002.

NOTE F - COMPENSATED ABSENCES

At December 31, 2002, employees of the authority have accumulated and vested \$40,351 of employee leave benefits, which is presented as a current liability of the appropriate fund(s) in the balance sheet. The long-term portion of the liability is considered immaterial and has not been reclassified to long-term liabilities. Except as discussed above, the liability has been computed in accordance with GASB Codification Section C60.

NOTE G – INTERFUND BALANCES AND TRANSFERS

Fund	Interprogram Due From	Interprogram Due To	Transfer In	Transfer Out
Low Rent Public Housing	-	-	\$100,000	-
Capital Fund Program	-	-	-	\$100,000

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Notes to the Financial Statements, 2002 – Continued

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

Equity in the amount of \$554,793 (\$236,863 from retained earnings and \$317,930 from contributed capital) was transferred from the Comprehensive Grant Program to the Low Rent Public Housing Program. The Low Rent Public Housing Program also recorded an adjustment of \$210,918 to capitalize fees and costs for various modernization projects, and \$(37,338) to record the liability for litigation settled in the subsequent period.

NOTE I – 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 J – LITIGATION AND CLAIMS

At December 31, 2002, the authority is involved in a lawsuit with a general contractor. The litigation was settled for \$77,379 on March 13, 2003.

NOTE K – SUBSEQUENT EVENTS

See Note J regarding settlement of litigation.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Proprietary Fund Type - Enterprise Funds - Combining Balance Sheet
 As of December 31, 2002

	<i>Low Rent Public Housing</i>	<i>CGP</i>	<i>Capital Fund Program</i>	<i>Total</i>
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,002,741	\$ -	\$ -	\$ 1,002,741
Accounts Receivable - Tenant Dwelling Rents	10,027	-	-	10,027
Allowance for Doubtful Accounts - Dwelling Rents	(6,371)	-	-	(6,371)
Accrued Interest Receivable	1,189	-	-	1,189
Total Receivables, Net of Allowances	<u>4,845</u>	-	-	<u>4,845</u>
Prepaid Expenses and Other Assets	19,611	-	-	19,611
Inventories	4,170	-	-	4,170
Interprogram - Due From	-	-	-	-
Total Current Assets	<u>1,031,367</u>	-	-	<u>1,031,367</u>
Fixed Assets:				
Land	552,040	-	-	552,040
Buildings	10,464,347	-	-	10,464,347
Furniture, Equipment & Machinery - Dwellings	173,101	-	-	173,101
Furniture, Equipment & Machinery - Administration	182,450	-	-	182,450
Leasehold Improvements	2,026,266	-	-	2,026,266
Accumulated Depreciation	(10,285,357)	-	-	(10,285,357)
Construction In Progress	-	-	378,819	378,819
Total Fixed Assets, Net of Accumulated Depreciation	<u>3,112,847</u>	-	<u>378,819</u>	<u>3,491,666</u>
Total Assets	<u>\$ 4,144,214</u>	<u>\$ -</u>	<u>\$ 378,819</u>	<u>\$ 4,523,033</u>
<u>Liabilities and Equity</u>				
Liabilities:				
Current Liabilities (payable from current assets):				
Accounts Payable - Vendors	5,167	-	-	5,167
Accounts Payable - Other Governments	42,739	-	-	42,739
Accrued wage/payroll taxes payable	763	-	-	763
Accrued Compensated Absences, current	40,351	-	-	40,351
Tenant Security Deposits	19,695	-	-	19,695
Other Current Liabilities	77,379	-	-	77,379
Interprogram Due To	-	-	-	-
Total Current Liabilities (payable from current assets)	<u>186,094</u>	-	-	<u>186,094</u>
Total Liabilities	<u>186,094</u>	-	-	<u>186,094</u>
Equity:				
Net HUD PHA Contributions	2,828,285	-	-	2,828,285
Total Contributed Capital	<u>2,828,285</u>	-	-	<u>2,828,285</u>
Retained Earnings (Deficit)	1,129,835	-	378,819	1,508,654
Total Equity	<u>3,958,120</u>	-	<u>378,819</u>	<u>4,336,939</u>
Total Liabilities and Equity	<u>\$ 4,144,214</u>	<u>\$ -</u>	<u>\$ 378,819</u>	<u>\$ 4,523,033</u>

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
 Thibodaux, Louisiana
 Proprietary Fund Type - Enterprise Funds -
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
 For Fiscal Year Ended December 31, 2002

	<i>Low Rent Public Housing</i>	<i>CGP</i>	<i>Capital Fund Program</i>	<i>Total</i>
Operating Revenues:				
Net Tenant Rental Revenue	\$ 544,978	\$ -	\$ -	\$ 544,978
Tenant Revenue - Other	64,753	-	-	64,753
Other Revenue	2,488	-	-	2,488
Total Operating Revenues	612,219	-	-	612,219
Operating Expenses:				
Administrative Expenses	260,011	-	119,184	379,195
Tenant Services	1,301	-	-	1,301
Utilities	158,379	-	-	158,379
Ordinary Maintenance & Operation	406,683	-	-	406,683
General Expenses	145,251	-	-	145,251
Depreciation Expense	482,881	-	-	482,881
Total Operating Expenses	1,454,506	-	119,184	1,573,690
Operating Income (Loss)	(842,287)	-	(119,184)	(961,471)
Non-operating Revenues (Expenses)				
Federal Operating Grants	442,414	-	219,184	661,598
Federal Capital Grants	-	-	265,768	265,768
Investment Income	28,094	-	-	28,094
Casualty Losses	(2,130)	-	-	(2,130)
Total Non-operating Revenues (Expenses)	468,378	-	484,952	953,330
Income (Loss) Before Operating Transfers	(373,909)	-	365,768	(8,141)
Operating Transfers In (Out)				
Operating Transfers In	100,000	-	-	100,000
Operating Transfers Out	-	-	(100,000)	(100,000)
Total Operating Transfers In (Out)	100,000	-	(100,000)	-
Net Income (Loss)	(273,909)	-	265,768	(8,141)
Retained Earnings at Beginning of Year	675,371	236,863	113,051	1,025,285
Prior Period Adjustments, equity transfers, and correction of errors	728,373	(236,863)	-	491,510
Retained Earnings at End of Year	\$ 1,129,835	\$ -	\$ 378,819	\$ 1,508,654

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Schedule of Compensation Paid Board Members
For Fiscal Year Ended December 31, 2002

Board members serve without compensation.

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

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

I have audited the financial statements of the Housing Authority of the City of Thibodaux (the authority), as of and for the year ended December 31, 2002 and have issued my report thereon dated June 3, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of

HOUSING AUTHORITY OF THE CITY OF THIBODAUX

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

the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

 **William Daniel
McCaskill**
Signature
Valid

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William Daniel McCaskill, CPA
A Professional Accounting Corporation

June 3, 2003

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

I have audited the compliance of the Housing Authority of the City of Thibodaux (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 December 31, 2002. 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 each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

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

HOUSING AUTHORITY OF THE CITY OF THIBODAUX

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

In my opinion, the authority complied, in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control Over Compliance

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

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

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

 Digitally signed by
William Daniel
McCaskill
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Daniel McCaskill,
c=US
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William Daniel McCaskill, CPA
A Professional Accounting Corporation

June 3, 2003

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended December 31, 2002

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	\$ 442,414
14.859	Public Housing Comprehensive Grant Program	-
14.872	Public Housing Capital Fund Program	484,952
	Total Federal Expenditures	<u>\$ 927,366</u>

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended December 31, 2002

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana

Schedule of Current Audit Findings and Questioned Costs
Fiscal Year Ended December 31, 2002

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 disclosed during the audit of the financial statements are 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.
3. No instances of noncompliance material to the financial statements of authority, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions disclosed during the audit of internal control over major federal award programs are 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 auditor's report on compliance for the major federal award programs for the authority expresses an unqualified opinion on all major federal programs.
6. No audit findings are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:

14.872 Capital Fund Program
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority qualified as a low-risk auditee.

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Financial Data Schedule
For Fiscal Year Ended December 31, 2002

Line Item Number	Account Description	Low Rent Public Housing	CGP	Capital Fund Program	Total
111	Cash - unrestricted	\$ 983,046	\$ -	\$ -	\$ 983,046
114	Cash - tenant security deposits	19,695	-	-	19,695
110 Total Current Assets					
126	Accounts receivable - tenants - dwelling rents	10,027	-	-	10,027
126.1	Allowance for doubtful accounts - dwelling rents	(6,371)	-	-	(6,371)
129	Accrued interest receivable	1,189	-	-	1,189
	Allowance for doubtful accounts	845	-	-	845
142	Prepaid expenses and other assets	19,611	-	-	19,611
143	Inventories	4,170	-	-	4,170
110 Total Current Assets					
161	Land	552,040	-	-	552,040
162	Buildings	10,464,347	-	-	10,464,347
163	Furniture, equipment, and machinery - dwellings	173,101	-	-	173,101
164	Furniture, equipment, and machinery - administration	182,450	-	-	182,450
165	Leasehold improvements	2,026,266	-	-	2,026,266
166	Accumulated depreciation	(10,285,357)	-	-	(10,285,357)
167	Construction in progress	-	-	378,819	378,819
160 Total fixed assets, net of accumulated depreciation					
160 Total Non-Current Assets					
190 Total Assets					
312	Accounts payable < 90 days	\$ 5,167	\$ -	\$ -	\$ 5,167
321	Accrued wage/payroll taxes payable	763	-	-	763
322	Accrued compensated absences	40,351	-	-	40,351
333	Accounts payable - other government	42,739	-	-	42,739
341	Tenant security deposits	19,695	-	-	19,695
345	Other current liabilities	77,379	-	-	77,379
310 Total Current Liabilities					
353	Non-current liabilities - other	-	-	-	-
350 Total Non-current Liabilities					
300 Total Liabilities					
504	Net HUD PHA contributions	2,828,285	-	-	2,828,285
500 Total Contributed Capital					
512	Undesignated fund balance/retained earnings	1,129,835	-	378,819	1,508,654
510 Total Equity					
600 Total Liabilities and Equity					
703	Net tenant rental revenue	\$ 544,978	\$ -	\$ -	\$ 544,978
704	Tenant revenue - other	64,753	-	-	64,753
705 Total Tenant Revenue					
706	HUD PHA grants	442,414	-	219,184	661,598
706.1	Capital Grants	-	-	265,768	265,768
711	Investment income - unrestricted	28,094	-	-	28,094
715	Other revenue	2,488	-	-	2,488
700 Total Revenue					

HOUSING AUTHORITY OF THE CITY OF THIBODAUX
Thibodaux, Louisiana
Financial Data Schedule
For Fiscal Year Ended December 31, 2002

Line Item Number	Account Description	Low Rent Public Housing	CGP	Capital Fund Program	Total
911	Administrative salaries	149,482	-	-	149,482
912	Auditing fees	6,045	-	-	6,045
914	Compensated absences	1,652	-	-	1,652
915	Employee benefit contributions - administrative	60,385	-	-	60,385
916	Other operating - administrative	42,447	-	119,184	161,631
924	Tenant services - other	1,301	-	-	1,301
931	Water	24,400	-	-	24,400
932	Electricity	40,746	-	-	40,746
933	Gas	64,546	-	-	64,546
938	Other utilities expense	28,687	-	-	28,687
941	Ordinary maintenance and operations - labor	174,318	-	-	174,318
942	Ordinary maintenance and operations - materials	58,911	-	-	58,911
943	Ordinary maintenance and operations - contract	102,567	-	-	102,567
945	Employee benefit contributions - maintenance	70,887	-	-	70,887
961	Insurance premiums	91,056	-	-	91,056
962	Other general expenses	1	-	-	1
963	Payments in lieu of taxes	42,739	-	-	42,739
964	Bad debt - tenant rents	11,455	-	-	11,455
969	Total Operating Expenses	971,605	-	119,184	1,090,789
970	Excess Operating Revenues Over Operating Expenses	365,102	-	365,102	730,204
972	Casualty losses - non capitalized	2,130	-	-	2,130
974	Depreciation expense	482,881	-	-	482,881
990	Total Expenses	1,525,636	-	119,184	1,644,820
1001	Operating transfers in	100,000	-	-	100,000
1002	Operating transfers out	-	-	(100,000)	(100,000)
1003	Total Operating Transfers (net of transfers)	100,000	-	(100,000)	0
1005	Operating Revenues in Excess of (Under) Total Expenses	(273,534)	-	265,918	(7,616)
MEMO ACCOUNT INFORMATION					
1103	Beginning equity	3,503,656	554,793	113,051	4,171,500
1104	Prior period adjustments, equity transfers, and correction of errors	728,373	(554,793)	-	173,580
1120	Unit Months Available	3,672	-	-	3,672
1121	Number of unit months leased	3,608	-	-	3,608