

**Housing Authority of the Town of
Ponchatoula
Ponchatoula, Louisiana**

**General Purpose Financial Statements and
Independent Auditors Reports
As of and for the Year Ending June 30, 2001
With Supplemental Information Schedules**

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 1/16/02

*WILLIAM DANIEL McCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION*

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TABLE OF CONTENTS

Independent auditor's report and unqualified opinion on general purpose financial statements.

Exhibits– General purpose financial statements as of and for the fiscal year ending June 30, 2001:

- (A) Combined Balance Sheet for all funds
- (B) Combined Statement of Revenue, Expenses, and Change in Equity for all funds
- (C) Combined Statement of Cash Flows for all funds
- (D) Combined Statement of Revenues & Expenditures – Budget vs Actual for the general fund

Notes to the financial statements

Supplementary information schedules (GAAP):

- I Schedule of Expenditures of Federal Awards
- II Combining Balance Sheet for all funds
- III Combining Statement of Revenue, Expenses, and Change in Equity for all funds

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with governmental auditing standards

Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

Schedule of Prior Audit Findings

Schedule of Audit Adjusting Journal Entries

Schedule of Current Audit Findings and Questioned Costs

Schedule of Corrective Action Plan

**WILLIAM DANIEL McCASKILL, CPA
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**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

I have audited the accompanying general purpose financial statements of the Housing Authority of the Town of Ponchatoula (PHA) as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA'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 generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards required 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 Town of Ponchatoula as of June 30, 2001, and the results of its operations and the cash flows of its propriety fund types for the year ended in conformity with generally accepted accounting principles.

As discussed in note M to the financial statements, the PHA changed its method of accounting from the modified accrual to the full accrual method in FYE 6-30-2001.

In accordance with Government Auditing Standards, I have also issued a report dated December 6, 2001 on my consideration of the PHA'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 PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying Schedule of Expenditures of Federal Awards and Financial Data Schedule are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, 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.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.

William Daniel McCaskill, CPA
A Professional Accounting Corporation

December 6, 2001

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Combined Balance Sheet - All Funds
As of June 30, 2001**

EXHIBIT A
Page 1 of 1

Assets

Current Assets:

Cash and Cash Equivalents	\$	402,442
Total Accounts Receivable, Net of Allowance for Doubtful Accounts		22,210
Investments - Unrestricted		-
Interprogram Due From		17,041
Prepaid Expenses and Other Assets		16,322
Inventories		1,888
Total Current Assets	\$	459,903

Noncurrent Assets:

Total Fixed Assets, Net of Accumulated Depreciation	\$	1,643,704
Other Assets	\$	-
Total Noncurrent Assets	\$	1,643,704

Total Assets

\$ 2,103,607

Liabilities and Equity

Current Liabilities:

Accrued Compensated Absences	\$	54,841
Accrued Wage/Payroll Taxes Payable		2,761
Accounts Payable < 90 Days		-
Accounts Payable - HUD PHA Programs		5,094
Accounts Payable - Other Government		6,429
Tenant Security Deposits		17,417
Deferred Revenues		15,794
Current Portion of LT Debt - Capital Projects		-
Accrued Liabilities - Other		-
Interprogram Due To		17,041
Total Current Liabilities	\$	119,377

Total Noncurrent Liabilities

-

Total Liabilities

\$ 119,377

Total Fund Equity

\$ 1,984,230

Total Liabilities and Equity

\$ 2,103,607

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**
**Combined Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending June 30, 2001**

EXHIBIT B
Page 1 of 1

Revenues:	
Net Tenant Rental Revenue	\$ 187,313
HUD PHA Grants	307,530
Other Government Grants	-
Investment Income - Unrestricted	18,772
Other Revenue	(780)
Total Revenues	<u>\$ 512,835</u>
Operating Expenses:	
Administrative	\$ 139,920
Tenant Services	624
Utilities	40,542
Ordinary Maintenance & Operations	93,728
Extraordinary Maintenance	2,000
Insurance Premiums	28,851
Other General Expenses	23,933
Total Operating Expenses Before Depreciation	<u>\$ 329,598</u>
Excess Revenue Over Expenses Before Depreciation	\$ 183,237
Housing Assistance Payments	164,479
Depreciation Expense	236,617
Operating Transfers - In	
Operating Transfers - Out	
Net Operating Income (Loss) After Depreciation	<u>\$ (217,859)</u>
Beginning Equity @ June 30, 2000	\$ 355,911
Net Operating Income (Loss) After Depreciation	(217,859)
Prior Period Adjustments	1,846,178
Capital Outlays	-
Ending Equity @ June 30, 2001	<u>\$ 1,984,230</u>

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending June 30, 2001**

EXHIBIT C
Page 1

Cash flows from operating activities:		
Net Operating Income (Loss)	\$ (306,764)	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	-	
(Increase) Decrease in tenants accounts receivable	138	
(Increase) Decrease accounts receivable HUD	(9,039)	
(Increase) Decrease in misc accounts receivable	3,641	
(Increase) Decrease in prepaid items and other assets	(3,723)	
(Increase) Decrease in supplies inventory	(561)	
(Increase) Decrease in accrued interest receivable	(2,257)	
Increase (Decrease) in accounts payable	(4,864)	
Increase (Decrease) in accounts payable other government	(7,301)	
Increase (Decrease) in accounts payable HUD	(2,654)	
Increase (Decrease) in tenant security deposits	153	
Increase (Decrease) in accrued compensated absences	2,420	
Increase (Decrease) in wage/payroll taxes payable	2,341	
Increase (Decrease) in other payables and deferred revenue	(5,331)	
Net cash provided (used) by operating activities	<u>\$ (333,801)</u>	
 Cash flows from noncapital financing activities:		
Federal grants	\$ 301,841	
State or local grants	-	
Net cash provided (used) from noncapital financing activities	<u>301,841</u>	
 Cash flows from capital and related financing activities:		
Acquisition of capital assets - grants	\$ (5,689)	
Proceeds from grants	5,689	
Acquisition of capital assets - Low Rent	(28,884)	
Net cash provided (used) for capital and related financing activities	<u>(28,884)</u>	
 Cash flow from Investing activities:		
Investment income (interest income)	\$ 18,772	
Net cash provided (used) by investing activities	<u>18,772</u>	
Net increase (decrease) in cash and cash equivalents	\$ (42,072)	
Cash and cash equivalents at beginning of year	444,514	
Cash and cash equivalents at end of year (exhibit A)	<u>\$ 402,442</u>	
	 <u>\$ -</u>	

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Combined Statement of Revenues & Expenditures - Budget vs. Actual
Low Rent and Housing Choice Voucher Programs
For Fiscal Year Ending June 30, 2001**

EXHIBIT D
Page 1 of 1

	Low Rent Public Housing			Section 8 Housing Choice Vouchers		
	Budget	Actual	Variance Actual-Budget Over (Under)	Budget	Actual	Variance Actual-Budget Over (Under)
Revenues						
Local Sources:						
Total Tenant Rental Revenue	\$ 199,840	\$ 187,313	\$ (12,527)	\$ -	\$ -	\$ -
Investment Income - Unrestricted	10,120	17,128	7,008	1,644	1,644	1,644
Receipts from Sale of Equipment	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Federal Sources:						
Operating Subsidy / HUD PHA Grants	99,934	99,934	-	188,078	188,078	-
Annual Contributions	-	-	-	-	-	-
Total Revenues	\$ 309,894	\$ 304,375	\$ (5,519)	\$ 188,078	\$ 189,722	\$ 1,644
Expenditures						
Administrative	\$ 102,000	\$ 91,572	\$ (10,428)	\$ 26,350	\$ 19,151	\$ (7,199)
Tenant Services	2,000	624	(1,376)	-	-	-
Utilities	38,010	40,542	2,532	-	-	-
Ordinary Maintenance & Operations	93,020	81,613	(11,407)	935	935	935
Employee Benefit Contributions	30,920	27,803	(3,117)	-	-	-
Other General Expenses	42,740	39,599	(3,141)	1,550	1,550	1,550
Payments in Lieu of Taxes	14,990	12,857	(2,133)	-	-	-
Nonroutine Maintenance	2,000	2,000	-	-	-	-
Capital Expenditures	28,950	28,885	(65)	-	-	-
Housing Assistance Payments	-	-	-	161,728	164,479	2,751
Total Expenditures	\$ 354,630	\$ 325,495	\$ (29,135)	\$ 188,078	\$ 186,114	\$ (1,964)
Excess Revenues (Deficiency) Over Expenses	\$ (44,736)	\$ (21,120)	\$ 23,616	\$ -	\$ 3,608	\$ 3,608

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

Housing Authorities are chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Ponchatoula, Louisiana. This creation was contingent upon the local governing body of the city, county, or parish as applicable. A five member Board of Commissioners governs the PHA. The members, appointed by the Mayor of Ponchatoula, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of 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 PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

NOTE A - FINANCIAL REPORTING:

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of June 30, 2001, and for the fiscal then ended, the PHA had no discretely presented component units or any component units that are required to be blended in these financial statements.

(2) Accounting Principle

The PHA uses the governmental GAAP enterprise method of accounting.

The enterprise method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The enterprise method recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable.

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

Depreciation expense must be recognized for the enterprise method of accounting. Under the HUD regulatory method of accounting, depreciation was not recognized.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(3) Budgetary Data

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

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS:

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at June 30, 2001. The categories are described as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3: Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category 1	Category 2	Category 3
\$402,442	\$100,000	\$ -0-	\$302,442

NOTE C - ACTIVITIES OF THE PHA:

At June 30, 2001, the PHA was managing Low Rent program, Housing Choice Vouchers program and a Capital Fund Program.

NOTE D - CONTINGENCIES:

The entity 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 E - FIXED ASSETS:

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Non-dwelling structures	20 Years
Equipment	3-7 Years

Low Rent	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Land	\$78,941	\$	\$	\$78,941
Buildings	4,517,564	194,188	3,071,321	1,446,243
Furniture & Equipment – Dwellings	63,169	3,969	52,907	10,262
Furniture & Equipment – Administration	56,950	12,802	53,874	3,076
Leaschold Improvements	573,317	25,308	473,824	99,493
TOTAL	\$5,289,941	\$236,267	\$3,651,926	\$1,638,015

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

Housing Choice Vouchers	Cost	Current Depreciation	Accumulated Depreciation	Net Value	Asset
Furniture & Equipment Administration	\$876	\$351	\$876	\$0	
TOTAL	\$876	\$351	\$876	\$0	

The capitalization limit is \$5,000.

All land and building 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.

NOTE F - LONG-TERM DEBT:

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the authority, and accordingly, have not been reported in the accompanying financial statements. The amount of this debt that has been reclassified to HUD Equity is \$ 682,584.

NOTE G - RETIREMENT PLAN:

The entity provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-month exclusionary period. The employee contributes 5% and the entity contributes 8% of the employee's base monthly salary. The entity's contributions for each employee (and interest allocated to the employee's account) vest at 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll for the fiscal year ending June 30, 2001 was \$ 105,768. The entity's contributions were calculated using the base salary amount of 105,768. Contributions to the plan were \$5,288 and \$8,461 by the employees and the entity, respectively.

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

NOTE H - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

NOTE I - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with 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.

NOTE J – PRIOR PERIOD ADJUSTMENTS

	<i>Low Rent</i>	<i>Section 8 Vouchers</i>	<i>Section 8 Certificates</i>	<i>Housing Choice Vouchers</i>
<i>Equity Transfer</i>		\$ (7,683)	\$ (27,921)	\$ 35,604
<i>Equity correction from modified accrual to full accrual – see note M to the financial statements</i>	\$ 1,846,178			

NOTE K – INTERFUND RECEIVABLES / PAYABLES:

Program	
Capital Fund Program	\$ 17,041
Low Rent Program	\$ (17,041)

NOTE L - COMPENSATED ABSENCES:

At June 30, 2001, employees of the PHA have accumulated and vested \$54,841 of employee leave benefits, computed in accordance with GASB Codification Section C60.

NOTE M – CHANGE OF ACCOUNTING METHOD

As of 6-30-2000, the PHA's accountant reported the financial statements under the full accrual method of accounting. The auditor for that period changed the reporting to the modified accrual method for the audit report and for reporting to HUD. As of 6-30-2001, the PHA's accountant reported the PHA's financial statements under the full accrual method.

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Expenditures of Federal Awards
For Fiscal Year Ending June 30, 2001**

SCHEDULE I
Page 1 of 1

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	99,934
14.871	Housing Choice Vouchers	190,555
14.872	Public Housing Capital Fund Program	17,041
Total Federal Expenditures		<u>\$ 307,530</u>

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Combining Balance Sheet - All Funds
As of June 30, 2001**

SCHEDULE II
Page 1 of 2

	<i>Public Housing</i>		<i>Section 8 Programs</i>			<i>Total</i>
	<i>Low Rent</i>	<i>Capital Fund Program</i>	<i>Choice Vouchers</i>	<i>Rental Vouchers</i>	<i>Rental Certificate</i>	
Assets						
Current Assets:						
Cash - Unrestricted	\$ 306,570	\$ -	\$ 78,455			\$ 385,025
Cash - Restricted	17,417	-	-			17,417
Total Cash	\$ 323,987	\$ -	\$ 78,455	\$ -	\$ -	\$ 402,442
Accounts Receivable - PHA Projects						\$ -
Accounts Receivable - HUD Other Projects		17,041	2,477			19,518
Accounts Receivable - Other Government						-
Accounts Receivable - Miscellaneous						-
Accounts Receivable - Tenants Dwelling Rents	435					435
Allowance for Doubtful Accounts - Dwelling Rents						-
Accrued Interest Receivable	2,257					2,257
Total Accounts Receivable, Net of Allowance	\$ 2,692	\$ 17,041	\$ 2,477	\$ -	\$ -	\$ 22,210
Interprogram Due From	\$ 17,041					\$ 17,041
Investments- unrestricted						\$ -
Prepaid Expenses and Other Assets	16,322					16,322
Inventories	1,888					1,888
Total Other Assets	\$ 35,251	\$ -	\$ -	\$ -	\$ -	\$ 35,251
Total Current Assets	\$ 361,930	\$ 17,041	\$ 80,932	\$ -	\$ -	\$ 459,903
Noncurrent Assets:						
Land	\$ 78,941					\$ 78,941
Buildings	4,517,564					4,517,564
Furniture, Equipment & Machinery - Dwellings	63,169					63,169
Furniture, Equipment & Machinery - Administration	56,950		876			57,826
Leasehold Improvements	573,317					573,317
Accumulated Depreciation	(3,651,926)		(876)			(3,652,802)
Construction In Progress		5,689				5,689
Total Fixed Assets, Net of Accumulated Depreciation	\$ 1,638,015	\$ 5,689	\$ -	\$ -	\$ -	\$ 1,643,704
Other Assets		\$ -	\$ -	\$ -	\$ -	\$ -
Total Noncurrent Assets	\$ 1,638,015	\$ 5,689	\$ -	\$ -	\$ -	\$ 1,643,704
Total Assets	\$ 1,999,945	\$ 22,730	\$ 80,932	\$ -	\$ -	\$ 2,103,607

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana
Combining Balance Sheet - All Funds
As of June 30, 2001**

SCHEDULE II
Page 2 of 2

	<u>Public Housing</u>		<u>Section 8 Programs</u>			Total
	<u>Low Rent</u>	<u>Capital Fund Program</u>	<u>Choice Vouchers</u>	<u>Rental Vouchers</u>	<u>Rental Certificate</u>	
Liabilities and Equity						
Current Liabilities:						
Accrued Compensated Absences	\$ 31,061		\$ 23,780			\$ 54,841
Accrued Wage/Payroll Taxes Payable	2,742		19			2,761
Accounts Payable < 90 Days						-
Accounts Payable - HUD PHA Programs	5,094					5,094
Accounts Payable - Other Government	6,429					6,429
Tenant Security Deposits	17,417					17,417
Deferred Revenues			15,794			15,794
Current Portion of LT Debt - Capital Projects						-
Accrued Liabilities - Other						-
Interprogram Due To		17,041				17,041
Total Current Liabilities	\$ 62,743	\$ 17,041	\$ 39,593	\$ -	\$ -	\$ 119,377
Noncurrent Liabilities:						
Long-term Debt, Net of Current - Capital Projects						\$ -
Noncurrent Liabilities - Other						-
Total Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ 62,743	\$ 17,041	\$ 39,593	\$ -	\$ -	\$ 119,377
Equity:						
Project Notes (HUD)						\$ -
Long-term Debt - HUD Guaranteed	682,584					682,584
Net HUD PHA Contributions	967,885					967,885
Other Contributions						-
Total Contributed Capital	\$ 1,650,469	\$ -	\$ -	\$ -	\$ -	\$ 1,650,469
Undesignated Fund Balance/Retained Earnings	286,733	5,689	41,339			333,761
Total Equity	\$ 1,937,202	\$ 5,689	\$ 41,339	\$ -	\$ -	\$ 1,984,230
Total Liabilities and Equity	\$ 1,999,945	\$ 22,730	\$ 80,932	\$ -	\$ -	\$ 2,103,607

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

SCHEDULE III

Page 1 of 2

**Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending June 30, 2001**

	<i>Public Housing</i>		<i>Section 8 Programs</i>			<i>Total</i>
	<i>Low Rent</i>	<i>Capital Fund Program</i>	<i>Choice Vouchers</i>	<i>Rental Voucher</i>	<i>Rental Certificate</i>	
Revenues:						
Net Tenant Rental Revenue	\$ 169,112	\$ -	\$ -	\$ -	\$ -	\$ 169,112
Net Tenant Revenue - Other	18,201	-	-	-	-	18,201
Total Tenant Rental Revenue	\$ 187,313	\$ -	\$ -	\$ -	\$ -	\$ 187,313
HUD PHA Grants	\$ 99,934	\$ 17,041	\$ 190,555			\$ 307,530
Other Government Grants						-
Investment Income - Unrestricted	17,128		1,644			18,772
Gain/Loss on sale of Fixed Assets	(780)					(780)
Total Other Revenue	\$ 116,282	\$ 17,041	\$ 192,199	\$ -	\$ -	\$ 325,522
Total Revenue	\$ 303,595	\$ 17,041	\$ 192,199	\$ -	\$ -	\$ 512,835
Operating Expenses:						
Administrative Salaries	\$ 59,177		\$ 10,442			\$ 69,619
Auditing Fees	600		600			1,200
Compensated Absences	3,382					3,382
Employee Benefit Contributions-Administrative	16,624		1,221			17,845
Other Operating - Administrative	28,413	11,352	8,109			47,874
Tenant Services-Salaries						-
Employee Benefit Contributions-Tenant Services						-
Tenant Services-Other	624					624
Water	9,900					9,900
Electricity	5,785					5,785
Gas	1,754					1,754
Other Utilities Expense	23,103					23,103
Ordinary Maintenance & Operations-Labor	36,149					36,149
Ordinary Maintenance & Operations-Materials	12,359					12,359
Ordinary Maintenance & Operations-Contract	33,105		935			34,040
Employee Benefit Contributions-Maintenance	11,180					11,180
Insurance Premiums	28,523		328			28,851
Protective Services - other	11,076					11,076
Extraordinary Maintenance	2,000					2,000
Payments in Lieu of Taxes	12,857					12,857
Bad Debt - Tenant Rents						-
Interest Expense						-
Total Operating Expenses Before Depreciation	\$ 296,611	\$ 11,352	\$ 21,635	\$ -	\$ -	\$ 329,598

See notes to financial statements

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

SCHEDULE III

Page 2 of 2

**Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending June 30, 2001**

	<i>Public Housing</i>		<i>Section 8 Programs</i>			<i>Total</i>
	<i>Low Rent</i>	<i>Capital Fund Program</i>	<i>Choice Vouchers</i>	<i>Rental Voucher</i>	<i>Rental Certificate</i>	
Excess Revenue Over Expenses Before Depreciation	\$ 6,984	\$ 5,689	\$ 170,564	\$ -	\$ -	\$ 183,237
Housing Assistance Payments			164,479			164,479
Depreciation Expense	236,267		350			236,617
Operating Transfers - In						-
Operating Transfers - Out						-
Net Operating Income (Loss) After Depreciation	<u>\$ (229,283)</u>	<u>\$ 5,689</u>	<u>\$ 5,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (217,859)</u>
Beginning Equity @ June 30, 2000	\$ 320,307			\$ 7,683	\$ 27,921	\$ 355,911
Net Operating Income (Loss) After Depreciation	(229,283)	5,689	5,735	-	-	(217,859)
Prior Period Adjustments	1,846,178		35,604	(7,683)	(27,921)	1,846,178
Capital Outlays Enterprise Fund						-
Ending Equity @ June 30, 2001	<u>\$ 1,937,202</u>	<u>\$ 5,689</u>	<u>\$ 41,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,984,230</u>

See notes to financial statements

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

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

I have audited the financial statements of the Housing Authority of the Town of Ponchatoula (PHA), as of and for the year ended June 30, 2001 and have issued my report thereon dated December 6, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA'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 PHA'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 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 audit committee, 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 6, 2001

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**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 Town of Ponchatoula
Ponchatoula, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the Town of Ponchatoula (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. The PHA'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 PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with: generally accepted auditing standards; 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 PHA'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 PHA's compliance with those requirements.

In my opinion, the PHA's complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the PHA 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 PHA'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 audit committee, management, and 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 6, 2001

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings in the prior audit.

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

SCHEDULE OF AUDIT ADJUSTING JOURNAL ENTRIES

NONE

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS***

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. There were no reportable conditions in internal controls found that are required to be disclosed at the financial statement level.
- iii. The audit disclosed no noncompliance that is material to the financial statements.
- iv. No reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was unqualified.
- vi. The report disclosed no audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

<u>CFDA#</u>	<u>Name of Program</u>
14.871	Housing Choice Vouchers

- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
 - ix. The auditee was considered a low risk auditee.
2. Finding relating to the financial statements required to be reported with GAGAS are as follows: NONE
3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a all with HUD oversight: NONE

**Housing Authority of the Town of Ponchatoula
Ponchatoula, Louisiana**

SCHEDULE OF CORRECTIVE ACTION PLAN

None