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**CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2004  
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 12-15-04

**WILLIAM R. HULSEY, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

**MONROE, LOUISIANA**

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

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CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Caldwell Parish Housing Authority  
Columbia, Louisiana

I have audited the accompanying general-purpose financial statements of the Caldwell Parish Housing Authority for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

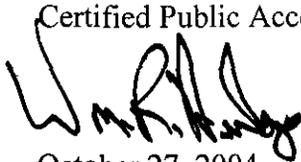
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform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

In my opinion, the general-purpose financial statements present fairly, in all material respects, the financial position of Caldwell Parish Housing Authority, as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated November 6, 2004 on my consideration of Caldwell Parish Housing Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedule of Expenditures of Federal Awards, and the Financial Data Schedule is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the Caldwell Parish Housing Authority. Such information has been subjected to the auditing procedures applied in the audit of the Caldwell Parish Housing Authority, and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

WILLIAM R. HULSEY, CPA  
Certified Public Accountant



October 27, 2004

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
BALANCE SHEET - ENTERPRISE FUND BASIS  
MARCH 31, 2004

Current assets:

Cash and cash equivalents	\$	10,777
Accounts receivable, net of allowance		41,698
Accounts receivable, HUD		51,682
Accounts receivable - CFP		84,883
Prepaid insurance		29,894
Inventory - office supplies		351
Interprogram - due from		111,161
Other assets		-
		-
Total current assets		330,446

Fixed assets:

Land		75,495
Building		4,115,942
Furniture, equipment & machinery		238,614
Leasehold improvements		928,177
Construction in progress		99,323
		5,457,551
Less: Accumulated depreciation		(4,444,550)

Net fixed assets		1,013,001
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>1,343,447</b>

Current liabilities:	
Bank overdraft	\$ 24,975
Accounts payable	26,758
Tenant's security deposits	8,150
Accrued payroll expenses	846
Accounts payable - HUD	-
Compensated absences	3,980
Interprogram - due to	111,161
Prepaid annual contributions	<u>-</u>
Total current liabilities	<u>175,870</u>
Non-current liabilities:	
Compensated absences	<u>17,353</u>
Total non-current liabilities	<u>17,353</u>
Total liabilities	<u>193,223</u>
Fund Equity:	
Total contributed capital	783,991
Retained earnings	<u>366,233</u>
Total fund equity	<u>1,150,224</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 1,343,447</u></u>

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

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - ENTERPRISE FUND  
FOR THE YEAR ENDED MARCH 31, 2004

Revenues:	
Dwelling rental	\$ 122,874
Excess utilities	253
HUD PHA operating grants	80,661
Capital grants	73,961
Other revenue	<u>1,671</u>
 TOTAL REVENUE	 <u>279,420</u>
 Operating revenues:	
Administration	182,493
Utilities	46,523
Maintenance	123,439
General expenses	123,216
Depreciation	215,624
Housing assistance payments	<u>380,270</u>
 TOTAL OPERATING EXPENSES	 <u>1,071,565</u>
 Net operating income (loss)	 (792,145)
 Retained earnings, March 31, 2003	 1,060,116
Prior year adjustments	<u>98,262</u>
 Retained earnings, March 31, 2004	 <u>366,233</u>
 Net HUD contributions, March 31, 2003	 243,881
Prior year adjustments	(98,675)
Current year addition	<u>638,785</u>
 Net HUD contribution, March 31, 2004	 <u>783,991</u>
 TOTAL FUND EQUITY, MARCH 31, 2004	 <u>\$ 1,150,224</u>

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

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2003

Cash flows from operating activities:	
Net decrease in fund equity	\$ (792,145)
Other balances restated	-
Adjustments to reconcile net increase in fund balance to net cash provided in operating activities:	
Depreciation	215,624
Changes in operating assets & liabilities:	
(Increase) decrease in inventory	852
(Increase) decrease in prepaid expenses	(27,210)
(Increase) decrease in other assets	-
(Increase) decrease in receivables	(9,356)
Increase (decrease) in accrued payroll taxes	(891)
Increase (decrease) in accrued compensated absences	2,931
Increase (decrease) in accounts payable	25,171
Increase (decrease) in tenant's security deposits	700
Increase (decrease) in bank overdraft	17,831
Increase (decrease) in non-current liabilities-other	(1,500)
Increase (decrease) in prepaid annual contributions	
Increase (decrease) in contributed capital	<u>638,785</u>
Net cash used by operating activities	<u>70,792</u>
Cash flows used by investing activities	
Purchase of fixed assets	<u>(75,158)</u>
Net cash used in investing activities	<u>(75,158)</u>
Net increase (decrease) in cash	(4,366)
Cash, beginning of year	<u>15,143</u>
Cash, end of year	<u><u>\$ 10,777</u></u>

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

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary housing and related facilities for eligible low-income families and the elderly. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members serve a staggered term of four years.

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 Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Caldwell Parish Housing Authority have been prepared in conformity with generally accepted accounting principles (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.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the Parish of Caldwell since the Parish of Caldwell appoints a voting majority of the Housing Authority's governing board. The Parish of Caldwell is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Parish of Caldwell. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Parish of Caldwell.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing 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, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the Housing 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 Housing Authority.
2. Organizations for which the Housing Authority does not appoint a voting majority but are fiscally dependent on the Housing 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.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The full accrual basis of accounting is used. The following practices in recording revenues and expenses are used:

Revenues

Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenses have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

Expenses

Salaries are recorded as expenses when incurred.

Purchases of various operating supplies are recorded as expenses in the accounting period they are consumed.

Principal and interest on debt are recognized when incurred.

Substantially all other expenses are recognized when the related fund liability has been incurred.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Deferred Revenues

The Housing Authority reports deferred revenues, if any, on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Budgets and Budgetary Accounting

Annual budgets are prepared. Periodic comparison reports are prepared and actual expenses are compared to budgeted amounts. These reports are prepared to assist management in controlling the day-to-day operation of the Housing Authority.

The Authority is required by its HUD Annual Contributions Contracts 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.

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing 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 their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined on information available at the time which would indicate the uncollectibility of the accounts receivable.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Fixed Assets

Fixed assets are recorded at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized.

Tenant Receivables

Receivables for rentals and services charges are reported on the balance sheet, net of allowance for doubtful accounts.

Compensated Absences

Employees earn annual leave based upon years of services, and may accrue up to 300 hours. Sick time is earned but not accrued since it is dependent upon a future event. Upon termination

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

all accrued vacation time is paid. At March 31, 2004 the CPHA had a liability of \$21,333. Only the \$1,432 increase is recognized as a current year expense in these financial statements.

Reserves

Reserves represent those portions of fund equity not appropriable for expenses or legally segregated for a specific future use.

Income Taxes

No provision is made for income taxes since the Caldwell Parish Housing Authority is a governmental entity in the State of Louisiana.

NOTE 2 - USE OF ESTIMATES IN THE 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 3 - CASH AND CASH EQUIVALENTS

At March 31, 2004, the Housing Authority had cash and cash equivalents totaling \$16,843 as follows:

Cash on hand	\$ 50
Carrying amount of deposits	<u>10,727</u>
Total	<u>\$ 10,777</u>
Cash and cash equivalents	\$ 2,627
Cash and cash equivalents - restricted	<u>8,150</u>
Total	<u>\$ 10,777</u>

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2004

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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.

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 March 31, 2004. 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 trust department, or its agent, pledged to the PHA, but not in the PHA's name.

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

Total Bank Balances	Category		
	1	2	3
\$ 14,471	\$ 14,471	\$ -	\$ -

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2004

NOTE 4 – ACTIVITIES OF THE PHA

At the March 31, 2004, the CPHA was managing 116 units of low-rent in one project under Program FW-2063 and 114 units of Section 8 under Program FW-2124.

NOTE 5 - RECEIVABLES

The receivables at March 31, 2004 are as follows:

Local Sources:

Tenants	\$ 55,597	
Less: Allowance for doubtful accounts	<u>(13,899)</u>	
Total Accounts Receivable – Tenants		\$ 41,698

Federal sources:

Accounts Receivable – HUD	\$ 51,682	
- HUD 2002 CFP	<u>84,883</u>	
Total Accounts Receivable - HUD		<u>\$136,565</u>

TOTAL RECEIVABLES	<u>\$178,263</u>
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NOTE 6 - FIXED ASSETS

As stated in Note 1, 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

Site improvements	15 Years
Building	33 Years
Buildings improvements	15 Years
Nondwelling structures	15 Years
Equipment	3 to 7 Years

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 6 - FIXED ASSETS(Continued)

The changes in general fixed assets are as follows

	Balance March 31, 2003	<u>Additions</u>	<u>Deletions</u>	Balance March 31, 2004
Land	\$ 75,495	\$ -	\$ -	\$ 75,495
Building and improvements	4,115,942	-	-	4,115,942
Leasehold improvements	928,177	-	-	928,177
Furniture, equipment and machinery	237,415	1,199	-	238,614
Construction in progress	<u>99,323</u>	<u>-</u>	<u>-</u>	<u>99,323</u>
Total	<u>\$5,456,352</u>	<u>\$ 1,199</u>	<u>\$ -</u>	<u>\$5,457,551</u>

NOTE 7 - SECURITY DEPOSIT ACCOUNT

At March 31, 2004, the security deposit account had a balance of \$11,425 and tenant security deposits totaled \$ 8,150.

NOTE 8 - COMMITMENTS AND 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.

According to the District Attorney's office, there was no pending or threatened litigation at March 31, 2004.

NOTE 9 - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 10 - PENSION PLAN

The Housing-Renewal and Local Agency Retirement Plan was formed effective January 1, 1970 under an agreement between the Metropolitan Development and Housing Agency, Nashville, Tennessee (formerly the Nashville Housing Authority) as sponsoring employer and certain trustees for the purpose of establishing a retirement system providing benefits for employees of the sponsoring employer and such other employers as may elect to participate in the Plan. In addition to retirement benefits, the Plan provides certain benefits for those members who die or become disabled prior to retirement.

From the effective date the Plan Administrator has been William M. Mercer, Inc.

All contributions into and disbursements from the trust fund flow through the trust department of the custodial bank, P.N.C. Bank of Kentucky. All financial transactions of the trust are recorded daily. Distribution instructions may only be made by the Plan Administrator. The individual trustees neither receive contributions nor implement disbursements. Asset and individual participant account balances are updated and reconciled monthly by the Plan Administrator.

Plan Description

The Plan is a defined contribution retirement plan covering essentially all employees of the various participating employers. Since the participating employers are all governmental units, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, except for the contribution limitations of Section 415.

The Plan and Trust are qualified under Section 401(a) of the Internal Revenue Code and their income is exempt from taxation under Section 501(a) of the Code.

The Plan is funded by employer contributions and in some cases, employee contributions. The rates of contributions are determined by the various joinder agreements of the participating employers.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 10 – PENSION PLAN(Continued)

Terminated or retiring participants are entitled to certain benefits including the full amount of their contributions to the Plan as well as earnings on their contributions. In addition to the amount of their contribution, each participant is entitled to the portion of the employer's contributions in which he or she has a vested interest. Vesting provisions are determined in accordance with the participating employers' joinder agreement. If a participating employee shall be determined to be totally and permanently disabled, or if an active participating employee should die prior to retirement, or a participant upon attaining normal retirement age as specified in the employer's joinder agreement, then the employee or their designated beneficiary shall be entitled to the full value of the participant's account. Benefits are payable in the form of lump sum cash settlements or purchased annuities, depending upon the election of the participant. Effective January 1, 1989 the non-vested portion of a terminated participants's account which arose prior to January 1, 1989, will be used first to pay the administrative expense of the plan and the balance to reduce the employer contributions in succeeding plan years.

The non-vested portion of a terminated participant's account, which arose after January 1, 1989, shall be applied in the same manner as pre-January 1, 1989 amounts. However, for any forfeitures remaining as of the December 31 monthly valuation date after payment of the applicable employer's expenses, the employer may elect in its Joinder Agreement to have those forfeitures reallocated among its eligible participating employees. The total amount of assets for the plan year ended March 31, 2004, was \$ 345,757.

If the Plan is terminated or contributions under the Plan are discontinued, the participating employees are entitled to benefits accrued to the date of such termination or discontinuance to the extent funded and/or to the amounts credited to the employees' accounts.

Funding Policy

The Housing Authority's total payroll for the year ended March 31, 2004 was \$156,356 of which \$156,356 was the covered payroll for employees in the Housing - Renewal and Local Agency Retirement Plan. The Housing Authority contributes 14.5%. The Housing Authority has 5 employees covered under this retirement system. The contribution requirement was \$22,672 all of which was the employers' portion.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

NOTE 11 – ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE 12 – SUBSEQUENT EVENT

The Caldwell Parish Housing Authority entered into a Memorandum Of Agreement on July 1, 2004, with HUD for the purpose of developing the management operation that will function efficiently and meet the requirements of PHA's, which means a PHA score of 60% or above, as required by Federal Regulation 1712.

HUD has conducted an initial assessment, which provided recommendations for management improvements necessary to eliminate or substantially remedy existing deficiencies.

SUPPLEMENTAL INFORMATION

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED MARCH 31, 2004

GENERAL

Compensation Paid To Board Members

The members of the Board of Commissioners serve without compensation.

Federal Financial Awards Programs

In accordance with Office of Management and Budget (OMB) Circular A-133, a schedule of federal awards is presented.

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 SCHEDULE OF FEDERAL AWARDS  
 FOR THE YEAR ENDED MARCH 31, 2004

<u>Federal Grantor/Pass Through Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Program/ Award Amount</u>
U.S. Department of Housing and Urban Development Direct programs:			
Section 8 Rental Voucher	14.177	FW-2269	\$ 437,648 *
Low Income Housing	14.156	FW-2063	<u>201,137</u>
Total			<u>\$ 638,785</u>

\* Major Federal Financial Assistance Program

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AMERICAN INSTITUTE OF  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Caldwell Parish Housing Authority  
Columbia, Louisiana

**Compliance**

I have audited the compliance of Caldwell Parish Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2004. Caldwell Parish Housing Authority's major federal programs are identified in the schedule of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Caldwell Parish Housing Authority's management. My responsibility is to express an opinion on Caldwell Parish Housing Authority'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 Caldwell Parish Housing 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 Caldwell Parish Housing Authority's compliance with those requirements.

In my opinion, Caldwell Parish Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2004. The results of my auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

**Internal Control Over Compliance**

The management of Caldwell Parish Housing 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 Caldwell Parish Housing Authority's internal control over compliance with requirements that could have a direct and material effect of a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted 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 management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which, upon acceptance by Caldwell Parish Housing Authority, is a matter of public record.

WILLIAM R. HULSEY  
Certified Public Accountant



October 27, 2004

**WILLIAM R. HULSEY**

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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 GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Caldwell Parish Housing Authority  
Columbia, Louisiana

I have audited the financial statements of Caldwell Parish Housing Authority, as of and for the year ended March 31, 2004, and have issued my report thereon dated November 6, 2004. I conducted my audit in accordance with generally accepted auditing standards 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 Caldwell Parish Housing Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Caldwell Parish Housing 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 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 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 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 management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which, upon acceptance by Caldwell Parish Housing Authority, is a matter of public record.

WILLIAM R. HULSEY  
Certified Public Accountant



October 27, 2004

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 2004

Current year audit findings.

**FINDING 04-01**

Audit report was not issued timely.

Cause Of Condition

Information required by auditor was not timely returned by Management and fee accountant.

Recommendation

Have books and records available to auditor at least three months after year end.

Corrective Action Plan and Response 04-01

Management will comply with the above recommendation.

**FINDING 04-02**

Internal Revenue Forms 941 were not timely filed.

Cause of Condition

Management did not adhere to deadlines.

Recommendation

File Form 941's no later than due date.

Corrective Action Plan and Response 04-02

Management will comply with the above recommendation.

**FINDING 04-03**

There was approximately \$ 5,733 paid in fees for non-sufficient funds in the Low Rent account and approximately \$ 468 paid through Section 8.

Cause of Condition

Funds were not transferred when disbursements were made.

Recommendation

Management should adopt cash management procedures to make sure transfers are made timely to avoid NSF charges.

Corrective Action Plan and Response 04-03

Management will comply with the above recommendation.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 2004

*There were no prior year audit findings for the year ended March 31, 2003.*

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED MARCH 31, 2004

Section I- Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	Yes
Reportable condition (s) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	Yes
Reportable condition (s) identified that are not considered to be material weakness (es)?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	Yes
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified at low-risk auditee?	No

Section II- Financial Statement Findings

There are financial statement findings reported for the audit period ended March 31, 2004.  
 See page 25.

Section III- Federal Award Findings and Questioned Costs

See Summary Schedule of Current Year Audit Findings page 25.

Caldwell Parish Housing Authority  
 Financial Data Schedule  
 For the Year Ended March 31, 2004

Line Item #	Account Description	Low Rent	Section 8 Housing Choice Vouchers	Capital Fund Program	Section 8 Rental Cert. Prgm./ Exist. Housing	TOTAL
111	Cash - unrestricted	50	2,577	-	-	2,627
114	Cash - tenant security deposits	8,150	-	-	-	8,150
100	Total Cash	8,200	2,577	-	-	10,777
122	Accounts receivable - HUD other projects	-	51,682	84,883	-	136,565
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants - dwelling rents	55,597	-	-	-	55,597
126.1	Allowance for doubtful accounts - dwelling rents	(13,899)	-	-	-	(13,899)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	41,698	51,682	84,883	-	178,263
131	Investments- unrestricted	-	-	-	-	-
142	Prepaid expenses and other assets	29,894	-	-	-	29,894
143	Inventories	351	-	-	-	351
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Interprogram - due from	111,161	-	-	-	111,161
150	Total current assets	191,304	54,259	84,883	-	330,446
161	Land	75,495	-	-	-	75,495
162	Buildings	4,115,942	-	-	-	4,115,942
163	Furniture, equipment & machinery - dwellings	104,499	-	19,840	-	124,339
164	Furniture, equipment & machinery - administration	90,424	1,434	22,417	-	114,275
165	Leasehold improvements	928,177	-	-	-	928,177
166	Accumulated depreciation	(4,431,871)	(1,434)	(11,245)	-	(4,444,550)
167	Construction in progress	-	-	99,323	-	99,323
160	Total fixed assets, net of accumulated depreciation	882,666	-	130,335	-	1,013,001
180	Total Non-Current Assets	882,666	-	130,335	-	1,013,001
190	Total Assets	1,073,970	54,259	215,218	-	1,343,447

Caldwell Parish Housing Authority  
 Financial Data Schedule  
 For the Year Ended March 31, 2004

Line Item #	Account Description	Low Rent	Section 8 Housing Choice Vouchers	Capital Fund Program	Section 8 Rental Cert. Prgm./ Exist. Housing	TOTAL
311	Bank Overdraft	24,975	-	-	-	24,975
312	Accounts payable < 90 days	26,712	46	-	-	26,758
321	Accrued wage/payroll taxes payable	846	-	-	-	846
322	Accrued compensated absences- current	3,605	375	-	-	3,980
341	Tenant security deposits	8,150	-	-	-	8,150
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities- other	-	-	-	-	-
347	Interprogram due to	-	26,278	84,883	-	111,161
310	Total current liabilities	64,288	26,699	84,883	-	175,870
354	Accrued compensated absences- noncurrent	15,618	1,735	-	-	17,353
353	Other noncurrent liabilities	-	-	-	-	-
350	Total noncurrent liabilities	15,618	1,735	-	-	17,353
300	Total liabilities	79,906	28,434	84,883	-	193,223
504	Net HUD PHA contributions	783,991	-	-	-	783,991
508	Total contributed capital	783,991	-	-	-	783,991
511	Total reserved fund balance	-	-	-	-	-
512	Undesignated fund balance/retained earnings	210,073	25,825	130,335	-	366,233
513	Total equity/net assets	994,064	25,825	130,335	-	1,150,224
600	Total liabilities and equity/net assets	1,073,970	54,259	215,218	-	1,343,447

Caldwell Parish Housing Authority  
 Financial Data Schedule  
 For the Year Ended March 31, 2004

Line Item #	Account Description	Low Rent	Section 8 Housing Choice Vouchers	Capital Fund Program	Section 8 Rental Cert. Prgm./ Exist. Housing	TOTAL
703	Net tenant rental revenue	122,874	-	-	-	122,874
704	Tenant revenue - other	253	-	-	-	253
705	Total tenant revenue	123,127	-	-	-	123,127
706	HUD PHA operating grants	201,137	437,648	80,661	-	719,446
706.1	Capital grants	-	-	73,961	-	73,961
708	Other government grants	-	-	-	-	-
714	Fraud recovery	-	-	-	-	-
715	Other revenue	1,440	231	-	-	1,671
700	Total revenue	325,704	437,879	154,622	-	918,205

Caldwell Parish Housing Authority  
 Financial Data Schedule  
 For the Year Ended March 31, 2004

Line Item #	Account Description	Low Rent	Section 8	Capital	Section 8	TOTAL
			Housing	Fund	Choice	Rental
			Vouchers	Program	Cert.	
					Prgm./	
					Exist.	
					Housing	
911	Administrative salaries	43,688	31,063	-	-	74,751
912	Auditing fees	5,335	3,400	-	-	8,735
914	Compensated absences	1,196	235	-	-	1,431
915	Employee benefit contributions- administrative	16,920	7,940	-	-	24,860
916	Other operating- administrative	24,330	4,943	6,361	-	35,634
921	Tenant services - salaries	26,930	-	-	-	26,930
923	Employee benefit contribution - tenant services	10,152	-	-	-	10,152
931	Water	22,195	-	-	-	22,195
932	Electricity	8,656	-	-	-	8,656
933	Gas	706	-	-	-	706
938	Other utilities expense	14,966	-	-	-	14,966
941	Ordinary maintenance and operations - labor	55,177	-	-	-	55,177
942	Ordinary maintenance and operations - materials and other	31,559	-	-	-	31,559
943	Ordinary maintenance and operations - contract costs	15,433	-	-	-	15,433
945	Employee benefit contributions - ordinary maintenance	21,270	-	-	-	21,270
953	Protective services - other	-	-	44,300	-	44,300
961	Insurance premiums	49,444	883	-	-	50,327
962	Other general expenses	-	-	-	-	-
963	Payments in lieu of taxes	-	-	-	-	-
964	Bad debt - tenant rents	28,589	-	-	-	28,589
969	Total operating expenses	376,546	48,464	50,661	-	475,671
973	Housing assistance payments	-	380,270	-	-	380,270
974	Depreciation expense	206,898	-	8,726	-	215,624
900	Total expenses	583,444	428,734	59,387	-	1,071,565
1001	Operating transfers in	-	-	-	-	-
1002	Operating transfers out	30,000	-	(30,000)	-	-
1010	Total other financing sources (uses)	30,000	-	(30,000)	-	-
1000	Excess ( deficiency) of operating revenue over (under) expenses	(227,740)	9,145	65,235	-	(153,360)