

4024

**Housing Authority of the
CITY OF CROWLEY**
Crowley, Louisiana

**Annual Financial Report
As of and for the Year Ended September 30, 2011**

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 **MAR 28 2012**

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
Basic Financial Statements
As of and for the Year Ended September 30, 2011
With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Management's Discussion and Analysis		5
Basic Financial Statements		
Statement of Net Assets	A	13
Statement of Revenues, Expenses and Changes in Net Assets	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
Independent Auditor's Reports Required by <i>Government Auditing Standards; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the Single Audit Act Amendments of 1996:</i>		
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		27
Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133		29
Schedule of Current Year Findings and Questioned Costs	1	31
Schedule of Prior Audit Findings	2	33
Supplemental Information Schedules		
Schedule of Compensation Paid Board Members	3	34
Schedule of Expenditures of Federal Awards	4	35
Financial Data Schedule	5	37
Status of Prior Year Management Letter items		41

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-665-1225
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
American Institute of CPA's

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying basic financial statements of the Housing Authority of the City of Crowley (the authority) as of and for the year ended September 30, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the 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 basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Crowley as of September 30, 2011, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Independent Auditor's Report, 2011
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated January 27, 2012 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the authority's basic financial statements. The financial data schedule and other supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the authority. The accompanying schedule of expenditures of federal awards is 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 is not a required part of the basic financial statements of the authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 27, 2012

HOUSING AUTHORITY OF CROWLEY, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2011

The management of Public Housing Authority of Crowley, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2011. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$7,775,470 at the close of the fiscal year ended 2011.
 - ✓ Of this amount \$5,487,693 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ Also of this amount, \$61,501 of net assets are restricted for the Housing Choice Voucher program.
 - ✓ The remainder of \$2,226,276 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 60% of the total operating expenses of \$3,730,701 for the fiscal year 2011, which means the Authority might be able to operate about 7 months using the unrestricted assets alone, compared to 7 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$900,929, a 13% increase from the prior fiscal year 2010. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.

Housing Authority of Crowley, Louisiana

Management's Discussion and Analysis (MD&A)
September 30, 2011

- The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$277,989 from fiscal year 2010, primarily due to spending \$152,319 less for operations than Federal funds received for operations and spending \$54,990 less for capital assets than Federal capital grants received
- The Authority spent \$800,157 on capital asset additions and \$367,471 on construction in progress during the current fiscal year
- These changes led to an increase in total assets by \$938,204 and an increase in total liabilities by \$37,275. As related measure of financial health, there are still over \$28 of current assets covering each dollar of total current liabilities, which compares to \$35 covering the prior fiscal year's liabilities
- The Housing Authority continues to operate without the need for debt borrowing

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2011?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

The Housing Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Housing Authority of Crowley, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2011

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs.

Low Rent Public Housing	\$ 740,880
Public Housing Capital Fund Program	1,012,793
Housing Choice Vouchers	1,727,529
ARRA - Stimulus	<u>329,201</u>
 Total funding received this current fiscal year	 <u>\$3,810,403</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$7,775,470 as of September 30, 2011. Of this amount, \$5,487,693 was invested in capital assets, and the remaining \$2,226,276 was unrestricted. There were \$61,501 in specific assets restricted for the Housing Choice Voucher (HCV) program.

Housing Authority of Crowley, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2011

CONDENSED FINANCIAL STATEMENTS

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets	\$2,396,738	\$2,113,748
Assets restricted for Housing Choice Voucher (HCV) program,	61,501	155,588
Capital assets, net of depreciation	<u>5,487,693</u>	<u>4,738,392</u>
Total assets	<u>7,945,932</u>	<u>7,007,728</u>
LIABILITIES		
Current liabilities	86,422	61,226
Non-current liabilities	<u>84,040</u>	<u>71,961</u>
Total liabilities	<u>170,462</u>	<u>133,187</u>
NET ASSETS		
Invested in capital assets, net of depreciation	5,487,693	4,738,390
Net assets restricted for the Housing Choice Voucher program	61,501	155,588
Unrestricted net assets	<u>2,226,276</u>	<u>1,980,563</u>
Total net assets	<u>7,775,470</u>	<u>6,874,541</u>
Total liabilities and net assets	<u>7,945,932</u>	<u>7,007,728</u>

Housing Authority of Crowley, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2011

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$900,929, or by 13%, from those of fiscal year 2010, as explained below. In the narrative that follows, the detail factors causing this change are discussed.

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Fiscal Year Ended September 30, 2011**

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 597,245	\$ 535,372
Other tenant revenue	179,425	150,311
Total operating revenues	<u>776,670</u>	<u>685,683</u>
OPERATING EXPENSES		
General	371,668	408,162
Maintenance and repairs	506,208	409,853
Administrative expenses and management fees	472,264	432,730
Utilities	374,970	349,063
Federal Housing Assistance Payments (HAP) to landlords	1,580,774	1,510,159
Depreciation	418,327	380,592
Tenant services	75	616
Extraordinary repairs	6,415	-
Total operating expenses	<u>3,730,701</u>	<u>3,491,175</u>
(Losses) from operations	<u>(2,954,031)</u>	<u>(2,805,492)</u>
NON-OPERATING REVENUES		
Federal grants for operations	2,646,173	2,534,669
Interest income	7,608	7,751
Other non-tenant revenue	36,950	59,175
Total Non-Operating Revenues	<u>2,690,731</u>	<u>2,601,595</u>
NON-OPERATING EXPENSES		
(Losses) after non-operating revenues	(263,300)	(203,897)
OTHER CHANGES IN NET ASSETS		
Federal grants for capital expenditures	1,164,229	871,240
NET INCREASES IN NET ASSETS		
	900,929	667,343
NET ASSETS, Beginning of Year – as restated		
	6,874,542	6,207,198
NET ASSETS, beginning of fiscal year		
	<u>6,874,541</u>	<u>6,207,198</u>
NET ASSETS, end of fiscal year		
	<u>7,775,470</u>	<u>6,874,541</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$473,111, or by 11%, from a combination of larger offsetting factors. Reasons for most of this change are listed below.

- Total tenant revenue increased by \$90,987, or by 13%, from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Federal revenues from HUD for operations increased by \$111,504, or by 4%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, as well as other factors, and then uses this final result as a basis for determining the grant amount.
- Federal Capital Funds from HUD increased by \$292,989, or by 34%, from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2006 through 2010, and submitted a new grant during this current fiscal year.
- Total other non-operating revenue decreased by \$22,225, or by 38%, from that of the prior fiscal year, because the Authority received proceeds from casualty insurance claims which were recorded as other income by the Authority in the year received.
- Interest income decreased by \$143, or by 2%, from that of the prior fiscal year due to fluctuating interest rates from economic instability.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$239,526, or by 7%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below.

- Depreciation expense increased by \$37,735, or by 10%, from that of the prior fiscal year, because there was an increase in capital assets by \$1,156,501.
- Maintenance and repairs increased by \$102,770, or by 25%, from that of the prior fiscal year, due to several factors. Repair staff wages decreased by \$13,844, however, the related employee benefit contributions increased by \$1,255. Materials used increased by \$38,686, and contract labor costs also increased by \$70,258. In addition, extraordinary maintenance increased by \$6,415 from that of the prior fiscal year.

Housing Authority of Crowley, Louisiana

Management's Discussion and Analysis (MD&A)
September 30, 2011

- General Expenses decreased by \$36,494, or by 9%, from that of the prior fiscal year, and payments in lieu of taxes (PILOT) increased by \$5,933, or by 19%. PILOT is calculated as a percentage of rent minus utilities which, therefore, changed proportionately to the changes in each of these, primarily because insurance premiums decreased by \$3,202 (since property and casualty insurance premiums decreased), whereas other general expenses increased by \$4,777, or by 98%. Lastly, bad debts increased by \$1,650, or by 10%, and compensated absences decreased by \$45,653, or by 58%, from that of the prior fiscal year
- Administrative Expenses increased by \$39,534, or by 9%, from that of the prior fiscal year, due to a combination of offsetting factors. Administrative staff salaries increased by \$14,891, and related employee benefit contributions increased by \$11,122, therefore, total staff salaries and benefit costs increased by 9%. Audit fees decreased by \$568, and legal fees decreased by \$9,077, thus, total outside professional fees decreased by 45%. Finally, staff training/travel reimbursements increased by \$4,534, office expenses increased by \$19,230, but sundry expenses decreased by \$599, therefore, other staff administrative expense increased by 21%
- Housing Assistance Payments to landlords increased by \$70,615, or by 5%, from that of the prior fiscal year, because there was an increase in the number of tenants housed during the year
- Utilities Expense increased by \$25,907, or by 7%, from that of the prior fiscal year, due to numerous cumulative factors. Water cost decreased by \$3,962 due to a decrease in consumption by 11%, electricity cost increased by \$40,768 due to an increase in consumption by 7%, gas cost decreased by \$912 due to a decrease in consumption by 7%, and finally, other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$10,899
- In conclusion, other tenant services decreased by \$541, or by 88%, from that of the prior fiscal year

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2011, the Housing Authority had a total cost of \$18,237,420 invested in a broad range of assets and construction in progress from projects funded in 2006 through 2010, listed below. This amount, not including depreciation, represents increases of \$1,156,501 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
As of September 30, 2011**

	<u>2011</u>	<u>2010</u>
Land	\$ 122,082	\$ 122,082
Construction in progress	1,298,332	1,177,604
Buildings	3,823,880	3,172,566
Leasehold improvements	209,808	207,175
Furniture and equipment	33,591	58,963
Total	<u>5,487,693</u>	<u>4,738,390</u>

As of the end of the 2011 fiscal year, the Authority is still in the process of completing HUD grants of \$3,458,869 obtained during 2006 through 2010 fiscal years. A total remainder of \$826,432 will be received and spent for completing these projects during fiscal year 2012.

Debt

Non-current liabilities also include accrued annual vacation leave due to employees. The Housing Authority has not incurred any mortgages or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations, therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2012 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Kenneth Habetz, at Public Housing Authority of Crowley, Louisiana, P O Box 1347, Crowley, LA 70527.

Housing Authority of the City of Crowley
Crowley, Louisiana
Statement of Net Assets
As of September 30, 2011

ASSETS**Current assets**

Cash and cash equivalents	2,179,531
Receivables	
Tenant rents, net of allowance	5,037
Prepaid insurance	170,309
Inventory, net of allowance	12,663
Restricted assets - cash and cash equivalents	<u>90,701</u>

Total current assets 2,458,241

Noncurrent assets**Capital assets****Nondepreciable capital assets**

Land	122,082
Construction in progress	<u>1,298,332</u>
Total nondepreciable capital assets	<u>1,420,414</u>

Depreciable capital assets

Buildings and improvements	16,220,780
Furniture and equipment	596,226
Less accumulated depreciation	<u>(12,749,727)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>4,067,279</u>

Total capital assets, net of accumulated depreciation 5,487,693

Total assets 7,945,934
 (continued)

Housing Authority of the City of Crowley
Crowley, Louisiana
Statement of Net Assets
As of September 30, 2011

LIABILITIES**Current Liabilities**

Accounts payable	1,149
Payable to other governments	10,000
Accrued wages payable	3,438
Accrued compensated absences	12,875
Deferred revenue	29,761
Security deposit liability	29,200

Total current liabilities	86,423
----------------------------------	---------------

Noncurrent liabilities

Accrued compensated absences	84,041
------------------------------	--------

Total noncurrent liabilities	84,041
-------------------------------------	---------------

Total liabilities	170,464
--------------------------	----------------

NET ASSETS

Invested in capital assets, net of related debt	5,487,693
Restricted	61,501
Unrestricted	2,226,276

Total net assets	\$ 7,775,470
-------------------------	---------------------

The accompanying notes are an integral part of these financial statements

Housing Authority of the City of Crowley
Crowley, Louisiana
Statement of Revenues, Expenses, and Changes In Net Assets
For the Year ended September 30, 2011

Operating Revenues	
HUD Operating Grants	\$ 2,646,174
Dwelling Rental	597,245
Other Operating	<u>179,425</u>
Total operating revenues	<u>3,422,844</u>
Operating Expenses	
Housing Assistance Payments	1,580,774
General and administrative	843,931
Repairs and maintenance	512,624
Utilities	374,970
Tenant services	75
Depreciation and amortization	<u>418,329</u>
Total operating expenses	<u>3,730,703</u>
Operating income (loss)	(307,859)
Nonoperating Revenues (Expenses)	
Interest revenue	7,608
Miscellaneous revenues	<u>36,950</u>
Total nonoperating revenues (expenses)	<u>44,558</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(263,301)
Capital contributions (grants)	1,164,229
Increase (decrease) in net assets	900,928
Net assets, beginning of year - as restated	<u>6,874,542</u>
Net assets, end of year	<u><u>\$ 7,775,470</u></u>

The accompanying notes are an integral part of these financial statements

**Housing Authority of the City of Crowley
Statement of Cash Flows
For the Year ended September 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 2,659,478
Receipts from tenants	777,606
Payments to landlords	(1,580,774)
Payments to suppliers	(1,340,048)
Payments to employees	<u>(371,019)</u>
Net cash provided by operating activities	<u>145,243</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	<u>36,950</u>
Net cash provided by noncapital financing activities	<u>36,950</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital grants	1,164,229
Purchase and construction of capital assets	<u>(1,167,628)</u>
Net cash (used in) capital and related financing activities	<u>(3,399)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>7,608</u>
Net cash provided by investing activities	<u>7,608</u>
Net increase (decrease) in cash and cash equivalents	<u>186,402</u>
Cash and cash equivalents - beginning of year	<u>2,083,830</u>
Cash and Cash equivalents - unrestricted	2,179,531
Cash and Cash equivalents - restricted	90,701
Total Cash and Cash Equivalents - end of year	<u>\$ 2,270,232</u>

Reconciliation of operating income (loss) to net cash provided by operating activities

Operating (loss)	\$ (307,859)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation and amortization	418,329
Changes in assets and liabilities	
HUD receivable	13,304
Tenant rents, net of allowance	(1,564)
Prepaid insurance	(12,006)
Inventories	(2,238)
Accounts payable	1,149
Accrued wages payable	265
Accrued compensated absences	12,874
Other liability	(3,687)
Deferred revenues	24,176
Security deposit liability	<u>2,500</u>
Net cash provided by operating activities	<u>\$ 145,243</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana
Notes to the Basic Financial Statements
September 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic 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.

(1) Reporting Entity

The Housing Authority of The City of Crowley (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 the City of Crowley, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by GASB 14 as other legally separate organizations for which the elected authority members are financially accountable.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

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

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

(3) Measurement focus and basis of accounting

Proprietary finds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

(4) Assets, liabilities, and net assets

(a) Deposits

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

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

(c) Restricted Assets

Cash equal to the amount of tenant security deposits and Housing Assistance Payment reserves are reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. The capitalization threshold is \$5,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2011, the management of the authority established an allowance for doubtful accounts of approximately \$6,620.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation pay benefits. In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," vacation pay is accrued when incurred and reported as a liability.

Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, classified employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Unclassified employees receive payment for all accumulated 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.

(h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2011, the authority's carrying amount of deposits was \$2,270,232, which includes the following:

Cash and cash equivalents-unrestricted	\$2,179,531
Cash and cash equivalents- restricted	90,701
Total	\$2,270,232

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

policy for custodial credit risk \$250,000 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$2,242,906 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at September 30, 2011 totaled \$2,492,906.

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2011 was as follows:

	<u>9 30 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>9 30 2011</u>
Nondepreciable Assets					
Land	122,082				122,082
Construction in Progress	1,177,606	696,672	-	(575,946)	1,298,332
Depreciable Assets					
Building and improvements	15,177,278	467,556	-	575,946	16,220,780
Furniture and equipment	<u>603,956</u>	<u>3,400</u>	<u>11,129</u>	<u>-</u>	<u>596,227</u>
Total	<u>17,080,922</u>	<u>1,167,628</u>	<u>11,129</u>	<u>-</u>	<u>18,237,421</u>
Less accumulated depreciation					
Building and improvements	11,813,344	394,941	-	-	12,208,285
Furniture and equipment	<u>529,187</u>	<u>12,255</u>	<u>-</u>	<u>-</u>	<u>541,442</u>
Total accumulated depreciation	<u>12,342,531</u>	<u>407,196</u>	<u>-</u>	<u>-</u>	<u>12,749,727</u>
Net Capital Assets	<u>4,738,391</u>	<u>760,432</u>	<u>11,129</u>	<u>-</u>	<u>5,487,694</u>

NOTE D – CONSTRUCTION COMMITMENTS

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$784,856 remaining until completion.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

NOTE E – LEASES

During the year ended September 30, 2007, the authority entered into a capital lease for a copier. The lease is considered immaterial and has been presented as an operating lease.

The lease requires monthly payments of \$421 for 60 months beginning September 2007. Rent expense for the fiscal year ended totaled \$5,052 and is included in administrative expenses in the accompanying financial statements. The minimum annual commitments under the non-cancelable lease is as follows:

	<u>Fiscal Year Ending</u>	<u>Amount</u>
2012		5,052
Total		<u>\$5,052</u>

NOTE F – COMPENSATED ABSENCES

At September 30, 2011, employees of the authority have accumulated and vested \$96,916 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$84,041 is reported in long-term debt.

NOTE G – LONG TERM OBLIGATIONS

As of September 30, 2011, long term obligations consisted of compensated absences in the amount of 84,041. The following is a summary of the changes in the long term obligations for the year ended September 30, 2011:

	<u>Compensated Absences</u>
Balance as of October 1, 2010	\$71,961
Additions	14,751
Deductions	(2,671)
Balance as of September 30, 2011 (Long term)	<u>84,041</u>
Amount due in one year (Short term)	<u>\$12,875</u>

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

NOTE H – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE I - RETIREMENT PLAN

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

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 14 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended September 30, 2011, was \$385,119. The authority's contributions were calculated using the base salary amount of \$378,573. The authority made the required contributions of \$34,820 for the year ended September 30, 2011.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

NOTE J – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE K – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

NOTE L – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through January 27, 2012 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2011 – Continued

NOTE M – ECONOMIC DEPENDENCE

Statement of Financial Accounting Standard (SFAS) No 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$3,810,403 to the authority, which represents approximately 68% of the authority's total revenue for the year.

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-665-1225
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
American Institute of CPA's

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

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

I have audited the financial statements of the Housing Authority of the City of Crowley (the authority), as of and for the year ended September 30, 2011 and have issued my report thereon dated January 27, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected on a timely basis.

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Report on Internal Control *Government Auditing Standards, 2011*

Page Two

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 27, 2012

William Daniel McCaskill, CPA

A Professional Accounting Corporation

415 Magnolia Lane

Mandeville, Louisiana 70471

Telephone 866-829-0993
Fax 225-665-1225
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
American Institute of CPA's

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

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

Compliance

I have audited the compliance of the Housing Authority of the City of Crowley (the authority) with the types of compliance requirements described in the U S Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each its major federal programs for the year ended September 30, 2011. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

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

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana
Report on Compliance A-133, 2011
Page Two

In my opinion, the authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each its major federal programs for the year ended September 30, 2011

Internal Control Over Compliance

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 27, 2012

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2011

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unqualified

Internal control over financial reporting

- Material weakness(es) identified? _____yes ___X___no
- Significant deficiency(ies) identified? _____yes ___X___none reported

Noncompliance material to financial statements noted? _____yes ___X___no

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____yes ___X___no
- Significant deficiency(ies) identified? _____yes ___X___none reported

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 OMB Circular A-133? _____yes ___X___no

Identification of major programs

14 871 Housing Choice Voucher Program
14 872 Capital Fund Program
14 885 ARRA – American Recovery and Reinvestment Act

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2011

The threshold used for distinguishing between Type A and B programs was
\$300,000

Auditee qualified as a low-risk auditee? X yes no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COST

None

HOUSING AUTHORITY OF THE CITY OF CROWLEY
Crowley, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2011

There were no findings in the prior audit

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended September 30, 2011

Board members serve without compensation

SCHEDULE 4

**Housing Authority of the City of Crowley
Crowley, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2011**

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
U S. Department of Housing and Urban Development		
Direct Programs		
Low Rent Public Housing	14 850a	\$ 740,880
Housing Choice Voucher Program	14 871	1,727,529
Public Housing Capital Fund Program	14 872	1,012,793
ARRA - American Recovery and Reinvestment Act	14 885	329,201
Total Federal Expenditures		<u>\$ 3,810,403</u>

See accompanying notes to schedule of expenditures of federal awards

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2011

NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Low Rent Public Housing	740,880
Housing Choice Voucher Program	1,727,529
Public Housing Capital Fund Program	1,012,793
ARRA - American Recovery and Reinvestment Act	329,201

NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

NOTE E - FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

Housing Authority of Crowley (LA029)
CROWLEY LA
Entry Wide Balance Sheet Summary

Submission Type Audited/A 133

Fiscal Year End 09/30/2011

	Project Total	14 886 Formula Capital Fund Stimulus Grant	14 DVP Disaster Voucher Program	14 871 Housing Choice Vouchers	Subtotal	ELJM	Total
111 Cash Unrestricted	\$1 704 246			\$475 286	\$2 179 531		\$2 179 531
112 Cash Restricted Modernization and Development							
113 Cash Other Restricted				\$61 501	\$61 501		\$61 501
114 Cash Tenant Security Deposits	\$29 200				\$29 200		\$29 200
115 Cash Restricted for Payment of Current Liabilities							
100 Total Cash	\$1 733 445	\$0	\$0	\$536 787	\$2 270 232		\$2 270 232
121 Accounts Receivable PHA Projects							
122 Accounts Receivable HUD Other Projects							
124 Accounts Receivable Other Government							
125 Accounts Receivable Miscellaneous							
126 Accounts Receivable Tenants	\$11 657				\$11 657		\$11 657
126 1 Allowance for Doubtful Accounts Tenants	-\$6 620				-\$6 620		-\$6 620
126 2 Allowance for Doubtful Accounts Other	\$0				\$0		\$0
127 Notes Loans & Mortgages Receivable Current							
128 Fraud Recovery							
128 1 Allowance for Doubtful Accounts Fraud							
129 Accrued Interest Receivable							
120 Total Receivables Net of Allowances for Doubtful Accounts	\$5 037	\$0	\$0	\$0	\$5 037		\$5 037
131 Investments Unrestricted							
132 Investments Restricted							
135 Investments Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$157 037			\$13 272	\$170 309		\$170 309
143 Inventories	\$13 329				\$13 329		\$13 329
143 1 Allowance for Obsolete Inventories	-\$666				-\$666		-\$666
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$1 908 182	\$0	\$0	\$550 659	\$2 458 241		\$2 458 241
161 Land	\$122 062				\$122 062		\$122 062
162 Buildings	\$14 535 403				\$14 535 403		\$14 535 403
163 Furniture Equipment & Machinery Dwellings	\$222 430				\$222 430		\$222 430
164 Furniture Equipment & Machinery Administration	\$344 368			\$29 428	\$373 796		\$373 796
165 Leasehold Improvements	\$1 685 377				\$1 685 377		\$1 685 377
166 Accumulated Depreciation	-\$12 720 899			-\$28 726	-\$12 749 727		-\$12 749 727
167 Construction in Progress	\$1 298 332				\$1 298 332		\$1 298 332
168 Infrastructure							
160 Total Capital Assets Net of Accumulated Depreciation	\$5 486 993	\$0	\$0	\$700	\$5 487 693		\$5 487 693
171 Notes Loans and Mortgages Receivable Non-Current							
172 Notes Loans & Mortgages Receivable Non-Current Past Due							
173 Grants Receivable Non-Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$5 486 993	\$0	\$0	\$700	\$5 487 693		\$5 487 693
190 Total Assets	\$7 395 175	\$0	\$0	\$550 759	\$7 945 934		\$7 945 934
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$1 149				\$1 149		\$1 149
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$3 438				\$3 438		\$3 438
322 Accrued Compensated Absences Current Portion	\$10 422			\$2 463	\$12 875		\$12 875
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable HUD PHA Programs							
332 Account Payable PHA Projects							
333 Accounts Payable Other Government	\$10 000				\$10 000		\$10 000
341 Tenant Security Deposits	\$29 200				\$29 200		\$29 200
342 Deferred Revenues	\$5 166			\$24 595	\$29 761		\$29 761
343 Current Portion of Long-term Debt Capital Projects/Mortgage Revenue Bonds							
344 Current Portion of Long-term Debt Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities Other							
347 Inter Program Due To							
348 Loan Liability Current							
310 Total Current Liabilities	\$59 375	\$0	\$0	\$27 048	\$86 423		\$86 423

351 Long term Debt- Net of Current Capital Projects/Mortgage Revenue						
352 Long term Debt- Net of Current Operating Borrowings						
353 Non-current Liabilities- Other						
354 Accrued Compensated Absences- Non Current	\$58,671			\$25,370	\$84,041	\$84,041
355 Loan Liability- Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non Current Liabilities	\$58,671	\$0	\$0	\$25,370	\$84,041	\$84,041
300 Total Liabilities	\$118,046	\$0	\$0	\$52,418	\$170,464	\$170,464
509 1 Invested In Capital Assets- Net of Related Debt	\$5,486,993			\$700	\$5,487,693	\$5,487,693
509 2 Fund Balance Reserved						
511 2 Unreserved Designated Fund Balance						
511 1 Restricted Net Assets				\$61,501	\$61,501	\$61,501
512 1 Unrestricted Net Assets	\$1,790,136	\$0	\$0	\$436,140	\$2,226,276	\$2,226,276
512 2 Unreserved Undesignated Fund Balance						
513 Total Equity/Net Assets	\$7,277,129	\$0	\$0	\$496,341	\$7,775,470	\$7,775,470
600 Total Liabilities and Equity/Net Assets	\$7,395,175	\$0	\$0	\$550,759	\$7,945,934	\$7,945,934

Housing Authority of Crowley (LA029)
CROWLEY LA

Entity Wide Revenue and Expense Summary

Submission Type Audited/A 133

Fiscal Year End 09/30/2011

	Project Total	14 865 Formula Capital Fund Stimulus Grant	14 DVP Disaster Voucher Program	14 871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$597,245				\$597,245		\$597,245
70400 Tenant Revenue Other	\$179,425				\$179,425		\$179,425
70500 Total Tenant Revenue	\$776,670	\$0	\$0	\$0	\$776,670		\$776,670
70800 HUD PHA Operating Grants	\$918,645			\$1,727,528	\$2,646,174		\$2,646,174
70810 Capital Grants	\$835,028	\$329,201			\$1,164,229		\$1,164,229
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants							
71100 Investment Income Unrestricted	\$6,293			\$1,065	\$7,358		\$7,358
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue	\$35,722			\$1,228	\$36,950		\$36,950
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income Restricted				\$250	\$250		\$250
70000 Total Revenue	\$2,572,358	\$329,201	\$0	\$1,730,072	\$4,631,631		\$4,631,631
91100 Administrative Salaries	\$153,400			\$63,427	\$236,827		\$236,827
91200 Auditing Fees	\$4,961			\$4,961	\$9,922		\$9,922
91300 Management Fee							
91310 Book keeping Fee							
91400 Advertising and Marketing	\$52			\$53	\$105		\$105
91500 Employee Benefit Contributions Administrative	\$55,906			\$34,126	\$90,032		\$90,032
91600 Office Expenses	\$48,100			\$44,144	\$90,244		\$90,244
91700 Legal Expense	\$750			\$1,305	\$2,055		\$2,055
91800 Travel	\$4,165			\$4,165	\$8,330		\$8,330
91810 Allocated Overhead							
91900 Other	\$34,747				\$34,747		\$34,747
91000 Total Operating Administrative	\$300,081	\$0	\$0	\$172,181	\$472,262		\$472,262
92000 Asset Management Fee							
92100 Tenant Services Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions Tenant Services							
92400 Tenant Services Other	\$75				\$75		\$75
92500 Total Tenant Services	\$75	\$0	\$0	\$0	\$75		\$75
93100 Water	\$46,253				\$46,253		\$46,253
93200 Electricity	\$265,721				\$265,721		\$265,721
93300 Gas	\$12,068				\$12,068		\$12,068
93400 Fuel							
93500 Labor	\$2,400				\$2,400		\$2,400
93600 Sewer	\$48,530				\$48,530		\$48,530
93700 Employee Benefit Contributions Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$374,970	\$0	\$0	\$0	\$374,970		\$374,970
94100 Ordinary Maintenance and Operations Labor	\$134,192				\$134,192		\$134,192
94200 Ordinary Maintenance and Operations Materials and Other	\$104,883			\$2,243	\$107,126		\$107,126
94300 Ordinary Maintenance and Operations Contracts	\$188,688			\$6,814	\$198,500		\$198,500
94500 Employee Benefit Contributions Ordinary Maintenance	\$68,391				\$68,391		\$68,391
94000 Total Maintenance	\$497,152	\$0	\$0	\$9,057	\$506,209		\$506,209
95100 Protective Services Labor							
95200 Protective Services Other Contract Costs							
95300 Protective Services Other							
95500 Employee Benefit Contributions Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance	\$161,794				\$161,794		\$161,794
96120 Liability Insurance	\$20,943			\$8,856	\$27,799		\$27,799

96130 Workman's Compensation	\$10,235			\$2,721	\$12,956	\$12,956
96140 All Other Insurance	\$65,801			\$5,355	\$71,156	\$71,156
96100 Total Insurance Premiums	\$258,773	\$0	\$0	\$14,932	\$273,705	\$273,705
96200 Other General Expenses				\$9,661	\$9,661	\$9,661
96210 Compensated Absences	\$23,652			\$9,311	\$32,963	\$32,963
96300 Payments in Lieu of Taxes	\$36,909				\$36,909	\$36,909
96400 Bad debt - Tenant Rents	\$18,431				\$18,431	\$18,431
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96900 Total Other General Expenses	\$78,992	\$0	\$0	\$18,972	\$97,964	\$97,964
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,510,043	\$0	\$0	\$215,142	\$1,725,185	\$1,725,185
97000 Excess of Operating Revenue over Operating Expenses	\$1,062,316	\$329,201	\$0	\$1,514,930	\$2,906,446	\$2,906,446
97100 Extraordinary Maintenance	\$6,415				\$6,415	\$6,415
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments				\$1,580,774	\$1,580,774	\$1,580,774
97350 HAP Portability In						
97400 Depreciation Expense	\$417,852			\$467	\$418,320	\$418,320
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
99000 Total Expenses	\$1,934,320	\$0	\$0	\$1,736,383	\$3,730,703	\$3,730,703
10010 Operating Transfer In	\$88,203				\$88,203	\$88,203
10020 Operating Transfer Out	-\$88,203				-\$88,203	-\$88,203
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items - Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10081 Inter Project Excess Cash Transfer In						
10082 Inter Project Excess Cash Transfer Out						
10083 Transfers between Program and Project - In						
10084 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$938,038	\$329,201	\$0	-\$68,311	\$900,928	\$900,928
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$6,309,880	\$0	\$42,013	\$543,547	\$6,895,450	\$6,895,450
11040 Prior Period Adjustments - Equity Transfers and Correction of Errors	-\$329,201	-\$329,201	\$42,013	\$21,105	-\$20,908	-\$20,908
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity				\$436,840	\$436,840	\$436,840
11180 Housing Assistance Payments Equity				\$61,501	\$61,501	\$61,501
11180 Unit Months Available	3541			4675	6216	5215
11210 Number of Unit Months Leased	3098			4675	7773	7773
11270 Excess Cash	\$1,560,734				\$1,560,734	\$1,560,734
11610 Land Purchases	\$0				\$0	\$0
11620 Building Purchases	\$1,141,975				\$1,141,975	\$1,141,975
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$2,860				\$2,860	\$2,860
11650 Leasehold Improvements Purchases	\$18,394				\$18,394	\$18,394
11660 Infrastructure Purchases	\$0				\$0	\$0
13510 CFFP Debt Service Payments	\$0				\$0	\$0
13901 Replacement Housing Factor Funds	\$0				\$0	\$0

HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Status of Prior Year Management letter items

Fiscal Year Ended September 30, 2011

Comment ML-2010-1

The prior year Management Letter Comment included that the PHA did not properly execute a Depository Agreement with all banks the PHA did business with. The Depository Agreement, in effect, documents that HUD has an interest in funds on deposit and that HUD's interest has a priority over other interests in the funds.

This is not repeated