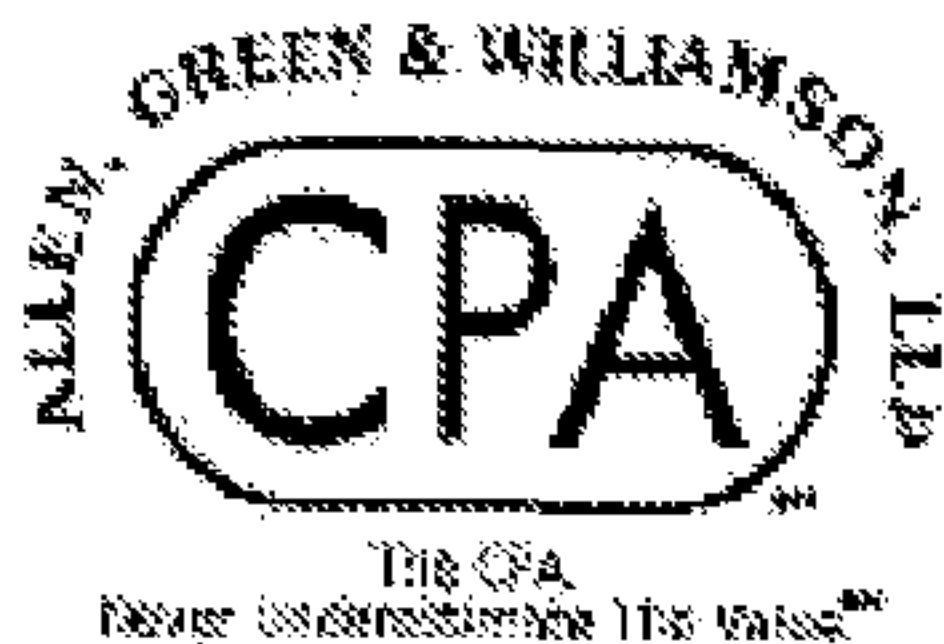


**Passman Plaza, Inc.  
Monroe, Louisiana  
HUD Project No. 064-EE037-WAH-NP-L8**

**Annual Financial Report  
As of and for the Year Ended June 30, 2002**

**Passman Plaza, Inc.  
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# ALLEN, GREEN & WILLIAMSON, LLP

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Passman Plaza, Inc.  
Monroe, Louisiana

Department of Housing Management  
U. S. Department of Housing And Urban Development (HUD)  
Shreveport, Louisiana

We have audited the accompanying basic financial statements of Passman Plaza, Inc., HUD Project No. 064-EE037-WAH-NP-LS, as of and for the year ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of Passman Plaza, Inc.'s management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our 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 of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Passman Plaza, Inc., as of June 30, 2002, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2002, on our consideration of the Passman Plaza, Inc.'s internal control over financial reporting and our 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 Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Passman Plaza, Inc., taken as a whole. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Passman Plaza, Inc. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
August 14, 2002

PASSMAN PLAZA, INC.  
Monroe, Louisiana  
HUD PROJECT No. 064-EE037-WAH-NP-LB

STATEMENT OF FINANCIAL POSITION  
June 30, 2002

ASSETS

Current Assets

1120 Cash - operations	\$	10,183
1135 Accounts receivable - HUD		3,071
1145 Accounts receivable, net of allowance of -0-		3,206
1150 Accounts receivable - Interest		1,185
1200 Miscellaneous prepaid expenses		<u>5,219</u>

Total current assets 22,864

Deposits Held in Trust

1191 Tenant deposits held in trust		7,601
------------------------------------	--	-------

Deposits for Funded Reserves

1320 Replacement reserves	\$	61,750
1340 Residual receipts reserve		<u>63,907</u>

Total deposits 125,657

Fixed Assets

1410 Land	252,500
1420 Buildings	1,734,496
1430 Site improvements	69,631
1450 Furniture	55,468
1470 Maintenance equipment	8,735
1490 Miscellaneous fixed assets	<u>1,940</u>

Total fixed assets 2,122,770

1495 Accumulated depreciation	<u>(325,707)</u>
-------------------------------	------------------

Net fixed assets 1,797,063

Other Assets

1525 Cash restricted for long-term investment		<u>32,869</u>
---	--	---------------

TOTAL ASSETS \$ 1,986,054

## Statement A

LIABILITIES AND NET ASSETS

## Current Liabilities

2110 Accounts payable - operations	\$	187
2113 Accounts payable - Monroe Housing Authority and Passman Plaza II		19,222
2123 Accrued management fee payable		<u>3,162</u>

Total current liabilities 22,571

## Deposits

2191 Tenant deposits held in trust (Contra)		7,431
---	--	-------

## Long-Term Liabilities

2320 Mortgage payable - First Mortgage		<u>2,052,000</u>
--	--	------------------

## TOTAL LIABILITIES

2,082,002

## Net Assets

## 3131 Unrestricted

Operations	\$	(145,948)
Contributed capital		<u>50,000</u>

## TOTAL NET ASSETS

(95,948)

## TOTAL LIABILITIES AND NET ASSETS

\$ 1,986,054

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

PASSMAN PLAZA, INC.  
Monroe, Louisiana  
HUD PROJECT No. 064-EE037-WAH-NP-L8

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2002

Statement B

UNRESTRICTED

REVENUES, GAINS AND OTHER SUPPORT

Rent revenue

5120 Rent revenue - gross potential

\$ 78,291

5121 Tenant assistance payments

36,429

Total Rent Revenue

114,720

Vacancies

5220 Apartments

(4,812)

Net Rental Revenue Less Vacancies

109,908

Financial revenue

5410 Financial revenue - project operations

2,607

5440 Revenue from investments - reserve for replacement

765

5490 Revenue from investments - miscellaneous

993

Total Financial Revenue

4,365

Other revenue

5920 Tenant charges

0

5990 Miscellaneous

4,769

Total Other Revenue

4,769

Total Revenue

119,042

EXPENSES AND LOSSES

Administrative expenses

6210 Advertising and marketing

632

6310 Office salaries

725

6311 Office expenses

1,307

6320 Management fee

16,728

6330 Manager or superintendent salaries

10,521

6340 Legal expense - project

58

6350 Auditing expenses - project

6,730

6351 Bookkeeping fees/accounting services

2,453

6390 Miscellaneous administrative expenses

10,554

Total Administrative Expenses

49,706

Utilities expenses

6450 Electricity

2,559

6451 Water

1,413

6452 Gas

641

6453 Sewer

1,179

Total Utilities Expense

\$ 5,792

(Continued)

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L8**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2002**

**Statement B**

**UNRESTRICTED**

**EXPENSES AND LOSSES**

Operating and maintenance expenses

6510 Payroll	\$	11,693
6515 Supplies		4,544
6520 Contracts		5,558
6525 Garbage and trash removal		3,169
6546 Heating/cooling repairs and maintenance		544
6570 Vehicle and maintenance equipment operation and repairs		463
6590 Miscellaneous operating and maintenance expenses		470
Total Operating and Maintenance Expenses		26,439

Taxes and Insurance

6711 Payroll taxes		2,973
6720 Property and liability insurance (hazard)		5,063
6721 Fidelity bond insurance		90
6722 Workman's compensation		902
6723 Health insurance and other employee benefits		5,792
Total Taxes and Insurance		14,820

Expenses

6800 Assisted living/board and care/other elderly care expenses		1,261
---	--	-------

Operating results

Total Cost of Operations before Depreciation		98,018
--	--	--------

Net Increase (Decrease) in Net Assets Before Depreciation		21,024
---	--	--------

6600 Depreciation		52,702
-------------------	--	--------

Net Increase (Decrease) in Net Assets		(31,578)
---------------------------------------	--	----------

NET ASSETS AT BEGINNING OF YEAR		(64,270)
---------------------------------	--	----------

NET ASSETS (Deficit) AT END OF YEAR		\$ (95,948)
-------------------------------------	--	-------------

(Concluded)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L8**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2002**

Statement C

**Cash Flow From Operating Activities**

**Cash received from:**

Rent revenue	\$ 74,785
HAP	33,358
Other revenue	4,769
Interest	<u>3,523</u>

116,435

**Cash paid for:**

Administrative	(40,627)
Utilities	(5,792)
Operating and maintenance	(28,439)
Taxes and insurance	(16,129)
Service	<u>(1,261)</u>

(90,248)

**Cash paid (into) out of:**

Tenant security deposits (assets)	(58)
Tenant security deposits (liabilities)	<u>(1)</u>

(59)

**Net cash provided (used) by operating activities**

26,128

**Cash Flow From Investing Activities**

Deposits into reserve for replacements	(17,565)
Net deposits into residual receipts reserve	(1,705)
Restricted donations	<u>(799)</u>

**Net cash provided (used) by investing activities**

(20,069)

**Net Increase in Cash and Cash Equivalents**

6,059

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

4,124

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 10,183

(Continued)



**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L3**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2002**

**Statement C**

Net Loss	\$	(31,678)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities		
Depreciation		52,702
Changes in assets and liabilities		
(Increase) decrease in accounts receivable		(3,206)
(Increase) decrease in accounts receivable - HUD		(3,071)
(Increase) decrease in accounts receivable - tenants		1,308
(Increase) decrease in accrued interest receivable		(642)
(Increase) decrease in prepaid insurance		(1,308)
(Increase) decrease in tenant security deposits (asset)		(58)
Increase (decrease) in accounts payable		(4,998)
Increase (decrease) in management fees payable		1,768
Increase (decrease) in accounts payable - Monroe Housing Authority and Passman Plaza II		15,515
Increase (decrease) in tenant security deposits (liability)		<u>(1)</u>
Net Cash Provided (Used) by Operating Activities	\$	<u>26,128</u>

(Continued)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Passman Plaza, Inc.**  
**Notes to the Basic Financial Statements**

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**Passman Plaza, Inc.**  
**Notes to the Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Purpose** The Corporation was organized without capital stock under Louisiana law on October 18, 1994, as a non-profit corporation to provide housing for elderly and handicapped individuals pursuant to Section 202 of the National Housing Act, as amended. Membership in the Corporation is evidenced by certificates of membership and is limited to individuals who are members of the Board of Directors, or other persons who have the approval of the Board of Directors of this Corporation.

**Income Taxes** The Corporation is qualified as an organization exempt from federal income taxes, pursuant to Paragraph 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes is necessary.

**HUD Requirements** The books of the Corporation are maintained in accordance with applicable HUD requirements. However, for this report, the financial statements are prepared on a generally accepted accounting principles basis. The assets, liabilities, and net assets reflected in these statements relate only to Passman Plaza, Inc., and no other assets, liabilities, or capital of the owners are reported herein.

**Cash and Cash Equivalents** For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Fixed Assets** Fixed assets are capitalized and depreciated over the estimated useful life of the asset. Public domain or infrastructures are capitalized (construction period interest is capitalized).

All fixed assets costing more than \$500 are capitalized. An asset may be capitalized if its cost is less than \$500 if it is considered to have a long useful life.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS** At June 30, 2002, the Corporation has cash and cash equivalents (book balances) as follows:

Petty cash	\$ 50
Demand deposit	10,133
Interest-bearing demand deposits	<u>69,351</u>
Total deposits	79,534
Less: demand deposits classified as investments	<u>(69,351)</u>
Total cash and cash equivalents	<u>\$ 10,183</u>

Deposits are stated at cost, which approximates fair value. 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 fair 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.

At year-end, the Corporation's carrying amount of deposits was \$79,534 and the bank balance was \$82,062. The bank balance was covered by federal depository insurance or by collateral held by the Corporation's agent in the Corporation's name (GASB Category 1).

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Corporation or its agents in the Corporation's name.

**Passman Plaza, Inc.**  
**Notes to the Basic Financial Statements**

2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Corporation's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Corporation's name.

At year end, the Corporation investment balances included the following:

	Category			Carrying Amount		Total Carrying Amount
	1	2	3	Fair Value	Cost	
	U. S. Treasury Securities	<u>\$96,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$96,776</u>	

**NOTE 3 - RESTRICTED DEPOSITS AND FUNDED RESERVES** Under the provisions of the regulatory agreement with HUD, the Corporation is required to make monthly deposits to a reserve for replacement account for an annual total of \$16,800. Any disbursements from this account must be approved by HUD. At June 30, 2002, the reserve for replacement account amounted to \$61,750.

The Corporation is also required, under the regulatory agreement, to compute surplus cash and deposit it into a Residual Receipts Reserve. Any disbursements from this account require HUD approval. There was no prior year surplus to be deposited into a residual receipts account. The balance of this fund at June 30, 2002, amounted to \$63,907.

These deposits are restricted by regulatory agreement but not restricted as defined by Financial Accounting Standards Statement No. 117. Therefore, these deposits are classified as unrestricted.

**NOTE 4 - DEPOSITS HELD IN TRUST - FUNDED** Tenants are required to pay a security deposit upon occupancy of an apartment. To comply with HUD guidelines, these security deposits are maintained in a separate bank account, in the name of the Corporation, which is limited to those transactions directly concerning the security deposits. The tenant security deposit escrow account had a balance of \$7,601 at June 30, 2002, at which time the Corporation was liable to tenants for security deposits of \$7,431.

**NOTE 5 - FIXED ASSETS** Property and equipment are recorded at historical cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from five to 40 years. Details of the lives, cost, accumulated depreciation and net book value are as follows:

		Estimated Useful Lives	Cost	Accumulated Depreciation	Net Book Value
1410	Land (nondepreciable)	-	\$ 252,500	\$ -	\$ 252,500
1420	Buildings	40	1,734,496	245,718	1,488,778
1430	Site improvements	15	69,631	13,926	55,705
1450	Furniture and fixtures	5	55,468	55,388	80
1470	Maintenance equipment	5	8,735	8,735	-
1490	Computer equipment	5	1,940	1,940	-
	Total fixed assets		<u>\$2,122,770</u>	<u>\$325,707</u>	<u>\$1,797,063</u>

**NOTE 6 - ACCOUNTS PAYABLE - MONROE HOUSING AUTHORITY AND PASSMAN PLAZA II, INC.** The Corporation was liable to Monroe Housing Authority and Passman Plaza II, Inc. for \$19,222 at June 30, 2002. This is the result of expenses paid by Monroe Housing Authority and Passman Plaza II, Inc. for the repairs, upkeep, salaries and administrative costs. The Corporation reimburses Monroe Housing Authority and Passman Plaza II, Inc. periodically.

**Passman Plaza, Inc.**  
**Notes to the Basic Financial Statements**

**NOTE 7 - MORTGAGE PAYABLE** The Corporation is indebted to the U. S. Department of Housing and Urban Development for a mortgage on the building and improvements in the original amount of \$2,052,000. The mortgage note bears no interest and repayment is not required so long as housing remains available for at least forty years to very low-income elderly persons as approved by HUD. If Passman Plaza, Inc., should default under the above terms, the entire principal sum shall at once become due and payable without notice. Interest per annum at 7% shall also become payable. Management anticipates the development to remain available for low-income housing as approved by HUD for at least forty years. Therefore, a maturity schedule of principal payments has not been included.

**NOTE 8 - RELATED PARTY TRANSACTIONS** The Corporation is liable to Monroe Housing Authority for expenses paid for repairs, upkeep, salaries, and administrative costs in the amount of \$18,698. The Corporation is liable to Monroe Housing Authority for management fees of \$3,162 as of June 30, 2002.

**NOTE 9 - HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)** The Corporation entered into a HAP contract with HUD in March 1998. Under the terms of the HAP contract HUD will pay the difference between the contract (gross potential) rent and the portion of the rent payable by the tenants. During the year ended June 30, 2002, the HAP payments totaled \$36,429 and comprised 33 percent of the Corporation's net rental income.

**NOTE 10 - LITIGATION AND CLAIMS**

**Grant Disallowances** The Corporation participates in a Housing Authority Assistance payments grant programs. The program is subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Mortgage Note** As reflected in Note 6 - Mortgage Payable above, the Corporation is liable in the event of default of the agreement. Management believes the property will continue to be available for low income elderly for the forty-year requirement.

**Passman Plaza, Inc.**  
**Supporting Data Required by HUD**  
**For the Year Ended June 30, 2002**

**OTHER REVENUE:** Other revenue for the year ended June 30, 2002 is as follows:

Cable TV	\$4,750
Maintenance and other	<u>19</u>
Total	<u>\$4,769</u>

**RESERVE FOR REPLACEMENTS.** In accordance with the provisions of the regulatory agreement, the Corporation has established a restricted account to be used for replacement of property. For the year ended June 30, 2002, the account had the following activity:

Balance, beginning of year	\$44,185
Required deposit, 2002	16,800
Interest earned	<u>765</u>
Balance, end of year	<u>\$61,750</u>

**RESIDUAL RECEIPTS.** The Corporation is also required, under the regulatory agreement, to compute surplus cash and deposit it into a restricted account for residual receipts. Any disbursements from this fund require HUD approval. For the year ended June 30, 2002, the account had the following activity:

Balance, beginning of year	\$62,202
Required deposit, 2002	-
Interest earned	<u>1,705</u>
Balance, end of year	<u>\$63,907</u>

**Passman Plaza, Inc.**  
**Supporting Data Required by HUD**  
**Computation of Surplus Cash, Distributions and Residual Receipts**  
**For the Year Ended June 30, 2002**

**PART A - Compute Surplus Cash**

1. Cash (accounts 1120, 1191)	\$17,784	
2. Accounts receivable - HUD (1135)	3,071	
(a) Total cash		\$ 20,855
4. Accrued mortgage interest payable	-	
7. Accounts payable (due within 30 days)	22,571	
11. Prepaid rents	-	
12. Tenant security deposits liability (accounts 2191)	<u>7,431</u>	
(b) Less total current obligations		<u>30,002</u>
(c) Surplus cash (deficiency)		<u>\$( 9,147)</u>

**PART B - Complete Distributions To Owners and Required Deposit To Residual Receipts**

1. Surplus cash		\$ -
4. Amount available for distribution during next fiscal year		-
5. Deposit due residual receipts		<u>\$ -</u>

Prepared By	Reviewed By
Leon Technician	Leon Sevier
Date	Date

Pasaman Plaza, Inc.

Supporting Data Required by HUD  
 Schedule of Changes in Fixed Assets  
 For the Year Ended June 30, 2002

	Assets				Depreciation Reserve				Net Book Balance <u>6-30-02</u>
	Balance 7-01-01	Additions	Deletions	Balance 6-30-02	Balance 7-01-01	Additions	Deletions	Balance 6-30-02	
Land	\$ 252,500	\$ -	\$ -	\$ 252,500	\$ -	\$ -	\$ -	\$ -	\$ 252,500
Buildings	1,734,496	-	-	1,734,496	202,356	43,362	-	245,718	1,488,778
Site improvements	69,631	-	-	69,631	9,284	4,642	-	13,926	55,705
Furniture and fixtures	55,468	-	-	55,468	51,480	3,908	-	55,388	80
Maintenance equipment	8,735	-	-	8,735	8,073	662	-	8,735	-
Computer equipment	1,940	-	-	1,940	1,812	128	-	1,940	-
Totals	\$2,122,770	\$ -	\$ -	\$2,122,770	\$273,005	\$52,702	\$ -	\$325,707	\$1,797,063



**Passman Plaza, Inc.**  
**Supporting Data Required by HUD**  
**Statement of Gross Potential Rent**  
**For the Year Ended June 30, 2002**

<u>Description of units</u>	<u>Number of Units</u>	<u>Monthly Rate</u>	<u>Total Monthly Amount</u>
Rent income - apartments			
One-bedroom	40	\$239	\$ 9,560
Two-bedroom	1	"	<u>        "</u>
			<u>\$        12</u>
Total gross potential rent income			<u>\$114,720</u>

**Passman Plaza, Inc.**  
**Supporting Data Required by HUD**  
**Schedule of Funds In Financial Institutions**  
**For the Year Ended June 30, 2002**

<b>A. Funds held by mortgagor, regular operating account:</b>	
1. Bank One - rental agency account	\$ 10,133 <sup>1</sup>
2. Regions Bank - construction account	<u>          </u> <sup>1</sup>
Operating account, sub-total	<u>10,133</u> <sup>1</sup>
<b>B. Funds held by mortgagor in trust</b>	
1. Bank One -- tenants security deposit, money market (variable)	7,601 <sup>1</sup>
2. Bank One -- money market escrow (variable)	<u>          </u> <sup>1</sup>
Funds held in trust, sub-total	<u>7,601</u>
<b>C. Restricted fund - donations</b>	
1. Bank One investment account	
U. S. Treasury bills (variable)	25,507 <sup>2</sup>
U. S. Treasury security money market	<u>7,362</u> <sup>2</sup>
Funds held by mortgagor, total	<u>32,869</u>
<b>D. Funds held by mortgagee (in trust)</b>	
1. Tax and insurance escrow, none	-
2. Reserve fund for replacements	61,750 <sup>2</sup>
Equipment reserve account - Bank One (variable)	
3. Residual receipts	
a. Bank one investment account	
U. S. Treasury bills (variable)	57,537 <sup>2</sup>
U. S. security money market	<u>6,370</u> <sup>2</sup>
Funds held by mortgagee, total	<u>128,657</u>
Total funds in financial institution	<u>\$176,260</u>

<sup>1</sup> Balances confirmed by bank

<sup>2</sup> Included in pooled investment account with Bank One, balance confirmed by Bank One.

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L8**

**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

Owner: Passman Plaza, Inc.  
 Reporting From: 07/01/2001  
 FHA/Contract Number(s): 064EE037

TIN: 721291568  
 Reporting To: 06/30/2002  
 Submission Type: AUD-A133

1120	Cash - Operations	\$ 10,183
1130	Tenant/Member Accounts Receivable (Coops)	\$ 0
1130N	Net Tenant Accounts Receivable	\$ 0
1135	Accounts Receivable - HUD	\$ 3,071
1145	Accounts and Notes Receivable - Entity	\$ 3,206
	<b>Detail - Accounts and Notes Receivable - Entity</b>	
	1145-010 - Description - Miscellaneous	
	Detail for 1145	
	1145-020 - Amount - Miscellaneous	\$ 3,206
	Detail for 1145	
1160	Accounts Receivable - Interest	\$ 1,185
1200	Miscellaneous Prepaid Expenses	\$ 5,219
1100T	Total Current Assets	\$ 22,864
1191	Tenant/Patient Deposits Held in Trust	\$ 7,601
1320	Replacement Reserve	\$ 61,750
1340	Residual Receipts Reserve	\$ 63,907
1300T	Total Deposits	\$ 125,657
1410	Land	\$ 252,500
1420	Buildings	\$ 1,804,127
1450	Furniture for Project/Tenant Use	\$ 55,468
1470	Maintenance Equipment	\$ 8,735
1490	Miscellaneous Fixed Assets	\$ 1,940
1400T	Total Fixed Assets	\$ 2,122,770
1495	Accumulated Depreciation	\$ 325,707
1400N	Net Fixed Assets	\$ 1,797,063
1525	Cash Restricted for Long-term Investment	\$ 32,869
1500T	Total Other Assets	\$ 32,869
1000T	Total Assets	\$ 1,986,054
2105	Bank Overdraft - Operations	\$ 0
2110	Accounts Payable - Operations	\$ 187
2113	Accounts Payable - Entity	\$ 19,222
2123	Accrued Management Fee Payable	\$ 3,162
2122T	Total Current Liabilities	\$ 22,571
2191	Tenant/Patient Deposits Held in Trust (Contra)	\$ 7,431
2320	Mortgage (or Bonds) Payable - First Mortgage (or Bonds)	\$ 2,052,000
2300T	Total Long Term Liabilities	\$ 2,052,000
2000T	Total Liabilities	\$ 2,082,002

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L8**

**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

3131	Unrestricted Net Assets	\$ -95,948
3130	Total Net Assets	\$ -95,948
2033T	Total Liabilities and Equity/Net Assets	\$ 1,986,054
5120	Rent Revenue - Gross Potential	\$ 78,291
5121	Tenant Assistance Payments	\$ 36,429
5100T	Total Rent Revenue	\$ 114,720
5220	Apartments	\$ 4,812
5200T	Total Vacancies	\$ 4,812
5152N	Net Rental Revenue (Rent Revenue Less Vacancies)	\$ 109,908
5410	Financial Revenue - Project Operations	\$ 28
5430	Revenue from Investments - Residual Receipts	\$ 2,579
5440	Revenue from Investments - Replacement Reserve	\$ 765
5490	Revenue from Investments - Miscellaneous	\$ 993
	<b>Details - Miscellaneous Revenue from Investments</b>	
	5490-010 - Description	Investment income
	5490-020 - Amount	\$ 993
5400T	Total Financial Revenue	\$ 4,365
5990	Miscellaneous Revenue	\$ 4,769
	<b>Details - Miscellaneous Revenue</b>	
	5990-010 - Description	Late Fees
	5990-020 - Amount	\$ 9
	<b>Details - Miscellaneous Revenue</b>	
	5990-010 - Description	Pet deposit
	5990-020 - Amount	\$ 10
	<b>Details - Miscellaneous Revenue</b>	
	5990-010 - Description	Cablevision
	5990-020 - Amount	\$ 4,750
5900T	Total Other Revenue	\$ 4,769
5000T	Total Revenue	\$ 119,042
6210	Advertising and Marketing	\$ 632
6310	Office Salaries	\$ 725
6311	Office Expenses	\$ 1,307
6320	Management Fee	\$ 16,728
6330	Manager or Superintendent Salaries	\$ 10,521
6340	Legal Expense - Project	\$ 56
6350	Audit Expense	\$ 6,730
6351	Bookkeeping Fees/Accounting Services	\$ 2,453
6390	Miscellaneous Administrative Expenses	\$ 16,554
	<b>Details - Miscellaneous Administrative Expenses</b>	
	6390-010 - Description	Miscellaneous expense
	6390-020 - Amount	\$ 5,102
	<b>Details - Miscellaneous Administrative Expenses</b>	
	6390-010 - Description	Activity Director

**PASSMAN PLAZA, INC.**  
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**For the Year Ended June 30, 2002**

	6390-020 - Amount	\$ 1,007	
	<b>Details - Miscellaneous Administrative Expenses</b>		
	6390-010 - Description	Cablevision	
	6390-020 - Amount	\$ 4,445	
6263T	Total Administrative Expenses		\$ 49,706
6450	Electricity		\$ 2,559
6451	Water		\$ 1,413
6452	Gas		\$ 641
6453	Sewer		\$ 1,179
6400T	Total Utilities Expense		\$ 5,792
6510	Payroll		\$ 11,693
6515	Supplies		\$ 4,544
6520	Contracts		\$ 5,556
6525	Garbage and Trash Removal		\$ 3,169
6546	Heating/Cooling Repairs and Maintenance		\$ 544
6570	Vehicle and Maintenance Equipment Operation and Repairs		\$ 463
6590	Miscellaneous Operating and Maintenance Expenses		\$ 470
	<b>Details - Miscellaneous Operating and Maintenance Expenses</b>		
	6590-010 - Description	Miscellaneous Maintenance	
	6590-020 - Amount		\$ 470
6500T	Total Operating and Maintenance Expenses		\$ 26,439
6711	Payroll Taxes (Project's Share)		\$ 2,973
6720	Property & Liability Insurance (Hazard)		\$ 5,063
6721	Fidelity Bond Insurance		\$ 90
6722	Workmen's Compensation		\$ 902
6723	Health Insurance and Other Employee Benefits		\$ 5,792
6700T	Total Taxes and Insurance		\$ 14,820
6900	Nursing Homes/Assisted Living/ Board & Care/Other Elderly Care Expenses		\$ 1,261
6000T	Total Cost of Operations before Depreciation		\$ 98,018
5060T	Profit (Loss) before Depreciation		\$ 21,024
6600	Depreciation Expenses		\$ 52,702
5060N	Operating Profit or (Loss)		\$ -31,678
3247	Change in Unrestricted Net Assets from Operations		\$ -31,678
3250	Change in Total Net Assets from Operations		\$ -31,678
S1000-020	Total of 12 monthly deposits in the audit year into the Replacement Reserve		\$ 16,800

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
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**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

account, as required by the Regulatory Agreement even if payments may be temporarily suspended or reduced.

\$1100-060 3247	Previous Year Unrestricted Net Assets Change in Unrestricted Net Assets from Operations	\$ -64,270 \$ -31,678
3131 \$1100-050 3250	Unrestricted Net Assets Previous Year Total Net Assets Change in Total Net Assets from Operations	\$ -95,948 \$ -64,270 \$ -31,678
3139	Total Net Assets	\$ -95,948
\$1200-010	Rental Receipts	\$ 108,143
\$1200-020	Interest Receipts	\$ 3,523
\$1200-030	Other Operating Receipts	\$ 4,769
\$1200-040	Total Receipts	\$ 116,435
\$1200-050	Administrative	\$ -23,899
\$1200-070	Management Fee	\$ -16,728
\$1200-090	Utilities	\$ -5,792
\$1200-100	Salaries and Wages	\$ -11,896
\$1200-110	Operating and Maintenance	\$ -14,543
\$1200-140	Property Insurance	\$ -5,063
\$1200-150	Miscellaneous Taxes and Insurance	\$ -11,056
\$1200-160	Tenant Security Deposits	\$ -59
\$1200-220	Miscellaneous Financial	\$ -1,261
\$1200-230	Total Disbursements	\$ -90,307
\$1200-240	Net Cash provided by (used in) Operating Activities	\$ 26,128
\$1200-250	Net Deposits to the Reserve for Replacement account	\$ -17,565
\$1200-260	Net Deposits to the Residual Receipts account	\$ -1,705
\$1200-340	Other Investing Activities	\$ -799
\$1200-350	Net Cash used in Investing Activities	\$ -20,059
\$1200-470	Net increase (decrease) in Cash and Cash Equivalents	\$ 6,059
\$1200-480	Beginning of Period Cash	\$ 4,124
\$1200T	End of Period Cash	\$ 10,183
3250	Change in Total Net Assets from Operations	\$ -31,678
6600	Depreciation Expenses	\$ 52,792
\$1200-490	Decrease (increase) in Tenant/Member Accounts Receivable	\$ 1,396
\$1200-500	Decrease (increase) in Accounts Receivable - Other	\$ -6,277
\$1200-510	Decrease (increase) in Accrued	\$ -842

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 864-EE037-WAH-NP-18**

**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

	Receivable	
S1200-520	Decrease (increase) in Prepaid Expenses	\$ -1,309
S1200-530	Decrease (increase) in Cash Restricted for Tenant Security Deposits	\$ -58
S1200-540	Increase (decrease) in Accounts Payable	\$ 10,517
S1200-560	Increase (decrease) in Accrued Liabilities	\$ 1,768
S1200-580	Increase (decrease) in Tenant Security Deposits held in trust	\$ -1
S1200-610	Net Cash provided by (used in) Operating Activities	\$ 26,128
S3100-010	Organization and Presentation Note	<p><b>Corporate Purpose</b> The Corporation was organized without capital stock under Louisiana law on October 18, 1994, as a non-profit corporation to provide housing for elderly and handicapped individuals pursuant to Section 202 of the National Housing Act, as amended. Membership in the Corporation is evidenced by certificates of membership and is limited to individuals who are members of the Board of Directors, or other persons who have the approval of the Board of Directors of this Corporation.</p>
S3100-040	Summary of Significant Accounting Policies Note	<p><b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b></p> <p><b>Income Taxes</b> The Corporation is qualified as an organization exempt from federal income taxes, pursuant to Paragraph 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes is necessary.</p> <p><b>HUD Requirements</b> The books of the Corporation are maintained in accordance with applicable HUD requirements. However, for this report, the financial statements are prepared on a generally accepted accounting principles basis. The assets, liabilities, and net assets reflected in these statements relate only to Passman Plaza, Inc., and no other assets, liabilities, or capital of the owners are reported herein.</p> <p><b>Cash and Cash Equivalents</b> For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.</p> <p><b>Fixed Assets</b> Fixed assets are capitalized and depreciated over the estimated useful life of the asset. Public domain or infrastructures are capitalized (construction period interest is capitalized). All fixed assets costing more than \$500 are capitalized. An asset may be capitalized if its cost is less than \$500 if it is considered to have a long useful life.</p> <p><b>Use of Estimates</b> The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.</p>
S3100-050	Mortgages (or Bond) Payable Note	<p><b>NOTE 7 - MORTGAGE PAYABLE</b> The Corporation is indebted to the U. S. Department of Housing and Urban</p>

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
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**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

Development for a mortgage on the building and improvements in the original amount of \$2,052,000. The mortgage note bears no interest and repayment is not required so long as housing remains available for at least forty years to very low-income elderly persons as approved by HUD. If Passman Plaza, Inc., should default under the above terms, the entire principal sum shall at once become due and payable without notice. Interest per annum at 7% shall also become payable. Management anticipates the development to remain available for low-income housing as approved by HUD for at least forty years. Therefore, a maturity schedule of principal payments has not been included.

**Details - Mortgages Payable**

S3100-060 - Principal Payments in the next 12 months - Year 1 \$ 0  
 S3100-070 - Principal Payments in the next 12 months - Year 2 \$ 0  
 S3100-080 - Principal Payments in the next 12 months - Year 3 \$ 0  
 S3100-090 - Principal Payments in the next 12 months - Year 4 \$ 0  
 S3100-100 - Principal Payments in the next 12 months - Year 5 \$ 0  
 S3100-110 - Principal Payments remaining after Year 5 \$ 2,052,000

S3100-200

Related Party Transactions Note

**NOTE 8 - RELATED PARTY TRANSACTIONS** The Corporation is liable to Monroe Housing Authority for expenses paid for repairs, upkeep, salaries, and administrative costs in the amount of \$18,698. The Corporation is liable to Monroe Housing Authority for management fees of \$3,162 as of June 30, 2002.

**Details - Related Party Transactions**

S3100-210 - Company Name Monroe Housing Authority-Expenses  
 S3100-220 - Amount Received \$ 18,698

**Details - Related Party Transactions**

S3100-210 - Company Name Monroe Housing Authority-Management Fees  
 S3100-220 - Amount Received \$ 3,162

S3100-230

Management Fee Note

**NOTE 6 - ACCOUNTS PAYABLE - MONROE HOUSING AUTHORITY AND PASSMAN PLAZA II, INC.** The Corporation was liable to Monroe Housing Authority and Passman Plaza II, Inc. for \$19,222 at June 30, 2002. This is the result of expenses paid by Monroe Housing Authority and Passman Plaza II, Inc. for the repairs, upkeep, salaries and administrative costs. The Corporation reimburses Monroe Housing Authority and Passman Plaza II, Inc. periodically.

S3100-240

Additional Note

**NOTE 2 - DEPOSITS AND INVESTMENTS** At June 30, 2002, the Corporation has cash and cash equivalents (book balances) as follows: Petty cash \$ 50 Demand deposit 10,133 Interest-bearing demand deposits 69,351 Total deposits 79,534 Less: demand deposits classified as investments (69,351) Total cash and cash equivalents \$ 10,173 Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be



**PASSMAN PLAZA, INC.**  
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secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year-end, the Corporation's carrying amount of deposits was \$79,534 and the bank balance was \$82,062. The bank balance was covered by federal depository insurance or by collateral held by the Corporation's agent in the Corporation's name (GASB Category 1). Investments are categorized into these three categories of credit risk: 1. Insured or registered, or securities held by the Corporation or its agent in the Corporation's name. 2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Corporation's name. 3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Corporation's name. At year end, the Corporation investment balances included the following:

Category	Carrying Amount	Total Carrying Amount	1	2	3	Fair Value
U. S. Treasury Securities	\$96,776	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

S3100-240 Additional Note

**NOTE 3 - RESTRICTED DEPOSITS AND FUNDED RESERVES** Under the provisions of the regulatory agreement with HUD, the Corporation is required to make monthly deposits to a reserve for replacement account for an annual total of \$16,800. Any disbursements from this account must be approved by HUD. At June 30, 2002, the reserve for replacement account amounted to \$61,750. The Corporation is also required, under the regulatory agreement, to compute surplus cash and deposit it into a Residual Receipts Reserve. Any disbursements from this account require HUD approval. There was no prior year surplus to be deposited into a residual receipts account. The balance of this fund at June 30, 2002, amounted to \$63,907. These deposits are restricted by regulatory agreement but not restricted as defined by Financial Accounting Standards Statement No. 117. Therefore, these deposits are classified as unrestricted.

S3100-240 Additional Note

**NOTE 4 - DEPOSITS HELD IN TRUST - FUNDED** Tenants are required to pay a security deposit upon occupancy of an apartment. To comply with HUD guidelines, these security deposits are maintained in a separate bank account, in the name of the Corporation, which is limited to those transactions directly concerning the security deposits. The tenant security deposit escrow account had a balance of \$7,601 at June 30, 2002, at which time the Corporation was liable to tenants for security deposits of \$7,431.

S3100-240 Additional Note

**NOTE 5 - FIXED ASSETS** Property and equipment are recorded at historical cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from five to 40 years. Details of the lives, cost, accumulated depreciation and net book value are as follows: Estimated Useful Lives Cost Accumulated Depreciation Net Book Value

**PASSMAN PLAZA, INC.**  
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**FINANCIAL DATA SCHEDULE**  
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1410 Land (nondepreciable) - \$ 252,500 \$ - \$ 252,500 1420  
 Buildings 40 1,734,496 245,718 1,488,778 1430 Site  
 improvements 15 69,631 13,926 55,705 1450 Furniture and  
 fixtures 5 55,468 55,388 80 1470 Maintenance equipment 5  
 8,735 8,735 - 1490 Computer equipment 5 1,940 1,940 - Total  
 fixed assets \$2,122,770 \$325,707 \$1,797,063

S3100-240 Additional Note

**NOTE 9 - HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)** The Corporation entered into a HAP contract with HUD in March 1998. Under the terms of the HAP contract HUD will pay the difference between the contract (gross potential) rent and the portion of the rent payable by the tenants. During the year ended June 30, 2002, the HAP payments totaled \$36,429 and comprised 33 percent of the Corporation's net rental income.

S3100-240 Additional Note

**NOTE 10 - LITIGATION AND CLAIMS Grant Disallowances** The Corporation participates in a Housing Authority Assistance payments grant programs. The program is subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount of disallowances, if any, which may arise from future audits will not be material. **Mortgage Note** As reflected in Note 6 - Mortgage Payable above, the Corporation is liable in the event of default of the agreement. Management believes the property will continue to be available for low income elderly for the forty-year requirement.

S3400-020 Opinion  
 S3400-030 Opinion Explanation

**UNQUALIFIED**

We conducted our 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 of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Passman Plaza, Inc., as of June 30, 2002, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles. In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2002, on our consideration of the Passman Plaza, Inc's internal control over financial reporting and our tests of its compliance with certain provisions of laws,

**PASSMAN PLAZA, INC.**  
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**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

S3400-050      Going Concern" Issue

N

S3400-100

Opinion

**UNQUALIFIED**

S3400-110

Opinion Explanation

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Passman Plaza, Inc., taken as a whole. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. Also, the accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Passman Plaza, Inc. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

S3500-020

Reportable Conditions Indicator

N

S3500-030

Material Weakness Indicator

N

S3500-040

Material Non-Compliance Indicator

N

S3500-045

Comments on Internal Controls

**Internal Control Over Financial Reporting** In planning and performing our audit, we considered Passman Plaza, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

S3600-020

Reportable Conditions Indicator

N

S3600-030

Material Weakness Indicator

N

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**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

S3600-035

Comments on Non-compliance

Compliance We have audited the compliance of Passman Plaza, Inc., Monroe, Louisiana, HUD Project No. 064-EE037-WAH-NP-L8, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. Passman Plaza, Inc.'s major federal programs are identified in the summary of auditors' 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 Passman Plaza, Inc.'s management. Our responsibility is to express an opinion on Passman Plaza, Inc.'s compliance based on our audit. We conducted our 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 No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. A-133 require that we 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 Passman Plaza, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Passman Plaza, Inc.'s compliance with those requirements. In our opinion, Passman Plaza, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance The management of Passman Plaza, Inc., 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 our audit, we considered Passman Plaza, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133. Our 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,

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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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

S3700-010	Indicator - Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	N	
S3700-020	Dollar threshold used to distinguish between type A and type B programs	\$ 300,000	
S3700-030	Low-Risk Auditee Indicator	Y	
1320P	Balance at Beginning of Year		\$ 44,185
1320DT	Total Monthly Deposits		\$ 16,800
1320INT	Interest on Replacement Reserve Accounts		\$ 765
1320	Balance at End of Year, Confirmed by Mortgagee		\$ 61,750
1320R	Deposits Suspended or Waived Indicator	N	
1340P	Balance at Beginning of Year		\$ 62,202
1340INT	Interest on Residual Receipt Accounts		\$ 1,705
1340	Balance at current fiscal year end		\$ 63,907
S1300-010	Cash		\$ 17,784
1135	Tenant subsidy due for period covered by financial statement		\$ 3,071
S1300-040	Total Cash		\$ 20,855
S1300-075	Accounts Payable - 30 days		\$ 22,571
2191	Tenant/Patient Deposits Held In Trust (Contra)		\$ 7,431
S1300-140	Total Current Obligations		\$ 30,002
S1300-150	Surplus Cash (Deficiency)		\$ -9,147
S1300-210	Deposit Due Residual Receipts		\$ 0
1410P	Beginning Balance for 1410		\$ 252,500
1410	Land		\$ 252,500
1420P	Beginning Balance for 1420		\$ 1,804,127
1420	Buildings		\$ 1,804,127
1450P	Beginning Balance for 1450		\$ 55,468
1450	Furniture for Project/Tenant Use		\$ 55,468
1470P	Beginning Balance for 1470		\$ 8,735
1470	Maintenance Equipment		\$ 8,735

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1490P	Beginning Balance for 1490	\$ 1,940
1490	Miscellaneous Fixed Assets	\$ 1,940
1460FT	Total Beginning Balance for Fixed Assets	\$ 2,122,770
1400T	Total Fixed Assets	\$ 2,122,770
1495P	Beginning Balance for 1495	\$ 273,005
6600	Total Provisions	\$ 52,702
1495	Ending Balance for Accumulated Depreciation	\$ 325,707
1400N	Total Net Book Value	\$ 1,797,063
6953	Housekeeping Purchased Services	\$ 1,261

**Details - Schedule of Expenditures of Federal Awards**

S3300-020	Program Number	0
	S3300-030 - Name of Federal Agency	United States Department of Housing and Urban Development
	S3300-040 - Name of Federal Program	Section 202 Outstanding HUD Loan
	S3300-050 - CFDA Number	14.157
	S3300-080 - Federal Awards Expended	\$ 2,052,000
	S3300-150 - Opinion	UNQUALIFIED

**Details - Schedule of Expenditures of Federal Awards**

S3300-020	Program Number	0
	S3300-030 - Name of Federal Agency	United States Department of Housing and Urban Development
	S3300-040 - Name of Federal Program	Section 8 Rental Certificates
	S3300-050 - CFDA Number	14.857
	S3300-080 - Federal Awards Expended	\$ 36,429
	S3300-150 - Opinion	UNQUALIFIED

S3300-500 Total Federal Awards Expended \$ 2,088,429

S3300-510 Note to the Schedule  
**NOTE 1 - GENERAL** This schedule presents the activity of all federal awards programs of Passman Plaza, Inc. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule. **NOTE 2 - BASIS OF ACCOUNTING** This schedule is presented using the accrual basis of accounting. **NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the Corporation's basic financial statements. **NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported above agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

S2900-010	Narrative	We hereby certify that we have examined the accompanying financial statements and supplemental information of Passman Plaza, Inc., and to the best of our knowledge and belief, the same is complete and accurate.
S2900-020	Name of Signatory #1	Henry Bonner, Jr.
S2900-025	Title of Certifying Official	President
S2900-030	Name of Signatory #2	Vickie Krutzer
S2900-040	Auditee Telephone Number	318-329-1500
S2900-050	Date of Certification	08/30/2002
S2900-080	Auditee Name	Passman Plaza, Inc.
S2900-090	Auditee Street Address Line 1	300 Harrison Street

**PASSMAN PLAZA, INC.**  
**Monroe, Louisiana**  
**HUD PROJECT No. 064-EE037-WAH-NP-L8**

**FINANCIAL DATA SCHEDULE**  
**For the Year Ended June 30, 2002**

S2900-110	Auditee City	Monroe
S2900-120	Auditee State	LA
S2900-130	Auditee Zip Code	71201
S2900-150	Auditee Contact Name	Frank Wilcox
S2900-160	Auditee Contact Title	Executive Director
S2900-170	Auditee Contact FAX Number	318-329-1397
S3000-010	Narrative	We hereby certify that we have examined the accompanying financial statements and supplemental information of Passman Plaza, Inc., and to the best of our knowledge and belief, the same is complete and accurate.
S3000-020	Name of Managing Agent	Monroe Housing Authority
S3000-030	Name of Signatory	Frank Wilcox
S3000-040	Managing Agent TIN	72-6001704
S3000-050	Name of Individual (i.e., Property Manager)	Sue Wheeler
S3200-005	Audit Firm ID (UII)	95070
S3200-010	Audit Firm	Allen, Green & Company, CPAs, LLP
S3200-020	Lead Auditor First Name	Margie
S3200-040	Lead Auditor Last Name	Williamson
S3200-045	Auditor Contact Title	Partner
S3200-050	Auditor Street Address Line 1	2414 Ferrand Street
S3200-060	Auditor Street Address Line 2	P. O. Box 6075
S3200-070	Auditor City	Monroe
S3200-080	Auditor State	LA
S3200-090	Auditor Zip Code	71211
S3200-100	Auditor Zip Code Extension	6075
S3200-110	Telephone Number	318-388-4422
S3200-120	Audit Firm TIN	721221121
S3200-130	Date of Independent Auditor's Report	08/14/2002
S3200-140	Auditor Contact FAX Number	318-388-4664
S3200-150	Auditor Contact E-mail	margie@allengreencpa.com



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Tim Green, CPA  
Margie Williamson, CPA

Sylvia R. Fallon, CPA  
Sharon K. French, CPA  
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)  
1963 - 2008

## Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Board of Directors  
Passman Plaza, Inc.  
Monroe, Louisiana

Department of Housing Management  
U. S. Department of Housing And Urban Development (HUD)  
Shreveport, Louisiana

We have audited the financial statements of Passman Plaza, Inc., Monroe, Louisiana, HUD Project No. 064-BE037-WAH-NP-L8, as of and for the year ended June 30, 2002, and have issued our report thereon dated August 14, 2002. We conducted our 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 of America.

### Compliance

As part of obtaining reasonable assurance about whether Passman Plaza, Inc.'s financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Passman Plaza, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of the Board, management and HUD and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

August 14, 2002





# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)  
1983 - 2000

## Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

The Board of Directors  
Passman Plaza, Inc.  
Monroe, Louisiana

Department of Housing Management  
U. S. Department of Housing And Urban Development (HUD)  
Shreveport, Louisiana

### Compliance

We have audited the compliance of Passman Plaza, Inc., Monroe, Louisiana, HUD Project No. 064-EE037-WAH-NP-L8, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB Circular No. A-133 Compliance Supplement) that are applicable to each of its major federal programs for the year ended June 30, 2002. Passman Plaza, Inc.'s major federal programs are identified in the summary of auditors' 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 Passman Plaza, Inc.'s management. Our responsibility is to express an opinion on Passman Plaza, Inc.'s compliance based on our audit.

We conducted our 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 No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we 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 Passman Plaza, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Passman Plaza, Inc.'s compliance with those requirements.

In our opinion, Passman Plaza, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

### Internal Control Over Compliance

The management of Passman Plaza, Inc., 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 our audit, we considered Passman Plaza, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Passman Plaza, Inc., as of and for the year ended June 30, 2002, and have issued our report thereon dated August 14, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management and HUD and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

August 14, 2002

**Passman Plaza, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2002**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development Direct Programs			
Section 8 Rental Certificates	14.857	064-EE037-WAH-NP-L8	\$ 36,429
Section 202 Outstanding HUD Loan	14.157	064-EE037-WAH-NP-L8	<u>2,052,000</u>
<b>TOTAL</b>			<u><u>\$2,088,429</u></u>

**NOTE 1 - GENERAL** This schedule presents the activity of all federal awards programs of Passman Plaza, Inc. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** This schedule is presented using the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the Corporation's basic financial statements.

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported above agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**Passman Plaza, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2002**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit did not disclose audit findings which the auditor is required to report under OMB Circular No. A-133, Section .516(a).
- vii. The major federal program is:  
  
CFDA #14.157                      Section 202 Outstanding HUD Loan
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

Passman Plaza, Inc.  
Mortgagor's Certification  
June 30, 2002

We hereby certify that we have examined the accompanying financial statements and supplemental information of Passman Plaza, Inc., and to the best of our knowledge and belief, the same is complete and accurate.

President  
Title

Signature

Date

8/30/02

Vice-President  
Title

Signature

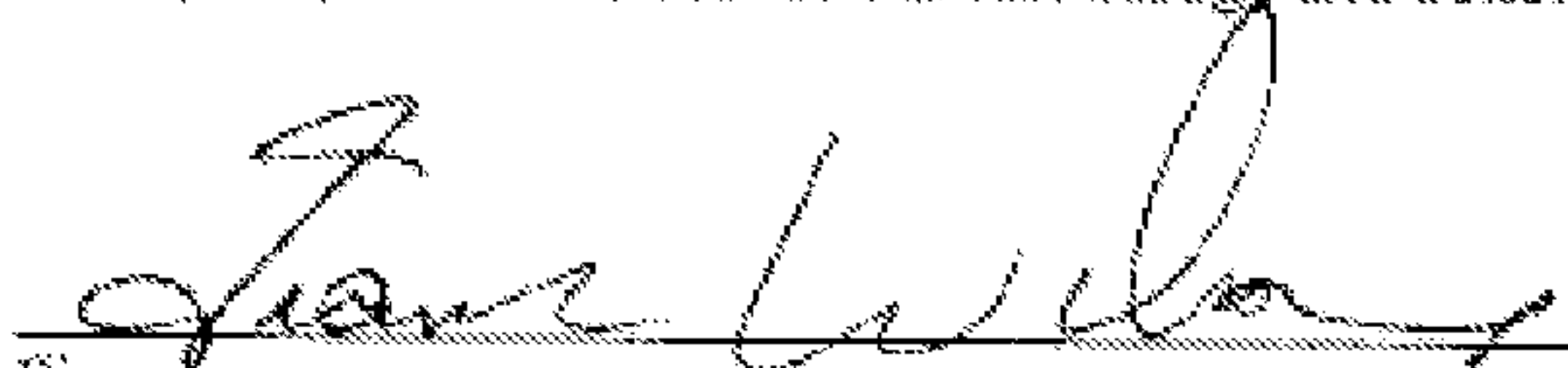
Date

8-30-02

Employer's Identification number  
72-1291568

Passman Plaza, Inc.  
Management Agent's Certification  
June 30, 2002

We hereby certify that we have examined the accompanying financial statements and supplemental information of Passman Plaza, Inc., and to the best of our knowledge and belief, the same is complete and accurate.



Signature

Mr. Frank Wilcox, Executive Director  
Monroe Housing Authority

9/3/02

Date