

HOUSING AUTHORITY OF GRANT PARISH
REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED MARCH 31, 2004

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 11-24-04

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Grant Parish
Georgetown, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Grant Parish Housing Authority as of and for the year ended March 31, 2004, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grant Parish Housing Authority's management. Our responsibility is to express opinions on these 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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of Grant Parish as of March 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2004 on our consideration of Housing Authority of Grant Parish's internal control over financial reporting and our 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 our 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 our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Parish Housing Authority's, basic financial statements. The accompanying schedule of expenditures of federal awards and other supplementary information is presented for purposes of additional analysis but is not a required part of the basic financial statements of Grant Parish Housing Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
November 11, 2004

HOUSING AUTHORITY OF GRANT PARISH
 COMBINED BALANCE SHEET - ENTERPRISE FUNDS
 YEAR ENDED MARCH 31, 2004

ASSETS

Current assets

| | |
|---|-----------|
| Cash and cash equivalents | \$ 65,215 |
| Accounts receivable (net of allowance for doubtful accounts of \$6,837) | 8,744 |
| Interfund receivable | 26,855 |
| Prepaid items and other assets | 3,614 |
| Inventory | 575 |

| | |
|----------------------|---------|
| Total Current Assets | 105,003 |
|----------------------|---------|

Restricted Assets

| | |
|-----------------|-------|
| Tenant deposits | 1,660 |
|-----------------|-------|

Fixed Assets

| | |
|--------------------------------------|---------|
| Land, buildings, and equipment (net) | 593,304 |
|--------------------------------------|---------|

| | |
|--------------|---------|
| TOTAL ASSETS | 699,967 |
|--------------|---------|

LIABILITIES AND FUND EQUITY

Current Liabilities

| | |
|------------------------------|--------|
| Accounts payable | 8,535 |
| Compensated absences payable | 3,267 |
| Interfund payable | 26,855 |

| | |
|---------------------------|--------|
| Total Current Liabilities | 38,657 |
|---------------------------|--------|

Current Liabilities Payable from Current Restricted Assets

| | |
|---------------------|-------|
| Deposits due others | 1,660 |
|---------------------|-------|

Noncurrent Liabilities

| | |
|------------------------------|-------|
| Compensated absences payable | 8,983 |
|------------------------------|-------|

| | |
|-------------------|--------|
| Total Liabilities | 49,300 |
|-------------------|--------|

Fund Equity

| | |
|---------------------|---------|
| Contributed capital | 562,461 |
| Retained earnings: | |
| Unreserved | 88,206 |

| | |
|-------------------|---------|
| Total Fund Equity | 650,667 |
|-------------------|---------|

| | |
|-----------------------------------|------------|
| TOTAL LIABILITIES AND FUND EQUITY | \$ 699,967 |
|-----------------------------------|------------|

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - ENTERPRISE FUNDS

YEAR ENDED MARCH 31, 2004

| | |
|---|-----------|
| OPERATING REVENUES | |
| Dwelling rental | \$ 39,551 |
| Other | 5,383 |
| | <hr/> |
| Total revenues | 44,934 |
| | <hr/> |
| OPERATING EXPENSES | |
| Administration | 124,979 |
| Utilities | 9,457 |
| Ordinary maintenance & operations | 37,702 |
| General expenses | 21,065 |
| Depreciation | 64,976 |
| Housing assistance payments | 271,091 |
| | <hr/> |
| Total operating expenses | 529,270 |
| | <hr/> |
| Income (loss) from Operations | (484,336) |
| | <hr/> |
| Non operating revenues (expenses) | |
| Interest earnings | 693 |
| Federal grants | 446,162 |
| | <hr/> |
| Total Non-operating revenues (expenses) | 446,855 |
| | <hr/> |
| NET INCOME (LOSS) | (37,481) |
| | <hr/> |
| Depreciation on fixed assets acquired by contribution | 58,957 |
| | <hr/> |
| Increase in retained earnings | 21,476 |
| | <hr/> |

(CONTINUED)

HOUSING AUTHORITY OF GRANT PARISH
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - ENTERPRISE FUNDS

YEAR ENDED MARCH 31, 2004

| | |
|---|-------------------|
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>66,730</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>88,206</u> |
| CONTRIBUTED CAPITAL AT BEGINNING OF YEAR | 621,418 |
| Depreciation transferred from retained earnings | <u>(58,957)</u> |
| CONTRIBUTED CAPITAL AT END OF YEAR | <u>562,461</u> |
| FUND EQUITY, END OF YEAR | \$ <u>650,667</u> |

(CONCLUDED)

HOUSING AUTHORITY OF GRANT PARISH
COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED MARCH 31, 2004

| | |
|--|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income (loss) | \$ (484,336) |
| Adjustments to reconcile net income (loss) to | |
| Net cash provided by operating activities | |
| Depreciation | 64,976 |
| Changes in operating current assets and liabilities: | |
| Increase in accounts receivables | (292) |
| Increase in interfund receivables | (13,569) |
| Increase in prepaid items and other assets | (3,103) |
| Increase in inventory | (449) |
| Decrease in accounts payables | (8,363) |
| Decrease in deposits due others | (670) |
| Decrease in accrued PILOT | (2,888) |
| Increase in interfund payable | 13,569 |
| Decrease in liability for compensated absences | (2,858) |
| | <hr/> |
| NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES | (437,983) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Federal grants | 437,559 |
| Increase in long-term portion of compensated absences | 2,859 |
| | <hr/> |
| NET CASH PROVIDED(USED) BY NONCAPITAL FINANCING ACTIVITIES | 440,418 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Federal grants | 8,603 |
| Construction costs and purchase of equipment | (8,194) |
| | <hr/> |
| NET CASH PROVIDED(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | 409 |
| | <hr/> |

CONTINUED

HOUSING AUTHORITY OF GRANT PARISH
COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED MARCH 31, 2004

| | |
|--|------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Decrease in investments | 670 |
| Interest earnings | <u>693</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>1,363</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,207 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>61,008</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 65,215</u> |
| | CONCLUDED |

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

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HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying general-purpose financial statements of the Housing Authority of Grant Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION Housing Authorities are chartered as a public corporation under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member board of Commissioners. The members, appointed by the Honorable Mayor of the City of Georgetown, Louisiana, serve staggered multi-year terms.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 28 units in Low Rent management in one project. It also administers 113 Housing Choice Section Eight Voucher.

| Program | Contract Number | Number Of Units |
|----------------------------------|--------------------|--------------------|
| PHA owned housing | FW-2020 | 28 |
| Section 8 Housing Choice Voucher | LA-120-VO | 113 |

B. REPORTING ENTITY GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

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

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

C. FUNDS The accounts of the Housing 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 Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator.

Proprietary funds 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 measurement focus for all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

D. BUDGETS

General Budget Policies The following summarizes the budget activities of the Housing Authority during the year ended March 31, 2004:

The Housing Authority adopted budgets for all HUD-funded programs. The budget is controlled by fund at the function level. All appropriations lapse at year end. Budgets are prepared on the modified accrual basis of accounting.

The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.

E. CASH AND CASH EQUIVALENTS Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under state law and national banks having their principal offices in Louisiana.

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

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

F. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider markets rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. INVENTORY AND PREPAID ITEMS Inventories consist of expendable supplies held for consumption stated on a lower of cost or market on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used.

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

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

I. FIXED ASSETS Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Interest costs during construction have not been capitalized. Straight-line depreciation is used based on the following estimated useful lives:

| | |
|------------------------|--------------|
| Site improvements | 15 years |
| Buildings | 33 years |
| Building improvements | 15 years |
| Furniture and fixtures | 5 to 7 years |
| Computers | 3 years |

J. COMPENSATED ABSENCES The Housing Authority follows state Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. 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 financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF GRANT PARISH
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

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

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

Category 3 - Uninsured and unregistered investments held by the counter-party, its trust department, or its agent, but not in the Authority's name

At March 31, 2004 the Housing Authority has Cash equivalents, and investments totaling \$66,875 as follows:

| | | |
|--|----|--------|
| Cash on hand | \$ | 50 |
| Interest-bearing demand deposits | | 66,825 |
| Total | \$ | 66,875 |
| | | |
| Cash and cash equivalents | \$ | 65,215 |
| Cash and cash equivalents – restricted | | 1,660 |
| Total | \$ | 66,875 |

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 2004, the Housing Authority's carrying amount of deposits was \$66,825 and the bank balance was \$69,043. Of the bank balance, \$69,043 was covered by federal depository insurance (GASB Category 1).

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

NOTE 3 – RECEIVABLES the receivables of \$8,744 at March 31, 2004, are as follows:

| <u>Class of Receivables</u> | |
|-----------------------------|----------|
| Local sources | |
| Tenants | \$ 236 |
| Federal sources: | |
| Grants | 8,508 |
| Total | \$ 8,744 |

NOTE 4 – FIXED ASSETS The changes in general fixed assets are as follows:

| | Balance 3-31-03 | Additions | Deletions | Balance 3-31-04 |
|--------------------------------|--------------------|-------------|------------|--------------------|
| Land and buildings | \$ 1,550,955 | \$ 3,652 | \$ 0 | \$ 1,554,607 |
| Furniture and equipment | 100,725 | 9,523 | 1,256 | 108,992 |
| Construction in progress | 3,725 | 0 | 3,725 | 0 |
| Total | 1,655,405 | 13,175 | 4,981 | 1,663,599 |
| Less: accumulated depreciation | | | | |
| Buildings | 922,486 | 58,782 | 0 | 981,268 |
| Furniture and equipment | 82,833 | 6,194 | 0 | 89,027 |
| Total | 1,005,319 | 64,976 | 0 | 1,070,295 |
| Fixed assets, net | \$ 650,086 | \$ (51,801) | \$ (4,981) | \$ 593,304 |

NOTE 5 – RETIREMENT SYSTEM The Housing Authority participates in a defined contribution plan. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5 percent of his effective compensation. The employer is required to make monthly contributions equal to 8 percent of each participant's effective compensation.

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

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

The Housing Authority's contributions were calculated using the base salary amount of \$84,953. The Housing Authority made the required contributions of \$11,045 for the year ended March 31, 2004, of which \$6,797 was paid by the Housing Authority and \$4,248 was paid by employees. No payments were made out of the forfeiture account.

NOTE 6 – ACCOUNTS PAYABLE The payables of \$8,535 at March 31, 2004, are as follows:

| | | |
|----------------------|----|-------|
| Trade payables | \$ | 3,139 |
| Payroll withholdings | | 680 |
| Federal grants | | 4,716 |
| | | 8,535 |
| | \$ | 8,535 |

NOTE 7 – COMPENSATED ABSENCES At March 31, 2004, employees of the Housing Authority have accumulated and vested \$12,250 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 8 – GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended March 31, 2004.

| | | Compensated Absences |
|------------------------|----|-------------------------|
| Balance, 3-31-03 | \$ | 12,250 |
| Additions | | 0 |
| Deductions | | 0 |
| Balance, 3-31-04 | \$ | 12,250 |
| Amount due in one year | | 3,267 |

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Construction Projects There are certain renovation or construction projects in progress at March 31, 2004. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 through March 31, 2004, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES The Low Rent program is owed \$18,347 and \$8,508 by the Section Eight Housing Choice Program and Capital Fund program, respectively.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF GRANT PARISH
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED MARCH 31, 2004

1. The Actual Modernization Costs are as follows:

| | | 2001 CFP |
|--------------------------|----|-----------------|
| Funds approved | \$ | 57,999 |
| Funds expended | | <u>57,999</u> |
| Excess of funds approved | \$ | <u><u>0</u></u> |
| | | |
| Funds advanced | \$ | 57,999 |
| Funds expended | | <u>57,999</u> |
| Excess of funds advanced | \$ | <u><u>0</u></u> |

2. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated June 27, 2003 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF GRANT PARISH
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED MARCH 31, 2004

CASH BASIS

| | 2000 <u>Capital Funding</u> | 2003 <u>Capital Funding</u> |
|--------------------------|--------------------------------|--------------------------------|
| Funds approved | \$ 55,096 | \$ 9,035 |
| Funds expended | <u>51,879</u> | <u>331</u> |
| Excess of funds approved | <u>\$ 3,217</u> | <u>\$ 8,704</u> |
| | | |
| Funds advanced | \$ 43,702 | \$ 0 |
| Funds expended | <u>51,879</u> | <u>331</u> |
| Excess of funds advanced | <u>\$ (8,177)</u> | <u>\$ (331)</u> |

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

Housing Authority of Grant Parish
Georgetown, Louisiana

We have audited the financial statements of the Housing Authority of Grant Parish as of and for the year ended March 31, 2004, which collectively comprise the Housing Authority of Grant Parish's financial statements and have issued our report thereon dated November 11, 2004. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grant Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Grant Parish's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Audit Findings 03-01 and 03-04.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Audit Findings 03-01 and 03-04 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant Parish's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as Audit Findings 03-01 – 03-04. We also noted immaterial instances of noncompliance. They are Audit Findings 03-05 and 03-06.

This report is intended for the information of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Mike Estes, P.C.
Fort Worth, Texas
November 11, 2004

HOUSING AUTHORITY OF GRANT PARISH
STATEMENT OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2004

| FEDERAL GRANTOR PROGRAM TITLE | <u>CDFA NO.</u> | <u>PROGRAM EXPENDITURES</u> |
|---|---------------------|---------------------------------|
| U. S. Department of Housing and Urban Development Direct Programs: | | |
| Low-Income Housing Operating Subsidy | 14.850 | <u>56,512</u> |
| Housing Choice Voucher | 14.871 | <u>323,006</u> |
| Public Housing Capital Fund | 14.872 | <u>66,644</u> |
| Total United States Department of Housing and Urban Development | \$ | <u>446,162</u> |
| Total Expenditures of Federal Awards | \$ | <u>446,162</u> |

Total Expenditures of Federal Awards

**HOUSING AUTHORITY OF GRANT PARISH
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED MARCH 31, 2004

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Grant Parish (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s general-purpose financial statements. 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 The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority’s general-purpose financial statements.

NOTE 3 – RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s general-purpose financial statements as follows:

| | Federal Sources |
|-----------------------------------|-----------------|
| Enterprise funds: | |
| Public Housing | \$ 56,512 |
| Section 8 Housing Choice Vouchers | 323,006 |
| Capital Fund | 66,644 |
| Total | \$ 446,162 |

NOTE 4 – 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 generally accepted accounting principles.

NOTE 5 – FEDERAL AWARDS PROGRAMS 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 98-14, “federal awards” do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act “federal awards expended” threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were two reportable conditions required to be disclosed *by Government Auditing Standards* issued by the Comptroller General of the United States.
- iii. There were two instances of noncompliance considered material, as defined by the *Government Auditing Standards* to the financial statements.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Prior Audit Findings and Questioned Costs

The prior audit report contained prior audit findings, as follows:

Section Eight

Finding 03-01 – Under Utilization of Budget Authority and Vouchers Issued

At March 31, 2003, the Section Eight program had a \$16,707 deficit, and only 84% of the potential units were leased. This finding is repeated as 04-02.

Low Rent

Finding 03-02 – Total Routine Expense Exceeds Budget

The actual routine expense exceeded the budgeted amount. This is repeated as finding 04-03.

Section Eight

Finding 03-03 – Incorrect Section Eight Payment Standards Used

The PHA used incorrect payment standards for the period April 1, 2002 – October 31, 2002. This was not repeated in this year's audit. This finding is cleared.

Current Audit Findings

Low Rent

Finding 04-01 – Ineligible, Inappropriate Expenditures

Statement of Condition

Five disbursements were made that appear to be ineligible. Two were made to the assistant director, and three were made to her husband. The assistant director has since been terminated. One payment was made before year-end, March 31, 2004. Four were made from April 22, 2004 through July 13, 2004. The payments were as follows:

- A) #9146, March 30, 2004, \$600.00 – To the terminated assistant director, for \$50 per month travel allowance for the year ended March 31, 2004, not authorized by the Board.
- B) #9182, April 22, 2004, \$770.00 – To terminated assistant director. The attached invoice says “for reimbursement of computer repair on April 21, 2004.” We contacted the owner of the vendor company. The owner claims his company did not perform this work.
- C) #9264, July 13, 2004, \$5,100.00 – To the husband of the terminated assistant director. No support was attached to the check voucher.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

- D) #9199, May 12, 2004, \$8,100.00 – To the husband of the terminated assistant director. The attached invoice states to “replace 2 central air and heat units.” This work was not done.
- E) #9625, July 4, 2004, \$9,600.00 – To the husband of the terminated assistant director. Before this check cleared the bank, the Executive Director determined this disbursement was improper, and a stop payment was issued. This check did not clear.

Criteria

The PHA should only make eligible expenditures. In conjunction with this, a proper, timely review of expenditures should be made by supervisory personnel.

Effect

Apparently ineligible expenditures of \$600.00 before year end and \$13,970 after year end. This does not include the \$9,600.00 disbursement for which payment was stopped. After consulting with the Executive Director, we contacted HUD – New Orleans and the Office of the Louisiana Legislative Auditor, both on July 21, 2004. The PHA has a \$10,000.00 fidelity bond and the bonding company has been notified.

The U.S. Attorney’s office is presently investigating these expenditures and related activities of the PHA.

Cause

Apparent fraudulent behavior by the assistant director, now terminated. In addition, for check numbers 9264, 9199 and 9625, these checks were apparently signed in advance, with two authorized signatures. The Executive Director claims a Board member sometimes signed in advance, since no authorized co-signer lived near the PHA. The Executive Director claims he sometimes also signed in advance, since the clerk sometimes traveled to Alexandria, Louisiana to purchase office supplies or related items, and the exact needed amount was unknown.

Recommendation

Checks should not be signed in advance. The co-signer also needs to review all underlying documentation that supports the proposed disbursement.

In addition, at March 31, 2004, \$4,545 of accrued vacation leave owed to the terminated assistant director is recorded as a liability on the PHA’s financial statements. This should not be paid presently. Ultimately, the PHA should seek advice from HUD or the U.S. Attorney how to handle this liability.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Response 04-01 – Corrective Action Plan

I am H.D. Jones, Executive Director and Designated Person to answer these findings. We have already ceased signing checks in advance. We will not pay the terminated former assistant director for accrued leave.

Section Eight

Finding 04-02 – Under Utilization of Budget Authority and Vouchers Issued

Statement of Condition

The financial condition of the Section 8 program is poor. The March 31, 2004 operating deficit is \$13,830.

Criteria

Only 88% of potential, contracted units were leased.

Effect

The long-term viability of the program is not secure.

Cause

Actual overhead exceeded budgeted overhead by \$2,500.

In addition, an insufficient number of units are leased. The primary cause may be insufficient demand, but regardless, the PHA needs to increase, and document, its outreach efforts.

Recommendation

The PHA should not overrun the budgeted amount for overhead. In addition, the PHA should increase its efforts to increase lease-up, including the following:

- A. Have landlord orientation to recruit new landlords.
- B. Increase its advertising.
- C. Contact landlords previously on the program to see if they can be recruited again.
- D. Shift duties of PHA personnel that will allow more person-hours to achieve lease-up.

Response 04-02 – Corrective Action Plan

We will comply with the above.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Low Rent and Section Eight

Finding 04-03 – Total Routine Expense Exceed Budget – Total Actual Salaries Exceed Budget

Statement of Condition

Total Low Rent routine expense was \$149,811. This exceeded the budgeted amount of \$136,953.

In addition, the Executive Director's total salary exceeded the budgeted amount by \$633. The Assistant Director's total salary exceeded the budgeted amount by \$386.

Criteria

Actual expenses should not exceed the budgeted amounts.

Effect

Resources may not be available to pay expenses that exceed the budget in the future.

Cause

Unknown

Recommendation

The PHA should keep expenses within the budgeted amounts.

Response 04-03 – Corrective Action Plan

We will comply with the above.

Low Rent and Section Eight

Finding 04-04 - Various Quality Control Checks Need to be Performed and Documented

Statement of Condition

Quality control checks are not adequately performed and documented.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Criteria

The PHA only has two employees. Ideal segregation of duties cannot be achieved, but internal control procedures can be improved.

Effect

Federal regulations may not be complied with.

Cause

Apparent oversight.

Recommendation

The PHA should improve quality control documentation in the following areas:

- A. Determination of eligibility and maintenance of the waiting lists.
- B. Calculation of tenant rental income and Section 8 housing assistance payments at move-in and recertification.
- C. Collection, recording, and depositing of rental income receipts.

The above functions are primarily performed by the administrative assistant. The quality control checks can be done by the Executive Director, or by hiring by contract an experienced person of a nearby PHA to assist in this. The Executive Director performs the Low Rent maintenance and inspections for the Low Rent and Section Eight programs. He may need to attend additional seminars to become qualified to perform the quality control checks.

Response 04-04 – Corrective Action Plan

The Auditor has discussed this with us and left us some forms. We will start documenting these checks, starting no later than December 1, 2004.

Low Rent and Section 8

Finding 04-05 – Inspections

Statement of Condition

The PHA appears to properly perform inspections. But, as noted previously, the assistant director was terminated in July 2004. She was primarily responsible for filing accounting related information.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

It appears the Low Rent annual periodic inspections were performed in the summer of 2003. But, the PHA is unable to locate them. In prior audits we have reviewed these inspection checklists, which appeared adequate.

The PHA is also unable to provide a list of Section Eight inspections that had deficiencies that required a follow-up. The PHA also cannot provide a list of the quality controls inspections performed by the assistant director. In prior years we have reviewed these lists.

Criteria

Inspections not only must be performed, but also documented and the documentation must be available for third party review.

Effect

Noncompliance with federal regulations.

Cause

The former assistant director maintained this information. It appears the inspections have been done but misplaced (Annual and move-in and move-out inspections for Section Eight were available).

Recommendation

The PHA should maintain this information and have available for third party review.

Response 04-05 – Corrective Action Plan – Response

We will comply with the above.

Low Rent

Finding 04-06 – Information to Support PHAS-MASS Not Available

Statement of Condition

The PHA was exempt from filing the Management Advisory System for Public Housing Agencies for the fiscal year. But, the PHA was not exempt from compiling the indicator information. This information was not available.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2004

Criteria

Turnaround, work order, and security information to calculate the indicator must be maintained, even for periods when the PHA is exempt from filing the PHAS-MASS.

Effect

Noncompliance with federal regulations.

Cause

The former assistant director kept this information in prior years. It is possible she kept it for this fiscal year, and the current personnel cannot locate it. But, from the filing we reviewed, it appears this information was not compiled for the current year.

Recommendation

I have explained an overview to the two current employees, and shown them where instructions are on the internet. I recommended that they compile this information starting now, and as time permits, try to compile from April 1, 2004 to the present.

I also recommended they attend a seminar and/or visit with HUD – New Orleans for training on this. The PHA will be required to file the PHAS-MASS for the year ended March 31, 2005.

Response 04-06 – Corrective Action Plan – Response

We will start compiling this information immediately. We will contact HUD – New Orleans for training.

SEE MANAGEMENT LETTER ON NEXT PAGE

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF MANAGEMENT LETTER ITEMS

YEAR ENDED MARCH 31, 2004

M1 – Three improvements are suggested for the Board of Commissioners Meeting Minutes, as follows:

- A. The proceedings of the meetings should be published in the local newspaper. Also, excerpts of the annual financial statements should also be published as required by state law.
- B. An itemized list of bad debts should be reviewed by the Board and, if written off, approved by Board Resolution.
- C. The Low Rent and Section Eight budgets should be reviewed by the Board and approved. Any budget revisions should also be reviewed.

M2 – It appears the PHA adequately checked for the Mandatory Earned Income Disregard (MEID) in prior years. But, current PHA personnel are not familiar with this. These personnel should obtain training on this as soon as possible.

M1 and M2 – Corrective Action Plan – Response

We will comply with the above. We will publish the proceedings of one next Board Minutes and approve the most recent bad debt write offs and budgets. We will obtain training on the MEID.

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF AUDIT JOURNAL ENTRIES

YEAR ENDED MARCH 31, 2004

| | ACCT. # FOR AUDIT PURPOSES | DR | CR | ACCT. # FOR POSTING TO PHA BOOKS |
|--|-------------------------------------|-------|-------|--|
| 1 Capital Grants | 706.1 | 847 | | |
| Operating Grants | 706 | | 847 | |
| To reclassify capital grants from operating grants | | | | |
| 2 Other Operating – Administration | 916 | 1,255 | | |
| Prior Period Adjustments | 1104 | | 1,255 | |
| To reclassify immaterial amount originally classified as a prior period adjustment | | | | |

PHA: LA120 FYED: 03/31/2004

| Line Item No. | Account Description | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total |
|---------------|---|-------------------------|-------------------------|-------------------------------------|------------------|
| 111 | Cash - Unrestricted | \$54,476 | \$10,739 | \$0 | \$65,215 |
| 114 | Cash - Tenant Security Deposits | \$1,660 | \$0 | \$0 | \$1,660 |
| 100 | Total Cash | \$56,136 | \$10,739 | \$0 | \$66,875 |
| 122 | Accounts Receivable - HUD Other Projects | \$0 | \$0 | \$8,508 | \$8,508 |
| 126 | Accounts Receivable - Tenants - Dwelling Rents | \$7,073 | \$0 | \$0 | \$7,073 |
| 126.1 | Allowance for Doubtful Accounts - Dwelling Rents | \$-6,837 | \$0 | \$0 | \$-6,837 |
| 126.2 | Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 |
| 120 | Total Receivables, net of allowances for doubtful accounts | \$236 | \$0 | \$8,508 | \$8,744 |
| 142 | Prepaid Expenses and Other Assets | \$3,614 | \$0 | \$0 | \$3,614 |
| 143 | Inventories | \$575 | \$0 | \$0 | \$575 |
| 143.1 | Allowance for Obsolete Inventories | \$0 | \$0 | \$0 | \$0 |
| 144 | Interprogram Due From | \$26,855 | \$0 | \$0 | \$26,855 |
| 150 | Total Current Assets | \$87,416 | \$10,739 | \$8,508 | \$106,663 |
| 161 | Land | \$2,500 | \$0 | \$0 | \$2,500 |
| 162 | Buildings | \$1,436,905 | \$0 | \$3,725 | \$1,440,630 |
| 163 | Furniture, Equipment & Machinery - Dwellings | \$16,199 | \$0 | \$9,450 | \$25,649 |
| 164 | Furniture, Equipment & Machinery - Administration | \$64,131 | \$766 | \$18,446 | \$83,343 |
| 165 | Leasehold Improvements | \$111,477 | \$0 | \$0 | \$111,477 |
| 166 | Accumulated Depreciation | \$-1,060,688 | \$-766 | \$-8,841 | \$-1,070,295 |
| 160 | Total Fixed Assets, Net of Accumulated Depreciation | \$570,524 | \$0 | \$22,780 | \$593,304 |
| 180 | Total Non-Current Assets | \$570,524 | \$0 | \$22,780 | \$593,304 |
| 190 | Total Assets | \$657,940 | \$10,739 | \$31,288 | \$699,967 |

PHA: LA120 FYED: 03/31/2004

| Line Item No. | Account Description | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total |
|---------------|--|-------------------------|-------------------------|-------------------------------------|------------------|
| 312 | Accounts Payable <= 90 Days | \$3,139 | \$0 | \$0 | \$3,139 |
| 321 | Accrued Wage/Payroll Taxes Payable | \$680 | \$0 | \$0 | \$680 |
| 322 | Accrued Compensated Absences - Current Portion | \$2,250 | \$1,017 | \$0 | \$3,267 |
| 331 | Accounts Payable - HUD PHA Programs | \$0 | \$4,716 | \$0 | \$4,716 |
| 341 | Tenant Security Deposits | \$1,660 | \$0 | \$0 | \$1,660 |
| 347 | Interprogram Due To | \$0 | \$18,347 | \$8,508 | \$26,855 |
| 310 | Total Current Liabilities | \$7,729 | \$24,080 | \$8,508 | \$40,317 |
| 354 | Accrued Compensated Absences - Non Current | \$6,186 | \$2,797 | \$0 | \$8,983 |
| 350 | Total Noncurrent Liabilities | \$6,186 | \$2,797 | \$0 | \$8,983 |
| 300 | Total Liabilities | \$13,915 | \$26,877 | \$8,508 | \$49,300 |
| 504 | Net HUD PHA Contributions | \$562,461 | \$0 | \$0 | \$562,461 |
| 508 | Total Contributed Capital | \$562,461 | \$0 | \$0 | \$562,461 |
| 511 | Total Reserved Fund Balance | \$0 | \$0 | \$0 | \$0 |
| 512 | Undesignated Fund Balance/Retained Earnings | \$81,564 | \$-16,138 | \$22,780 | \$88,206 |
| 513 | Total Equity/Net Assets | \$644,025 | \$-16,138 | \$22,780 | \$650,667 |
| 600 | Total Liabilities and Equity/Net Assets | \$657,940 | \$10,739 | \$31,288 | \$699,967 |

PHA: LA120 FYED: 03/31/2004

| Line Item No. | Account Description | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total |
|---------------|----------------------------------|-------------------------|-------------------------|-------------------------------------|------------------|
| 703 | Net Tenant Rental Revenue | \$34,400 | \$0 | \$0 | \$34,400 |
| 704 | Tenant Revenue - Other | \$5,151 | \$0 | \$0 | \$5,151 |
| 705 | Total Tenant Revenue | \$39,551 | \$0 | \$0 | \$39,551 |
| 706 | HUD PHA Operating Grants | \$56,512 | \$323,006 | \$58,041 | \$437,559 |
| 706.1 | Capital Grants | \$0 | \$0 | \$8,603 | \$8,603 |
| 711 | Investment Income - Unrestricted | \$582 | \$111 | \$0 | \$693 |
| 715 | Other Revenue | \$5,383 | \$0 | \$0 | \$5,383 |
| 700 | Total Revenue | \$102,028 | \$323,117 | \$66,644 | \$491,789 |

PHA: LA120 FYED: 03/31/2004

| Line Item No. | Account Description | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total |
|---------------|---|-------------------------|-------------------------|-------------------------------------|------------------|
| 911 | Administrative Salaries | \$33,439 | \$33,600 | \$0 | \$67,039 |
| 912 | Auditing Fees | \$2,096 | \$2,900 | \$0 | \$4,996 |
| 914 | Compensated Absences | \$1,002 | \$-1,002 | \$0 | \$0 |
| 915 | Employee Benefit Contributions - Administrative | \$19,046 | \$8,385 | \$0 | \$27,431 |
| 916 | Other Operating - Administrative | \$18,290 | \$5,267 | \$1,956 | \$25,513 |
| 931 | Water | \$3,328 | \$0 | \$0 | \$3,328 |
| 932 | Electricity | \$1,480 | \$0 | \$0 | \$1,480 |
| 933 | Gas | \$446 | \$0 | \$0 | \$446 |
| 938 | Other Utilities Expense | \$4,203 | \$0 | \$0 | \$4,203 |
| 941 | Ordinary Maintenance and Operations - Labor | \$18,439 | \$0 | \$0 | \$18,439 |
| 942 | Ordinary Maintenance and Operations - Materials and Other | \$4,605 | \$0 | \$1,320 | \$5,925 |
| 943 | Ordinary Maintenance and Operations - Contract Costs | \$2,661 | \$0 | \$175 | \$2,836 |
| 945 | Employee Benefit Contributions - Ordinary Maintenance | \$10,502 | \$0 | \$0 | \$10,502 |
| 961 | Insurance Premiums | \$12,234 | \$0 | \$0 | \$12,234 |
| 963 | Payments in Lieu of Taxes | \$2,494 | \$0 | \$0 | \$2,494 |
| 964 | Bad Debt - Tenant Rents | \$6,337 | \$0 | \$0 | \$6,337 |
| 969 | Total Operating Expenses | \$140,602 | \$49,150 | \$3,451 | \$193,203 |
| 970 | Excess Operating Revenue over Operating Expenses | \$-38,574 | \$273,967 | \$63,193 | \$298,586 |
| 973 | Housing Assistance Payments | \$0 | \$271,091 | \$0 | \$271,091 |
| 974 | Depreciation Expense | \$59,824 | \$0 | \$5,152 | \$64,976 |
| 900 | Total Expenses | \$200,426 | \$320,241 | \$8,603 | \$529,270 |
| 1001 | Operating Transfers In | \$53,742 | \$0 | \$0 | \$53,742 |
| 1002 | Operating Transfers Out | \$0 | \$0 | \$-53,742 | \$-53,742 |
| 1010 | Total Other Financing Sources (Uses) | \$53,742 | \$0 | \$-53,742 | \$0 |
| 1000 | Excess (Deficiency) of Operating Revenue Over (Under) Expenses | \$-44,656 | \$2,876 | \$4,299 | \$-37,481 |

PHA: LA120 FYED: 03/31/2004

| Line Item No. | Account Description | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total |
|---------------|--|-------------------------|-------------------------|-------------------------------------|------------------|
| 1101 | Capital Outlays Enterprise Fund | \$0 | \$0 | \$0 | \$0 |
| 1102 | Debt Principal Payments - Enterprise Funds | \$0 | \$0 | \$0 | \$0 |
| 1103 | Beginning Equity | \$666,873 | \$-19,014 | \$40,289 | \$688,148 |
| 1104 | Prior Period Adjustments, Equity Transfers and Correction of Errors | \$21,808 | \$0 | \$-21,808 | \$0 |
| 1112 | Depreciation Add Back | \$58,957 | \$0 | \$0 | \$58,957 |
| 1113 | Maximum Annual Contributions Commitment (Per ACC) | \$0 | \$372,432 | \$0 | \$372,432 |
| 1114 | Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months | \$0 | \$0 | \$0 | \$0 |
| 1115 | Contingency Reserve, ACC Program Reserve | \$0 | \$92,826 | \$0 | \$92,826 |
| 1116 | Total Annual Contributions Available | \$0 | \$465,258 | \$0 | \$465,258 |
| 1120 | Unit Months Available | 336 | 1,356 | 0 | 1,692 |
| 1121 | Number of Unit Months Leased | 277 | 1,194 | 0 | 1,471 |