

**HOUSING AUTHORITY OF PATTERSON****AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA****TWELVE MONTHS ENDED JUNE 30, 2010**

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 3/23/11

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners  
Housing Authority of Patterson  
Patterson, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of Patterson, Louisiana as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of Patterson, Louisiana's management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Patterson, Louisiana, as of June 30, 2010, and the changes in its financial position and its cash flows, 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 15, 2010, on our consideration of the Housing Authority of Patterson, Louisiana's internal control over financial reporting and on 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.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Housing Authority of Patterson, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Patterson, Louisiana. 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. The accompanying Financial Data Schedules required by HUD and other accompanying information identified in the table of contents are presented for purposes of additional analysis and are 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.

Mike Estes, P.C.  
Fort Worth, Texas  
November 15, 2010

Housing Authority of the Town of Patterson  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2010

The management of the Housing Authority of the Town of Patterson offers readers of our financial statements the following narrative overview and analysis of our financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the Town of Patterson, P. O. Box 10, Patterson, Louisiana 70392.

#### Financial Highlights

- The assets of the Authority exceeded its liabilities as of June 30, 2010 by \$1,939,947 (net assets). This represents an increase of 5 percent in net assets from the previous fiscal year.
- The Authority's unrestricted cash and cash investments as of June 30, 2010 were \$272,415 representing an increase of \$527 from the year ended June 30, 2009.
- The Authority had intergovernmental revenue of \$228,151 in HUD operating subsidies, \$2,294 in operating grants and \$287,965 in capital grants for the year ended June 30, 2010.

#### Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's assets and liabilities at the end of the operating year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Revenue, Expenses, and Changes in Net Assets – reports the results of activity over the course of the current year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net assets from the previous operating period to the current operating period.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.
- Other information in addition to the basic financial statements and accompanying notes - presents certain supplementary information regarding the Authority's electronic data submitted to HUD REAC.

**Housing Authority of the Town of Patterson**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**For the Year Ended June 30, 2010**

As we begin our analysis of the Authority as a whole, the most important question to ask about the Authority's finances is, "Is the Authority, as a whole, better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenue, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. You can think of the Authority's net assets as the difference between what the Authority owns (assets) and what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authority's net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

The Housing Authority accounts for its housing activities in two (2) programs. Under the asset management program, the Authority rents units that it owns to qualified tenants of low-income households. The Capital Fund Program is used to fund physical and management improvements to its property. Additional capital funds were also awarded to the Authority this fiscal year through the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA created the Capital Fund Recovery Grant Program (CFRG) in an effort to stimulate the economy by providing additional grants for capital improvements to properties of the Authority.

**Continued on next page**

**Housing Authority of the Town of Patterson**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**  
**For the Year Ended June 30, 2010**

Statement of Net Assets

	<u>6/30/2010</u>	<u>6/30/2009</u>
Current and Other Assets	\$ 332,902	\$ 331,588
Restricted Assets	18,371	18,676
Capital Assets (net)	<u>1,666,554</u>	<u>1,565,544</u>
Total assets	<u>2,017,827</u>	<u>1,915,808</u>
Current Liabilities	46,732	45,297
Tenant Security Deposits	18,371	18,676
Long-Term Liabilities	<u>12,777</u>	<u>9,814</u>
Total Liabilities	<u>77,880</u>	<u>73,787</u>
Net Assets		
Invested in Capital Assets (net)	1,666,554	1,565,544
Unrestricted Net Assets	<u>273,393</u>	<u>276,477</u>
Total Net Assets	<u>1,939,947</u>	<u>1,842,021</u>
Total Liabilities and Net Assets	<u>\$2,017,827</u>	<u>\$1,915,808</u>

**Total Assets** as of June 30, 2009 and 2010, respectively, were \$1,915,808 and \$2,017,827. This represents an overall net increase of \$102,019 or 5% which is due to increases in both current assets and capital assets.

**Current Assets** increased by \$1,314 from fiscal year ending June 30, 2009 due to slight fluctuations in each of the current asset account balances.

**Net Capital Assets** experienced an increase of \$101,010, or 6% during the 2010 fiscal year. While current depreciation expenses lowered the value of net capital assets by \$186,955, the Authority invested \$287,965 in capital outlays. So, the increase in net capital assets is the function of capital outlays exceeding current depreciation.

**Current Liabilities** increased by \$1,435 as compared to the 2009 fiscal year. Deferred revenue went from zero in 2009 to \$16,872 in 2010 due to over-funding of Low Rent Operating Subsidy funds prior to June 30, 2010. The amount actually disbursed by HUD had been based on estimates at the beginning of the 2010 calendar year and then modified to a lower amount once the Authority's calculation forms were submitted.

**Housing Authority of the Town of Patterson**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**For the Year Ended June 30, 2010**

The net increase in liabilities was offset by a decrease in the amount owed to the Town of Patterson for Payment in Lieu of Taxes (PILOT). During the 2010 fiscal year, the Authority paid the PILOT accrued for both the 2008 and 2009 fiscal years, so the total liability decreased from \$30,268 as of June 30, 2009 to \$15,900 as of June 30, 2010.

**Net Assets** – The difference between an organization's assets and its liabilities is its net assets. Net assets are categorized as one of three types.

1. **Invested in capital assets, net of related debt** – Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;
2. **Restricted** – net assets whose use is subject to constraints imposed by law or agreement;
3. **Unrestricted** – net assets that are neither invested in capital assets nor restricted.

As stated in the Highlights, The Authority had \$1,939,947 invested in total net assets as of June 30, 2010. Of this amount, \$273,393 may be used to meet the Authority's ongoing expenses and obligations. The remainder of \$1,666,554 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment and construction in progress.

**Continued on next page**



**Housing Authority of the Town of Patterson**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**  
**For the Year Ended June 30, 2010**

Statement of Revenue, Expenses and Changes in Net Assets

	<u>6/30/2010</u>	<u>6/30/2009</u>
<b>Revenues:</b>		
Operating revenues:		
Public housing operating subsidy	\$ 228,151	\$ 221,851
Operating grants	2,964	0
Tenant Revenue - rents and other income	264,389	242,852
Non-operating revenues:		
Capital grants	287,965	166,126
Interest revenue	1,935	4,461
Miscellaneous	<u>13</u>	<u>7,436</u>
Total revenues	<u>785,417</u>	<u>642,726</u>
<b>Expenses:</b>		
General and administrative	224,725	222,819
Repairs and maintenance	177,102	186,249
Utilities	98,712	85,409
Casualty Losses	0	3,108
Depreciation expense	<u>186,955</u>	<u>173,950</u>
Total expenses	<u>687,494</u>	<u>671,535</u>
Increase / (Decrease) in net assets	<u>97,923</u>	<u>(28,809)</u>
Net assets – July 1	1,842,024	1,870,833
Net assets – June 30	<u>\$ 1,939,947</u>	<u>\$ 1,842,024</u>

**Total Revenues** for the year ended 2010 and 2009 were \$785,417 and \$642,726, respectively. The Authority has two basic sources of revenues. The main source of revenue is from the Department of Housing and Urban Development (HUD) in the form of operating subsidies and capital improvement grants. The secondary source of revenue is supplied by dwelling rents and other tenant charges.

Comparatively, 2010 total revenue was 22% higher than 2009 revenue by \$142,691. While grant revenues increased in both the Capital Fund and Low Rent Programs in the 2010 fiscal year, the Authority also gained a 9% increase in tenant income.

**Housing Authority of the Town of Patterson**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**For the Year Ended June 30, 2010**

Tenant revenue went up from \$242,852 in 2009 to \$264,389 in 2010. This increase of \$21,537 was primarily due to the Authority's efforts to improve the number of units leased throughout the year. Occupancy rates increased from 88% in 2009 to 92% in 2010. In addition, some tenant rent charges were higher in 2010. The amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenues from these tenants increased accordingly, raising the overall total. The Authority also strived to verify the income of tenants and ensure that the tenants were paying the correct rents.

An increase of \$6,300 in operating subsidy funds received from HUD in the Low Rent program also contributed to a rise in operating revenues for the 2010 fiscal year. The determination of operating subsidy changes each year due in part due to fluctuations in the Authority's performance from operations and also from changes in HUD's annual budget and the complex formula used by HUD to derive the total available funds for each Authority.

The largest impact on the non-operating revenues of the Housing Authority was in the amount of capital grants disbursed through the CFP and the CFRG program as described on page two. Total capital funds received in the fiscal year ending 2009 were \$166,126 as compared to \$287,965 received in 2010.

In fiscal year ending June 30, 2009, the Housing Authority used CFP funds to replace dryer vents and to repair unit windows by installing new rods on them rather than choosing the more expensive alternative of replacing them completely. During the 2010 fiscal year, capital grants were used to continue making wide-spread improvements on numerous units, including installation of showers, new cabinets, dryer vents and repairs to window units and roofs.

Income on investments declined in 2010 because of lower interest rates. Miscellaneous revenue also decreased primarily due to a change in the reclassification of income in the 2010 fiscal year.

**Total Expenses** of the Housing Authority were \$671,535 for the fiscal year ended June 30, 2009 and \$687,494 for the year ended June 30, 2010, representing a slight increase of 2% or \$15,959.

**General and Administrative Expenses** were only \$1,906, or 1% higher as compared to 2009 expenses. While total administrative expenses and collection losses decreased overall by \$5,946, insurance, compensated absences, PILOT and CFP operating expenses increased \$7,852 in the 2010 fiscal year.

**Housing Authority of the Town of Patterson**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**  
**For the Year Ended June 30, 2010**

**Repairs and Maintenance Expenses** decreased a total of \$9,147 from 2009 costs because the Authority was able to use additional capital grants received in 2010 to fund unit improvements costs.

**Utilities** increased \$13,303, or 16% primarily from climbing gas rates in the 2010 fiscal year.

**Casualty Losses** were not experienced in 2010 as compared to a total of \$3,108 incurred during 2009 due to Hurricane Gustav.

Capital Assets

**Capital Assets.** The Housing Authority of the Town of Patterson's investment in capital assets as of June 30, 2010, amounts to \$1,666,554 (net of accumulated depreciation). The total increase in the Authority's investment in capital assets for the current operating year was \$101,010, representing an increase of 6%.

Additional capital asset purchases were only made through CFP funds as described on page 6.

**Housing Authority of the Town of Patterson – Capital Assets**

	<u>6/30/2010</u>	<u>6/30/2009</u>
Land	\$ 166,104	\$ 166,104
Buildings and improvements	5,270,551	4,982,586
Furniture and equipment	<u>36,562</u>	<u>36,562</u>
Subtotal	5,473,217	5,185,252
Accumulated Depreciation	<u>(3,806,663)</u>	<u>(3,619,708)</u>
Total Capital Assets	<u>\$1,666,554</u>	<u>\$1,565,544</u>

The Authority primarily acquires its assets with the proceeds from federal capital grants. There are no commitments on approved capital asset construction projects at the present time.

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development,
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income,
- Inflationary pressure on insurance premiums, utility expenses, supplies and other various costs.

HOUSING AUTHORITY OF PATTERSON  
BALANCE SHEET  
JUNE 30, 2010

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 78,294
Investments	194,121
Accounts receivable net	6,969
Interest receivable	499
Prepaid items and other assets	45,839
Inventory	7,180
Restricted assets - cash and cash equivalents	18,371
	<hr/>
Total Current Assets	351,273
	<hr/>
Capital Assets, net	
Land and other non-depreciated assets	224,261
Other capital assets - net of depreciation	1,442,293
	<hr/>
Total Capital Assets, net	1,666,554
	<hr/>
Total Assets	\$ 2,017,827
	<hr/> <hr/>

**LIABILITIES**

Current Liabilities	
Accounts payable	\$ 9,314
Deferred revenue	16,872
Compensated absences payable	4,646
Accrued PILOT	15,900
Deposits due others	18,371
	<hr/>
Total Current Liabilities	65,103
	<hr/>
Noncurrent Liabilities	
Compensated absences payable	12,777
	<hr/>
Total Liabilities	77,880
	<hr/>

**NET ASSETS**

Invested in capital assets, net of related debt	1,666,554
Unrestricted	273,393
	<hr/>
Net Assets	1,939,947
	<hr/>
Total Liabilities and Net Assets	\$ 2,017,827
	<hr/> <hr/>

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

HOUSING AUTHORITY OF PATTERSON  
STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS  
YEAR ENDED JUNE 30, 2010

<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 250,822
Governmental operating grants	231,115
Other	13,580
	<hr/>
Total Operating Revenues	495,517
	<hr/>
<b>OPERATING EXPENSES</b>	
Administration	144,440
Utilities	98,712
Ordinary maintenance & operations	177,101
General expenses	80,286
Depreciation	186,955
	<hr/>
Total Operating Expenses	687,494
	<hr/>
Income (loss) from Operations	(191,977)
	<hr/>
Non Operating Revenues (Expenses)	
Interest earnings	1,935
	<hr/>
Total Non-Operating Revenues (Expenses)	1,935
	<hr/>
Income (loss) before contribution	(190,042)
	<hr/>
Capital Contribution	287,965
	<hr/>
Change in net assets	97,923
	<hr/>
Total net assets - beginning	1,842,024
	<hr/>
Total net assets - ending	<u>\$ 1,939,947</u>

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

HOUSING AUTHORITY OF PATTERSON  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2010

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Rental receipts	\$ 266,461
Other receipts - disbursements	(425)
Federal grants	231,581
Payments to vendors	(294,447)
Payments to employees - net	(204,881)
	<hr/>
Net cash provided (used) by operating activities	(1,711)
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(287,965)
Federal Capital Grants	287,965
	<hr/>
Net cash provided (used) by capital and related financing activities	0
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	1,930
Purchase of investments	(1,924)
	<hr/>
Net cash provided (used) by investing activities	6
	<hr/>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,705)
<b>CASH AND CASH EQUIVALENTS Beginning of Fiscal Year</b>	<hr/> 98,370
<b>CASH AND CASH EQUIVALENTS End of Fiscal Year</b>	\$ <hr/> <hr/> 96,665

Continued

HOUSING AUTHORITY OF PATTERSON  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2010

**RECONCILIATION OF OPERATING  
INCOME (LOSS) TO NET CASH  
PROVIDED (USED) BY OPERATING  
ACTIVITIES**

Operating income (loss)	\$ (191,977)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	186,955
Provision of uncollectible accounts	246
Change in assets and liabilities:	
Receivables	15,491
Inventories	1,587
Prepaid items	(3,038)
Account payables	(11,338)
Accrued expenses	668
Due to other funds	(305)
	<hr/>
Net cash provided (used) by operations	<u>\$ (1,711)</u>

Concluded

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

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

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HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Patterson, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 1426	104
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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 with HUD approval.

The Housing Authority is a related organization of the City of Patterson since the City of Patterson appoints a voting majority of the Housing Authority's governing board. The City of Patterson 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 City of Patterson. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Patterson.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

- 1) Appointing a voting majority of an organization's governing body, and:
  - a) The ability of the government to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

**B. 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 are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Fund program.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**PROPRIETARY FUNDS** 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, 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. INVESTMENTS** Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority 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 market 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.

**F. INVENTORY** All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

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

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

**H. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000. 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. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	10 years
Buildings	20 years
Building improvements	10 years
Furniture and equipment	5 years

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

**J. COMPENSATED ABSENCES** The Housing Authority follows Louisiana 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. POST EMPLOYMENT BENEFITS** The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

**L. 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 statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF PATTERSON  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 2 – DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2010. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority’s policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority’s only investments are certificates of deposit.

Custodial Credit Risk: The Authority’s policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$18,371 is restricted in the General Fund for security deposits.

At June 30, 2010, the Housing Authority’s carrying amount of deposits was \$290,656 and the bank balance was \$322,726, which includes \$194,121 in certificates of deposits classified as investments. Petty cash and the change fund consist of \$130. Of the bank balance, the entire amount was covered by FDIC insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at June 30, 2010, are as follows:

<u>Class of Receivables</u>		
Local sources:		
Tenants	\$	3,470
Federal sources:		
Grants		3,499
Total	\$	<u>6,969</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$520.

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

**NOTE 4 – CAPITAL ASSETS** The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Non-depreciable assets				
Land and buildings	\$ 166,104	\$ 0	\$ 0	\$ 166,104
Construction in progress	0	58,157	0	58,157
Depreciable assets:				
Exhaustible capital assets				
Buildings	4,982,586	229,807	0	5,212,393
Furniture and equipment	36,562	0	0	36,562
Total	<u>5,185,252</u>	<u>287,964</u>	<u>0</u>	<u>5,473,216</u>
Less: accumulated depreciation				
Buildings	3,616,331	154,569	0	3,770,900
Furniture and equipment	3,377	32,385	0	35,762
Total	<u>3,619,708</u>	<u>186,954</u>	<u>0</u>	<u>3,806,662</u>
Capital assets, net	<u>\$ 1,565,544</u>	<u>\$ 101,010</u>	<u>\$ 0</u>	<u>\$ 1,666,554</u>

**NOTE 5 – ACCOUNTS PAYABLE** The payables at June 30, 2010 are as follows:

Vendors	\$	9,314
		<u>          </u>
Total	\$	<u>9,314</u>

HOUSING AUTHORITY OF PATTERSON  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 6 – COMPENSATED ABSENCES** At June 30, 2010, employees of the Housing Authority have accumulated and vested \$17,423 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 7 – LONG – TERM OBLIGATIONS** The following is a summary of the long – term obligation transactions for the year ended June 30, 2010.

		Compensated Absences
Balance, beginning	\$	14,368
Additions		4,774
Deductions		(1,719)
Balance, ending		17,423
Amounts due in one year	\$	4,646

**NOTE 8 – 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 on the first day of the month after attaining age 18 and completing three months of continued 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 4% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 6 ½% 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.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$15,748 for the year ended June 30, 2010, of which \$9,654 was paid by the Housing Authority and \$6,094 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

**Commitments**

**Litigation** The Housing Authority is not presently involved in litigation.

**Grant Disallowances** The Housing Authority participates in a number of federally assisted grant programs. The programs are 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. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**Construction Projects** There are certain renovation or construction projects in progress at June 30, 2010. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

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

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it s own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

**NOTE 10 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$519,080 to the Housing Authority, which represents approximately 66% of the Housing Authority's total revenue and capital contributions for the year.



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

Housing Authority of Patterson  
Patterson, Louisiana

We have audited the basic financial statements of the Housing Authority of Patterson, Louisiana, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. 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 the Housing Authority of Patterson, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Patterson, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Patterson, Louisiana's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Patterson, Louisiana'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Mike Estes, P.C.  
Fort Worth, Texas  
November 15, 2010

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Report on Compliance with Requirements That Could Have a Direct  
and Material Effect on Each Major Program and on Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Housing Authority of Patterson  
Patterson, Louisiana

**Compliance**

We have audited the Housing Authority of Patterson, Louisiana compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Patterson, Louisiana's major federal programs for the year ended June 30, 2010. The Housing Authority of Patterson, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Patterson, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of Patterson, Louisiana'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 A-133. Those standards and OMB Circular 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 the Housing Authority of Patterson, Louisiana'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 of the Housing Authority of Patterson, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Patterson, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### **Internal Control Over Compliance**

Management of the Housing Authority of Patterson, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Patterson, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Patterson, Louisiana's internal control over compliance.

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

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

*This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.*

Mike Estes, P.C.  
Fort Worth, Texas  
November 15, 2010

HOUSING AUTHORITY OF PATTERSON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 228,151
Public Housing Capital Fund	14.872	86,923
American Recovery and Reinvestment Act	14.885	204,006
Total United States Department of Housing and Urban Development		\$ 519,080
Total Expenditures of Federal Awards		\$ 519,080

HOUSING AUTHORITY OF PATTERSON  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

**NOTE 1 – GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Patterson, Louisiana (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are 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 basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	<u>Federal Sources</u>
General	\$ 519,080
Total	\$ <u>519,080</u>

**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.

HOUSING AUTHORITY OF PATTERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

**Section I – Summary of the Auditor’s Results**

**Financial Statement Audit**

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

**Audit of Federal Awards**

- iv. There were no significant deficiencies 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 disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA# 14.872            Capital Fund
  - CFDA# 14.884            American Recovery and Reinvestment Act
- 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 not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF PATTERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

**Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:**

None



HOUSING AUTHORITY OF PATTERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

**Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):**

None

HOUSING AUTHORITY OF PATTERSON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2010

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

None

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED JUNE 30, 2010

		2006 <u>Capital Fund</u>		2007 <u>Capital Fund</u>
Funds approved	\$	159,820	\$	160,018
Funds expended		<u>159,820</u>		<u>160,018</u>
Excess of funds approved	\$	<u>0</u>	\$	<u>0</u>
Funds advanced	\$	159,820	\$	160,018
Funds expended		<u>159,820</u>		<u>160,018</u>
Excess of funds advanced	\$	<u>0</u>	\$	<u>0</u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated March 5, 2010 and February 9, 2010 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.

See accountants' report

EXHIBIT E(2)

HOUSING AUTHORITY OF PATTERSON  
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2010

	CASH BASIS			
	2008 Capital Fund	2009 Capital Fund	ARRA 2009 Capital Fund	2010 Capital Fund
Funds approved	\$ 161,168	\$ 156,857	\$ 204,006	\$ 155,699
Funds expended	58,157	0	204,006	0
Excess of funds approved	<u>\$ 103,011</u>	<u>\$ 156,857</u>	<u>\$ 0</u>	<u>\$ 155,699</u>
Funds advanced	\$ 58,157	\$ 0	\$ 200,507	\$ 0
Funds expended	58,157	0	204,006	0
Excess (deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,499)</u>	<u>\$ 0</u>

See accountants' report

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

	Project Total	14,885 Formula Capital Fund	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$78,294		\$78,294		\$78,294
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits	\$18,371		\$18,371		\$18,371
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$96,665	\$0	\$96,665	\$0	\$96,665
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects		\$3,499	\$3,499		\$3,499
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$526		\$526		\$526
126 Accounts Receivable - Tenants	\$3,464		\$3,464		\$3,464
126.1 Allowance for Doubtful Accounts - Tenants	-\$519	\$0	-\$519	\$0	-\$519
126.2 Allowance for Doubtful Accounts - Other	-\$1	\$0	-\$1	\$0	-\$1
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$499		\$499		\$499
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,969	\$3,499	\$7,468	\$0	\$7,468
131 Investments - Unrestricted	\$194,121		\$194,121		\$194,121
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$45,839		\$45,839		\$45,839
143 Inventories	\$7,181		\$7,181		\$7,181
143.1 Allowance for Obsolete Inventories	-\$1		-\$1	\$0	-\$1
144 Inter Program Due From	\$3,499		\$3,499	-\$3,499	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$351,273	\$3,499	\$354,772	-\$3,499	\$351,273
161 Land	\$166,104		\$166,104		\$166,104
162 Buildings	\$4,465,480		\$4,465,480		\$4,465,480
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements	\$36,562		\$36,562		\$36,562
165 Leasehold Improvements	\$746,914		\$746,914		\$746,914
166 Accumulated Depreciation	-\$3,806,663		-\$3,806,663		-\$3,806,663
167 Construction In Progress	\$58,157		\$58,157		\$58,157
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,666,554	\$0	\$1,666,554	\$0	\$1,666,554
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$1,666,554	\$0	\$1,666,554	\$0	\$1,666,554
190 Total Assets	\$2,017,827	\$3,499	\$2,021,326	-\$3,499	\$2,017,827

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

	Project Total	14.885 Formula Capital Fund	Subtotal	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$9,314		\$9,314		\$9,314
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$4,646		\$4,646		\$4,646
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects	\$15,900		\$15,900		\$15,900
333 Accounts Payable - Other Government	\$18,371		\$18,371		\$18,371
341 Tenant Security Deposits	\$16,872		\$16,872		\$16,872
342 Deferred Revenues					
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To		\$3,499	\$3,499	-\$3,499	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$65,103	\$3,499	\$68,602	-\$3,499	\$65,103
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$12,777		\$12,777		\$12,777
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$12,777	\$0	\$12,777	\$0	\$12,777
300 Total Liabilities	\$77,880	\$3,499	\$81,379	-\$3,499	\$77,880
508.1 Invested in Capital Assets, Net of Related Debt	\$1,666,554		\$1,666,554		\$1,666,554
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets					
512.1 Unrestricted Net Assets	\$273,393	\$0	\$273,393		\$273,393
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$1,939,947	\$0	\$1,939,947	\$0	\$1,939,947
600 Total Liabilities and Equity/Net Assets	\$2,017,827	\$3,499	\$2,021,326	-\$3,499	\$2,017,827

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

			Low Rent	Capital Fund	Total Project
70300	Net Tenant Rental Revenue		\$250,822		\$250,822
70400	Tenant Revenue - Other		\$13,567		\$13,567
70500	Total Tenant Revenue		\$264,389	\$0	\$264,389
70600	HUD PHA Operating Grants		\$228,151	\$2,964	\$231,115
70610	Capital Grants			\$83,959	\$83,959
70710	Management Fee				
70720	Asset Management Fee				
70730	Book Keeping Fee				
70740	Front Line Service Fee				
70750	Other Fees				
70700	Total Fee Revenue				
70800	Other Government Grants				
71100	Investment Income - Unrestricted		\$1,935		\$1,935
71200	Mortgage Interest Income				
71300	Proceeds from Disposition of Assets Held for Sale				
71310	Cost of Sale of Assets				
71400	Fraud Recovery		\$10		\$10
71500	Other Revenue		\$3		\$3
71600	Gain or Loss on Sale of Capital Assets				
72000	Investment Income - Restricted				
70000	Total Revenue		\$494,488	\$86,923	\$581,411
91100	Administrative Salaries		\$73,005		\$73,005
91200	Auditing Fees		\$9,940		\$9,940
91300	Management Fee				
91310	Book-keeping Fee				
91400	Advertising and Marketing				
91500	Employee Benefit contributions - Administrative		\$28,667		\$28,667
91600	Office Expenses		\$28,523		\$28,523
91700	Legal Expense		\$240		\$240
91800	Travel		\$1,101		\$1,101
91810	Allocated Overhead				
91900	Other			\$2,964	\$2,964
91000	Total Operating - Administrative		\$141,476	\$2,964	\$144,440
92000	Asset Management Fee				
92100	Tenant Services - Salaries				
92200	Relocation Costs				
92300	Employee Benefit Contributions - Tenant Services				
92400	Tenant Services - Other				
92500	Total Tenant Services		\$0	\$0	\$0
93100	Water		\$27,993		\$27,993
93200	Electricity		\$7,924		\$7,924
93300	Gas		\$41,067		\$41,067
93400	Fuel				
93500	Labor				
93600	Sewer		\$21,728		\$21,728
93700	Employee Benefit Contributions - Utilities				
93800	Other Utilities Expense				
93000	Total Utilities		\$98,712	\$0	\$98,712



HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

		Low Rent	Capital Fund	Total Project
94200	Ordinary Maintenance and Operations - Materials and Other	\$28,440		\$28,440
94300	Ordinary Maintenance and Operations Contracts	\$46,098		\$46,098
94500	Employee Benefit Contributions - Ordinary Maintenance	\$32,888		\$32,888
94000	Total Maintenance	\$177,101	\$0	\$177,101
95100	Protective Services - Labor			
95200	Protective Services - Other Contract Costs			
95300	Protective Services - Other			
95500	Employee Benefit Contributions - Protective Services			
95000	Total Protective Services	\$0	\$0	\$0
96110	Property Insurance	\$48,421		\$48,421
96120	Liability Insurance	\$1,387		\$1,387
96130	Workmen's Compensation	\$5,126		\$5,126
96140	All Other Insurance	\$6,301		\$6,301
96100	Total insurance Premiums	\$61,235	\$0	\$61,235
96200	Other General Expenses			
96210	Compensated Absences	\$3,055		\$3,055
96300	Payments in Lieu of Taxes	\$15,900		\$15,900
96400	Bad debt - Tenant Rents	\$96		\$96
96500	Bad debt - Mortgages			
96600	Bad debt - Other			
96800	Severance Expense			
96000	Total Other General Expenses	\$19,051	\$0	\$19,051
96710	Interest of Mortgage (or Bonds) Payable			
96720	Interest on Notes Payable (Short and Long Term)			
96730	Amortization of Bond Issue Costs			
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900	Total Operating Expenses	\$497,575	\$2,964	\$500,539
97000	Excess of Operating Revenue over Operating Expenses	-\$3,087	\$83,959	\$80,872
97100	Extraordinary Maintenance			
97200	Casualty Losses - Non-capitalized			
97300	Housing Assistance Payments			
97350	HAP Portability-In			
97400	Depreciation Expense	\$172,754	\$14,201	\$186,955
97500	Fraud Losses			
97600	Capital Outlays - Governmental Funds			
97700	Debt Principal Payment - Governmental Funds			
97800	Dwelling Units Rent Expense			
90000	Total Expenses	\$670,329	\$17,165	\$687,494

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

			Low Rent	Capital Fund	Total Project
10020	Operating transfer Out				
10030	Operating Transfers from/to Primary Government				
10040	Operating Transfers from/to Component Unit				
10050	Proceeds from Notes, Loans and Bonds				
10050	Proceeds from Property Sales				
10070	Extraordinary Items, Net Gain/Loss				
10080	Special Items (Net Gain/Loss)				
10091	Inter Project Excess Cash Transfer In				
10092	Inter Project Excess Cash Transfer Out				
10093	Transfers between Program and Project - In				
10094	Transfers between Project and Program - Out				
10100	Total Other financing Sources (Uses)		\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		-\$175,841	\$69,758	-\$106,083
11020	Required Annual Debt Principal Payments		\$0	\$0	\$0
11030	Beginning Equity		\$1,579,937	\$262,087	\$1,842,024
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors		\$134,116	\$69,890	\$204,006
11050	Changes in Compensated Absence Balance				
11060	Changes in Contingent Liability Balance				
11070	Changes in Unrecognized Pension Transition Liability				
11080	Changes in Special Term/Severance Benefits Liability				
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100	Changes in Allowance for Doubtful Accounts - Other				
11170	Administrative Fee Equity				
11180	Housing Assistance Payments Equity				
11190	Unit Months Available		1224		1224
11210	Number of Unit Months Leased		1123		1123
11270	Excess Cash		\$191,687		\$191,687
11610	Land Purchases		\$0	\$0	\$0
11620	Building Purchases		\$134,116	\$153,849	\$287,965
11630	Furniture & Equipment - Dwelling Purchases		\$0	\$0	\$0
11640	Furniture & Equipment - Administrative Purchases		\$0	\$0	\$0
11650	Leasehold Improvements Purchases		\$0	\$850	\$850
11660	Infrastructure Purchases		\$0	\$0	\$0
13510	CFFP Debt Service Payments		\$0	\$0	\$0
13901	Replacement Housing Factor Funds		\$0	\$0	\$0

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

	Project Total	14,885 Formula Capital Fund	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$250,822		\$250,822		\$250,822
70400 Tenant Revenue - Other	\$13,567		\$13,567		\$13,567
70500 Total Tenant Revenue	\$264,389	\$0	\$264,389		\$264,389
70600 HUD PHA Operating Grants	\$231,115		\$231,115		\$231,115
70610 Capital Grants	\$83,958	\$204,006	\$287,965		\$287,965
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$1,935		\$1,935		\$1,935
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets	\$10		\$10		\$10
71400 Fraud Recovery	\$3		\$3		\$3
71500 Other Revenue					
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted	\$581,411	\$204,006	\$785,417		\$785,417
70000 Total Revenue					
91100 Administrative Salaries	\$73,005		\$73,005		\$73,005
91200 Auditing Fees	\$9,940		\$9,940		\$9,940
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$28,667		\$28,667		\$28,667
91600 Office Expenses	\$28,523		\$28,523		\$28,523
91700 Legal Expense	\$240		\$240		\$240
91800 Travel	\$1,101		\$1,101		\$1,101
91810 Allocated Overhead					
91900 Other	\$2,964		\$2,964		\$2,964
91000 Total Operating - Administrative	\$144,440	\$0	\$144,440		\$144,440
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0		\$0

HOUSING AUTHORITY OF PATTERSON  
FINANCIAL DATA SCHEDULE  
YEAR ENDED JUNE 30, 2010

	Project Total	14.885 Formula Capital Fund	Subtotal	ELIM	Total
93100 Water	\$27,993		\$27,993		\$27,993
93200 Electricity	\$7,924		\$7,924		\$7,924
93300 Gas	\$41,067		\$41,067		\$41,067
93400 Fuel					
93500 Labor					
93600 Sewer	\$21,728		\$21,728		\$21,728
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$98,712	\$0	\$98,712		\$98,712
94100 Ordinary Maintenance and Operations - Labor	\$69,675		\$69,675		\$69,675
94200 Ordinary Maintenance and Operations - Materials and Other	\$28,440		\$28,440		\$28,440
94300 Ordinary Maintenance and Operations Contracts	\$46,098		\$46,098		\$46,098
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,888		\$32,888		\$32,888
94000 Total Maintenance	\$177,101	\$0	\$177,101		\$177,101
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0		\$0
96110 Property Insurance	\$48,421		\$48,421		\$48,421
96120 Liability Insurance	\$1,387		\$1,387		\$1,387
96130 Workmen's Compensation	\$5,126		\$5,126		\$5,126
96140 All Other Insurance	\$6,301		\$6,301		\$6,301
96100 Total Insurance Premiums	\$61,235	\$0	\$61,235		\$61,235
96200 Other General Expenses					
96210 Compensated Absences	\$3,055		\$3,055		\$3,055
96300 Payments in Lieu of Taxes	\$15,900		\$15,900		\$15,900
96400 Bad debt - Tenant Rents	\$96		\$96		\$96
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$19,051	\$0	\$19,051		\$19,051
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$500,539	\$0	\$500,539		\$500,539
97000 Excess of Operating Revenue over Operating Expenses	\$80,872	\$204,006	\$284,878		\$284,878

HOUSING AUTHORITY OF PATTERSON  
 FINANCIAL DATA SCHEDULE  
 YEAR ENDED JUNE 30, 2010

	Project Total	14.885 Formula Capital Fund	Subtotal	ELIM	Total
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In	\$186,955		\$186,955		\$186,955
97400 Depreciation Expense					
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$687,494	\$0	\$687,494		\$687,494
90000 Total Expenses					
10010 Operating Transfer In					
10020 Operating Transfer Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)					
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$106,083	\$204,006	\$97,923		\$97,923
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,842,024	\$0	\$1,842,024		\$1,842,024
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$204,006	-\$204,006	\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	1224		1224		1224
11210 Number of Unit Months Leased	1123		1123		1123
11270 Excess Cash	\$191,687		\$191,687		\$191,687
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$287,965		\$287,965		\$287,965
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$850		\$850		\$850
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 C/F/P Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0