

**Housing Authority of the City of Shreveport
Shreveport, Louisiana**

Comprehensive Annual Financial Report

For the Year Ended September 30, 2005

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 4-26-06

Donzetta H. Kimble
Executive Director

Bobbie R. Brown
Assistant Executive Director

**Prepared by the Accounting and
Special Programs and Development Departments**

**Housing Authority of the City of Shreveport
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INTRODUCTORY SECTION



Housing Authority
OF THE
City of Shreveport

COMMISSIONERS

DAVID WATKINS
CHAIRMAN
HAROLD KELLY
VICE CHAIRMAN
REVEREND DR. MURPHY L. HUNT
MARGY RAY

PHONE: (318) 227-8174
FAX: (318) 221-2579
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2500 Line Avenue
SHREVEPORT, LA 71104

DONZETTA H. KIMBLE
EXECUTIVE DIRECTOR

BOBBIE R. BROWN
ASST. EXECUTIVE
DIRECTOR

March 15, 2006

Mr. David Watkins, Chairman
and Members of the Board of Commissioners
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, LA 71104

RE: Fiscal Year 2005 Financial Report

Dear Members of the Board of Commissioners:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Shreveport (Authority), for fiscal year ending 30 September 2005, is hereby submitted. The report has been prepared by the Authority's Accounting and Special programs and Development Departments staff, in accordance with guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information relative to the Authority's financial status is included in the management's discussion and analysis.

- A. Management Responsibility** – Responsible for the accuracy of data and the completeness and fairness of its presentation, to include all disclosures. To the best of our knowledge and belief, the enclosed data is materially accurate in all aspects, and is reported in such a manner that has been designed to present fairly the financial position and results of various funds, accounts and other component units of the Authority's operations. All disclosures necessary to enable the reader to ascertain a clear understanding of the Authority's financial activities are included.
- B. Comprehensive Annual Financial Report (CAFR)** – The CAFR consists of the following component parts:
1. **Introductory Section** – This section includes a transmittal letter and the Authority's organizational structure;
 2. **Financial Section** – This section consists of management's discussion and analysis, basic financial statements, and combining individual fund statement and schedules. Combining statements are presented when a Public Housing Agency has more than one major fund of a given fund category. Various statements are utilized to illustrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements; and

3. **Statistical Section** – This section consists of a number of tables containing unaudited data depicting the financial history, demographics and other miscellaneous data of the Authority for the preceding ten (10) years.

The Authority is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular No. A-133, (Audits of states, local governments and non-profit organizations). Information related to a single audit includes the Schedule of Expenditures of federal awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws and regulations. The single audit report is issued apart from the CAFR.

Since its inception, the mission of the Authority has been to provide decent, safe, sanitary and affordable housing for low-income families residing in or expected to reside in the primary market area of which it has jurisdiction. It is further tasked with providing a network of resources to assist public housing families in their effort to become self-reliant. Even though the Authority is not mandated to provide all direct social services to residents, it has a responsibility to help them secure such services. As a steward of taxpayers' fund, the Authority will employ quality employees and encourage excellence to ensure that the Authority will achieve and maintain high performance standards.

To assist and enable low-income families in their plight from public housing to self-sufficiency the Authority implemented and administers numerous resident-oriented programs, which are discussed in the notes of the financial statements include in this report.

- C. Reporting Entity** – This report includes all funds of the Authority. Components units are legally separate entities for which a government is financially accountable.

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

The Authority was duly created pursuant to the authority of the Constitution and statues (LSA:RS 40:381, Section 401) of the State of Louisiana and was duly organized on the 11th day of March 1940, and since the date of its organization, the Authority has continued to exist without interruption in the performance of its public corporate purposes, with its principal place of business, located at 2500 Line Avenue, Shreveport, Louisiana.

The creation of the Authority was contingent upon the adoption of a resolution by the local governing body of the City of Shreveport constituting a declaration to the need of a Public Housing Agency in the City of Shreveport, Parish of Caddo, State of Louisiana. Even though the Authority has interconnection with the City of Shreveport in several respects, it is not a component unit of the City, as by the pronouncements of the Governmental Accounting Standards Board, in that it is not financially accountable for the operations of the Authority, and has no responsibility fund deficits or rights to receive surpluses, and has not guaranteed the Authority's debts.

The governing body of the Authority is its Board of Commissioners. The Board of Commissioners is comprised of five (5) members. They are appointed by the Mayor of the City of Shreveport and confirmed

by the City Council, to serve a five (5) year staggered term with the option of reappointment. Each member serves until a successor is appointed. The Board of Commissioners appoints the Executive Director/Secretary who is charged with the responsibility to administer the day-to day affairs of the Authority. The primary funding source for the Authority is through subsidy received from HUD, which oversees the expenses of most of its funds.

The Housing Authority is financially accountable for Shreveport Housing Authority Resident Advisory Board Inc, a legal and separate entity. The Housing Authority can, to a limited degree, impose its will on the Resident Advisory Board.

The Housing Authority also provides office space and office furnishings for the Resident Advisory Board.

D. Major Initiatives – The Authority received a SEMAP score of 84% for fiscal year 2005. To-date, the Authority has not received its Fiscal year 2005 PHAS score.

1. Homeownership Program – The Authority developed a Section 5(h) Homeownership plan by which an implementation agreement was authenticated by HUD, October 1999, authorizing the Authority to sell up to fifty (50) of its public housing units to eligible and qualifying public housing residents. Currently, three houses were sold and removed from the Authority's inventory.
2. Capital Fund Program – Funding provided to the Authority by HUD to improve its management and maintenance operations and upgrade the housing stock to modernization and energy conservation standards. The major undertaking currently in effect is the continued comprehensive Modernization of LA 2-7. Renovation of LA 2-7 will take place in three phases. Phase I is the renovation of 32 dwelling units which is complete. Phase II includes alterations and additions to the Office Maintenance Community Building (OMC), and Phase III includes drainage and site improvements. Future projects will include replacement of heating units with new central HVAC systems in 70 of the family units at La 2-5 and the comprehensive modernization of 129 single family housing units as La 2-3, 14 single family housing units at La 2-9, and 36 single family housing units at La 2-10.
3. Section 8 Programs – The Authority has administered various Section 8 Rental Assistance Programs since its inception under the Federal Housing and Community Development Act of 1974. Under the Section 8 Programs, rental assistance is provided to landlords on behalf of Section 8 participants who reside in privately-owned housing in the City of Shreveport.
4. In the Fiscal Year 2003, the Ross Neighborhood Network Grant was awarded in the amount of \$250,000.00 As a result of the grant, computer labs were created at Naomi D. Jackson Height and Wilkinson Terrace Developments. The primary focus of the labs was to assist in improving the academic performance of the children living in public housing as well as teach basic computer skills and Internet usage to students and adults. An additional center was established at U. S. Goodman Plaza Community and Career Center that assisted adult residents in resume writing and job preparation skills. This center also provided services to senior residents living in U. S. Goodman Plaza as well as student attending the Community Center's GED Preparatory Class.

As of December 31, 2005, the Neighborhood Networks Center at Naomi D. Jackson Heights was closed as a result of the relocation of residents due to a Hope VI demolitions grant. On January 31, 2006 the remaining Neighborhood Network Centers were closed because of a lack of refunding. The Housing Authority continues to pursue other alternatives in trying to reopen the labs.

E. Internal Control – The Authority's management staff is responsible for establishing and maintaining internal control which has been designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. Internal control is designed to provide reasonable, but not absolute assurance recognizes that :

1. The cost of control should not exceed the benefit likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgment by management.

It is our opinion that the Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the Authority is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations that govern those programs. As a component part of the Authority's single audit, aforementioned, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Authority has complied with applicable laws and regulations.

The result of the Authority's single audit for fiscal year ending 30 September 2005, provided no instances of material weakness in internal control or significant violation of applicable laws and regulations.

F. Budgetary Controls – The Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Authority's Board of Commissioners. The level of budgetary control (that is, level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. Revision(s) to the budget enacted requires the Authority's Board of Commissioners approval. As illustrated by the statements and schedules included in the financial Section of this report, the Authority continues to meet its responsibility for sound financial management.

G. Cash Management - All funds invested by the Authority during the year were placed in Certificates of Deposits with local banks. The cumulative amount of interest earned during the year on these investments was \$109,631.

The Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments insured by the Federal Deposit Insurance Corporation.

H. Risk Management – The Authority has a safety program in place which is designed to eliminate and/or reduce to a minimum, the possibilities of unsafe acts by the Authority's employee, residents, contract laborers and the general public. The Authority encourages the philosophy of "Think Safety and Be Safe."

The Authority has Workers Compensation and Employers Liability Insurance coverage with a policy limit of \$1,000,000.00 per accident, per employee.

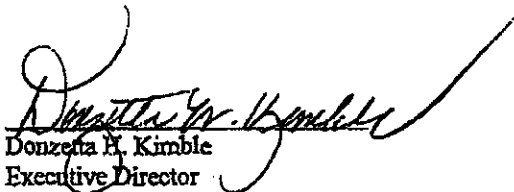
I. Independent Audit – The independent audit report of the Authority's Financial Statements as completed by Allen, Green & Williamson, LLP, Certified Public Accountants, 2414 Ferrand Street, Monroe, Louisiana 71201, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules were performed in accordance with

auditing standards generally accepted in the United States of America and accordingly, included a review of the Authority's Systems of budgetary and accounting controls.

- J. Award** – The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only.

The award is granted only after an intensive review of the financial report by an expert panel of Certified Public Accountants. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

- K. Acknowledgements** – The preparation of this report could not have been accomplished with little ease without the Authority's efficient and dedicated Accounting and Special Programs and Development Departments staff. Our sincere thanks and appreciation are expressed to them for their enable an invaluable assistance. Thanks are also rendered to the Authority's entire staff for their interest and support in planning and conducting the financial operations of the Authority in a responsible and progressive manner.


Donzetta H. Kimble
Executive Director


Bobbie R. Brown
Assistant Executive Director

Housing Authority of the City of Shreveport



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority
of the City of Shreveport,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Fudge

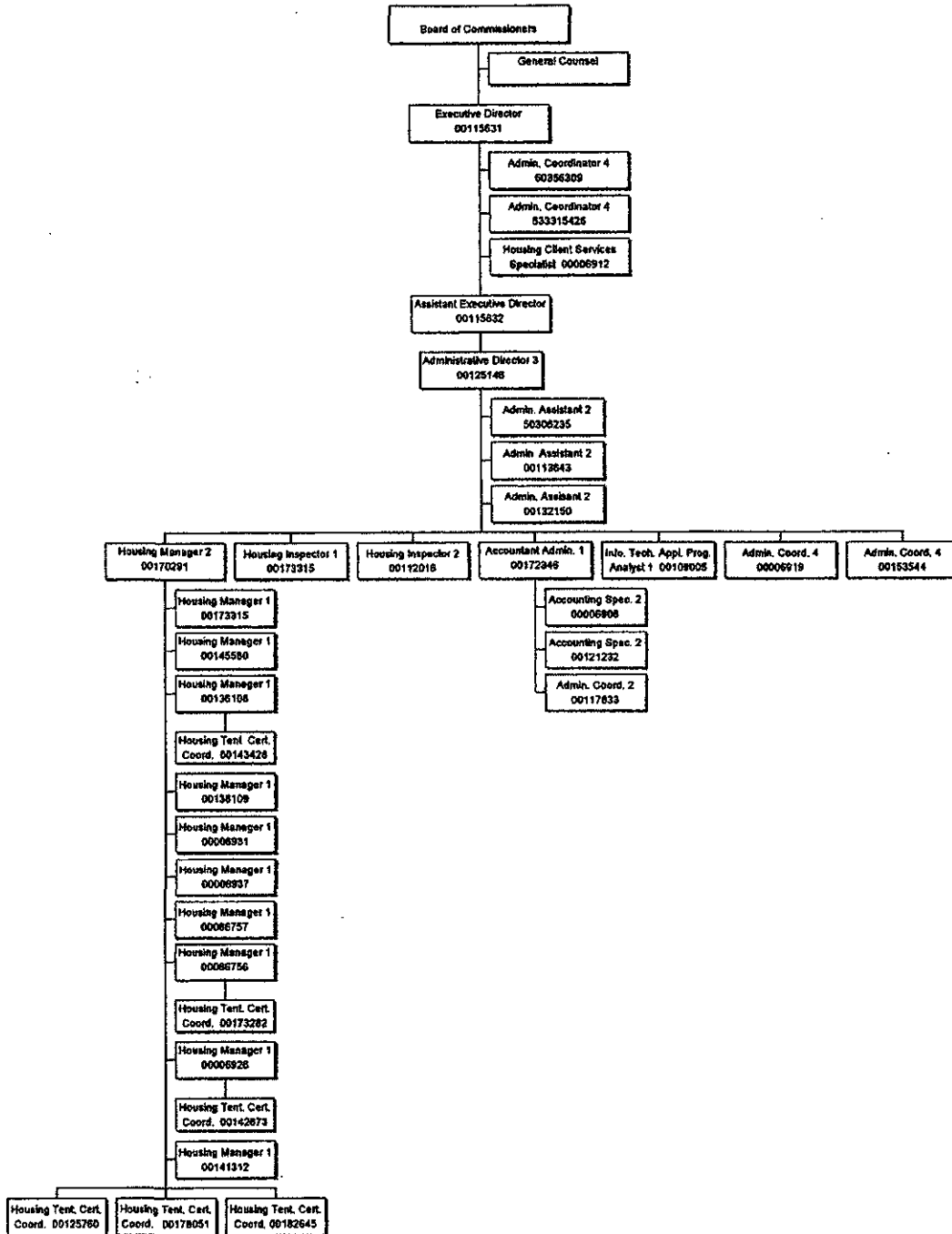
President

Jeffrey R. Emer

Executive Director

Housing Authority of the City of Shreveport

Organizational Chart Administrative Office



Housing Authority of the City of Shreveport

**Appointed Officials
September 30, 2005**

Board of Commissioners

David Watkins, Chairman

Mr. Harold Kelly, Vice Chairman

Reverend Dr. Murphy L. Hunt

Mr. Richard B. King, Jr., Attorney at Law

Ms. Margy Ray

Selected Administrative Officials

Donzetta H. Kimble

Executive Director

Bobbie R. Brown

Assistant Executive Director

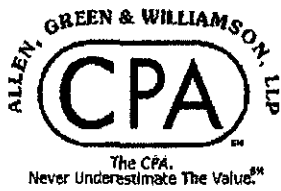
Ivory J. Glover

Administrative Director 3

Maurine Crenshaw

Accountant Administrator 1

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

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1963 - 2000

INDEPENDENT AUDITORS' REPORT

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

Basic Financial Statements We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Housing Authority of the City of Shreveport as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 each major fund and the aggregate remaining fund information of the Housing Authority as of September 30, 2005 and the respective changes in financial position and 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, under separate cover, our report dated March 15, 2006, on our consideration of the Housing Authority'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.

Required Supplemental Information The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Other Supplemental Information Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Housing Authority's basic financial statements. The accompanying information identified in the table of contents as other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections The information identified in the table of contents as the Introductory section, and Statistical Sections are presented for purposes of additional analysis and is not a required part of the basic financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 15, 2006

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A) September 30, 2005

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$26,132,799 (*net assets*). Of this amount, \$2,327,308 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Housing Authority's enterprise funds reported combined ending net assets of \$26,132,799 a decrease of \$881,763 in comparison with the prior year. Approximately 9 % of this total amount is *available for spending* at the Housing Authority's discretion (*unrestricted net assets*).
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$497,527, or 9 % of total general fund operating expenses for the fiscal year. Unrestricted net assets of the Section 8 fund of \$1,152,279 is 6.7 % of total Section 8 operating expenses for the year. Unrestricted net assets of the other enterprise funds of \$677,502 is 98.1 % of total operating expenses for the year.
- Net assets of the general fund decreased \$1,263,993 from the prior year. A decrease in the Low Rent Program of \$2,140,826 was due mainly to an increase in certain operating expenses. Administrative salaries increased 6.3%. The administrative sundry account increased 46%. Overall utility expense increased approximately 51%. Maintenance salaries increased approximately 5% and garbage and trash removal increased 25%. However, the decrease was partially offset by an increase in the Capital Fund Program of \$972,384 due to construction in progress. Net assets of the Section 8 fund increased \$481,793. The Section 8 net asset increase is due to operating expenses decreasing by a larger amount than the decrease in operating revenues. Section 8 revenues increased partly because of fraud recovery funds being received and partly because of an increase interest revenue. Also, a new ruling from Housing and Urban Development allows agencies to retain the excess Housing Choice Voucher funding for future HAP (Housing Assistance Payments). The Section 8 decrease in expenditures was due mainly to a decrease in administrative and tenant service expense and a decrease in the amount of HAP (Housing Assistance Payments). The other enterprise funds net assets decreased \$99,563 due mainly to a decrease in overall revenues and increase in utility expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as proprietary fund types.

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A)
September 30, 2005

USING THIS ANNUAL REPORT The Housing Authority's annual report consist of financial statements that show information about the Housing Authority's most significant funds – such as the Housing Authority's general fund, Section 8 fund, and other enterprise funds.

Comprehensive Annual Financial Report
<u>Introductory Section</u> Transmittal Letter Organizational Chart Appointed Officials and Selected Administrative Officials
<u>Financial Section</u> (Details Outlined in the Next Chart)
<u>Statistical Section</u> Ten Years of Historical Financial Operating Data Ten Years of Fund Balances/Equity for the General Fund Occupancy Ratios by Program Property Characteristics and Dwelling Unit Composition Construction Work in Progress Public Housing Management Assessment Program Scores Section 8 Management Assessment Program Scores Revenue Bond Coverage
(Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above)

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A)
September 30, 2005

Financial Section

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Fund
Financial Statements**

**Notes to the Basic Financial
Statements**

Supplemental Information

**Nonmajor Funds Combining Statements
Schedule of Compensation Paid Board Members
Financial Data Schedule**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The Introductory Section and the Statistical Section were prepared by the Housing Authority without association by the independent auditors. Accordingly, the Housing Authority assumes full responsibility for the accuracy of these two sections.

Reporting the Housing Authority's Most Significant Funds The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department

Housing Authority of the City of Shreveport

**Management's Discussion and Analysis (MD&A)
September 30, 2005**

control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Housing Authority's enterprise funds use the following accounting approach:

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL ANALYSIS The Housing Authority's net assets were \$26,132,799 at September 30, 2005. Of this amount, \$2,327,308 was unrestricted. Restricted net assets of \$1,325,193 are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Housing Authority's ability to use those net assets for day-to-day operations.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, capital fund and resident opportunity programs. Section 8 vouchers, moderate rehabilitation and new construction programs are accounted for in the section 8 fund. The I-49, University Oaks, Armstrong Center and Resident Advisory Board programs are accounted for in separate funds. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

**Table 1
Net Assets
(in thousands)**

	September 30,	
	2005	2004
Current assets	\$ 4,216	\$ 4,014
Restricted current assets	715	767
Capital assets, net	<u>26,235</u>	<u>27,325</u>
Total assets	<u>31,166</u>	<u>32,106</u>
Current liabilities	1,035	875
Current liabilities payable from current restricted assets	223	307
Long-term liabilities	<u>3,775</u>	<u>3,910</u>
Total liabilities	<u>5,033</u>	<u>5,092</u>
Net assets		
Invested in capital assets, net of related debt	22,480	23,400
Restricted	1,326	500
Unrestricted	<u>2,327</u>	<u>3,114</u>
Total net assets	<u>\$26,133</u>	<u>\$27,014</u>

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A)
September 30, 2005

Table 2
Changes in Net Assets
(in thousands)

	September 30,	
	2005	2004
Revenues/capital contributions:		
Operating revenues		
Rent and other	\$ 2,597	\$ 2,588
Nonoperating revenues		
Interest earnings	110	66
State Grants	31	0
Federal grants	<u>19,145</u>	<u>19,121</u>
Total revenues/capital contributions	21,883	21,775
Expenses:		
Operating expenses		
Administration	2,822	2,743
Tenant services	384	500
Utilities	764	518
Ordinary maintenance and operations	2,303	1,886
Protective services	252	338
General expenses	494	521
Nonroutine maintenance	58	248
Housing assistance payments	14,291	15,199
Depreciation	2,117	2,044
Interest and bank charges	<u>252</u>	<u>246</u>
Total expenses	<u>23,737</u>	<u>24,243</u>
Income (loss) before contributions	(1,854)	(1,263)
Capital contributions	<u>972</u>	<u>1,205</u>
<i>Increase (decrease) in net assets</i>	<u><i>(\$ 882)</i></u>	<u><i>(\$58)</i></u>

Total revenues increased by \$108 due primarily to an increase in interest earnings, a state grant added to the program, and an increase in federal grant funding. The capital contributions decreased \$233.

Total expenses decreased \$506 due primarily to a decrease in tenant service expense, protective service expense, general expenses, non-routine maintenance, and Housing Assistance Payments.

THE HOUSING AUTHORITY'S FUNDS As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Housing Authority is being accountable for the resources taxpayers and other provide to it but may also give you more insight into the Housing Authority's overall financial health.

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A)
September 30, 2005

General fund net assets decreased (\$1,263,993) this year. The decrease in net assets of the general fund last year was (\$923,716). General fund expenses increased \$387,950 due primarily to an increase in administrative salaries by approximately 6.3%, an increase in utilities by approximately 51% and in increase in ordinary maintenance and operations, particularly garbage and trash removal by 25%. Rental and other related income increased \$16,156 but federal revenue decreased \$18,502. The increase in federal revenue is due mainly to an increase of operating subsidy of \$213,855 and a decrease in capital contributions of \$232,357.

Section 8 net assets increased \$481,793 this year. The net assets of the Section 8 fund decreased last year by (\$72,468). Section 8 income increased \$102,325 due to a decrease in dwelling rental, a decrease in federal grant funding, and a decrease in federal grants used as a security for revenue bonds. Expenses of the Section 8 fund decreased (\$652,401) due mainly to a decrease in administrative expenses, tenant service expenses, protective service expenses, and Housing Assistance Payment.

Other enterprise net assets decreased (\$99,563) this year. Last year net assets decreased \$267,295. Rental and related income decreased (\$74,734) due to a decrease in occupancy levels and a decrease in Neighborhood Network Grant finding. The Neighborhood Network Grant was in the process of being closed. Expenses decreased \$242,590 due mainly to the closing of the Neighborhood Network Grant and a combination of decreased expenses in administration, tenant services, ordinary maintenance and operations, protective services and non-routine maintenance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At September 30, 2005, the Housing Authority had \$26,235,298 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$1,089,933, or 4% from last year. See Note 4 to the financial statements for more detail on capital assets. No debt was issued for these additions.

**Capital Assets at Year-end
(in thousands)**

	<u>2005</u>	<u>2004</u>
Land	\$ 3,160	\$ 3,160
Buildings	22,327	23,073
Furniture and equipment	408	246
Construction in progress	<u>340</u>	<u>846</u>
Totals	<u>\$26,235</u>	<u>\$27,325</u>

Debt At September 30, 2005, the Housing Authority had \$3,755,000 in mortgage revenue bonds outstanding. The bonds mature annually until 2019 and have a stated interest rate of 6.1%. Our long-term debt includes accrued annual and sick leave of \$215,931. We present more detail about our long-term liabilities in note 8 to the financial statements.

ECONOMIC FACTORS The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions.

Housing Authority of the City of Shreveport

Management's Discussion and Analysis (MD&A)
September 30, 2005

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Maurine Crenshaw, Accountant Administrator, at the Housing Authority of the City of Shreveport, 2500 Line Avenue, Shreveport, Louisiana 71104, telephone number (318) 227-8174.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**ENTERPRISE FUNDS
Balance Sheet
September 30, 2005**

Statement A

	<u>GENERAL</u>	<u>SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 35,335	\$ 1,260,959	\$ 523,502	\$ 1,819,796
Investments	719,122	649,913	177,703	1,546,738
Accounts receivable, net	233,040	14,125	3,709	250,874
Interfund receivable	0	178,112	0	178,112
Interest receivable	8,299	4,934	1,693	14,926
Prepaid items and other assets	161,209	166,760	0	327,969
Inventory	77,410	0	0	77,410
Restricted Assets:				
Restricted deposits	99,686	70,186	15,193	185,065
Repair and replacement account	0	29,006	0	29,006
Surplus account	0	2,088	0	2,088
Bond fund account	0	78,581	0	78,581
Debt service fund account	0	419,945	0	419,945
Total Current Assets	<u>1,334,101</u>	<u>2,874,609</u>	<u>721,800</u>	<u>4,930,510</u>
Capital Assets				
Land, buildings, and equipment (net of accumulated depreciation)	<u>18,443,880</u>	<u>4,192,358</u>	<u>3,599,060</u>	<u>26,235,298</u>
TOTAL ASSETS	<u>\$ 19,777,981</u>	<u>\$ 7,066,967</u>	<u>\$ 4,320,860</u>	<u>\$ 31,165,808</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**ENTERPRISE FUNDS
Balance Sheet
September 30, 2005**

Statement A

	<u>GENERAL</u>	<u>SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 340,533	\$ 230,374	\$ 22,900	\$ 593,807
Interfund payable	178,112	0	0	178,112
Current portion of compensated absences	62,054	22,354	3,414	87,822
Current portion of long term debt	0	175,000	0	175,000
Current Liabilities Payable From Current Restricted Assets:				
Deposits due others	99,686	70,186	15,193	185,065
Accrued interest	<u>0</u>	<u>38,203</u>	<u>0</u>	<u>38,203</u>
Total Current Liabilities	<u>680,385</u>	<u>536,117</u>	<u>41,507</u>	<u>1,258,009</u>
Noncurrent Liabilities				
Compensated absences payable	89,298	36,020	2,791	128,109
Notes and bonds payable	0	3,580,000	0	3,580,000
Claims payable	<u>66,891</u>	<u>0</u>	<u>0</u>	<u>66,891</u>
Total Noncurrent Liabilities	<u>156,189</u>	<u>3,616,020</u>	<u>2,791</u>	<u>3,775,000</u>
Total Liabilities	<u>836,574</u>	<u>4,152,137</u>	<u>44,298</u>	<u>5,033,009</u>
NET ASSETS				
Invested in capital assets, net of related debt	18,443,880	437,358	3,599,060	22,480,298
Restricted	0	1,325,193	0	1,325,193
Unrestricted	<u>497,527</u>	<u>1,152,279</u>	<u>677,502</u>	<u>2,327,308</u>
NET ASSETS	<u>18,941,407</u>	<u>2,914,830</u>	<u>4,276,562</u>	<u>26,132,799</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,777,981</u>	<u>\$ 7,066,967</u>	<u>\$ 4,320,860</u>	<u>\$ 31,165,808</u>

(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**ENTERPRISE FUNDS
Statement of Revenues, Expenses,
and Changes in Net Assets
For the Year Ended September 30, 2005**

Statement B

	<u>GENERAL</u>	<u>SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>
OPERATING REVENUES				
Dwelling rental	\$ 1,173,526	\$ 334,728	\$ 534,595	\$ 2,042,849
Other	129,404	377,416	47,138	553,958
Total operating revenues	<u>1,302,930</u>	<u>712,144</u>	<u>581,733</u>	<u>2,596,807</u>
OPERATING EXPENSES				
Administration	1,145,914	1,521,549	154,284	2,821,747
Tenant services	217,275	134,157	32,469	383,901
Utilities	524,039	173,910	66,021	763,970
Ordinary maintenance & operations	1,408,396	657,954	236,404	2,302,754
Protective services	152,929	99,198	0	252,127
General expenses	299,609	177,425	17,092	494,126
Nonroutine maintenance	0	0	58,175	58,175
Housing assistance payments	0	14,290,526	0	14,290,526
Depreciation	1,783,704	207,601	126,216	2,117,521
Total operating expenses	<u>5,531,866</u>	<u>17,262,320</u>	<u>690,661</u>	<u>23,484,847</u>
Operating Income (Loss)	<u>(4,228,936)</u>	<u>(16,550,176)</u>	<u>(108,928)</u>	<u>(20,888,040)</u>
Nonoperating revenues (expenses)				
Interest earnings	45,747	54,519	9,365	109,631
State grants	30,803	0	0	30,803
Federal grants	1,920,194	16,650,297	0	18,570,491
Federal grants used as security for revenue bonds	0	574,949	0	574,949
Interest and bank charges	0	(251,981)	0	(251,981)
Total nonoperating revenues (expenses)	<u>1,996,744</u>	<u>17,027,784</u>	<u>9,365</u>	<u>19,033,893</u>
NET INCOME (Loss) before Contributions	(2,232,192)	477,608	(99,563)	(1,854,147)
Capital contributions	972,384	0	0	972,384
Transfers	(4,185)	4,185	0	0
Change in net assets	<u>(1,263,993)</u>	<u>481,793</u>	<u>(99,563)</u>	<u>(881,763)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>20,205,400</u>	<u>2,433,037</u>	<u>4,376,125</u>	<u>27,014,562</u>
NET ASSETS AT END OF YEAR	\$ <u>18,941,407</u>	\$ <u>2,914,830</u>	\$ <u>4,276,562</u>	\$ <u>26,132,799</u>

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

Housing Authority of the City of Shreveport



HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended September 30, 2005**

Statement C

	<u>GENERAL</u>	<u>SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Rental receipts	\$ 1,168,087	\$ 329,497	\$ 534,112	\$ 2,031,696
Other receipts	239,299	70,476	48,292	358,067
Payments to vendors	(2,432,448)	(2,247,770)	(389,940)	(5,070,158)
Payments to employees	(1,197,469)	(498,882)	(159,460)	(1,855,811)
Payments to private landlords	0	(14,255,182)	0	(14,255,182)
	<u>(2,222,531)</u>	<u>(16,601,861)</u>	<u>33,004</u>	<u>(18,791,388)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State grants	30,803	0	0	30,803
Federal grants	2,011,561	17,225,246	0	19,236,807
	<u>2,042,364</u>	<u>17,225,246</u>	<u>0</u>	<u>19,267,610</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase capital assets	(983,554)	(30,738)	(15,804)	(1,030,094)
Contributed capital	972,384	0	0	972,384
Principal paid on capital debt	0	(170,000)	0	(170,000)
Interest paid on capital debt	0	(253,624)	0	(253,624)
	<u>(11,170)</u>	<u>(454,360)</u>	<u>(15,804)</u>	<u>(481,334)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES				

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended September 30, 2005**

Statement C

	<u>GENERAL</u>	<u>SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	\$ 193,050	\$ 412,806	\$ 127,319	\$ 733,175
Interest and dividends	43,314	61,073	9,618	114,005
Purchase investments	<u>(9,692)</u>	<u>(28,134)</u>	<u>(9,566)</u>	<u>(47,392)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>226,672</u>	 <u>445,745</u>	 <u>127,371</u>	 <u>799,788</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 <u>35,335</u>	 <u>614,770</u>	 <u>144,571</u>	 <u>794,676</u>
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>0</u>	 <u>646,189</u>	 <u>378,931</u>	 <u>1,025,120</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>35,335</u>	 <u>1,260,959</u>	 <u>523,502</u>	 <u>1,819,796</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(4,228,936)	(16,550,176)	(108,928)	(20,888,040)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	1,783,704	207,601	126,216	2,117,521
Change in assets and liabilities:				
Receivables, net	(41,828)	43,647	52	1,871
Inventories	1,610	0	0	1,610
Prepaid items	902	12,828	0	13,730
Interfund receivables	0	(142,622)	0	(142,622)
Accounts payables	146,516	(175,872)	15,294	(14,062)
Interfund payables	142,622	0	0	142,622
Deferred revenues	(34,209)	0	(541)	(34,750)
Compensated absences	7,088	2,733	911	10,732
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>\$ (2,222,531)</u>	 <u>\$ (16,601,861)</u>	 <u>\$ 33,004</u>	 <u>\$ (18,791,388)</u>

(CONCLUDED)

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

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

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Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

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

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 dwelling 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 of the City of Shreveport is governed by a five-member board of commissioners. The members, appointed by the Honorable Mayor of the City of Shreveport, serve a staggered term of five years.

The Housing Authority has the following units:

	<u># of Units</u>	
PHA Owned Housing	FW 923	945
Homeownership		11
Section 8		
Rental Certificates	FW 2075	135
Rental Vouchers	FW 2215	2,889
Moderate Rehab	FW 2075	308
Existing - Stone Vista	FW 2163	151
New Construction - Goodman Plaza	FW 77-393	170
Non HUD Programs:		
I-49 Dwelling Rental Units		56
Child Care		1
University Oaks I		64
University Oaks II		60

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

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. *Based on this criteria, the Housing Authority has determined that the following component unit should be considered as part of the Housing Authority reporting entity.*

The Resident Advisory Board is a legally separate entity. The Resident Advisory Board is fiscally dependent on the Housing Authority as the Housing Authority provides 100% of their funding. According to GASB Statement 14 paragraph 53 a component unit should be included in the reporting entity financial statements using the blended method if the component unit provides services entirely, or almost entirely, to the primary government, or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. Other component units that should be blended are those that exclusively, or almost exclusively, benefit the primary government by providing services indirectly. *The Resident Advisory Board is included through blended presentation because it exclusively benefits the Housing Authority by providing services indirectly to the Housing Authority.* The Board was established to administer several federal programs for the Housing Authority. The Board does not provide services other than to administer these federal programs for the Housing Authority.

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. All funds of the Housing Authority are classified as proprietary.

The general fund is used to account for the public housing and capital fund programs. Section 8 vouchers, moderate rehabilitation and new construction programs are accounted for in the section 8 fund. The I-49, University Oaks, Armstrong Center and Jackson Heights Child Care and Resident Advisory Board programs are accounted for in separate funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

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

E. 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 fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. 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.
2. The Housing Authority reports at amortized cost money market investments and *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. 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.

G. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using 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 purposes.

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

H. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The Housing Authority capitalizes items over \$300 and refrigerators and ranges. 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:

Buildings	40 years
Building and site improvements	15 years
Office equipment (other than computers)	7 years
Computers	3 years
Automobiles and trucks	5 years

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

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 300 hours of annual leave which may be received upon termination or retirement. In a case where the employee notifies the Housing Authority not less than six months prior to retirement or resignation, annual leave in excess of 300 hours may be utilized prior to separation of employment. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

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

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

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

NOTE 2 - DEPOSITS 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 September 30, 2005. Fair value was determined by obtaining "quoted" year-end market prices.

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

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits and Savings Accounts which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2005 the Housing Authority had a bank balance of \$4,180,722, in which \$4,078,171 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledge securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request.

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

NOTE 3 - RECEIVABLES The receivables at September 30, 2005, are as follows:

<u>Class of receivables</u>	<u>General</u>	<u>Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Residents	\$ 2	\$ 7,618	\$3,703	\$ 11,323
Others	9,620	100	6	9,726
HUD	<u>223,418</u>	<u>6,407</u>	<u>0</u>	<u>229,825</u>
Total	<u>\$233,040</u>	<u>\$14,125</u>	<u>\$3,709</u>	<u>\$250,874</u>

The accounts receivable from residents is net of an allowance of \$10,376. The Housing Authority expects to collect all other balances in full; therefore, no allowance for doubtful accounts has been established.

NOTE 4 - CAPITAL ASSETS The changes and balances in capital assets are as follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, Ending</u>
Non depreciable capital assets:				
Land	\$ 3,160,477	\$ 0	\$ 0	\$ 3,160,477
Construction in progress	845,641	872,522	1,378,375	339,788
Depreciable capital assets:				
Buildings and improvements	52,522,965	1,378,375	0	53,901,340
Furniture and equipment	<u>1,877,241</u>	<u>180,647</u>	<u>106,802</u>	<u>1,951,086</u>
Total	<u>58,406,324</u>	<u>2,431,544</u>	<u>1,485,177</u>	<u>59,352,691</u>
Less accumulated depreciation:				
Buildings and improvements	29,597,346	1,976,819	0	31,574,165
Furniture and equipment	<u>1,483,745</u>	<u>150,538</u>	<u>91,055</u>	<u>1,543,228</u>
Total	<u>31,081,091</u>	<u>2,127,357</u>	<u>91,055</u>	<u>33,117,393</u>
Capital assets, net	<u>\$27,325,233</u>	<u>\$ 304,187</u>	<u>\$1,394,122</u>	<u>\$26,235,298</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Automatic Data Processing Retirement Services, a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one year of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to eight % of each participant's basic (excludes overtime) compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are 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's total payroll for year ended September 30, 2005, was \$1,898,806. The Housing Authority's contributions were calculated using the base salary amount of \$1,479,120. Both the Housing Authority and the covered employees made the required contributions of \$204,271 for the year ended September 30, 2005.

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

NOTE 6 - ACCOUNTS PAYABLE The payables at September 30, 2005, are as follows:

	<u>General</u>	<u>Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Vendors	\$130,644	\$ 90,944	\$16,973	\$238,561
Wages	50,509	18,915	5,927	75,351
Payable to HUD	91,367	120,515	0	211,882
Other	<u>68,013</u>	<u>0</u>	<u>0</u>	<u>68,013</u>
Total	<u>\$340,533</u>	<u>\$230,374</u>	<u>\$22,900</u>	<u>\$593,807</u>

NOTE 7 - COMPENSATED ABSENCES At September 30, 2005, employees of the Housing Authority have accumulated and vested \$215,931 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 - LONG TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2005:

	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Total</u>
Balance, beginning	\$205,199	\$3,925,000	\$4,130,199
Additions	67,667	0	67,667
Deductions	<u>56,935</u>	<u>170,000</u>	<u>226,935</u>
Balance, ending	<u>\$215,931</u>	<u>\$3,755,000</u>	<u>\$3,970,931</u>
Amount due within one year	<u>\$ 87,822</u>	<u>\$ 175,000</u>	<u>\$ 262,822</u>

The following bonds are outstanding at September 30, 2005. The Mortgage Revenue bonds are collateralized with all revenues derived from operations of Goodman Plaza.

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Balance September 30, 2005</u>
<u>Mortgage revenue bonds</u> Series 1993	8-1-93	2019	6.100%	<u>\$5,295,000</u>	<u>\$3,755,000</u>

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

At September 30, 2005, the Housing Authority has reserved \$491,417 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 175,000	\$ 229,214	\$ 404,214
2007	190,000	218,539	408,539
2008	200,000	206,949	406,949
2009	210,000	194,699	404,699
2010	220,000	182,449	402,449
2011 to 2015	1,100,000	646,536	1,746,536
2016 to 2019	<u>1,660,000</u>	<u>260,836</u>	<u>1,920,836</u>
Total	<u>\$3,755,000</u>	<u>\$1,939,222</u>	<u>\$5,694,222</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation At September 30, 2005, the Housing Authority is involved in various litigation. In the opinion of legal counsel the potential loss on all claims will not materially affect the Housing Authority's financial position.

Construction Projects The Housing Authority had one construction project in progress at September 30, 2005 September 30, 2005. These projects just started with a balance of \$1,089,745 left to complete. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Self-Insurance The Housing Authority is partially self-insured for employee's group and health insurance coverage. Claims are funded through employee contributions and operating funds of the Housing Authority. The Housing Authority maintains stop-loss coverage with an insurance company for claims in excess of \$5,000 per claim for each employee. All known claims filed and an estimate of incurred but not reported claims based on experience of the Housing Authority are made and accrued as necessary in the financial statements.

Grant Disallowances The Housing Authority participates in a number of state and 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 disallowances, if any, which may arise from future audits will not be material.

Loan Grantor The Housing Authority is the guarantor of a \$250,000 loan to the Shreveport Urban Renaissance Corporation. The Housing Authority would be liable to pay this debt, if the Shreveport Urban Renaissance Corporation was unable to pay.

NOTE 10 - 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 established a risk management program for employee's group health insurance in 1995.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$5,000. Liabilities include an

Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005

amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Unpaid claims, beginning of fiscal year	\$123,077	\$ 18,754	\$ 34,487
Incurred claims (including IBNRs)	116,628	147,467	213,187
Claim payments	<u>220,951</u>	<u>131,734</u>	<u>180,783</u>
Unpaid claims, end of fiscal year	<u>\$ 18,754</u>	<u>\$ 34,487</u>	<u>\$ 66,891</u>

NOTE 11 – ECONOMIC DEPENDENCE Statement of Financial Accounting Standard (SFAS) No. 14 requires in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$20,117,824 to the Housing Authority, which represents approximately eighty-eight % of the Housing Authority's total revenue for the year.

NOTE 12 - SEGMENT INFORMATION The Housing Authority issued mortgage revenue bonds to finance the acquisition of Goodman Plaza, a 170-unit multifamily rental apartment complex designed for elderly persons and families. All of the Section 8 programs are reported in one fund. Repayment of the bonds relies on revenue generated by activities of Goodman Plaza. Summarized financial information for Goodman Plaza is presented below.

Condensed Statement of Net Assets

Assets:		
Current assets		\$ 829,072
Restricted assets		545,184
Capital assets (net)		<u>3,372,585</u>
Total assets		<u>4,746,841</u>
Liabilities:		
Current liabilities		64,516
Current liabilities payable from current restricted assets		228,767
Noncurrent liabilities		<u>3,583,692</u>
Total liabilities		<u>3,876,975</u>
Net assets:		
Invested in capital assets, net of related debt		(382,415)
Restricted		529,620
Unrestricted		<u>722,661</u>
Total net assets		<u>\$ 869,866</u>

**Housing Authority of the City of Shreveport
Notes to the Basic Financial Statements
September 30, 2005**

**Condensed Statement of Revenues, Expenses,
and Changes in Net Assets**

Rental income	\$ 334,728
Other income	17,886
Depreciation and amortization expense	(143,725)
Other expenses	<u>(986,573)</u>
Operating income (loss)	(777,684)
Nonoperating revenues (expenses)	
Interest earnings	33,483
Federal grants	574,949
Interest and back charges	<u>(239,153)</u>
Change in net assets	(408,405)
Net assets at beginning of year	<u>1,278,271</u>
Net assets at end of year	<u>\$ 869,866</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$(552,775)
Noncapital financing activities	574,949
Capital and related financing activities	(443,983)
Investing activities	454,183
Beginning cash and cash equivalents	<u>43,324</u>
Ending cash and cash equivalents	<u>\$ 75,698</u>

NOTE 13- INTERFUND ACTIVITIES

Receivables/Payables

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Section 8	General	\$178,112

The purpose of the interfund transactions was to cover current year expenses on cost reimbursement programs until reimbursement was received.

Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Section 8	General	\$4,185

The purpose of the interfund transfer was to transfer equipment recorded in the general fund to Section 8.

Housing Authority of the City of Shreveport

Nonmajor Enterprise Funds

I-49

This fund originated from the displacement of homes caused by the construction of Interstate 49. The fund consists of rental income and expenses of single family rental units scattered throughout Caddo Parish. The fund also accounts for proceeds from the sale of rental units.

UNIVERSITY OAKS

Apartment complex purchased in September 1999 to provide units under Section 8 and the open market.

ARMSTRONG CENTER

Community Center for Goodman Plaza. The center was closed during the year.

RESIDENT ADVISORY BOARD

Provides services to the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**NONMAJOR ENTERPRISE FUNDS
Combining Balance Sheet
September 30, 2005**

Exhibit 1

	<u>L49</u>	<u>UNIVERSITY OAKS</u>	<u>ARMSTRONG CENTER</u>	<u>RESIDENT ADVISORY BOARD</u>	<u>TOTAL NONMAJOR FUNDS</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,088	\$ 398,204	\$ 111,514	\$ 12,696	\$ 523,502
Investments	177,703	0	0	0	177,703
Accounts receivable, net	233	3,476	0	0	3,709
Interfund receivables	0	0	0	0	0
Interest receivable	1,693	0	0	0	1,693
Restricted Assets					
Restricted deposits	4,730	10,463	0	0	15,193
TOTAL CURRENT ASSETS	<u>185,447</u>	<u>412,143</u>	<u>111,514</u>	<u>12,696</u>	<u>721,800</u>
Capital Assets					
Capital assets (net of accumulated depreciation)	1,372,959	2,213,172	12,929	0	3,599,060
TOTAL ASSETS	<u>1,558,406</u>	<u>2,625,315</u>	<u>124,443</u>	<u>12,696</u>	<u>4,320,860</u>
LIABILITIES					
Current Liabilities					
Accounts payable	5,309	17,591	0	0	22,900
Interfund payables	0	0	0	0	0
Deferred revenue	0	0	0	0	0
Current portion of compensated absences	1,494	1,920	0	0	3,414
Current Liabilities Payable from Current Restricted Assets					
Deposits due others	4,730	10,463	0	0	15,193
TOTAL CURRENT LIABILITIES	<u>11,533</u>	<u>29,974</u>	<u>0</u>	<u>0</u>	<u>41,507</u>
Noncurrent Liabilities					
Compensated absences	1,053	1,738	0	0	2,791
Total Liabilities	<u>12,586</u>	<u>31,712</u>	<u>0</u>	<u>0</u>	<u>44,298</u>
NET ASSETS					
Invested in capital assets, net of related debt	1,372,959	2,213,172	12,929	0	3,599,060
Unrestricted	172,861	380,431	111,514	12,696	677,502
NET ASSETS	<u>1,545,820</u>	<u>2,593,603</u>	<u>124,443</u>	<u>12,696</u>	<u>4,276,562</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,558,406</u>	<u>\$ 2,625,315</u>	<u>\$ 124,443</u>	<u>\$ 12,696</u>	<u>\$ 4,320,860</u>

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

NONMAJOR ENTERPRISE FUNDS
 Combining Statement of Revenues, Expenses, and Changes in Net Assets
 For the Year Ended September 30, 2005

Exhibit 2

	I-49	UNIVERSITY OAKS	ARMSTRONG CENTER	RESIDENT ADVISORY BOARD	TOTAL NONMAJOR FUNDS
OPERATING REVENUES					
Dwelling rent	\$ 154,346	\$ 380,249	\$ 0	\$ 0	\$ 534,595
Other	4,268	11,663	0	31,207	47,138
Total operating revenues	158,614	391,912	0	31,207	581,733
OPERATING EXPENSES					
Administration	97,024	57,106	154	0	154,284
Tenant services	2,379	874	0	29,216	32,469
Utilities	2,460	63,561	0	0	66,021
Ordinary maintenance and operations	88,458	137,236	10,710	0	236,404
General expenses	11,682	5,410	0	0	17,092
Nonroutine maintenance	0	58,175	0	0	58,175
Protective services	0	0	0	0	0
Depreciation and amortization expense	61,931	63,602	682	1	126,216
Total operating expenses	263,934	385,964	11,546	29,217	690,661
Operating Income (Loss)	(105,320)	5,948	(11,546)	1,990	(108,928)
Nonoperating revenues (expenses)					
Interest earnings	9,070	295	0	0	9,365
Federal grants	0	0	0	0	0
Total nonoperating revenues (expenses)	9,070	295	0	0	9,365
Change in net assets	(96,250)	6,243	(11,546)	1,990	(99,563)
NET ASSETS AT BEGINNING OF YEAR					
	1,642,070	2,587,360	135,989	10,706	4,376,125
NET ASSETS AT END OF YEAR					
	\$ 1,545,820	\$ 2,593,603	\$ 124,443	\$ 12,696	\$ 4,276,562

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended September 30, 2005**

Exhibit 3

	<u>I-49</u>	<u>UNIVERSITY OAKS</u>	<u>ARMSTRONG CENTER</u>	<u>RESIDENT ADVISORY BOARD</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Rental receipts	\$ 153,952	\$ 380,160	\$ 0	\$ 0	\$ 534,112
Other receipts	5,422	11,663	0	31,207	48,292
Payments to vendors	(115,870)	(232,830)	(12,024)	(29,216)	(389,940)
Payments to employees	(81,901)	(77,559)	0	0	(159,460)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(38,397)</u>	<u>81,434</u>	<u>(12,024)</u>	<u>1,991</u>	<u>33,004</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase capital assets	<u>0</u>	<u>(15,804)</u>	<u>0</u>	<u>0</u>	<u>(15,804)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 0</u>	<u>\$ (15,804)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,804)</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended September 30, 2005

Exhibit 3

	L-49	UNIVERSITY OAKS	ARMSTRONG CENTER	RESIDENT ADVISORY BOARD	TOTAL
CASH FLOW FROM INVESTING					
ACTIVITIES:					
Proceeds from sales and maturities of investments	\$ 0	\$ 4,432	\$ 122,887	\$ 0	\$ 127,319
Interest and dividends	8,672	295	651	0	9,618
Purchase investments	(9,566)	0	0	0	(9,566)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(894)	4,727	123,538	0	127,371
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(39,291)	70,357	111,514	1,991	144,571
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	40,379	327,847	0	10,705	378,931
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,088	398,204	111,514	12,696	523,502
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(105,320)	5,948	(11,546)	1,990	(108,928)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	61,931	63,602	682	1	126,216
Change in assets and liabilities:					
Receivables, net	(233)	285	0	0	52
Accounts payable	5,273	11,181	(1,160)	0	15,294
Interfund payables	0	0	0	0	0
Deferred revenues	(167)	(374)	0	0	(541)
Compensated absences	119	792	0	0	911
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (38,397)	\$ 81,434	\$ (12,024)	\$ 1,991	\$ 33,004

(CONCLUDED)

Housing Authority of the City of Shreveport

**Schedule of Compensation Paid Board Members
For the Year Ended September 30, 2005**

Exhibit 4

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

David Watkins, Chairman

Harold Kelly, Vice Chairman

Reverend Dr. Murphy L. Hunt

Margy Ray

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item <u>No.</u>	<u>Account Description</u>	Business <u>Activities</u>	N/C S/R Section 8 <u>Programs</u>	Shelter Plus <u>Care</u>	Low Rent Public <u>Housing</u>
111	Cash - Unrestricted	\$523,502	\$367,389	\$0	\$24,097
115	Cash - Restricted for Payment of Current Liabilities	\$0	\$529,620	\$0	\$0
113	Cash - Other Restricted	\$0	\$0	\$0	\$31,496
114	Cash - Tenant Security Deposits	\$15,193	\$15,564	\$0	\$68,190
100	Total Cash	\$538,695	\$912,573	\$0	\$123,783
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0
124	Accounts Receivable - Other Government	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$6	\$0	\$0	\$5,925
126	Accounts Receivable - Tenants - Dwelling Rents	\$4,672	\$7,820	\$0	\$9,207
126	Allowance for Doubtful Accounts - Dwelling Rents	(\$969)	(\$202)	\$0	(\$9,205)
126	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$1,693	\$4,934	\$0	\$8,299
120	Total Receivables, net of allowances for doubtful accounts	\$5,402	\$12,552	\$0	\$14,226
131	Investments - Unrestricted	\$177,703	\$649,913	\$0	\$719,122
142	Prepaid Expenses and Other Assets	\$0	\$166,760	\$0	\$161,209
143	Inventories	\$0	\$0	\$0	\$77,410
143	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$0	\$0
150	Total Current Assets	\$721,800	\$1,741,798	\$0	\$1,095,750
161	Land	\$505,713	\$411,180	\$0	\$2,243,584
162	Buildings	\$4,589,488	\$4,282,388	\$0	\$42,761,636
163	Furniture, Equipment & Machinery - Dwellings	\$30,853	\$122,597	\$0	\$477,772
164	Furniture, Equipment & Machinery-Administration	\$61,811	\$67,513	\$0	\$619,113
165	Leasehold Improvements	\$0	\$1,248	\$0	\$0
166	Accumulated Depreciation	(\$1,588,805)	(\$1,512,341)	\$0	(\$29,420,856)
167	Construction In Progress	\$0	\$0	\$0	\$0
160	Total Fixed Assets, Net of Accumulated Depreciation	\$3,599,060	\$3,372,585	\$0	\$16,681,249
180	Total Non-Current Assets	\$3,599,060	\$3,372,585	\$0	\$16,681,249
190	Total Assets	\$4,320,860	\$5,114,383	\$0	\$17,776,999

Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0002</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0007</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0009</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0010</u>	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$6,407	\$0	\$64,873	\$4,245
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$6,407	\$0	\$64,873	\$4,245
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$7,635	\$24,708	\$3,194	\$27,572	\$0	\$0
\$7,635	\$24,708	\$9,601	\$27,572	\$64,873	\$4,245
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$14,411	\$0	\$0	\$0	\$19,162
\$0	\$0	\$0	\$0	\$0	\$0
\$0	(\$14,411)	\$0	\$0	\$0	(\$18,270)
\$0	\$0	\$0	\$0	\$144	\$0
\$0	\$0	\$0	\$0	\$144	\$892
\$0	\$0	\$0	\$0	\$144	\$892
\$7,635	\$24,708	\$9,601	\$27,572	\$65,017	\$5,137

Housing Authority of the City of Shreveport
 Financial Data Schedule
 For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item <u>No.</u>	<u>Account Description</u>	Business <u>Activities</u>	N/C S/R Section 8 <u>Programs</u>	Shelter Plus <u>Care</u>	Low Rent Public <u>Housing</u>
312	Accounts Payable <= 90 Days	\$16,973	\$56,785	\$0	\$70,405
321	Accrued Wage/Payroll Taxes Payable	\$5,927	\$4,511	\$0	\$50,509
322	Accrued Compensated Absences-Current Portion	\$3,414	\$4,512	\$0	\$62,054
325	Accrued Interest Payable	\$0	\$38,203	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$0	\$84,001	\$0	\$91,367
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$68,013
341	Tenant Security Deposits	\$15,193	\$15,564	\$0	\$68,190
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$175,000	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$31,496
347	Interprogram Due To	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$41,507	\$378,576	\$0	\$442,034
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$3,580,000	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$2,791	\$10,347	\$0	\$89,298
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$66,891
350	Total Noncurrent Liabilities	\$2,791	\$3,590,347	\$0	\$156,189
300	Total Liabilities	\$44,298	\$3,968,923	\$0	\$598,223
508	Total Contributed Capital	\$0	\$0	\$0	\$0
508	Invested in Capital Assets, Net of Related Debt	\$3,599,060	(\$382,415)	\$0	\$16,681,249
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
511	Restricted Net Assets	\$0	\$529,620	\$0	\$0
512	Unrestricted Net Assets	\$677,502	\$998,255	\$0	\$497,527
513	Total Equity/Net Assets	\$4,276,562	\$1,145,460	\$0	\$17,178,776
600	Total Liabilities and Equity/Net Assets	\$4,320,860	\$5,114,383	\$0	\$17,776,999

Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0002</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0007</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0009</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0010</u>	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services
\$0	\$0	\$0	\$0	\$12,714	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$4,648	\$18,643	\$0	\$13,223	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$52,159	\$4,245
\$4,648	\$18,643	\$0	\$13,223	\$64,873	\$4,245
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$4,648	\$18,643	\$0	\$13,223	\$64,873	\$4,245
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$144	\$892
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$2,987	\$6,065	\$9,601	\$14,349	\$0	\$0
\$2,987	\$6,065	\$9,601	\$14,349	\$144	\$892
\$7,635	\$24,708	\$9,601	\$27,572	\$65,017	\$5,137

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item	Business	N/C S/R Section 8	Shelter Plus Care	Low Rent Public Housing	
<u>No.</u>	<u>Account Description</u>	<u>Activities</u>	<u>Programs</u>	<u>Care</u>	
703	Net Tenant Rental Revenue	\$534,595	\$334,728	\$0	\$1,173,526
704	Tenant Revenue - Other	\$11,917	\$0	\$0	\$128,866
705	Total Tenant Revenue	\$546,512	\$334,728	\$0	\$1,302,392
706	HUD PHA Operating Grants	\$0	\$1,534,944	\$0	\$1,556,273
706	Capital Grants	\$0	\$0	\$0	\$0
708	Other Government Grants	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$9,365	\$39,273	\$0	\$45,354
714	Fraud Recovery	\$0	\$0	\$0	\$0
715	Other Revenue	\$35,221	\$18,655	\$0	\$0
716	Gain/Loss on Sale of Fixed Assets	\$0	(\$128)	\$0	\$458
720	Investment Income - Restricted	\$0	\$1,557	\$0	\$0
700	Total Revenue	\$591,098	\$1,929,029	\$0	\$2,904,477
911	Administrative Salaries	\$84,570	\$91,079	\$0	\$404,347
912	Auditing Fees	\$0	\$2,492	\$0	\$7,088
913	Outside Management Fees	\$0	\$0	\$0	\$0
914	Compensated Absences	\$911	\$696	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$27,423	\$39,270	\$0	\$162,604
916	Other Operating - Administrative	\$41,382	\$12,916	\$0	\$266,263
921	Tenant Services - Salaries	\$29,216	\$7,419	\$0	\$36,503
922	Relocation Costs	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$14,173
924	Tenant Services - Other	\$3,253	\$9,128	\$0	\$91,246
931	Water	\$19,365	\$15,659	\$0	\$109,700
932	Electricity	\$22,259	\$137,603	\$0	\$236,942
933	Gas	\$1,014	\$944	\$0	\$43,007
938	Other Utilities Expense	\$23,383	\$19,704	\$0	\$134,390
941	Ordinary Maintenance and Operations - Labor	\$78,339	\$66,260	\$0	\$603,532
942	Ordinary Maintenance and Operations - Materials and Other	\$51,512	\$241,402	\$0	\$365,937
943	Ordinary Maintenance and Operations - Contract Costs	\$83,717	\$206,153	\$0	\$192,537
945	Employee Benefit Contributions - Ordinary Maintenance	\$22,836	\$26,143	\$0	\$234,055
953	Protective Services - Other	\$0	\$99,198	\$0	\$152,692
961	Insurance Premiums	\$11,401	\$38,541	\$0	\$190,138
962	Other General Expenses	\$0	\$0	\$0	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$68,013
964	Bad Debt - Tenant Rents	\$5,691	\$377	\$0	\$41,458
967	Interest Expense	\$0	\$251,981	\$0	\$0
969	Total Operating Expenses	\$506,272	\$1,266,965	\$0	\$3,354,625

Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services
<u>LA002MR0002</u>	<u>LA002MR0007</u>	<u>LA002MR0009</u>	<u>LA002MR0010</u>		
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$17,519	\$189,545	\$143,837	\$132,937	\$71,448	\$75,353
\$0	\$0	\$0	\$0	\$144	\$1,374
\$0	\$0	\$0	\$0	\$0	\$0
\$115	\$668	\$223	\$222	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$5,811	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$17,634	\$190,213	\$149,871	\$133,159	\$71,592	\$76,727
\$866	\$3,698	\$4,409	\$4,409	\$0	\$0
\$71	\$1,139	\$356	\$356	\$0	\$0
\$1,587	\$7,738	\$9,146	\$5,846	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$562	\$1,446	\$1,325	\$1,325	\$0	\$0
\$145	\$1,685	\$6,536	\$725	\$0	\$75,353
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$71,448	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$365	\$7	\$7	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$248	\$1,423	\$1,746	\$1,746	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$3,479	\$17,494	\$23,525	\$14,414	\$71,448	\$75,353

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing
971	Extraordinary Maintenance	\$58,175	\$0	\$0	\$0
973	Housing Assistance Payments	\$0	\$924,759	\$0	\$0
974	Depreciation Expense	\$126,216	\$130,897	\$0	\$1,657,335
900	Total Expenses	\$690,663	\$2,322,621	\$0	\$5,011,960
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$99,565)	(\$393,592)	\$0	(\$2,107,483)
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$4,376,127	\$1,539,052	\$4,185	\$17,886,117
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	(\$4,185)	\$1,400,142
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$1,116,206	\$0	\$0
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	\$235,078	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$1,351,284	\$0	\$0
1120	Unit Months Available	2,163	3,859	0	10,230
1121	Number of Unit Months Leased	1,761	3,682	0	8,583

Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0002</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0007</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0009</u>	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat <u>LA002MR0010</u>	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services
\$0	\$0	\$0	\$0	\$0	\$0
\$13,680	\$172,321	\$122,151	\$110,797	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$6,413
\$17,159	\$189,815	\$145,676	\$125,211	\$71,448	\$81,766
\$0	\$0	\$0	\$0	\$0	\$0
\$475	\$398	\$4,195	\$7,948	\$144	(\$5,039)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,512	\$5,667	\$5,406	\$6,401	\$0	\$5,931
\$0	\$0	\$0	\$0	\$0	\$0
\$16,205	\$111,933	\$127,170	\$182,344	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$278,103	\$1,381,474	\$249,328	\$82,125	\$0	\$0
\$294,308	\$1,493,407	\$376,498	\$264,469	\$0	\$0
96	432	540	552	0	0
87	395	503	318	0	0

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item	Housing Choice	Public Housing Capital Fund		
<u>No.</u>	<u>Vouchers</u>	<u>Program</u>	<u>State/Local</u>	<u>Total</u>
111 Cash - Unrestricted	\$893,570	\$11,238	\$0	\$1,819,796
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$529,620
113 Cash - Other Restricted	\$54,622	\$0	\$0	\$86,118
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$98,947
100 Total Cash	\$948,192	\$11,238	\$0	\$2,534,481
122 Accounts Receivable - HUD Other Projects	\$0	\$154,300	\$0	\$229,825
124 Accounts Receivable - Other Government	\$0	\$0	\$3,695	\$3,695
125 Accounts Receivable - Miscellaneous	\$100	\$0	\$0	\$6,031
126 Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$21,699
126 Allowance for Doubtful Accounts-Dwelling Rents	\$0	\$0	\$0	(\$10,376)
126 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$14,926
120 Total Receivables, net of allowances for doubtful accounts	\$100	\$154,300	\$3,695	\$265,800
131 Investments - Unrestricted	\$0	\$0	\$0	\$1,546,738
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$327,969
143 Inventories	\$0	\$0	\$0	\$77,410
143 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144 Interprogram Due From	\$178,112	\$0	\$0	\$241,221
150 Total Current Assets	\$1,126,404	\$165,538	\$3,695	\$4,993,619
161 Land	\$0	\$0	\$0	\$3,160,477
162 Buildings	\$888,205	\$1,278,172	\$0	\$53,799,889
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$110,445	\$0	\$741,667
164 Furniture, Equipment & Machinery-Administration	\$353,472	\$72,276	\$1,660	\$1,209,418
165 Leasehold Improvements	\$0	\$100,203	\$0	\$101,451
166 Accumulated Depreciation	(\$421,904)	(\$140,302)	(\$503)	(\$33,117,392)
167 Construction In Progress	\$0	\$339,644	\$0	\$339,788
160 Total Fixed Assets, Net of Accumulated Depreciation	\$819,773	\$1,760,438	\$1,157	\$26,235,298
180 Total Non-Current Assets	\$819,773	\$1,760,438	\$1,157	\$26,235,298
190 Total Assets	\$1,946,177	\$1,925,976	\$4,852	\$31,228,917

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item	Housing Choice	Public Housing Capital Fund		
<u>No.</u>	<u>Vouchers</u>	<u>Program</u>	<u>State/Local</u>	<u>Total</u>
312	\$34,159	\$36,287	\$0	\$227,323
321	\$14,404	\$0	\$0	\$75,351
322	\$17,842	\$0	\$0	\$87,822
325	\$0	\$0	\$0	\$38,203
331	\$0	\$11,238	\$0	\$223,120
333	\$0	\$0	\$0	\$68,013
341	\$0	\$0	\$0	\$98,947
343				
Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$175,000
345	\$54,622	\$0	\$0	\$86,118
347	\$63,109	\$118,013	\$3,695	\$241,221
310	\$184,136	\$165,538	\$3,695	\$1,321,118
351				
Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$3,580,000
354	\$25,673	\$0	\$0	\$128,109
353	\$0	\$0	\$0	\$66,891
350	\$25,673	\$0	\$0	\$3,775,000
300	\$209,809	\$165,538	\$3,695	\$5,096,118
508	\$0	\$0	\$0	\$0
508	\$819,773	\$1,760,438	\$1,157	\$22,480,298
511	\$0	\$0	\$0	\$0
511	\$795,573	\$0	\$0	\$1,325,193
512	\$121,022	\$0	\$0	\$2,327,308
513	\$1,736,368	\$1,760,438	\$1,157	\$26,132,799
600	\$1,946,177	\$1,925,976	\$4,852	\$31,228,917

Housing Authority of the City of Shreveport
Financial Data Schedule
For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item	Housing Choice <u>Vouchers</u>	Public Housing Capital Fund <u>Program</u>	<u>State/Local</u>	<u>Total</u>
703 Net Tenant Rental Revenue	\$0	\$0	\$0	\$2,042,849
704 Tenant Revenue - Other	\$0	\$0	\$0	\$140,783
705 Total Tenant Revenue	\$0	\$0	\$0	\$2,183,632
706 HUD PHA Operating Grants	\$15,206,464	\$217,120	\$0	\$19,145,440
706 Capital Grants	\$0	\$970,866	\$0	\$972,384
708 Other Government Grants	\$0	\$0	\$30,803	\$30,803
711 Investment Income - Unrestricted	\$12,461	\$0	\$393	\$108,074
714 Fraud Recovery	\$40,535	\$0	\$0	\$40,535
715 Other Revenue	\$312,543	\$0	\$80	\$372,310
716 Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$330
720 Investment Income - Restricted	\$0	\$0	\$0	\$1,557
700 Total Revenue	\$15,572,003	\$1,187,986	\$31,276	\$22,855,065
911 Administrative Salaries	\$322,763	\$0	\$0	\$916,141
912 Auditing Fees	\$23,458	\$0	\$0	\$34,960
913 Outside Management Fees	\$616,055	\$0	\$0	\$640,372
914 Compensated Absences	\$2,038	\$0	\$0	\$3,645
915 Employee Benefit Contributions - Administrative	\$126,780	\$0	\$0	\$360,735
916 Other Operating - Administrative	\$230,632	\$217,120	\$29,616	\$882,373
921 Tenant Services - Salaries	\$0	\$0	\$0	\$73,138
922 Relocation Costs	\$0	\$0	\$0	\$71,448
923 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$14,173
924 Tenant Services - Other	\$117,610	\$0	\$0	\$221,237
931 Water	\$0	\$0	\$0	\$144,724
932 Electricity	\$0	\$0	\$0	\$396,804
933 Gas	\$0	\$0	\$0	\$44,965
938 Other Utilities Expense	\$0	\$0	\$0	\$177,477
941 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$748,131
942 Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$658,851
943 Ordinary Maintenance and Operations - Contract Costs	\$117,617	\$0	\$0	\$600,403
945 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$283,034
953 Protective Services - Other	\$0	\$0	\$0	\$251,890
961 Insurance Premiums	\$124,223	\$0	\$0	\$369,466
962 Other General Expenses	\$9,121	\$0	\$0	\$9,121
963 Payments in Lieu of Taxes	\$0	\$0	\$0	\$68,013
964 Bad Debt - Tenant Rents	\$0	\$0	\$0	\$47,526
967 Interest Expense	\$0	\$0	\$0	\$251,981
969 Total Operating Expenses	\$1,690,297	\$217,120	\$29,616	\$7,270,608

Housing Authority of the City of Shreveport
 Financial Data Schedule
 For the Year Ended September 30, 2005

PHA: LA002 FYED: 09/30/2005

Line Item <u>No.</u>	<u>Account Description</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>State/Local</u>	<u>Total</u>
971	Extraordinary Maintenance	\$0	\$0	\$0	\$58,175
973	Housing Assistance Payments	\$12,946,818	\$0	\$0	\$14,290,526
974	Depreciation Expense	\$76,704	\$119,453	\$503	\$2,117,521
900	Total Expenses	\$14,713,819	\$336,573	\$30,119	\$23,736,830
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$858,184	\$851,413	\$1,157	(\$881,765)
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$873,999	\$2,309,167	\$0	\$27,014,564
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$4,185	(\$1,400,142)	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$15,375,759	\$0	\$0	\$16,929,617
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$633,801	\$0	\$0	\$2,859,909
1116	Total Annual Contributions Available	\$16,009,560	\$0	\$0	\$19,789,526
1120	Unit Months Available	38,088	0	0	55,960
1121	Number of Unit Months Leased	35,195	0	0	50,524

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

STATEMENT OF CERTIFICATION OF ACTUAL
MODERNIZATION COMPLETED
September 30, 2005

1. The actual modernization costs for the completed modernization program costs is as follows:

	PROJECT <u>LA 48P00250103</u>
Funds approved	\$ 1,342,125
Funds expended	<u>1,342,125</u>
Excess of funds approved	<u>\$ 0</u>
Funds advanced	\$ 1,342,125
Funds expended	<u>1,342,125</u>
Excess of funds advanced	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated August 24, 2005 for the Project LA 48P00250103 is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

STATISTICAL SECTION

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

Table 1

General Fund Expenditures/Expenses By Function
Fiscal Years Ended September 30,

Fiscal Year	Administration	Tenant Services	Utilities	Ordinary Maintenance and Operations	Protective Services and General	Non routine Maintenance	Capital Outlay	Depreciation	Total
1996	336,313	90,735	346,820	748,798	390,948	16,374	0	0	1,929,988
1997	384,028	49,806	344,615	619,165	602,025	21,636	0	0	2,021,275
1998	423,323	0	387,625	867,726	373,226	4,254	59,122	0	2,115,276
1999	672,205	42,805	379,720	695,309	675,136	7,806	0	1,830,572	4,303,353
2000 (3)	846,797	98,355	382,506	795,373	453,024	2,497	58,917	1,578,849	4,216,318
2001	813,047	147,440	393,327	911,340	866,354	495,925	0	1,641,261	5,268,694
2002	672,661	189,649	325,233	941,642	1,178,111	308,201	0	1,794,364	5,409,861
2003	975,595	211,500	401,124	1,070,724	631,902	0	0	1,767,040	5,057,885
2004	884,157	247,335	345,461	1,327,649	621,584	2,979	0	1,714,752	5,143,917
2005	1,445,523	217,275	524,039	1,408,396	152,929	0	0	1,783,704	5,531,866

Notes:

(1) The funds of the Housing Authority were reported as enterprise funds beginning for the 1999 year. Previously, they were treated as governmental fund types.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Shreveport.

Table 2

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

General Fund Revenues by Source
Fiscal Years Ended September 30,

Fiscal Year	Dwelling rentals		Federal sources		Interest earnings		Other (4)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1996	837,964	37.19%	1,358,334	60.29%	32,579	1.45%	24,211	1.07%	2,263,089	100%
1997	966,326	33.76%	1,138,100	39.76%	48,803	1.70%	709,461	24.76%	2,862,690	100%
1998	1,051,490	43.62%	1,253,804	51.53%	91,361	3.75%	26,625	1.09%	2,433,280	100%
1999	1,063,770	43.39%	1,247,289	50.87%	99,942	4.08%	40,836	1.67%	2,451,837	100%
2000 (3)	1,116,641	43.75%	1,241,805	48.66%	117,956	4.62%	75,830	2.97%	2,552,232	100%
2001	1,149,370	33.62%	1,327,483	38.85%	153,949	4.50%	787,924	23.05%	3,418,726	100%
2002	1,074,128	38.90%	1,578,305	57.15%	48,704	1.76%	60,416	2.19%	2,761,553	100%
2003	1,117,962	35.79%	1,870,334	59.88%	30,860	0.99%	104,228	3.34%	3,123,384	100%
2004	1,162,967	38.57%	1,706,339	56.59%	22,347	0.74%	123,807	4.11%	3,015,460	100%
2005	1,173,528	35.56%	1,920,194	58.19%	45,747	1.39%	160,207	4.86%	3,299,674	100%

Notes:

- (1) The funds of the Housing Authority were reported as enterprise funds beginning for the 1999 year. Previously, they were treated as governmental fund types.
(2) The other amount column includes maintenance charges, late charges and other miscellaneous revenue.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Shreveport.

Table 3

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

Fund Balances/Equity - General Fund
Fiscal Years Ended September 30,

Fiscal Year	General Fund
1996	883,380
1997	1,794,655
1998	2,177,659
1999	1,714,127
2000 (1)	1,504,431
2001	1,961,659
2002	1,678,097
2003	1,378,871
2004	957,186
2005	497,527

(1) For the years ended September 30, 2000 and thereafter, the numbers reflect unrestricted net assets.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Shreveport.

Table 4

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

Resident Demographics:
Occupancy Ratios by Program
Fiscal Years Ended September 30,

Fiscal Year	General Fund			Section 8 Program			Total		
	Number of Units	Average occupied units	Occupied ratio	Number of units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio
1996	934	650	91.01%	2,367	2,210	93.37%	3,301	3,060	92.70%
1997	934	882	94.43%	1,994	1,883	94.43%	2,928	2,765	94.43%
1998	934	878	94.00%	1,943	1,803	92.79%	2,877	2,681	93.19%
1999	934	852	91.22%	2,055	1,978	96.25%	2,989	2,830	94.66%
2000	945	869	91.96%	3,128	2,176	69.53%	4,073	3,044	74.74%
2001	945	863	91.32%	3,332	2,263	67.92%	4,277	3,126	73.09%
2002	944	837	88.67%	3,306	3,071	92.81%	4,253	3,908	91.89%
2003	943	819	86.85%	3,319	3,273	98.61%	4,262	4,092	96.01%
2004	942	873	92.66%	3,319	3,111	93.73%	4,261	3,984	93.50%
2005	942	774	82.17%	3,319	3,047	91.80%	4,261	3,821	89.67%

Source: Records of the Housing Authority of the City of Shreveport.

Table 5

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

Property Characteristics and Dwelling Unit Composition
September 30, 2005

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total
				Zero	One	Two	Three	Four	
LA48-P002-001	Naomi D. Jackson Heights	1411 Milam Street	1950		104	114	52		270
LA48-P002-002	Wilkinson Terrace	2725 Southern Avenue	1950		52	74	58		184
LA48-P002-003	Hollywood Heights	5000 Armstrong Place	1966			65	64		129
LA48-P002-004	Greenwood Terrace	4619 Luciana Circle	1976		8	46	36	10	100
LA48-P002-005	Barton Drive Manor	1625 Barton Drive	1980		30	24	46		100
LA48-P002-007	Brianwood Village	4223 Greenbriar Lane	1987				32		32
LA48-P002-008	67 Unit Acquisition	Scattered Sites	1987				67		67
LA48-P002-009	14 Unit Acquisition	Scattered Sites	1994				14		14
LA48-P002-010	36 Unit Acquisition	Scattered Sites	1996				36		36
LA48-P002-011	11 Unit Acquisition	Scattered Sites	2000			1	9		10
Total Units				0	194	324	414	10	942
Managed Units									
LA48-0002-004	U. S. Goodman Plaza	625 Jordan Street	1978	20	100	50			170
	I-49 Housing Program	Scattered Sites			4	10	42		56
LA48-E002-009	University Oaks I & II Apartments	4701/15 Shreveport-Blanchard Hwy.	1999		56	64	4		124
Total Managed Units				20	160	124	46	0	350

Source: Records of the Housing Authority of the City of Shreveport.

Table 6

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

Construction Work in Progress
September 30, 2005

Project Number	Name of Construction	Current Contract Amount
LA48-P002-007	Comprehensive Modernization of Briarwood Village (2-7), Phase 1	\$1,089,745

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**Public Housing Management Assessment Program (PHMAP) SCORES
Fiscal Years Ended September 30, 1996 through September 30, 1999
Public Housing Assessment System (PHAS) SCORES
Fiscal Year Ended September 30, 1999 through September 30, 2004**

<u>Fiscal Year</u>	<u>Score</u>
1996	94.12%
1997	93.50%
1998	94.70%
1999	84.30%

**Public Housing Assessment System (PHAS) and
Section Eight Management Assessment Program (SEMAM) scores
Fiscal Year Ended September 30, 2000 through September 30, 2005**

<u>Fiscal Year</u>	<u>PHAS Score</u>	<u>SEMAM Score</u>
2000	85.90%	95.00%
2001	91.00%	78.00%
2002	90.00%	92.00%
2003	83.00%	95.00%
2004	85.00%	100.00%
2005	not available	95.00%

Source: Real Estate Assessment Center (REAC)

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
REVENUE BOND COVERAGE**

Table 8

FOR FISCAL YEARS ENDED SEPTEMBER 30, 2005

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for		Debt Service Requirements			Coverage
			Debt Service	Principal	Principal	Interest	Total	
1996	1,043,123	537,877	505,246	105,000	299,176	404,176	1.25	
1997	1,113,136	553,474	559,662	110,000	294,661	404,661	1.38	
1998	1,121,629	584,231	537,398	115,000	289,711	404,711	1.33	
1999	1,045,805	520,656	525,149	125,000	306,636	431,636	1.22	
2000	1,022,020	481,908	540,112	130,000	276,872	406,872	1.33	
2001	990,520	657,315	333,205	130,000	271,239	401,239	0.83	
2002	1,060,326	569,213	491,113	145,000	264,284	409,284	1.20	
2003	955,664	533,039	422,625	150,000	256,309	406,309	1.04	
2004	955,896	516,439	439,457	155,000	246,437	401,437	1.09	
2005	927,563	525,469	402,094	170,000	251,981	421,981	0.95	

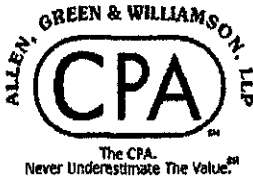
**Housing Authority of the City of Shreveport
Shreveport, Louisiana**

**Single Audit Report
As of and for the Year Ended September 30, 2005**

Housing Authority of the City of Shreveport

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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

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

We have audited the financial statements of each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Shreveport, Louisiana, as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated March 15, 2006. 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority'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.

Management Letter Items

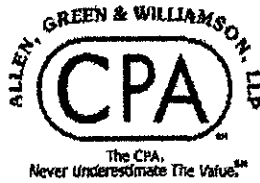
We noted certain additional matters that we reported to management of the Housing Authority in a separate letter dated March 15, 2006.

This report is intended solely for the information and use of the Board, management, 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. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 15, 2006



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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members

Housing Authority of the City of Shreveport
Shreveport, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Shreveport with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2005. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority'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 of America; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 05-F1, 05-F2, 05-F3, 05-F4, 05-F5, 05-F6, 05-F7, and 05-F8.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In *planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.*

We noted certain matters involving internal control over compliance 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 compliance that, in our judgment, could adversely affect the Housing Authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable conditions are described in the accompanying schedule of findings and questioned costs and item 05-F1, 05-F2, 05-F3, 05-F4, 05-F5, 05-F6, 05-F7, and 05-F8.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance 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, we believe that none of the reportable conditions described above are material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Housing Authority of the City of Shreveport, as of and for the year ended September 30, 2005, and have issued our report thereon dated March 15, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, 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. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 15, 2006

**Housing Authority of the City of Shreveport
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2005**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
<i>United States Department of Housing and Urban Development</i>			
<i>Direct Programs</i>			
Public and Indian Housing			
Operating Subsidy	14.850(a)	FW923	\$ 1,556,273
Public Housing Capital Fund Program	14.872	N/A	1,187,986
Section 8 Moderate Rehabilitation			
Mod Rehab #2	14.856	FW2075	17,519
Mod Rehab #7	14.856	FW2075	189,545
Mod Rehab #9	14.856	FW2075	143,837
Mod Rehab #10	14.856	FW2075	<u>132,937</u>
Total Program			<u>483,838</u>
Housing Choice Vouchers	14.871	FW2075	15,206,464
Section 8 New Construction	14.182	N/A	1,534,944
HOPE VI Demolition and Revitalization of Severely Distressed Public Housing	14.866	N/A	71,592
Resident Opportunity and Supportive Services	14.870	N/A	<u>76,727</u>
Total United States Department of HUD			<u>\$20,117,824</u>

Housing Authority of the City of Shreveport
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2005

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Shreveport, Shreveport, Louisiana. The Housing Authority of the City of Shreveport (the Housing Authority) reporting entity is defined in Note 1 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, 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 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:

Federal grants	\$18,570,491
Federal grants used as security for revenue bonds	574,949
Capital contributions	<u>972,384</u>
Total	<u>\$20,117,824</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 accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

PART I - Summary of the Auditors' Results

Financial statement audit

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

Audit of federal awards

- iv. There were reportable conditions required to be disclosed by OMB Circular A-133. The reportable conditions were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA# 14.850 Public and Indian Housing
 - CFDA# 14.871 Section 8 Housing Choice Vouchers
 - CFDA# 14.872 Public Housing Capital Fund Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$603,535.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

**PART III – Findings and questioned costs for federal awards which are required to be reported under
OMB Circular A-133 Section .510(a)**

Reference # and title: 05-F1 Documentation for MASS Submission

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the Housing Authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling units and systems, and security.

Condition found: The annual inspection of dwelling units provided on the MASS submission did not agree to supporting documentation for line A10000 and A10400. The MASS reflected that all units had been inspected using the Uniform Physical Conditions Standards, whereas the supporting documentation did not reflect all units. The security component concerning the number of evictions as a result of the applicable criteria, S11200, did not agree to supporting documentation.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The information reported to REAC on the MASS submission for annual inspection of dwelling units and number of evictions did not agree to documentation provided for support.

Recommendations to prevent future occurrences: The Housing Authority should have procedures in place to review all information submitted to REAC on the MASS submission to ensure the information submitted has proper and accurate supporting documentation.

Reference # and title: 05-F2 HQS Inspections and Enforcement

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: According to 24CFR982.305, 982.40, and 982.405, the Housing Authority is required to inspect the units leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS), and prepare a unit inspection report. For units that fail to meet HQS, the Housing Authority must require the owner (or family, if applicable) to correct any life threatening deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 days after the inspection. If the deficiencies are not corrected within the required timeframe, then the Housing Authority must take prompt action to terminate the HAP contract.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

**PART III – Findings and questioned costs for federal awards which are required to be reported under
OMB Circular A-133 Section .510(a)**

Condition found: To determine if the Housing Authority is giving the applicants that reach the top of the waiting list the opportunity to move in, it was noted that the waiting list is not being updated and maintained monthly. The Housing Authority had a printed waiting list from April 2005. The top ten applicants were selected to determine if they had either moved in or were given the opportunity to move in. The following was noted:

- One person was placed on the program in December 2004 but was still on the April 2005 waiting list.
- One person was placed on the program in May 2002 but was still on the April 2005 waiting list.
- Five applicants were mailed a letters in September 2004 to which they did not respond and then mailed a second letter in April 2005. These five applicants were finally dropped off the waiting list in May 2005.

Possible asserted effect (cause and effect):

Cause: The Housing Authority does not have procedures in place to ensure that all waiting lists are being updated monthly.

Effect: The Housing Authority may not meet all federal requirements in maintaining the waiting list.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures which ensure that all waiting lists are being maintained in date/time order and are updated monthly. Theses procedures should also ensure that all new admits are selected from the waiting list and all applicants that reach the top of the waiting list either move in or are given the opportunity to move in.

Reference # and title: **05-F4** **Rent Reasonableness Determination**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: According to 24CFR982.507, the Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program. *In order to determine reasonable rent, the unit must be compared to rent for other comparable unassisted units based on location, quality, size, unit type, etc.* Although HUD does not require the unit to be compared to a certain number of unassisted units, it is industry practice to compare the unit to at least three unassisted units that fall under the same criteria and amenities; and the rent comparability should not be older than 24 months

Condition found: The Housing Authority's rent reasonableness surveys were completed in September 2002; therefore all new admits during the year were compared to unassisted units outside the 24 month window.

Possible asserted effect (cause and effect):

Cause: The Housing Authority does not have procedures in place to ensure that the rent reasonableness surveys are updated within the required time.

Effect: The Housing Authority could have units on the housing assistance program in which higher rent payments are being made than other unassisted units in the same area.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

**PART III – Findings and questioned costs for federal awards which are required to be reported under
OMB Circular A-133 Section .510(a)**

Recommendations to prevent future occurrences: The Housing Authority should have procedures in place to ensure that rent reasonableness requirements are met.

Reference # and title: **05-F5** **Test of Resident Files**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary (24CFR sections 5.230, 5.609, 982.515 and 981.516). Changes in the rent calculation resulting from a re-examination should be reflected on the HAP register. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. The following key line items contain critical information: effective date of actions, names, dates of birth, social security numbers, unit address, unit inspection date, total annual income, payment standard, utility allowance, contract rent, TTP, HAP, along with 3rd party verification of income, student status, childcare expenses and medical expenses.

Condition found: In testing fifty resident files, the following exceptions were noted:

- Five files had keypunch errors on social security numbers, birth dates, or names reported on Form 50058.
- Two files had incorrect inspections dates on Form 50058.
- Four files did not have proper 3rd party documentation of income.
- Two files had annual income calculated incorrectly.

Possible asserted effect (cause and effect):

Cause: The auditor could not determine the cause.

Effect: It appears the resident files referred to above do not meet some federal requirements.

Recommendations to prevent future occurrences: The administrator should establish checklists and review files before being sent to the Housing Authority for review to ensure that errors are not reported to HUD through the electronic submission of the Form 50058.

Reference # and title: **05-F6** **Waiting List**

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority should establish and adopt written policies for the admission of residents. The policies should include requirements for applicants, selection of applicants from the waiting list, setting of local preferences, and the acceptance or rejection of applicants (24CFR960.202 through 960.206). The Housing Authority should follow the same guidelines for resident selection for all applicants.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

**PART III – Findings and questioned costs for federal awards which are required to be reported under
OMB Circular A-133 Section .510(a)**

Condition found: To determine if the Housing Authority is admitting families to the program by selecting them from the waiting list, there were ten families randomly chosen to determine if the family was selected from the waiting list. Three of the families that had moved in could not be traced to the waiting list.

To determine if the Housing Authority is giving the applicants that reach the top of the waiting list the opportunity to move in, it was noted that the Housing Authority selects applicants by preference. The Housing Authority does not print waiting lists monthly in preference order; therefore, this requirement could not be tested.

Possible asserted effect (cause and effect):

Cause: The Housing Authority has procedures in place to ensure that all applicants are selected according to policy. These procedures were not followed in the instances noted above.

Effect: The Housing Authority may not meet all federal requirements in maintaining and admitting families from the waiting list for the instances noted above.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that all waiting lists are being printed and updated monthly. These procedures should also ensure that all new admits are being selected from the waiting list and all applicants that reach the top of the waiting list either move in or given the opportunity to move in.

Reference # and title: 05-F7

Test of Resident Files

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary (24CFR sections 5.212, 5.230, 5.601 through 5.617). Changes in the rent calculation resulting from a re-examination should be reflected on the rental register. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. The following key line items contain critical information: effective date of actions, names, dates of birth, social security numbers, unit address, total annual income, utility allowance, bedroom size, along with 3rd party verification of income, student status, childcare expenses and medical expenses.

Condition found: In testing twenty-five resident files, the following exceptions were noted:

- One file did not have a completed resident application in file.
- Five files had keypunch errors on social security numbers, birth dates, or misspelled names on Form 50058.
- Four files did not use the proper utility allowance in determining rent calculation.
- Two files did not have proper deductions used in determining rent calculation.

**Housing Authority of the City of Shreveport
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

**PART III – Findings and questioned costs for federal awards which are required to be reported under
OMB Circular A-133 Section .510(a)**

Possible asserted effect (cause and effect):

Cause: The auditor could not determine the cause

Effect: It appears the resident files referred to above do not meet some federal requirements

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to review resident files to ensure that all required information is included in the file.

Reference # and title: **05-F8** **Operating Fund Calculation of Operating Subsidy**

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority is required to prepare the Operating Fund Calculation of Operating Subsidy at least 90 days before the end of the fiscal year. This calculation is used by HUD to determine the funding for the next year. The key items required to be tested are unit months available, add-ons to allowable expense level from previous year, total rent roll, other income, FICA contributions and unemployment compensation.

Condition found: The report was prepared using a rent roll as of 4/1/2004 of \$89,517. The rent roll as of 4/1/2004 obtained from the Housing Authority reflects \$99,497, a difference of \$9,980. This difference in the rent roll amount resulted in an overstatement of the subsidy needed from HUD of \$91,367. A payable to HUD was recorded for this overstatement.

Possible asserted effect (cause and effect):

Cause: The auditor could not determine the cause

Effect: The Housing Authority received \$91,367 more in operating subsidy due to the use of an incorrect rent roll amount.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that all reports submitted to HUD agree with supporting documentation.

Housing Authority of the City of Shreveport

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular A-133. This information has been prepared by the management of the Housing Authority. Management accepts full responsibility, as required by OMB Circular A-133, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular A-133 Section 500(e), and accordingly, no opinion is expressed. Section 500(e) requires the auditor to follow-up on prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit finding.

**Housing Authority of the City of Shreveport
Summary Schedule of Prior Audit Findings
September 30, 2005**

Reference # and title: **04-F1** **Documentation for MASS Submission**

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the housing authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling units and systems, and security.

Condition found: The work order numbers provided on the MASS for emergency and non emergency work orders agree to the reports generated from the work order system at the end of the fiscal year. However, the computer technician reran the reports for the emergency and non emergency work orders and there were differences between the two reports. The latest report reflected emergency work orders that exceeded the 24 hour period whereas the original report did not. The actual work orders reflected that the 24 hour requirement was met. There were also some work orders on one report and not on the other. A sample of work orders was selected to trace the issue and completion dates and times to the signed work order retained by the maintenance department. Five emergency and ten non emergency work orders were selected for testing. Two emergency work orders were not completed within the 24 hour requirement per the actual work order, yet reflected that they were completed within 24 hours per the report.

Corrective Action Planned: See current year finding 05-F1.

Reference # and title: **04-F2** **HQS Inspections and Enforcement**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: According to 24CFR982.305, 982.40 and 982.405, the Housing Authority is required to inspect the units leased to a family at least annually to determine if the unit meets Housing Quality Standard (HQS), and prepare a unit inspection report. For units that fail to meet HQS, the Housing Authority must require the owner (or family, if applicable) to correct any life threatening deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 days after the inspection. If the deficiencies are not corrected within the required timeframe, then the Housing Authority must take prompt action to terminate the HAP contract.

Condition found: There were ten inspections that had failed the original HQS inspection randomly selected from the inspectors' logs to determine if the unit was re-inspected and all deficiencies were resolved within the required timeframe. Out of the ten inspections, the following was noted:

- One inspection had both emergency and non emergency deficiencies noted on the inspection, yet the re-inspection was not performed until approximately 45 days later.
- One inspection stated that the re-inspection was completed 2/9/04 on the form, yet the inspector did not inspect the unit until 2/11/04 according to his log, which notated that the repairs were incomplete. The unit did not pass until 2/16/04 per the inspector's log. However, the unit was placed onto the program on 2/9/04. Also noted on the original inspection was a deficiency that was an emergency; unable to determine if the emergency deficiency was completed within the required time limits.

**Housing Authority of the City of Shreveport
Summary Schedule of Prior Audit Findings
September 30, 2005**

- One inspection was notated that it had failed in March of 2004, yet no inspection form was located in file. When questioned where the inspection form was, the response was that the family told the inspector they were moving and the form was destroyed, but there was no documentation in file concerning the resident's wishes to move. However, the family did not move until May 2004 after the unit had burned.
- One inspection per the inspector's log had failed on 7/19/04, yet the inspection form in the file was dated on 7/29/04 and notated that it had passed.
- One unit per the inspector's log had failed on 6/29/04, yet the only inspection in file was dated 4/20/04 and could not find an inspectors' log for that family or unit for the April date.

Corrective Action Planned: See current year finding 05-F2.

Reference # and title: **04-F3** **Waiting List**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: The Housing Authority should have written policies in the Housing Choice Voucher Program's administrative plan for selecting applicants from the waiting list and the Housing Authority's documentation must show that the policies are being followed. According to 24 CFR 982.201 through 982.207, the Housing Authority should admit families to the program from the waiting list, except for special admissions provided in 24 CFR 982.203. The Housing Authority should also document that all applicants that reach the top of the waiting list either move in or are given the opportunity to move onto the program.

Condition found: To determine if the Housing Authority is admitting families to the program by selecting them from the waiting list, there were ten families randomly chosen to determine if the family was selected from the waiting list. Two families that had moved in were selected from the V67 waiting list, which is a special waiting list for the elderly or disabled. This list is not updated nor does it have the date in which the applicant was added to the waiting list.

To determine if the Housing Authority is giving the applicants that reach the top of the waiting list the opportunity to move in, it was noted that the waiting list is not being updated and maintained monthly by the company that administers the program for the Housing Authority. The Housing Authority had a waiting list from March 2004 in which we were able to select the top ten applicants to determine if they had either moved in or were given the opportunity to move in, the following was found:

- One of the applicants had actually moved in November 2001, yet was still on the master waiting list.
- One of the applicants on the waiting list that had reached the top did not apply for this Housing Authority, but had applied for another Housing Authority in which this company also administers the Section 8 program.

It was also noted that several other applicants on the Housing Authority of City of Shreveport's waiting list, were in fact applying for another Housing Authority.

Corrective Action Planned: See current year finding 05-F3.

**Housing Authority of the City of Shreveport
Summary Schedule of Prior Audit Findings
September 30, 2005**

Reference # and title: **04-F4** **Utility Allowance**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: The Housing Authority is required to review utility allowances on an annual basis to determine if there was a change of 10 percent or more in the utility rate for any utility category since the last time the utility allowance schedule was revised according to 24 CFR 982.517.

Condition found: The Housing Authority contracted with someone to determine if there was any rate changes in any of the utility categories and to update the utility allowance schedules. New schedules were presented to the Housing Authority, by the firm doing the update; however, the Section 8 Housing Choice Voucher program was not using the updated schedules. The other item noted concerning the utility allowance schedule is that the subcontractor also calculated a 4% sales tax to determine the allowance amounts. However as of July 1, 2003 in the State of Louisiana, there is no sales tax charged for utilities to consumers for residential use due to the Stelly Plan.

Corrective Action Taken: The updated schedules are in use.

Reference # and title: **04-F5** **Rent Reasonableness Determination**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: According to 24 CFR 982.507, the Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program. In order to determine reasonable rent, the unit must be compared to rent for other comparable unassisted units based on location, quality, size, unit type, etc. Although HUD does not require the unit to be compared a certain number of unassisted units, it is industry practice to compare the unit to at least three unassisted units that fall under the same criteria and amenities.

Condition found: The Housing Authority contracted with someone to perform a rent reasonableness study for all census tracts for various unassisted units with various amenities and bedroom sizes. The company provided the Housing Authority with well organized binders containing the required and necessary information of unassisted units by census tract and bedroom sizes. When testing ten units that were newly leased with in the fiscal year, it was noted that the administrators of the Section 8 program are not utilizing the rent reasonableness study that had been completed. Ten out of the ten files tested either were compared to units outside the new units census tract or that two out of the three comparable units were outside the census tract. It was also noted that the administrator used the same units for all comparisons regardless of amenities and location.

Corrective Action Planned: See current year finding 05-F4.

**Housing Authority of the City of Shreveport
Summary Schedule of Prior Audit Findings
September 30, 2005**

Reference # and title: **04-F6** **Test of Resident Files**

Federal program and specific federal award identification: This finding applies to Section 8 Housing Choice Vouchers, CFDA #14.871, FW2075

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary (24 CFR sections 5.230, 5.609, 982.515 and 981.516). Changes in the rent calculation resulting from a reexamination should be reflected on the HAP register. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or reexamination. The following key line items contain critical information: effective date of actions, names, dates of birth, social security numbers, unit address, unit inspection date, total annual income, payment standard, utility allowance, contract rent, TTP, HAP, along with 3rd party verification of income, student status, childcare expenses and medical expenses.

Condition found: In testing nineteen resident files, the following exceptions were noted:

- Two files had incorrect social security numbers or birth date reported on Form 50058
- One file's rent per lease did not agree to Form 50058
- One file had the incorrect payment standard reported on Form 50058
- One file had annual income calculated incorrectly
- One file did not have an annual inspection, therefore unable to test the date listed on Form 50058
- One file did not have current proof of full-time student status in file

Corrective Action Planned: See current year finding 05-F5.

Reference # and title: **04-F7** **Waiting List**

Federal program and specific federal award identification: This finding applies to the Public and Indian Housing Low Rent Program, CFDA #14.850, FW923

Criteria or specific requirement: The Housing Authority should establish and adopt written policies for the admission of residents. The policies should include requirements for applications, selection of applicants from the waiting list, setting of local preferences, and the acceptance or rejection of applications (24 CFR 960.202 through 960.206). The Housing Authority should follow the same guidelines for resident selection for all applicants regardless if they are an employee or not.

Condition found: Twelve resident files were selected from a list of move-ins for the year to determine if the Housing Authority followed the resident selection and waiting list policies. Three of the twelve were employees of the Housing Authority. It was noted that for two of the employees the Housing Authority did not follow the resident selection policy.

- One of the employees listed on the waiting list was listed with a local preference, yet no documentation was in the file to support the preference.
- One of the employees did not have a local preference, yet was given the opportunity to move in before others on the list.

Corrective Action Planned: See current year finding 05-F6.

Housing Authority of the City of Shreveport
Corrective Action Plan for Current-Year Findings and Questioned Costs
September 30, 2005

Reference # and title: 05-F1 Documentation for MASS Submission

Condition found: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the housing authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling unites and systems, and security.

The annual inspection of dwelling units provided on the MASS submission did not agree to supporting documentation for line A10000 and A10400. The MASS reflected that all units had been inspected using the Uniform Physical Conditions Standards, whereas the supporting documentation did not reflect all units. The security component concerning the number of evictions as a result of the applicable criteria, S11200, did not agree to supporting documentation.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: 05-F2 HQS Inspections and Enforcement

Condition found: According to 24CFR982.305, 982.40, and 982.405, the Housing Authority is required to inspect the units leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS), and prepare a unit inspection report. For units that fail the meet HQS, the Housing Authority must require the owner (or family, if applicable) to correct any life threatening deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 days after the inspection. If the deficiencies are not corrected within the required timeframe, then the Housing Authority must take prompt action to terminate the HAP contract.

There were ten failed inspections that were randomly selected for testing using the inspectors' logs. These inspections were tested to determine if the unit was re-inspected and all deficiencies were resolved within the required timeframe. Out of the ten inspections, the following was noted:

- Two inspections failed due to emergency items (smoke alarm batteries) were not completed within the 24 hour requirement.
- One inspection that had failed had no documentation that a re-inspection was completed or that the required repairs were completed within the proper timeframe.
- Three inspections reflected that the unit had failed per the inspector's log; however, there was no inspection form in the resident's file for the same date reflected on the inspector's log.
- One inspection could not be located and was not tested.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

**Housing Authority of the City of Shreveport
Corrective Action Plan for Current-Year Findings and Questioned Costs
September 30, 2005**

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: 05-F3 Waiting List

Condition found: The Housing Authority should have written policies in the Housing Choice Voucher Program's administrative plan for selecting applicants from the waiting list and the Housing Authority's documentation must show that the policies are being followed. According to 24CFR982.201 through 982.207, the Housing Authority should admit families to the program from the waiting list, except for special admissions provided in 24CFR982.203. *The Housing Authority should also document that all applicants that reach the top of the waiting list either move in or are given the opportunity to move onto the program.*

To determine if the Housing Authority is giving the applicants that reach the top of the waiting list the opportunity to move in, it was noted that the waiting list is not being updated and maintained monthly. The Housing Authority had a waiting list from April 2005. The top ten applicants were selected to determine if they had either moved in or were given the opportunity to move in. The following was noted:

- One person was already placed on the program in December 2004 but was still on the April 2005 waiting list.
- One person was placed on the program in May 2002 but was still on the April 2005 waiting list.
- Five applicants were mailed a letter in September 2004 to which they did not respond and then mailed a second letter in April 2005. These five applicants were finally dropped off the waiting list in May 2005.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: 05-F4 Rent Reasonableness Determination

Condition found: According to 24CFR982.507, the Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program. In order to determine reasonable rent, the unit must be compared to rent for other comparable unassisted units based on location, quality, size, unit type, etc. Although HUD does not require the unit to be compared to a certain number of unassisted units, it is industry practice to compare the unit to at least three unassisted units that fall under the same criteria and amenities; and the rent comparability should not be older than 24 months.

The Housing Authority's rent reasonableness surveys were completed in September 2002; therefore all new admits during the year were compared to unassisted units outside the 24 month window.

Housing Authority of the City of Shreveport
Corrective Action Plan for Current-Year Findings and Questioned Costs
September 30, 2005

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: **05-F5**

Test of Resident Files

Condition found: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary (24CFR sections 5.230, 5.609, 982.515 and 981.516). Changes in the rent calculation resulting from a re-examination should be reflected on the HAP register. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. *The following key line items contain critical information: effective date of actions, names, dates of birth, social security numbers, unit address, unit inspection date, total annual income, payment standard, utility allowance, contract rent, TTP, HAP, along with 3rd party verification of income, student status, childcare expenses and medical expenses.*

In testing fifty resident files, the following exceptions were noted:

- Five files had keypunch errors on social security numbers, birth dates, or names reported on Form 50058.
- Two files had incorrect inspections dates on Form 50058.
- Four files did not have proper 3rd party documentation of income.
- Two files had annual income calculated incorrectly.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: **05-F6**

Waiting List

Condition found: The Housing Authority should establish and adopt written policies for the admission of residents. The policies should include requirements for applicants, selection of applicants from the waiting list, setting of local preferences, and the acceptance or rejection of applicants (24CFR960.202 through 960.206). The Housing Authority should follow the same guidelines for resident selection for all applicants.

To determine if the Housing Authority is admitting families to the program by selecting them from the waiting list, there were ten families randomly chosen to determine if the family was selected from the waiting list. Three of the families that had moved in could not be traced to the waiting list.

**Housing Authority of the City of Shreveport
Corrective Action Plan for Current-Year Findings and Questioned Costs
September 30, 2005**

To determine if the Housing Authority is giving the applicants that reach the top of the waiting list the opportunity to move in, it was noted that the Housing Authority selects applicants by preference. The Housing Authority does not print waiting lists monthly in preference order; therefore, this requirement could not be tested.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
Housing Authority of the City of Shreveport
2500 Line Avenue
Shreveport, Louisiana 71104

Telephone: (318) 227-8174
Fax: (318) 221-2579

Reference # and title: **05-F7**

Test of Resident Files

Condition found: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary (24CFR sections 5.212, 5.230, 5.601 through 5.617). Changes in the rent calculation resulting from a re-examination should be reflected on the rental register. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. The following key line items contain critical information: effective date of actions, names, dates of birth, social security numbers, unit address, total annual income, utility allowance, bedroom size, along with 3rd party verification of income, student status, childcare expenses and medical expenses.

In testing twenty-five resident files, the following exceptions were noted:

- One file did not have a completed resident application in file.
- Five files had keypunch errors on social security numbers, birth dates, or misspelled names on Form 50058.
- Four files did not use the proper utility allowance in determining rent calculation.
- Two files did not have proper deductions used in determining rent calculation.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

Ms. Donzetta Kimble, Executive Director
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Housing Authority of the City of Shreveport
Corrective Action Plan for Current-Year Findings and Questioned Costs
September 30, 2005

Reference # and title: **05-F8** **Operating Fund Calculation of Operating Subsidy**

Condition found: The Housing Authority is required to prepare the Operating Fund Calculation of Operating Subsidy at least 90 days before the end of the fiscal year. This calculation is used by HUD to determine the funding for the next year. The key items required to be tested are unit months available, add-ons to allowable expense level from previous year, total rent roll, other income, FICA contributions and unemployment compensation.

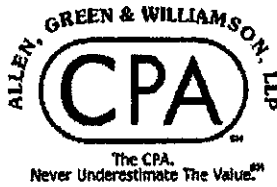
The report was prepared using a rent roll as of 4/1/2004 of \$89,517. The rent roll as of 4/1/2004 obtained from the Housing Authority reflects \$91,497, a difference of \$9,980.

Corrective action planned: See Corrective Action/Improvement Plan document following this report.

Person responsible for corrective action:

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Management Letter

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

In planning and performing our audit of the financial statements of each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Shreveport, as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving other operational matters that are presented for your consideration. This letter does not affect our report dated March 15, 2006, on the basic financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, is intended to result in other operating efficiency. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comments are summarized as follows:

05-M1 **Declaration of Emergency**

Comment: According to the Louisiana Public Bid Law, the Housing Authority is required to publish a notice in the official journal within ten days of declaring an emergency to inform the public that the Housing Authority has declared an emergency on a special item, which allows the Housing Authority to bypass normal bidding procedures. The Housing Authority declared an emergency on alarm system for Goodman Plaza. This declaration was not published in the official journal.

Recommendation: The Housing Authority should have checklist established to ensure that all bidding procedures and publications are followed for declarations of emergency.

Management's response: See Corrective Action/Improvement Plan document following this report.

05-M2 Capital Assets

Comment: When reviewing the Housing Authority's depreciation schedule, there were several items noted:

- Some assets that exceeded the capitalization threshold were not being depreciated
- Some assets had an amount of accumulated depreciation that exceeded the cost
- Current year additions had 2 years worth of accumulated depreciation on the schedule
- The depreciation schedule did not foot correctly
- The calculation of depreciation was not consistent as to the first year's depreciation; some assets had a full year of depreciation the first year and others had half-year convention

Recommendation: The Housing Authority should have review the depreciation schedule to ensure that the schedule is accurate and up-to-date. They should also contact their software provider to ensure that all software issues are corrected.

Management's response: See Corrective Action/Improvement Plan document following this report.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of each major fund, and the aggregate remaining fund information of the Housing Authority, as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 15, 2006

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
(AUTHORITY)
2500 LINE AVENUE
SHREVEPORT, LOUISIANA 71104**

**FY'2005 GENERAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

CORRECTIVE ACTION/IMPROVEMENT PLAN

**DONZETTA H. KIMBLE
EXECUTIVE DIRECTOR**

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**FY'2005 GENERAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

BOARD OF COMMISSIONERS

DAVID S. WATKINS	CHAIRPERSON
HAROLD KELLY	VICE CHAIRPERSON
REVEREND DR. MURPHY L. HUNT	MEMBER
MARGY RAY	MEMBER
DONZETTA H. KIMBLE	EXECUTIVE DIRECTOR
BOBBIE R. BROWN	ASST. EXECUTIVE DIRECTOR

COMPILED BY:

AUTHORITY'S SPECIAL PROGRAM AND DEVELOPMENT DEPARTMENT

INTENT

The Authority has prepared and will implement this Corrective Action/Improvement Plan which illustrates and undertakes measures to properly entertain the findings and concerns disclosed in its FY' 2005 General Purpose Financial Statements and Independent Auditors Report as prepared by Allen, Green & Williamson, LLP, Certified Public Accountants, P.O. Box 6075, 2514 Ferrand Street, Monroe, Louisiana 71211-6075.

These measures are undertaken to enhance and sustain the Authority's Administrative and management practices in administering its subsidized programs.

Management Letter 05-M1

Management's Response

Louisiana Public Bid Law is applicable to public entities public work contract(s) using public funds.

The definition of public funds to the Authority are those derived from the federal, state or local government through taxation.

The Authority is aware of the requirement to publish a notice within ten (10) days of the declaration of an emergency to make the public aware of the deviation from competitive bidding process. However, the funding source used to restore the emergency repair was not considered to be public funds.

Perhaps a true definition of public funds will prevent the reoccurrence of such incident if such a true in fact that funds used were actual public funds by definition.

Management Letter 05-M2

Management's Response

The Authority will employ a qualified Computer Programmer who is experienced in Capital Assets depreciation to train and retain the Accounting and Automated Staff persons in the use of depreciation function on the Capital Assets Software. The Authority will further purchase upgraded software programs if needed to achieve the intended function of the Accounting Depreciation Schedule.

It is further noted and anticipated that the computer system hardware and software programs will be upgraded during 2006 to compliment the requirement of site-based management and accounting so mandated by the U.S. Department of Housing and Urban Development (HUD).

The problems with the Authority's Capital Assets Depreciation Schedule should be relieved during this process.

Implementation of trial and error will be imposed to define and refine procedures for accuracy.

AUTHORITY

05-F1

TASK & CONDITION: Documentation for Management Assessment Subsystem (MASS) electronically submission.

GOAL & STANDARD: Store, collect, review and report reliable data on MASS before submission to Real Estate Assessment Center (REAC).

OBJECTIVE: Eliminate and or minimize the potential of transmitting erroneous data for record.

PERSON RESPONSIBLE: Donzetta H. Kimble, Executive Director

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Task and assign Public Housing Department's supervisors with the responsibility, additional duties to maintain proper records and retrieve correct data for compilation into the Authority's MASS submission.	Immediately	On-going
Appoint a staff committee/work group to store, collect, analyze and format data in draft form for correctness before transmission.	Immediately	On-going
Executive Staff review of draft data compiled by committee.	Immediately	On-going
Task the Authority's Automated Department with the additional assignment for the electronic submission of MASS Data.	Immediately	On-going
Monitor task for compliance	Immediately	On-going

AUTHORITY

05-F2

TASK & CONDITION: Housing Quality Standards (HQS) Inspections and Enforcement

GOAL & STANDARD: Provide decent, safe, sanitary and affordable housing for Section 8 Program Participants

OBJECTIVE: Eliminate substandard housing participation in the Section 8 Program

PERSON RESPONSIBLE: Donzetta H. Kimble, Executive Director

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Recruit and employ a qualified person to serve in the position of Section 8 Housing Inspector for compliance and quality control.	Immediately	On-going
Assign and task Section 8 Inspector with the duties and responsibilities of inspecting existing and new properties entering the program for compliance with local codes and HUD's physical condition standards (PCS).	Immediately	On-going
Monitor and document Section 8 Contract Administrator Inspector's performances for PCS compliance.	Immediately	On-going
Monitor Section 8 Housing Inspector's performance for effectiveness and modify as needed for compliance.	Immediately	On-going

AUTHORITY

05-F3

TASK & CONDITION: Waiting List

GOAL & STANDARD: Establish and implement a procedure to purge the Section 8 Waiting List at least quarterly.

OBJECTIVE: Maintain an updated Section 8 Waiting List in a chronological order of date and time.

PERSON RESPONSIBLE: Donzetta H. Kimble, Executive Director

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Issue a directive to the Section 8 Contract Administrator to purge the Section 8 waiting list at least quarterly.	Immediately	On-going
Establish and implement a procedure to purge the Section 8 waiting list at least quarterly adjust and modify as needed.	Immediately	On-going
Assign staff person(s) the tasks of maintaining and updating the Section 8 waiting list in date & time order.	Immediately	On-going
Direct the Authority's Section 8 Staff to monitor the Section 8 Contract Administrator for compliance.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Rent Reasonableness Determination

GOAL & STANDARD: Compliance with rent reasonableness requirements as established by HUD.

OBJECTIVE: Ensure Section 8 Rental Assistance is comparable to that of local private market.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Issue a directive to the Section 8 Administrator to conduct a rent reasonable study immediately to determine and compare rents in the Section 8 Program to that in local private market	Immediately	On-going
Direct the Section 8 Contract Administrator to conduct a rent reasonableness study annually to ensure rents being charged in the Section 8 Program are comparable to those in the private market.	Immediately	On-going
Direct the Section 8 Contract Administrator to implement rent reasonableness in accordance with the Authority's directive.	Immediately	On-going
Implement rent reasonableness requirements in accordance with HUD Regulations and Authority's directive.	Immediately	On-going
Designate an individual to apply the rent reasonableness test on each Section 8 Unit.	Immediately	On-going
Designate and assign Authority's staff person(s) to monitor rent reasonableness implementation for full compliance.	Immediately	On-going
Monitor tasks for compliance.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Five files has keypunch errors on either social security numbers, birth dates, or names reported on Form 50058).

GOAL & STANDARD: Establish measures to transpose data accurately.

OBJECTIVE: Minimize transposing error.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Issue a directive to the Section 8 Contract Administrator to establish and implement procedures for reviewing and double checking documents for accuracy before confirming as record file and or MTCS transmission.	Immediately	On-going
Develop and implement procedures for PDC's staff to review record documents for accuracy and completeness.	Immediately	On-going
Assign a staff person(s) to review documents for accuracy to eliminate the reoccurrence and or minimize transposing errors.	Immediately	On-going
Direct the Authority Section 8 staff to monitor Section 8 Contract Administrator for compliance.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Two files had incorrect inspection dates on Form 50058.

GOAL & STANDARD: Establish measures to transpose data accurately.

OBJECTIVE: Minimize/Eliminate transposing errors.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES		TARGET DATES	
		START	STOP
Establish and implement quality control procedures for review and double checking documents for accuracy before confirming for record file or electronic transmission.		Immediately	On-going
Assign a Section 8 staff person to review HUD Forms 50058 with file documentation for accuracy.		Immediately	On-going
Monitor task for effectiveness and modify as needed.		Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Four files did not have proper 3rd party documentation of income)

GOAL & STANDARD: Compiled residents' files to comply with all HUD standards.

OBJECTIVE: Eliminate and or minimize the potential for requirements omission from residents' file.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Strengthen quality control procedures between preparation and maintenance of participant's file.	Immediately	On-going
Retrain staff on HUD Regulations and requirements as applicable to participants.	Immediately	On-going
Frequently revisit and disseminate quality control procedures during training and meetings.	Immediately	On-going
Appoint an internal staff task force to conduct random audits of residents files for completeness and accuracy.	Immediately	On-going
Monitor participants' imputed changes and transactions for completeness, accuracy, and compliance standards.	Immediately	On-going
Monitor for effectiveness and amend as needed.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Two files had annual income calculated incorrectly)

GOAL & STANDARD: Establish and implement procedures to determine tenant's eligibility by using verified gross income.

OBJECTIVE: Train staff and refine procedures for computing income.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Issue a directive to the Section 8 Contract Administrator (Pendleton Development Corporation) (PDC) to properly train its staff in the Section 8 Program's administration to include determining participants eligibility based on income and family composition.	Immediately	On-going
Develop and implement a training program to properly train PDC's staff in determining participant's eligibility based on income.	Immediately	On-going
Assign a staff person to review the information compiled by the initial preparer in each participant's file for completeness and accuracy.	Immediately	On-going
Direct the Authority's Section 8 staff to monitor the Section 8 contract administrator for compliance in determining eligibility in accordance with the applicable Code of Federal Regulations (CFR).	Immediately	On-going

AUTHORITY

TASK & CONDITION: Waiting List.

GOAL & STANDARD: Comply with the established Resident's Selection Policy.

OBJECTIVE: Adhere the Admission and Continued Occupancy Policy (ACOP).

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Agency's ACOP was in place, but not 100% adhered to by the Central Processing Department's staff in housing applicants at the time of the audit.		
Issue the Central Processing Department staff a directive to comply with the requirement of the ACOP in housing public housing applicants.	Immediately	On-going
Maintain a waiting list of applicants compiled on a first come first served basis as described by the Consent Decree Order of preference and other local preference.	Immediately	On-going
Ensure applicants are housed from the waiting list by order of date, time and preference.	Immediately	On-going
Any and all deviation shall be documented and approved by the Executive Director.		
Purge waiting list monthly for viability. (Delete move-ins no longer interested, expired, add applicants, etc.).	Immediately	On-going
Monitor for compliance.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (One file did not have a completed application in file.

GOAL & STANDARD: Ensure required documents are compiled in resident's files.

OBJECTIVE: Refine procedures to minimize omissions in resident's files.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES		TARGET DATES	
		START	STOP
Develop and implement quality control procedures for Central Processing Department's staff to review all applicants and residents' files for all HUD required documents.		Immediately	On-going
Assign a staff person to review files for completeness and accuracy.		Immediately	On-going
Monitor process for effectiveness and modify as needed.		Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Five files had keypunch errors on social security numbers, with dates, or misspelled names on Form 50058)

GOAL & STANDARD: Compiled residents' files to comply with all HUD standards.

OBJECTIVE: Eliminate and or minimize the potential for requirements omission from residents' file.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Strengthen quality control procedures between Central Processing Department and Site Management on preparation and maintenance of residents' file.	Immediately	On-going
Retrain Management staff on HUD Regulations and requirements as applicable to residents' eligibility.	Immediately	On-going
Frequently revisit and disseminate quality control procedures during monthly managers/management meetings.	Immediately	On-going
Appoint an internal staff task force to conduct random audits of residents files for completeness and accuracy.	Immediately	On-going
Monitor residents imputed changes and transactions for completeness, accuracy, and compliance standards.	Immediately	On-going
Monitor for effectiveness and amend as needed.	Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Four files did not use the proper utility allowance in determining rent calculation.

GOAL & STANDARD: Compiled all residents file with complete and accurate computation and information.

OBJECTIVE: Establish and implement measures to minimize incorrect computation and information in residents file.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES		TARGET DATES	
		START	STOP
Develop and implement quality control procedures for Central Processing Department staff to review all files to ensure files are compiled with all required documents, computation, and information is accurate.		Immediately	On-going
Assign a staff person to review documents for accuracy to eliminate or minimize the reoccurrence of errors.		Immediately	On-going
Monitor process for effectiveness and modify as needed.		Immediately	On-going

AUTHORITY

TASK & CONDITION: Test of Resident Files (Two files did not have proper deductions used in determining rent calculation)

GOAL & STANDARD: Establish and implement procedures to determine resident's eligibility by using verified gross income, family composition and allowances.

OBJECTIVE: Train staff and refine procedures for calculating residents' rent.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Properly train staff in public housing administration to include determining residents eligibility based on income and family composition.	3/20/2000	On-going
Develop and implement a training program to properly train staff in determining participant's eligibility.	Immediately	On-going
Assign a staff person to review the information compiled by the initial preparer in each participant's file for completeness and accuracy.	Immediately	On-going
Monitor for compliance in determining eligibility in accordance with the applicable Code of Federal Regulations (CFR).	Immediately	On-going

AUTHORITY

TASK & CONDITION: Operating Fund Calculation of Operation Subsidy

GOAL & STANDARD: Eliminate the potential for reoccurrence errors in operating subsidy calculation.

OBJECTIVE: Establish strict measures for implementation to eliminate operating subsidy calculation errors.

PERSON RESPONSIBLE: Donzetta H. Kimble

ACTION STEP STRATEGIES	TARGET DATES	
	START	STOP
Issue a directive to the Accounting Department Supervisory person to record a payable to the U S. Department of Housing and Urban Development (HUD) for restitution in the overstated operating subsidy.	3/24/2006	3/24/2006
Develop and implement procedures to only use coinciding support documentation to prepare calculation for operating subsidy.	Immediately	On-going
Assign staff person(s) to review documents for completeness and accuracy as quality control before transmission to HUD.	Immediately	On-going
Monitor for compliance and adjust as needed to meet required and desired standards.	Immediately	On-going