

**HOUSING AUTHORITY OF  
JEFFERSON PARISH  
MARRERO, LOUISIANA**

**Annual Financial Report  
September 30, 2003**

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 4-21-04

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT .....	1
REQUIRED SUPPLEMENTAL INFORMATION	
Management's Discussion and Analysis .....	3
BASIC FINANCIAL STATEMENTS	
ENTERPRISE FUNDS:	
Statement of Net Assets .....	9
Statement of Revenues, Expenditures and Changes in Net Assets .....	11
Statement of Cash Flows .....	12
Notes to Financial Statements .....	14
SUPPLEMENTARY INFORMATION:	
HUD Financial Data Schedules by Fund .....	24
Compensation Paid to Board Members .....	31
OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> AND BY THE OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-133:	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	32
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	34
Schedule of Findings and Questioned Costs .....	36
Schedule of Expenditures of Federal Awards .....	38
Notes to the Schedule of Expenditures of Federal Awards .....	39
Status of Prior Year Audit Findings .....	40

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the accompanying financial statements of the enterprise activities, each major fund, and the aggregate remaining fund information of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2003, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the enterprise activities, each major fund, and the aggregate remaining fund information of the Housing Authority as of September 30, 2003 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.

As described in Note A to the basic financial statements, the Housing Authority adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statements Note Disclosures*, as of October 1, 2002. This results in a change in the format and content of the basic financial statements.

The Management's Discussion and Analysis on pages 3 through 7 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Reboue & Company*

January 13, 2004

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2003**

Our discussion and analysis of the Housing Authority of Jefferson Parish financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2003.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Housing Authority has elected to exclude the information in this report. Subsequent reports will include the comparative information.

#### **FINANCIAL HIGHLIGHTS**

Total spending for all programs was \$17.1 million for the year ended September 30, 2003. Rentals and interest funded \$466 thousand of this amount, with Housing and Urban Development ("HUD") grants and subsidies funding the balance. The public housing subsidy, listed in the conventional program, provided by HUD for the year ended September 30, 2003 was decreased from \$552,143 to \$538,486 (2.5%) over the prior year. While these funds cover general administrative costs, the decrease had little effect on the Housing Authority's operations.

The largest public housing expense for the Housing Authority was the utility cost of \$317,052, which represented approximately 28.7% of the total expenditures for public housing included in the conventional program. The utility expense also increased \$60,470, 23.5% from the prior year. This expense increase was partially offset by an excess utilities reimbursement of \$11,475.

The Section 8 Rental Certificate Program was merged with our Housing Choice Vouchers Program. Our CIAP 1999 Grant was spent down and all costs certified. All remaining depreciable assets were transferred to the Low Rent Public Housing Program.

#### **USING THIS ANNUAL FINANCIAL REPORT**

The Housing Authority's annual financial report consists of financial statements that reports information about the Housing Authority's most significant enterprise funds, such as the Housing Authority's Public Housing, Capital Fund Program, and Housing Choice Vouchers Program.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2003**

An outline of the Annual Financial Report's contents is as follows:

- I. Independent Auditor's Report
- II. Required Supplemental Information
  - A. Management's Discussion & Analysis (MD&A)
- III. Basic Financial Statements
- IV. Notes to Basic Financial Statements
- V. Supplemental Information
  - A. Financial Data Schedule
  - B. Schedule of Compensation Paid Board Members
- VI. Single Audit Section.

Our auditor has provided assurance in their independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. 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 in the Annual Financial Report.

**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 of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it oversee and demonstrate adequate management of money for particular purposes or to show that it is meeting legal responsibilities for using grants and other monies required by regulatory agencies. All Housing Authority funds are enterprise funds.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. 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. The operating results are presented in the Statement of Revenues, Expenses, and Changes in Net Assets; changes in cash are reflected in the Statement of Cash Flows.

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$3.2 million at September 30, 2003.

As we noted earlier, the Housing Authority uses funds to help it oversee and demonstrate adequate management of money for particular purposes. Separate funds are established

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2003**

to account for Public Housing Capital Expenditures and Section 8 Housing Choice Vouchers Program. The following analysis focuses on the net assets and the change in net assets of the Housing Authority as a whole.

**Table 1  
Net Assets  
September 30**

	<u>2003</u>	<u>2002</u>
Current assets	\$1,597,134	\$1,524,739
Capital assets, net	<u>2,308,652</u>	<u>2,510,794</u>
Total assets	<u>3,905,786</u>	<u>4,035,533</u>
Current liabilities	532,382	765,545
Noncurrent liabilities	<u>212,510</u>	<u>27,282</u>
Total liabilities	<u>744,892</u>	<u>792,827</u>
Net Assets		
Invested in capital assets, net of related debt	2,308,652	2,510,794
Restricted	288	-
Unrestricted	<u>851,954</u>	<u>731,912</u>
Total net assets	<u>\$3,160,894</u>	<u>\$3,242,706</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2003**

**Table 2  
Changes in Net Assets  
Year Ended September 30**

	<u>2003</u>	<u>2002</u>
<b>Revenues/capital contributions:</b>		
Operating revenues		
Rental and other	\$ 455,229	\$ 486,145
Non-Operating revenues		
Interest earnings	10,324	17,511
Federal grants and subsidies	16,432,600	16,278,556
Portability income	19,935	-
FSS forfeiture	92,241	-
Other receipts - non-tenant	50,827	-
Gain on sale of fixed assets	<u>1,462</u>	<u>-</u>
 Total revenues	 <u>\$ 17,062,618</u>	 <u>\$ 16,782,212</u>
 <b>Expenses:</b>		
Operating Expenses		
Administration	\$ 2,047,491	\$1,880,783
Tenant services	5,013	3,625
Utilities	317,052	256,582
Ordinary maintenance and operations	213,827	194,589
General expenses	153,464	115,879
Housing assistance payments	14,198,508	13,914,549
Depreciation	<u>209,075</u>	<u>213,067</u>
 Total expenses	 <u>\$ 17,144,430</u>	 <u>\$ 16,579,074</u>
 Increase (decrease) in net assets	 <u>\$ (81,812)</u>	 <u>\$ 203,179</u>

Total revenues increased by approximately \$280,000 or 1.7% due primarily to an increase in HUD Federal Grants and Subsidies of \$154,000 and FSS Forfeiture of \$92,241. Dwelling Income decreased by approximately \$21,000 or 6.4%. Funding for the Section 8 Housing Choice Vouchers program remains relatively stable.

Operating expenses increased by 3.41% from the prior year primarily as a result of an increase in utilities expense.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2003**

**CAPITAL ASSETS**

At September 30, 2003, the Housing Authority had \$2.3 million 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 \$202,142, or 8 % from last year.

Capital Assets at September 30

	<u>2003</u>	<u>2002</u>
Site Improvement	\$ 151,087	\$ -
Land	1,633,374	1,633,374
Buildings	366,031	366,031
Building Improvements	327,152	879,523
Furniture and equipment	51,770	61,267
Construction in progress	<u>-</u>	<u>-</u>
Subtotal	2,529,414	2,940,195
Less Accumulated Depreciation	<u>(220,762)</u>	<u>(429,401)</u>
Fixed Assets, Net	<u>\$2,308,652</u>	<u>\$2,510,794</u>

This year's changes are primarily due to the write off of the CIAP program's fully depreciated assets totaling \$401,284, all of which were building improvements. Additionally, the \$151,087 of site improvements is a reclassification from building improvements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

<u>Management Program</u>	<u>Number of Units</u>
PHA Owned Housing	200
Capital Fund	Annual
Housing Choice Vouchers Program	2742

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**MARRERO, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**September 30, 2003**

	<u>Major Funds</u>		<u>Non Major</u>	<u>Total</u>
	<u>Conventional Program</u>	<u>Housing Vouchers</u>	<u>Other Enterprise</u>	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 178,438	\$ 781,585	\$ 196,887	\$ 1,156,910
Restricted Cash	66,938	153,217	-	220,155
Other Receivables	-	112,868	-	112,868
Advances to Other Funds	28,386	17,310	9,830	55,526
Prepaid Insurance	51,675	-	-	51,675
	<u>325,437</u>	<u>1,064,980</u>	<u>206,717</u>	<u>1,597,134</u>
<b>CAPITAL ASSETS</b>				
Land, Structures and Equipment (Net of Accumulated Depreciation)	<u>2,232,371</u>	<u>-</u>	<u>76,281</u>	<u>2,308,652</u>
Total Capital Assets, Net	<u>2,232,371</u>	<u>-</u>	<u>76,281</u>	<u>2,308,652</u>
Total Assets	<u>\$ 2,557,808</u>	<u>\$ 1,064,980</u>	<u>\$ 282,998</u>	<u>\$ 3,905,786</u>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
STATEMENT OF NET ASSETS (CONTINUED)  
September 30, 2003**

	<u>Major Funds</u>		<u>Non Major</u>	<u>Total</u>
	<u>Conventional Program</u>	<u>Housing Vouchers</u>	<u>Other Enterprise</u>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 44,201	\$ 125,091	\$ 7,137	\$ 176,429
Advances from Other Funds	16,827	18,385	20,314	55,526
Due to HUD	-	224,603	49,871	274,474
Compensated Absences Payable	10,442	380	95	10,917
Tenant Deposits Held in Trust	14,625	-	-	14,625
Other Liabilities	411	-	-	411
<b>Total Current Liabilities</b>	<b>86,506</b>	<b>368,459</b>	<b>77,417</b>	<b>532,382</b>
<b>NONCURRENT LIABILITIES</b>				
FSS Escrow Liability	68,394	144,116	-	212,510
<b>Total Noncurrent Liabilities</b>	<b>68,394</b>	<b>144,116</b>	<b>-</b>	<b>212,510</b>
<b>Total Liabilities</b>	<b>154,900</b>	<b>512,575</b>	<b>77,417</b>	<b>744,892</b>
<b>NET ASSETS</b>				
Invested In Capital Assets, Net of Related Debt	2,232,371	-	76,281	2,308,652
Restricted	288	-	-	288
Unrestricted	170,249	552,405	129,300	851,954
<b>Total Net Assets</b>	<b>2,402,908</b>	<b>552,405</b>	<b>205,581</b>	<b>3,160,894</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 2,557,808</b>	<b>\$ 1,064,980</b>	<b>\$ 282,998</b>	<b>\$ 3,905,786</b>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
For the Year Ended September 30, 2003**

	<u>Major Funds</u>		<u>Non Major</u>	<u>Total</u>
	<u>Conventional Program</u>	<u>Housing Vouchers</u>	<u>Other Enterprise</u>	
<b>OPERATING REVENUES</b>				
Dwelling Rental	\$ 392,464	\$ -	\$ -	\$ 392,464
Excess Utilities	62,765	-	-	62,765
Total Operating Revenues	<u>455,229</u>	<u>-</u>	<u>-</u>	<u>455,229</u>
<b>OPERATING EXPENSES</b>				
Administration	345,650	1,454,160	247,681	2,047,491
Tenant Services	5,013	-	-	5,013
Utilities	317,052	-	-	317,052
Maintenance	213,827	-	-	213,827
General Expense	114,639	38,825	-	153,464
Housing Assistance Payments	-	13,103,844	1,094,664	14,198,508
Depreciation Expense	111,636	-	97,439	209,075
Total Operating Expenses	<u>1,107,817</u>	<u>14,596,829</u>	<u>1,439,784</u>	<u>17,144,430</u>
Loss From Operations	<u>(652,588)</u>	<u>(14,596,829)</u>	<u>(1,439,784)</u>	<u>(16,689,201)</u>
<b>NON OPERATING REVENUES</b>				
Federal Grants and Subsidies	538,486	14,567,316	1,326,798	16,432,600
Gain or Loss on Sale of Capital Assets	1,462	-	-	1,462
Other Non Operating Receipts	10,215	-	40,612	50,827
Income Portability	-	-	-	-
FSS Forfeiture	-	92,241	-	92,241
Interest Income	1,556	27,108	1,595	30,259
Total Non Operating Revenues	<u>551,719</u>	<u>14,686,665</u>	<u>1,369,005</u>	<u>16,607,389</u>
Change in Net Assets	(100,869)	89,836	(70,779)	(81,812)
Net Assets, Beginning of Year	2,209,340	344,646	688,720	3,242,706
Residual Equity Transfer	<u>294,437</u>	<u>117,923</u>	<u>(412,360)</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 2,402,908</u>	<u>\$ 552,405</u>	<u>\$ 205,581</u>	<u>\$ 3,160,894</u>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2003**

	Major Funds			Non Major	
	Conventional Program	Housing Vouchers	Other Enterprise	Total	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rental Receipts	\$ 396,945	\$ -	\$ -	\$ 396,945	
Other Receipts	62,765	92,241	-	155,006	
Payments to Vendors	(759,623)	(1,816,453)	(250,905)	(2,826,981)	
Payments to Employees	(265,203)	(8,335)	(2,022)	(275,560)	
Housing Assistance Payments	-	(13,103,844)	(1,094,664)	(14,198,508)	
	<u>(565,116)</u>	<u>(14,836,391)</u>	<u>(1,347,686)</u>	<u>(16,749,193)</u>	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					<u>(16,749,193)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Federal Grant Income	538,486	14,567,316	1,326,798	16,432,600	
Decrease in Due From HUD	1,089	105,679	13,028	119,796	
Non Operating Revenues (Expenses)	11,677	92,241	40,612	144,530	
Increase in Due to HUD	-	224,603	49,871	274,474	
Non-operating cash transfer	-	7,715	(7,715)	-	
	<u>551,252</u>	<u>14,997,554</u>	<u>1,422,594</u>	<u>16,971,400</u>	
<b>NET CASH PROVIDED BY Non-Capital Financing Activities</b>					<u>16,971,400</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Sale of Assets	5,980	-	-	5,980	
Purchases of Capital Assets	(3,157)	-	(8,294)	(11,451)	
	<u>2,823</u>	<u>-</u>	<u>(8,294)</u>	<u>(5,471)</u>	
<b>NET CASH USED In Capital and Related Financing Activities</b>					<u>(5,471)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Income	1,556	27,108	1,595	30,259	
	<u>1,556</u>	<u>27,108</u>	<u>1,595</u>	<u>30,259</u>	
<b>NET CASH PROVIDED by Investing Activities</b>					<u>30,259</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>					
	<u>(9,485)</u>	<u>188,271</u>	<u>68,209</u>	<u>246,995</u>	
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>					
	254,861	746,531	128,678	1,130,070	
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>					
	<u>\$ 245,376</u>	<u>\$ 934,802</u>	<u>\$ 196,887</u>	<u>\$ 1,377,065</u>	

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
For the Year Ended September 30, 2003**

	Major Funds		Non Major	
	Conventional Program	Housing Vouchers	Other Enterprise	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Operating Loss	\$	(652,588)	\$	(14,596,829)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	111,636	-	97,439	209,075
Gain on disposal of assets	(1,462)	-	-	(1,462)
Change in Assets and Liabilities:				
Decrease (Increase) in Accounts Receivable	4,481	-	-	4,481
Decrease (Increase) in Other Receivables	17,200	(112,868)	379	(95,289)
Decrease (Increase) in Advances to Other Funds	(17,596)	(4,318)	58,442	36,528
Increase (Decrease) in Advances from Other Funds	(51,445)	15,003	(1,144)	(37,586)
Increase (Decrease) in Prepaid Insurance	(2,182)	-	-	(2,182)
Increase (Decrease) in FSS Escrow Deposits	68,394	(83,876)	-	(15,482)
Increase (Decrease) in Other Liabilities	(29,692)	-	-	(29,692)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(9,647)	(53,883)	(63,113)	(126,643)
Increase (Decrease) in Tenants Deposits Held in Trust	75	-	-	75
Increase (Decrease) in Compensated Absences	(2,290)	380	95	(1,815)
Net Cash Used In Operating Activities	<u>\$</u>	<u>(565,116)</u>	<u>\$</u>	<u>(1,347,686)</u>
		<u>\$</u>	<u>(14,836,391)</u>	<u>\$</u>
			<u>(1,347,686)</u>	<u>(16,749,193)</u>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2003**

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

The accounting and reporting policies of the Housing Authority of Jefferson Parish conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The following is a summary of significant policies:

**1. REPORTING ENTITY**

The Housing Authority of Jefferson Parish was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish and is chartered as a public corporation under the laws of the State of Louisiana (LSA-R.S. 40:391). The Housing Authority of Jefferson Parish (The "Housing Authority") was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Housing Authority has a nine-member appointed Board of Commissioners and is headed by an Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Housing Authority.

As of September 30, 2003, the Housing Authority had the following number of units under its programs:

<u>Management Program</u>	<u>Grant ID No.</u>	<u>Number of Units</u>
PHA Owned Housing	FW-1331	200
CIAP		-
Capital Fund		-
Section 8 Programs	FW-2054	
Rental Certificates		50
Housing Choice Vouchers		2,692
New Construction -		
Concordia Apartments		130
Special Allocations -		
Jefferson Place Apartments		77

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under the provisions of GASB Statement No. 14 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 and local governments.

Any evidences of indebtedness are solely the obligations of the Housing Authority and are not obligations of the Parish of Jefferson or the State of Louisiana.

The Housing Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statement - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statements Note Disclosures*, as of October 1, 2002. This results in a change in the format and content of the basic financial statements.

**2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

All funds of the Housing Authority are classified as proprietary enterprise funds and use the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. The funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet.

The Housing Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**3. BUDGETS**

The Housing Authority adopted budgets for all funds. The budget for the Capital Fund Program is a multiple-year budget.

HUD approves all budgets for HUD funded programs.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short-term investments with maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in interest-bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks that have their principal offices in Louisiana.

**5. 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 for financial reporting purposes, if the original maturities are 90 days or less, they are classified as cash equivalents.

**6. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES**

Transactions between individual funds occur during the course of operations. The receivables and payables resulting from these transactions are classified as "advances to other funds" and "advances from other funds" on the balance sheet.

**7. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Housing Authority's balance sheet.

**8. CAPITAL ASSETS AND DEPRECIATION**

Fixed assets are recorded at historical cost and are depreciated over their estimated useful lives. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Structures and Improvements	40
Automotive Equipment	5
Furniture, Fixtures, and Other Equipment	3-7

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**9. ACCOUNTS RECEIVABLE FROM TENANTS**

Accounts receivable from tenants are stated at net realizable value as required by generally accepted accounting principles. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2003, the amount of \$3,699 was recorded to the allowance for doubtful accounts from tenants.

**10. 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. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his retirement or termination date.

**11. NET ASSETS**

Restrictions, when appropriate, represent those portions of net assets that are not appropriate for expenses and are legally segregated for a specific future use. There were restrictions of net assets in the amount of \$288 as of September 30, 2003 for Capital Fund Project purposes.

**12. USE OF ESTIMATES**

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

**NOTE B - CASH AND CASH EQUIVALENTS**

The Housing Authority maintains deposit accounts in a national bank. At year end, the carrying amount of the Housing Authority's bank deposits was \$1,145,531, and the bank balance was \$1,179,740. The difference was primarily due to outstanding checks. Of the bank balance, \$100,000 was covered by federal depository insurance. In compliance with State laws, the remaining balance of \$1,079,740 was secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)**

Housing Authority and the depository bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian 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 demand.

State statutes authorize the Housing Authority to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U.S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Housing Authority's short-term investments are stated at cost, which approximates market and have been classified as cash equivalents in accordance with the Housing Authority's policy discussed in Note A. These investments consist principally of money market funds. These investments collectively totaling \$231,532 were held in a brokerage account for the benefit of the Housing Authority. This account was insured by the S.I.P.C. in the amount of \$500,000 and the balance, when applicable, is insured by a commercial insurance company selected by the broker.

Interest income on cash and cash equivalents totaled \$10,324 for the year ended September 30, 2003.

**NOTE C - RESTRICTED CASH**

The Housing Authority maintains restricted cash for the Family Self-Sufficiency Program (FSS Escrow) in a bank account. The National Affordable Housing Act of 1990 created the Family Self-Sufficiency Program. This program mobilizes HUD housing assistance to leverage public and private sector resources that can help residents of public and assisted housing achieve economic independence. In addition, it offers financial incentives to families through the establishment of an escrow account, which becomes available to the family upon successful completion of their Contract of Participation or certain interim goals. At year-end, restricted cash totaled \$220,155.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE D - CAPITAL ASSETS**

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	Balance Oct. 1, 2002	Transfers/ Additions	Transfers/ Deletions	Balance Sept. 30, 2003
Land	\$ 1,633,374	\$ -	\$ -	\$ 1,633,374
Buildings	366,031	-	-	366,031
Building Improvements	879,523	-	552,371	327,152
Site Improvements	-	151,087	-	151,087
Furniture and Equipment	61,267	11,451	20,948	51,770
Total	<u>2,940,195</u>	<u>162,538</u>	<u>573,319</u>	<u>2,529,414</u>
Less Accumulated Depreciation	<u>429,401</u>	<u>209,075</u>	<u>417,714</u>	<u>220,762</u>
Total	<u>429,401</u>	<u>209,075</u>	<u>417,714</u>	<u>220,762</u>
Capital Assets, Net	<u>\$ 2,510,794</u>	<u>\$ (46,537)</u>	<u>\$ 155,605</u>	<u>\$ 2,308,652</u>

During the year ended September 30, 2003, the Housing Authority wrote off fully depreciated assets totaling approximately \$418,000.

**NOTE E - RETIREMENT PLAN**

The Authority has adopted "The Housing-Renewal and Local Agency Retirement Plan" as a participating Employer and as a qualified retirement plan under Section 401 (a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

- a. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and completing 12 months of continuous and uninterrupted employment with the Authority.
- b. Employee contributions are four percent (4%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.
- c. Employer contributions are ten percent (10%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Housing Authority.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE E - RETIREMENT PLAN (CONTINUED)**

- d. The normal retirement date shall be the first day of the month following the participating employee's 60th birthday.
- e. This defined contribution plan is administered by the Housing-Renewal & Local Agency Retirement Plan with the Bank of Louisville and Trust Company, a national investment banking firm; and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan.

The Housing Authority's and covered employee's contributions to this plan totaled \$14,369 for the year ended September 30, 2003.

**NOTE F - COMPENSATED ABSENCES**

As of September 30, 2003, employees of the Housing Authority had accumulated \$10,917 of employee leave benefits. These amounts are recorded in the funds from which payment will be made.

**NOTE G - PAYMENT IN LIEU OF PROPERTY TAXES**

In accordance with a cooperative agreement with the Parish of Jefferson, the Housing Authority is not required to pay property taxes. Instead, the Housing Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2003.

**NOTE H - BOARD OF COMMISSIONERS' COMPENSATION**

The members of the Board of Commissioners of the Housing Authority are compensated for serving on the Board as follows: The Chairman and the Vice-Chairman each receive \$225 per month and all other Commissioners receive \$150 per month.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

**Commitments**

The Housing Authority has entered into an administrative contract with the Louisiana Housing Development Corporation (LHDC). LHDC furnishes all materials and services to develop and implement a plan to carryout the ongoing programs under its various HUD Section 8 programs and certain aspects of the Housing Authority owned housing program. The administrative contract expires September 30, 2008. However, if HUD elects to discontinue the programs, the Housing Authority has the right to terminate the contract.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE I - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

As compensation for the administrative services rendered, the Housing Authority will pay LHDC eighty-two percent (82%) of the administration income allocated to the Housing Authority as agreed upon in the HUD approved budget as well as 100% of FSS coordinator fees and hard to house fees. Compensation paid under the administrative contract for the year ended September 30, 2003 follows:

Low Rent Public Housing	\$ 42,000
Section 8 Housing Choice Voucher Program	1,180,929
Section 8 New Construction Program	24,902
Section 8 H.A.P. Program - Special Allocations	<u>14,187</u>
Total	<u>\$1,262,018</u>

**Contingencies**

The U.S. Department of Housing and Urban Development, Southwest District Office of Inspector General, conducted a limited procurement review of the Housing Authority. On September 25, 2001, they reported that the Housing Authority did not follow proper procurement procedures, perform cost analyses, and did not receive an apparent benefit for all the expenditures reviewed on six (6) contracts procured between 1996 and 2000. The Housing Authority was to provide adequate documentation to dispute the findings or reimburse HUD for \$724,209. The Housing Authority submitted adequate documentation to dispute the findings, and as a result, on July 29, 2003, the U.S. Department of Housing and Urban Development, Louisiana State Office dismissed all claims against the Housing Authority arising from the limited procurement review.

**NOTE J - INTERFUND RECEIVABLES/PAYABLES**

The following is a summary of interfund receivables and payables included in the Housing Authority's combined balance sheet under the captions "Advances to Other Funds" and "Advances from Other Funds" as of September 30, 2003:

	<u>Advances to</u>	<u>Advances From</u>
Low Rent Public Housing	\$ 28,386	\$ 16,827
Capital Fund Program	9,827	9,827
Section 8 Housing Choice Voucher Program	17,310	18,385
Section 8 New Construction - Concordia Apartments	-	6,191
Section 8 H.A.P. Program - Special Allocations - Jefferson Place	<u>3</u>	<u>4,296</u>
Total	<u>\$ 55,526</u>	<u>\$ 55,526</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE K - 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. The Housing Authority maintains commercial insurance to mitigate these risks.

**NOTE L - RESIDUAL EQUITY TRANSFER**

The residual equity transfers were from funds CIAP and Section 8 which were closed during the year with the remaining equity being transferred to the Conventional Program and to the Housing Voucher Program, respectively.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
September 30, 2003**

**NOTE M - SEGMENT INFORMATION**

The Housing Authority maintains seven (7) HUD funds for the purpose of providing safe and decent housing for low income families and the maintenance of related assets. Selected financial information for business segments of the enterprise fund is presented as follows:

	Low Rent Public Housing 14.850	Housing Choice Voucher Program 14.871	N/CS/R Section 8 Program 14.182	Section 8 Housing Assistance Payment Program Spec. Allocations 14.195	Capital Fund Program 14.872	Section 8 Existing	Total
Operating Revenues	\$ 455,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,229
Federal Grant Income (HUD)	538,486	14,567,316	760,206	382,811	183,781	-	16,432,600
Operating Expenses, Excluding Depreciation	996,181	14,596,829	760,373	381,718	182,569	17,685	16,935,355
Depreciation	111,636	-	-	-	14,615	-	209,075
Non-Operating Revenues	13,233	119,349	8,755	8,686	7,081	17,685	174,789
Net Income (Loss)	(100,869)	89,836	8,588	9,778	(6,321)	-	(81,812)
Fixed Assets Additions	-	-	-	-	-	-	-
Net Working Capital	238,931	696,521	116,932	12,368	-	-	1,064,752
Total Assets	2,557,808	1,064,980	170,087	26,803	86,108	-	3,905,786
Total Fund Equity	2,402,908	552,405	116,932	12,368	76,281	-	3,160,894

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
<b>ASSETS:</b>							
<b>CURRENT ASSETS:</b>							
<b>Cash:</b>							
111	Cash - unrestricted	\$ 163,525	645,100	\$ -	75,039	\$ 26,800	\$ 910,464
112	Cash - restricted - modernization and development	288	-	-	-	-	288
113	Cash - other restricted	66,938	153,217	-	-	-	220,155
114	Cash - tenant security deposits	14,625	-	-	-	-	14,625
<b>100</b>	<b>Total Cash</b>	<b>245,376</b>	<b>798,317</b>	<b>-</b>	<b>75,039</b>	<b>26,800</b>	<b>1,145,532</b>
<b>Accounts and notes receivables:</b>							
121	Accounts receivable - PHA projects	-	112,868	-	-	-	112,868
122	Accounts receivable - HUD	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable - dwelling rents	3,699	-	-	-	-	3,699
126.1	Allowance for doubtful accounts - dwelling rents	(3,699)	-	-	-	-	(3,699)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable - current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
<b>120</b>	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>-</b>	<b>112,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,868</b>
<b>Current investments</b>							
131	Investments - unrestricted	-	136,485	-	95,048	-	231,533
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	51,675	-	-	-	-	51,675
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	28,386	17,310	9,827	-	3	55,526
146	Amounts to be provided	-	-	-	-	-	-
<b>150</b>	<b>TOTAL CURRENT ASSETS</b>	<b>325,437</b>	<b>1,064,980</b>	<b>9,827</b>	<b>170,087</b>	<b>26,803</b>	<b>1,597,134</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA (CONTINUED)  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
<b>NONCURRENT ASSETS</b>							
<b>Fixed Assets</b>							
161	Land	1,633,374	-	-	-	-	1,633,374
162	Buildings	366,031	-	-	-	-	366,031
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	33,026	-	18,744	-	-	51,770
165	Leasehold improvements	391,772	-	86,467	-	-	478,239
166	Accumulated depreciation	(191,832)	-	(28,930)	-	-	(220,762)
160	<b>Total fixed assets, net of accumulated depreciation</b>	<b>2,232,371</b>	<b>-</b>	<b>76,281</b>	<b>-</b>	<b>-</b>	<b>2,308,652</b>
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
172	Notes and mortgages receivable - past due	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>2,232,371</b>	<b>-</b>	<b>76,281</b>	<b>-</b>	<b>-</b>	<b>2,308,652</b>
190	<b>TOTAL ASSETS</b>	<b>\$ 2,557,808</b>	<b>\$ 1,064,980</b>	<b>\$ 86,108</b>	<b>\$ 170,087</b>	<b>\$ 26,803</b>	<b>\$ 3,905,786</b>
<b>LIABILITIES AND EQUITY:</b>							
<b>LIABILITIES:</b>							
<b>CURRENT LIABILITIES:</b>							
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	42,205	125,020	-	6,908	211	174,344
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	1,996	71	-	14	4	2,085
322	Accrued compensated absences	10,442	380	-	76	19	10,917
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts payable - HUD	-	224,603	-	39,966	9,905	274,474
332	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	14,625	-	-	-	-	14,625
342	Deferred revenues	-	-	-	-	-	-
343	Current portion of Long-Term debt - capital projects	-	-	-	-	-	-

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA (CONTINUED)  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
344	Current portion of Long-Term debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	411	-	-	-	-	411
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter-program - due to	16,827	18,385	9,827	6,191	4,296	55,526
<b>310</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>86,506</b>	<b>368,459</b>	<b>9,827</b>	<b>53,155</b>	<b>14,435</b>	<b>532,382</b>
<b>NONCURRENT LIABILITIES</b>							
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Noncurrent liabilities - other	68,394	144,116	-	-	-	212,510
<b>350</b>	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>68,394</b>	<b>144,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,510</b>
<b>300</b>	<b>TOTAL LIABILITIES</b>	<b>154,900</b>	<b>512,575</b>	<b>9,827</b>	<b>53,155</b>	<b>14,435</b>	<b>744,892</b>
<b>EQUITY:</b>							
<b>Contributed Capital:</b>							
508.1	Invested in capital assets, net of related debt	2,232,371	-	76,281	-	-	2,308,652
<b>508</b>	<b>Total contributed capital</b>	<b>2,232,371</b>	<b>-</b>	<b>76,281</b>	<b>-</b>	<b>-</b>	<b>2,308,652</b>
<b>Reserved fund balance:</b>							
511.1	Restricted net assets	288	-	-	-	-	288
512.1	Unrestricted net assets	170,249	552,405	-	116,932	12,368	851,954
<b>513</b>	<b>TOTAL EQUITY</b>	<b>2,402,908</b>	<b>552,405</b>	<b>76,281</b>	<b>116,932</b>	<b>12,368</b>	<b>3,160,894</b>
<b>600</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,557,808</b>	<b>\$ 1,064,980</b>	<b>\$ 86,108</b>	<b>\$ 170,087</b>	<b>\$ 26,803</b>	<b>\$ 3,905,786</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - REVENUE  
AND EXPENSE DATA  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
<b>REVENUE:</b>							
703	Net tenant rental revenue	\$ 392,464	\$ -	\$ -	\$ -	\$ -	\$ 392,464
704	Tenant revenue - other	62,765	92,241	-	-	-	155,006
<b>705</b>	<b>Total tenant revenue</b>	<b>455,229</b>	<b>92,241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>547,470</b>
706	HUD PHA grants	538,486	14,567,316	175,488	760,206	382,810	16,424,306
706.1	Capital revenues	-	-	8,294	-	-	8,294
708	Other government grants	-	-	-	-	-	-
711	Investment income - unrestricted	1,556	7,173	-	1,419	151	10,299
712	Mortgage interest income	-	-	-	-	-	-
713	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
714	Fraud recovery	-	-	-	-	-	-
715	Other revenue	10,215	19,935	-	-	-	30,150
716	Gain or loss on the sale of fixed assets	1,462	-	-	-	-	1,462
720	Investment income - restricted	-	-	-	-	-	-
<b>700</b>	<b>TOTAL REVENUE</b>	<b>1,006,948</b>	<b>14,686,665</b>	<b>183,782</b>	<b>761,625</b>	<b>382,961</b>	<b>17,021,981</b>
<b>EXPENSES:</b>							
<b>Administrative</b>							
911	Administrative salaries	149,522	8,786	-	1,747	447	160,502
912	Auditing fees	16,250	15,150	-	650	500	32,550
913	Outside management fees	42,000	1,315,674	-	24,902	14,187	1,396,763
914	Compensated absences	10,442	380	-	76	19	10,917
915	Employee benefit contributions - administrative	45,782	34	-	7	2	45,825
916	Other operating - administrative	79,407	114,136	182,569	3,450	1,440	381,002
<b>Tenant Services</b>							
921	Tenant services - salaries	-	-	-	-	-	-
922	Relocation costs	-	-	-	-	-	-
923	Employee benefits contributions - tenant services	-	-	-	-	-	-
924	Tenant services - other	5,013	-	-	-	-	5,013
<b>Utilities</b>							
931	Water	69,678	-	-	-	-	69,678
932	Electricity	152,975	-	-	-	-	152,975
933	Gas	94,399	-	-	-	-	94,399

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - REVENUE  
AND EXPENSE DATA (CONTINUED)  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
934	Fuel	-	-	-	-	-	-
935	Labor	-	-	-	-	-	-
937	Employee benefits contributions - utilities	-	-	-	-	-	-
938	Other utilities expense	-	-	-	-	-	-
	<b>Ordinary maintenance &amp; operation</b>						
941	Ordinary maintenance and operations - labor	102,655	-	-	-	-	102,655
942	Ordinary maintenance and operations - materials & other	54,056	-	-	-	-	54,056
943	Ordinary maintenance and operations - contract costs	30,258	-	-	-	-	30,258
945	Employee benefit contributions - ordinary maintenance	26,858	-	-	-	-	26,858
	<b>Protective services</b>						
951	Protective services - labor	-	-	-	-	-	-
952	Protective services - other contract costs	-	-	-	-	-	-
953	Protective services - other	-	-	-	-	-	-
955	Employee benefit contributions - protective services	-	-	-	-	-	-
	<b>General expenses</b>						
961	Insurance premiums	106,140	-	-	-	-	106,140
962	Other general expenses	2,665	38,825	-	-	-	41,490
963	Payments in lieu of taxes	-	-	-	-	-	-
964	Bad debt - tenant rents	5,834	-	-	-	-	5,834
965	Bad debt - mortgages	-	-	-	-	-	-
966	Bad debt - other	-	-	-	-	-	-
967	Interest expense	-	-	-	-	-	-
968	Severance expense	-	-	-	-	-	-
969	<b>TOTAL OPERATING EXPENSES</b>	<b>993,934</b>	<b>1,492,985</b>	<b>182,569</b>	<b>30,832</b>	<b>16,595</b>	<b>2,716,915</b>
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>13,014</b>	<b>13,193,680</b>	<b>1,213</b>	<b>730,793</b>	<b>366,366</b>	<b>14,305,066</b>
971	Extraordinary maintenance	-	-	-	-	-	-
972	Casualty losses - non-capitalized	-	-	-	-	-	-
973	Housing assistance payments	-	13,103,844	-	729,541	365,123	14,198,508
974	Depreciation expense	111,636	-	14,615	-	-	126,251
975	Fraud losses	-	-	-	-	-	-

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - REVENUE  
AND EXPENSE DATA (CONTINUED)  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
976	Capital outlays - governmental funds	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-
900	<b>TOTAL EXPENSES</b>	<b>1,105,570</b>	<b>14,596,829</b>	<b>197,184</b>	<b>760,373</b>	<b>381,718</b>	<b>17,041,674</b>
<b>OTHER FINANCING SOURCES</b>							
1001	Operating transfers in	-	-	-	-	-	-
1002	Operating transfers out	-	-	-	-	-	-
1003	Operating transfers from/to primary government	-	-	-	-	-	-
1004	Operating transfers from/to component unit	-	-	-	-	-	-
1005	Proceeds from notes, loans and bonds	-	-	-	-	-	-
1006	Proceeds from property sales	-	-	-	-	-	-
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1000	<b>EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES</b>	<b>\$ (98,622)</b>	<b>\$ 89,836</b>	<b>\$ (13,402)</b>	<b>\$ 1,252</b>	<b>\$ 1,243</b>	<b>(19,693)</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
HUD FINANCIAL DATA SCHEDULE - REVENUE  
AND EXPENSE DATA (CONTINUED)  
For the Year Ended September 30, 2003**

Line Item #	Account Description	Major Funds		Non-Major			TOTAL
		Conventional Program	Housing Vouchers	CFP	New Construction Concordia	Jefferson Place	
MEMO account information							
1101	Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	-
1102	Debt principal payments - enterprise funds	-	-	-	-	-	-
1103	Beginning equity	2,209,340	344,646	82,602	108,344	2,590	2,747,522
1104	Prior period adjustments and equity transfers	292,188	117,923	7,081	7,336	8,535	433,063
1105	Changes in compensated absences liability balance (in the GLTDAG)	-	-	-	-	-	-
1106	Changes in contingent liability balance (in the GLTDAG)	-	-	-	-	-	-
1107	Changes in unrecognized pension transition liability (in the GLTDAG)	-	-	-	-	-	-
1108	Changes in special term/severance benefits liability (in the GLTDAG)	-	-	-	-	-	-
1109	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-
1110	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-
1112	Depreciation "add back"	-	-	-	-	-	-
1113	Maximum annual contributions commitment (per ACC)	-	-	-	-	-	-
1114	Prorate maximum annual contributions applicable to a period of less than twelve months	-	-	-	-	-	-
1115	Contingency reserve, ACC program reserve	-	15,250,591	-	2,722,138	7,609,559	25,582,288
1116	Total annual contributions available	-	15,250,591	-	2,722,138	7,609,559	25,582,288
1120	Unit months available	2,400	32,904	-	1,560	924	37,788
1121	Number of unit months leased	2,326	32,477	-	1,535	881	37,219

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
COMPENSATION PAID TO BOARD MEMBERS  
September 30, 2003**

The members of the Board of Commissioners are as follows:

<u>Commissioner</u>		<u>Annual Compensation</u>
Richard Chiasson	Chairman	\$ 2,700
Joyce Austin	Vice Chairman	\$ 2,700
George Carter		\$ 1,800
Robert DeFrancesch		\$ 150
Deidra Joseph		\$ 1,650
Joseph E. Francois		\$ 1,800
Cynthia Henderson		\$ 1,650
David D. Duplantis		\$ 1,800
Forrest Lanning		\$ 1,650
Craig Trahan		\$ 1,800
Melvin Simon		\$ 300

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the financial statements of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2003, and have issued our report thereon dated January 13, 2004, which includes an explanatory paragraph regarding the adoption of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statements Note Disclosures*, as of October 1, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 assurance on the internal

control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Rebowe & Company*

January 13, 2004

# **REBOWE & COMPANY**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the compliance of the Housing Authority Of Jefferson Parish (the "Housing Authority") 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, 2003. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the 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; 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 of 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, 2003.

#### 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 an opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Rebowe & Company*

January 13, 2004

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2003**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Housing Authority.
2. No material weaknesses or reportable conditions in internal control over financial reporting relating to the audit of the basic financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the Housing Authority are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No material weaknesses or reportable conditions in internal control relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the Housing Authority expresses an unqualified opinion.
6. The Auditor's reports disclosed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs are as follows:

<u>PROGRAM</u>	<u>CFDA or Other No.</u>
Section 8 Housing Choice Program - Voucher	14.871
Section 8 HAP - Housing Assistance Payments - Jefferson Place	14.195

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended September 30, 2003**

**A. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

8. The threshold for distinguishing Type A and B programs was \$492,978.
9. The Housing Authority did not qualify to be a low-risk auditee.
10. A management letter was not issued.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings related to the financial statements for the year ended September 30, 2003.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings related to federal awards for the year ended September 30, 2003.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2003**

<u>Federal Grantor</u> <u>Program Title</u>	<u>CDFA No.</u>	<u>Grant ID No.</u>	<u>Program</u> <u>Expenditures</u>
<b>U.S. Department of Housing And Urban Development</b>			
<b>Direct Programs:</b>			
Low-Income Housing			
Operating Subsidy	14.850	FW-1331	\$ 538,486
Capital Fund Program	14.872	FW-1331	183,781
Section 8 Housing Choice Voucher	14.871 *	FW-2054	14,567,316
Section 8 New Construction	14.182	FW-2054	760,206
Section 8 HAP Program - Special Allocations - Jefferson Place	14.195 *	FW-2054	<u>382,811</u>
Total			<u>\$16,432,600</u>

\* - Major program

See notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2003**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal awards of the Housing Authority reporting entity as defined in Note A to the Housing Authority's financial statements. All federal awards were received directly from HUD.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority and is presented on the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards revenues are reported in the Housing Authority's financial statements as follows:

	<u>Revenues</u>
Low Rent Public Housing	\$ 538,486
Capital Fund Program	183,781
Section 8 New Construction Program	760,206
Section 8 HAP Program	382,811
Section 8 Housing Choice Voucher Program	<u>14,567,316</u>
Total	<u>\$16,432,600</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - FEDERAL AWARDS**

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or income from investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
MARRERO, LOUISIANA  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended September 30, 2003**

There were no audit findings for the fiscal year ended September 30, 2002.