

**HOUSING AUTHORITY OF
THE TOWN OF DELHI
Delhi, Louisiana**

**General Purpose Financial Statements
With Independent Accountants' Reports
As of and for the Year Ended
December 31, 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 9-1-04

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

**General Purpose Financial Statements
With Independent Auditors' Reports
As of and for the Year Ended
December 31, 2003
With Supplemental Information Schedules**

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page No.</u>
Accountants' Compilation Report		2
General Purpose Financial Statements:		
Balance Sheet - Enterprise Funds	A	4
Statement of Revenues, Expenses, and Changes in Fund Equity - Enterprise Funds	B	5
Statement of Cash Flows - Enterprise Funds,	C	6
Notes to the Financial Statements		7
Supplemental Information Schedules		
Proprietary Funds		14
Schedule of Compensation Paid to Board Members		15
Accountants' Report on Applying Agreed-Upon Procedures		16
Summary Schedule of Prior Year Findings		21
Louisiana Attestation Questionnaire		23



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Accountants' Compilation Report

Board of Commissioners
Housing Authority of
the Town of Delhi
Delhi, Louisiana

We have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Housing Authority of the Town of Delhi as of December 31, 2003, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Little & Associates

Monroe, Louisiana
May 5, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Statement A**HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana****Balance Sheet - Enterprise Funds
December 31, 2003****ASSETS**

Current assets:

Cash and cash equivalents	\$46,872
Accounts receivable	<u>7,563</u>
Total current assets	<u>54,435</u>

Fixed assets:

Property, plant and equipment (net of accumulated depreciation)	<u>-</u>
TOTAL ASSETS	<u>\$54,435</u>

LIABILITIES AND FUND EQUITY

Liabilities \$ -

Fund Equity:

Retained earnings:	
Unreserved	<u>54,435</u>
Total fund equity	<u>54,435</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$54,435</u>

The accompanying notes are an integral part of this statement.

Statement B

**HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana**

**Statement of Revenues, Expenses, and
Changes in Fund Equity - Enterprise Funds
For the Year Ended December 31, 2003**

Operating expenses:	
Administration	\$16,439
Housing Assistance Payments	<u>70,902</u>
Total operating expenses	<u>87,341</u>
Operating loss	<u>(87,341)</u>
Non-operating revenues (expenses):	
Federal grants	90,132
Interest earned on deposits	<u>384</u>
Total non-operating revenues (expenses)	<u>90,516</u>
Net income	3,175
Retained earnings balance at beginning of year	<u>51,260</u>
Retained earnings at end of year	<u>54,435</u>
Fund equity at end of year	<u><u>\$54,435</u></u>

The accompanying notes are an integral part of this statement.

Statement C

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Statement of Cash Flows - Enterprise Funds
For the Year Ended December 31, 2003

Cash flows from operating activities:	
Operating loss	(\$87,341)
Adjustments to reconcile operating loss to net cash provided by operating activities	<u>0</u>
Net cash provided by (used by) operating activities	<u>(87,341)</u>
 Cash flows from financing activities:	
Federal Grants	<u>92,267</u>
Net cash provided by financing activities	<u>92,267</u>
 Cash flows from investing activities:	
Interest earnings	<u>384</u>
Net cash provided by investing activities	<u>384</u>
 Net decrease in cash and cash equivalents	5,310
Cash and cash equivalents at beginning of year	<u>41,562</u>
Cash and cash equivalents at end of year	<u><u>\$46,872</u></u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Housing Authority of the Town of Delhi, Louisiana (the "Housing Authority") was chartered as a public corporation for the purpose of providing safe and sanitary housing, as authorized by Louisiana Revised Statute 40:391. The Housing Authority is governed by a six member board of commissioners, who are appointed by the Honorable Mayor of the Town of Delhi, Louisiana (the "Town"). The members of the board of commissioners serve staggered five year terms without benefit of compensation.

The Housing Authority has the following units:

	<u>Number of Units</u>
Section 8	40

Governmental Accounting Standards Board (GASB) Statement No. 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 of the Town of Delhi, Louisiana 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 defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the Town of Delhi, Louisiana since the Town appoints a voting majority of the Housing Authority's governing board. The Town 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

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

Town of Delhi, Louisiana. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Delhi, Louisiana.

The accompanying financial statements present information only on the funds maintained by the Housing Authority and do not present information on other units of local government, such as the school board, the police jury, parish police jury, other independently elected parish officials, and municipalities within the parish. Such governmental units are considered separate reporting entities and issue financial statements separate from those of the Housing Authority.

B. FUND ACCOUNTING

The accounts of the Housing Authority are organized and operated on a fund basis whereby a self-balancing set of accounts, which comprise the Housing Authority's assets, liabilities, fund equity, revenues, and expenses, is maintained. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis are financed or recovered primarily through user charges.

All funds of the housing authority are classified as proprietary (enterprise funds).

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary funds are reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. 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.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

D. BUDGET PRACTICES

The Housing Authority adopted a budget for its HUD-funded program. Such budget is approved by HUD. Such budget is controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Formal budgetary integration is employed as a management control device during the year.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits (including interest-bearing), time deposits having an original maturity of ninety days or less, and cash with the fiscal agent. Under state law, the Housing authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Housing Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates fair value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities held in the name of the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposit balances (bank balances) at December 31, 2003, total \$54,350 and are fully covered by federal deposit insurance.

F. INVESTMENTS

Financial instruments having original maturities exceeding ninety days are classified as investments. Investments are reported at either fair value or amortized cost.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

G. FIXED ASSETS

Fixed assets of the Housing Authority are included on the balance sheet of the enterprise fund and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives as shown:

Furniture, fixtures, and appliances	5-7 years
-------------------------------------	-----------

H. FUND EQUITY

Reservations represent those portions of fund equity that are not appropriable for expenses or legally segregated for a specific future use.

I. RISK MANAGEMENT

The Housing Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Housing Authority maintains commercial insurance policies covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2003.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with U. S. 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 amounts could differ from those estimates.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

2. RECEIVABLES

The following is a summary of receivables, net of allowance for doubtful accounts, at December 31, 2003:

	HUD Section 8
Federal Grants	\$7,563
Total	7,563
Less allowance for doubtful accounts	NONE
Total	\$7,563

3. FIXED ASSETS

The following presents the changes in fixed assets for the year ended December 31, 2003:

	Balance at January 1, 2003,	Additions	Deletions	Balance at December 31, 2003
Furniture and equipment	\$350			\$350
Total	\$350	NONE	NONE	\$350
Less accumulated depreciation:				
Furniture & equipment	\$350			\$350
Total	\$350	NONE	NONE	\$350
Fixed assets, net	NONE	NONE	NONE	NONE

4. LITIGATION AND CLAIMS

At December 31, 2003, the Housing Authority is not involved in any known pending or threatened litigation, nor is it aware of any unasserted claims.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

5. COMMITMENTS AND CONTINGENCIES

The Housing Authority operates in accordance with the requirements of an Annual Contribution Contract. The Housing Authority's noncompliance with such contracts may result in a reduction of funding from HUD.

SUPPLEMENTAL INFORMATION SCHEDULES

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana
Supplemental Information Schedules
For the Year Ended December 31, 2003

PROPRIETARY FUNDS

ANNUAL CONTRIBUTIONS CONTRACT

Rental Voucher Program

The Section 8 Rental Voucher Program provides housing assistance payments to participating owners on behalf of eligible tenants to provide safe, decent and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due the owner for the unit and the occupant family's required contribution toward the rent.

**HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2003**

The members of the Board of Commissioners serve a staggered five-year term and receive no compensation for meeting attendance. The Board consists of the following members at December 31, 2003:

Rev. Donny Pearson

Ed Coward

Lynn Lewis

Gloria King

W.B. Sumner

Carolyn Tisdale

**Independent Accountants' Report on Applying
Agreed-Upon Procedures**

The following independent Accountants' report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF
THE TOWN OF DELHI
Delhi, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed upon by the management of the Housing Authority of the Town of Delhi and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Housing Authority of the Town of Delhi's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during each year under examination for materials and supplies exceeding \$15,000/\$20,000, as applicable, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year under examination. That review disclosed no expenditures made during the period under examination for materials and supplies exceeding \$15,000/\$20,000, as applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as

**HOUSING AUTHORITY OF
THE TOWN OF DELHI**
Independent Accountants' Report on
Applying Agreed Upon Procedures,
December 31, 2003

defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the employees included on the list provided by management in procedure 3 above appeared on the list provided by management in procedure 2 above.

Budgeting

5. Obtain a copy of the legally adopted budgets and all amendments.

Management provided us with a copy of the original budget approved by the U.S. Department of Housing and Urban Development. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

The Housing Authority of the Town of Delhi is a proprietary fund and is not subject to the provisions of the Louisiana Budget Act.

7. Compare the revenues and expenditures of the final budgets to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

**HOUSING AUTHORITY OF
THE TOWN OF DELHI**
Independent Accountants' Report on
Applying Agreed Upon Procedures,
December 31, 2003

The Housing Authority of the Town of Delhi is a proprietary fund and is not subject to the provisions of the Louisiana Budget Act.

Accounting and Reporting

8. Randomly select 10 disbursements made during each period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of ten randomly selected disbursements disclosed the following:

- (a) The ten selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All ten payments were coded to the correct fund and general ledger account.
- (c) Inspection of canceled checks and invoices for each of the ten disbursements indicated approval from a board member.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

We inquired of management as to whether a notice of each meeting and the accompanying agenda were posted on the agency's office door at least twenty-four hours prior to the meeting. Management has asserted that the agendas were posted in a timely and proper manner.

HOUSING AUTHORITY OF
THE TOWN OF DELHI
Independent Accountants' Report on
Applying Agreed Upon Procedures,
December 31, 2003

Debt

10. Examine bank deposits for each period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all deposit slips for each period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for each year under examination to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Housing Authority of the Town of Delhi and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates

Monroe, Louisiana
May 5, 2004

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Summary Schedule of Prior Findings
For the Year Ended December 31, 2003

Finding 02-01:

During 2002, the Housing Authority leased office space from the Executive Director or from an entity owned by the Executive Director, which violated the Code of Ethics.

Status:

Corrective action was taken during the year ended December 31, 2003. Finding has been resolved.

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

May 5, 2004

Little & Associates, CPAs
805 North 31st Street
Monroe, Louisiana 71201

In connection with your compilation of the financial statements of the Housing Authority of the Town of Delhi as of December 31, 2003, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 5, 2004.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

N/A [X] Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-410.65.

Yes No

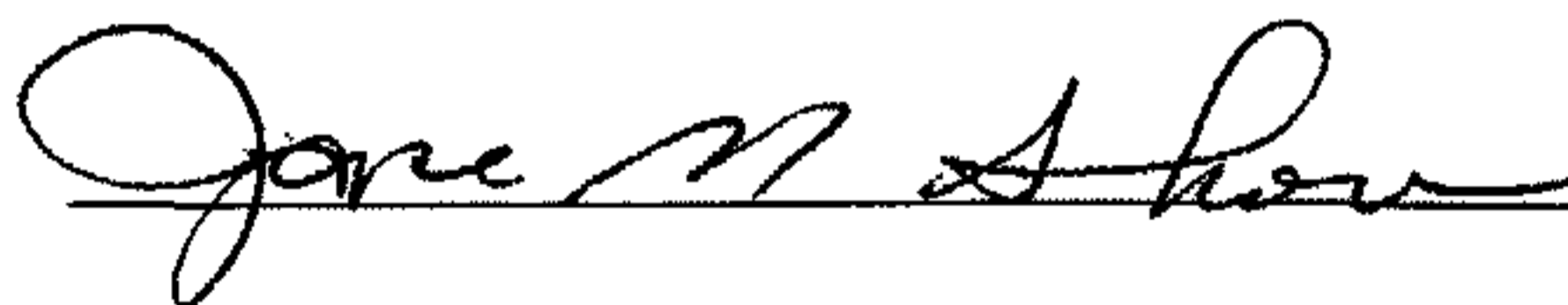
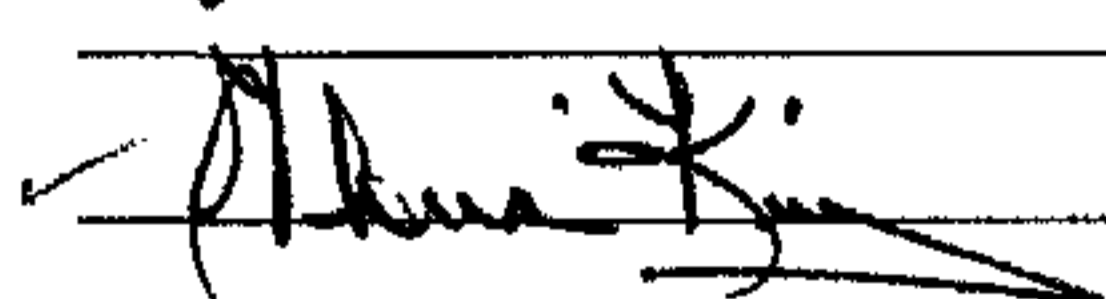
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as, any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<u>6-17-04</u>	Date
	Treasurer		Date
	President	<u>6-17-04</u>	Date