

**Board of Auditors of the City
of Jennings
Jennings, Louisiana**

**Annual Financial Report
As of and for the Year Ended March 31, 2004**

Under provisions of state law this report is a public document. A copy of the report hereover submitted to the parish and other appropriate public officials. The report is available for public inspection at the State Budget office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date July 29, 2004

**Housing Authority of the City of Jennings
Table of Contents**

	Section	Page
INDEPENDENT AUDITOR'S REPORT		1
BASIC FINANCIAL STATEMENTS		
ENTERPRISE FUND		
Balance Sheet	A	2-3
Statement of Revenues, Expenses, and Changes in Fund Equity	B	4-5
Statement of Cash Flows	C	6-7
Notes to the Basic Financial Statements		
Index		8
Notes		9-13
SUPPLEMENTAL INFORMATION		
Annual Information Clear Certificate		14
Financial Data Schedule		15-19
Schedule of Compensation Paid Board Members		20
OTHER REPORTS REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULARS A-111		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		21
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular No. A-111</u>		22-23
Schedule of Expenditures of Federal Awards		24
Notes to the Schedule of Expenditures of Federal Awards		25
Schedule of Findings and Questioned Costs		26



Green, Huggins & Williamson, LLC

3100 Knight Street, Suite 9
Shreveport, LA 71105

www.ghwcpa.com

Ten Ours, OK
Curtis C. "Chuck" Huggins, CPA
Hugh C. Williamson, CPA

Telephone: (504) 833-8888
Facsimile: (504) 833-8881

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Housing Authority of the City of Jennings, Louisiana, as of and for the year ended March 31, 2004, as listed in the foregoing 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 in Government Auditing Standards issued by the Comptroller General of the United States of America. These 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 the 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 Housing Authority, as of March 31, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2004, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents, which includes the Financial Data Schedule required by HUD, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Green, Huggins & Williamson, LLC

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana
September 30, 2004

HOUSING AUTHORITY OF THE CITY OF JENNERHO

ENTERPRISE FUND
Balance Sheet
March 31, 2004

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 100,000
Investments	320,000
Accounts receivable (net of allowance for doubtful accounts of 0)	18,444
Prepaid items and other assets	50,884
Inventory	<u>3,300</u>
Total Current Assets	<u>\$ 492,628</u>

Restricted Assets

Tenant deposits	24,184
-----------------	--------

Fixed Assets

Land, buildings, and equipment (net)	<u>2,094,300</u>
--------------------------------------	------------------

TOTAL ASSETS **\$ 2,609,132**

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF JEROME

ENTERPRISE FUND
Balance Sheet
March 31, 2008

Statement A

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts payable	\$	22,607
Accrued wages and payroll taxes		599
Compensated absences payable		8,483
Intergovernmental payable		8,128
Deferred credits and other liabilities		<u>712</u>
Total Current Liabilities		38,529

Current Liabilities Payable From Current Restricted Assets

Deposits for others		24,164
---------------------	--	--------

Noncurrent Liabilities

Compensated absences payable		<u>18,222</u>
Total Liabilities		<u>77,088</u>

Fund Equity

Contributed Capital		1,127,227
Retained earnings		<u>1,585,805</u>
Total Fund Equity		<u>2,713,032</u>

TOTAL LIABILITIES AND FUND EQUITY \$ 2,790,120

(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF JEROME

ENTERPRISE FUND
 Statement of Revenues, Expenses,
 and Changes in Fund Equity
 For the Year Ended March 31, 2004

Statement 8

OPERATING REVENUES	
Dwelling rental	\$ 288,804
Other	<u>13,888</u>
Total revenues	<u>302,692</u>
OPERATING EXPENSES	
Administration	172,791
Tenant services	32,074
Utilities	32,047
Ordinary maintenance & operations	190,588
Protective services	0
General expenses	66,473
Depreciation	<u>261,878</u>
Total operating expenses	<u>755,821</u>
Income (loss) from Operations	<u>(453,129)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	6,788
Federal grants	<u>508,581</u>
Total nonoperating revenues (expenses)	<u>515,369</u>
NET INCOME (Loss)	48,240
Depreciation on fixed assets acquired by contributions	225,000
Gain or loss on disposition of fixed assets	<u>1,800</u>
Increase (decrease) in retained earnings	\$ 275,040
	(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF JERSEY

ENTERPRISE FUND
Statement of Retained Earnings, Expenses,
and Changes in Fund Equity
For the Year Ended March 31, 2004

Statement B

RETAINED EARNINGS AT BEGINNING OF YEAR	<u>\$ 1,128,457</u>
RETAINED EARNINGS AT END OF YEAR	<u>1,388,309</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	1,562,700
Depreciation transferred from retained earnings	<u>225,000</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>1,787,700</u>
FUND EQUITY, END OF YEAR	<u>\$ 1,552,438</u>

(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF JENKINS

ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended March 31, 2004

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (400,294)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation	281,058
Changes in operating current assets and liabilities:	
(Increase) Decrease in accounts receivable	(1,407)
(Increase) Decrease in interest receivable	566
(Increase) Decrease in prepaid items and other assets	(11,828)
(Increase) Decrease in inventory	(968)
Increase (Decrease) in accounts payable	4,734
Increase (Decrease) in other current liabilities	<u>1,750</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (114,495)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal grants	598,591
Issuance (Maturity) of compensated plumbers	<u>1,321</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 615,712</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase fixed assets	(208,607)
Receipt from sale of fixed assets	<u>1,800</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (206,807)</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF JENNINGS

ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended March 31, 2004

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase) Decrease in Investments	\$	(5,947)
Interest earnings		<u>6,798</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		<u>851</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(26,418)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>100,000</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	<u>73,582</u>
		(continued)

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

Governing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2004

INDEX

	Page
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	9
A. BASIS OF PRESENTATION	9
B. REPORTING ENTITY	9
C. FUNDS	9
D. BUDGETS	10
General Budget Policies	10
E. CASH AND CASH EQUIVALENTS	10
F. INVESTMENTS	10
G. INVENTORY AND PREPAID ITEMS	11
H. FIXED ASSETS	11
1. DEPRECIATED ASSETS	11
2. FUND EQUITY	11
3. DEFERRED REVENUES	11
4. USE OF ESTIMATES	11
NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS	12
NOTE 3 - RECEIVABLES	12
NOTE 4 - FIXED ASSETS	12
NOTE 5 - DEPRECIATION SYSTEM	12
NOTE 6 - ENVIRONMENTAL LIABILITY	12
NOTE 7 - DEPRECIATED ASSETS	12
NOTE 8 - COMMITMENTS AND CONTINGENCIES	12
NOTE 9 - RISK MANAGEMENT	12

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2014

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

A. BASIS OF PRESENTATION Housing Authorities are classified as public corporations under the laws (L.S.A. R.S. 48:291) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in each city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Jennings, serve a staggered term of four years.

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

The Housing Authority had 183 units in management at projects LA 118-172.

Program	Contract Number	Number of Units
FHA - Owned Housing	174 - 228	183

B. REPORTING ENTITY GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the city of Jennings since the city of Jennings appoints a voting majority of the Housing Authority's governing board. The city of Jennings 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 benefits to, or impose financial burdens on, the city of Jennings. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the city of Jennings.

The Housing Authority includes all funds, activities, or assets, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the housing authorities, parish police juries, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

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

Funding Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2004

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

Proprietary funds are accounted for on the flow-of-current-resources measurement basis and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement basis, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 30, to apply all GASB pronouncements and only GASB pronouncements issued before November 30, 1989.

D. SUBJECTS

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

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

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

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

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

F. INVESTMENTS Investments are limited by R.S. 13:2803 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

Investments in participating interest-bearing contracts, such as negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

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

Housing Authority of the City of Houston
Notes to the Basic Financial Statements
March 31, 2004

Definitions:

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

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

G. INVENTORY AND PREPAID ITEMS: All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year end the amount of inventory is recorded for external financial reporting.

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

H. FIXED ASSETS: Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	10 years
Buildings	50 years
Building improvements	10 years
Furniture and fixtures	5 to 7 years
Computers	3 years

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

J. FUND EQUITY: Resources represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

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

L. 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.

Housing Authority of the City of Houston
Notes to the Basic Financial Statements
March 31, 2004

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS: At March 31, 2004, the Housing Authority has cash, cash equivalents, and investments as follows:

Cash on hand	\$ 100
Interest-bearing demand deposits	130,000
Time deposits	322,200
Total	<u>\$552,300</u>
Cash and cash equivalents	\$130,100
Cash and cash equivalents - restricted	24,200
Investments	397,900
Total	<u>\$552,200</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 2004, the Housing Authority's carrying amount of deposits was \$452,000 and the bank balance was \$454,311. Of the bank balance, \$100,000 was covered by federal depositary insurance (FDAB Category 1). The remaining \$354,311 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (FDAB Category 2).

Even though the pledged securities are considered encumbered (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 49:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 - RECEIVABLES: The receivables at March 31, 2004, are as follows:

Class of Receivables	
Residents	\$ 104
Other	981
Grants	11,728
Total	<u>\$12,813</u>

No allowance for doubtful accounts was established because the Housing Authority expects to collect these balances in full.

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

	Beginning Balance	Price Period Adjustment	Retired Balance	Additions	Deletions	Ending Balance
Land and buildings	\$6,094,797	\$304,110	\$6,094,588	\$23,200	\$	\$6,311,800
Furniture and equipment	311,129		311,129	31,000	14,200	316,800
Construction in progress	126,882		126,582	15,700	126,582	12,700
Total	6,532,808	\$304,110	6,531,299	\$69,900	\$140,782	\$6,761,211
Less: accumulated depreciation						
Buildings	4,801,855	\$64,110	4,277,605	238,850		4,669,495
Furniture and equipment	111,880		111,880	31,150	14,200	107,730
Total	4,913,735	\$64,110	4,420,585	269,950	14,200	4,669,780
Fixed assets, net	\$1,619,073	\$240,000	\$2,110,714	\$42,950	\$126,582	\$2,091,431

Housing Authority of the City of Lansing
Notes to the Basic Financial Statements
March 31, 2004

The streets constructed by the Housing Authority during the initial development period were dedicated to the City of Lansing in a previous fiscal year. The price period adjustment in the fixed asset reserves the initial street cost of \$684,210 and the related accumulated depreciation of \$204,210.

NOTE 6 - RETIREMENT SYSTEMS The Housing Authority participates in the Housing Revenue and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 3.5 percent of his effective compensation, and may make additional contributions up to 10% of his effective compensation. The employee is required to make monthly contributions equal to 7 percent of each participant's effective compensation.

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

The Housing Authority's total payroll for year ended March 31, 2004, was \$175,900. The Housing Authority's contributions were calculated using the base salary amount of \$175,900. The Housing Authority made the required contributions of \$180,000 for the year ended March 31, 2004, of which \$14,000 was paid by the Housing Authority and \$17,000 was paid by employees. No payments were made out of the forfeiture account.

NOTE 8 - INTERGOVERNMENTAL PAYABLE The payable as March 31, 2004, are as follows:

Payment in Lieu of Taxes

\$6,120

NOTE 7 - COMPENSATED ABSENCES As March 31, 2004, employees of the Housing Authority have accumulated and vested \$50,834 of employee leave benefits, which was computed in accordance with GASB Codification Section C41. These amounts are recorded as liabilities in the funds from which payments will be made.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

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

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

Grant Requirements: The Housing Authority participates in a number of federally funded grant programs. Although the grant programs have been subjected to accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-110 through March 31, 2004, these programs are still subject to compliance audits. Housing Authority management believes that the amount of deficiencies, if any, which may arise from future audits will not be material.

NOTE 9 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to being held of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

HOUSING AUTHORITY OF THE CITY OF MEMPHIS

ACTUAL EXPENDITURE FROM
COST CERTIFICATE
March 31, 2004

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-ASP11658101</u>
Funds Approved	\$ 247,000
Funds Expended	<u>247,000</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	247,000
Funds Expended	<u>247,000</u>
Excess of Funds Advanced	<u>0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated January 5, 2004 accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**Financial Data Schedule
For the Year Ended March 31, 2004**

Line Item No.	Account Description	Public and Indian Housing			Total
		Low Rent Public Housing	Drug Elimination Program	Public Housing Capital Fund Program	
111	Cash - Unrestricted	130,180	0	0	130,180
114	Cash - Tenant Security Deposits	24,184			24,184
100	Total Cash	150,180	0	0	150,180
122	Accounts Receivable - HUD Other Projects	18,268	0	0	18,268
128	Accounts Receivable - Tenants - Dwelling Rents	104	0	0	104
128	Allowance for Doubtful Accounts - Dwelling Rents	0	0	0	0
128	Allowance for Doubtful Accounts - Other	0	0	0	0
128	Accrued Interest Receivable	882	0	0	882
120	Total Receivables, net of allowances for doubtful accounts	19,234	0	0	19,234
131	Investments - Unrestricted	322,380	0	0	322,380
142	Prepaid Expenses and Other Assets	28,884	0	0	28,884
143	Inventories	3,264	0	0	3,264
143	Allowance for Obsolete Inventories	0	0	0	0
100	Total Current Assets	503,221	0	0	503,221
161	Land	130,378	0	0	130,378
162	Buildings	5,885,150	0	528,487	6,009,587
163	Furniture, Equipment & Machinery - Dwellings	81,317	0	12,881	93,898
164	Furniture, Equipment & Machinery - Administration	128,880	0	4,885	133,880
165	Leasehold Improvements	378,718	0	0	378,718
166	Accumulated Depreciation	(4,641,648)	0	(24,611)	(4,666,259)
167	Construction in Progress	0	0	18,700	18,700
160	Total Fixed Assets, Net of Accumulated Depreciation	1,782,489	0	508,762	2,094,281
180	Total Non-Current Assets	1,782,489	0	508,762	2,094,281
100	Total Assets	2,083,730	0	508,762	2,592,492

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**Financial Data Schedule
For the Year Ended March 31, 2004**

Line Item No.	Account Description	Public and Indian Housing			Total
		Low Rent Public Housing	Onp Elimination Program	Public/Housing Capital Fund/ Program	
010	Accounts Payable - 90 Days	22,827	0	0	22,827
021	Accrued Wage/Payroll Taxes Payable	383	0	0	383
022	Accrued/Compensated Absences - Current Portion	6,463	0	0	6,463
023	Accounts Payable - Other Government	6,128	0	0	6,128
041	Tenant Security Deposits	24,154	0	0	24,154
042	Deferred Revenues	717	0	0	717
010	Total Current Liabilities	60,752	0	0	60,752
054	Accrued/Compensated Absences - Non Current	16,353	0	0	16,353
050	Total Measurement Liabilities	16,353	0	0	16,353
000	Total Liabilities	77,105	0	0	77,105
004	Net HUD/PHA Contributions	1,137,227	0	0	1,137,227
000	Total Contributed Capital	1,137,227	0	0	1,137,227
011	Total Reserved Fund Balance	0	0	0	0
012	Undesignated Fund Balance/Unrealized Gains	1,568,427	0	508,782	1,568,209
013	Total Equity/Net Assets	1,568,427	0	508,782	1,568,429
000	Total Liabilities and Equity/Net Assets	1,282,729	0	508,782	1,568,562

HOUSING AUTHORITY OF THE CITY OF JENNING

Financial Data Schedule
For the Year Ended March 31, 2004

Line Item No.	Account Description	Public and Indian Housing (Inq Elimination Program			Public Housing Capital Fund Program	Total
		Low/Mod Public Housing				
700	Net Tenant Rental Revenue	289,894	0	0	289,894	
704	Tenant Revenue - Other	12,688	0	0	12,688	
705	Total Tenant Revenue	301,582	0	0	301,582	
706	HUD FHA Operating Grants	218,461	0	87,569	306,030	
708	Capital Grants	0	0	234,800	234,800	
711	Investment Income - Unrestricted	8,798	0	0	8,798	
712	Other Revenue	300	0	0	300	
718	Gain/Loss on Sale of Fixed Assets	1,800	0	0	1,800	
720	Total Revenue	530,841	0	322,369	853,210	

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**Financial Data Schedule
For the Year Ended March 31, 2004**

Line Item No.	Account Description	Publics and Indian Housing			Total
		Low Rent Public Housing	Drug Elimination Program	Public Housing Capital Fund Program	
011	Administrative Salaries	\$95,141	\$0	\$0	\$95,141
012	Auditing Fees	\$8,200	\$0	\$0	\$8,200
014	Compensated Absences	\$1,201	\$0	\$0	\$1,201
015	Employee Benefit Contributions - Administrative	\$40,344	\$0	\$0	\$40,344
016	Other Operating - Administrative	\$22,700	\$0	\$100	\$22,800
021	Tenant Services - Salaries	\$19,888	\$0	\$0	\$19,888
022	Employee Benefit Contributions - Tenant Services	\$8,817	\$0	\$0	\$8,817
024	Tenant Services - Other	\$2,888	\$0	\$0	\$2,888
025	Water	\$14,800	\$0	\$0	\$14,800
027	Electricity	\$8,188	\$0	\$0	\$8,188
028	Gas	\$1,178	\$0	\$0	\$1,178
041	Ordinary Maintenance and Operations - Labor	\$88,120	\$0	\$0	\$88,120
042	Ordinary Maintenance and Operations - Materials and Other	\$28,408	\$0	\$0	\$28,408
043	Ordinary Maintenance and Operations - Contract Costs	\$68,118	\$0	\$400	\$68,518
045	Employee Benefit Contributions - Ordinary Maintenance	\$20,580	\$0	\$0	\$20,580
051	Insurance Premiums	\$28,087	\$0	\$0	\$28,087
062	Payments in Lieu of Taxes	\$8,128	\$0	\$0	\$8,128
064	Rent Expn - Tenant Placements	\$1,188	\$0	\$0	\$1,188
069	Total Operating Expenses	\$488,888	\$0	\$400	\$489,288
070	Reverts Operating Revenue Over Operating Expenses	\$28,201	\$0	\$28,780	\$56,981
074	Depreciation Expense	\$28,287	\$0	\$24,831	\$53,118
080	Total Expenses	\$705,676	\$0	\$54,011	\$759,687

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**Financial Data Schedule
For the Year Ended March 31, 2004**

Line Item No.	Account Description	Public and In-Lieu Housing Program			Total
		Low Rent Public Housing	Drug Elimination Program	Public Housing Capital Fund Program	
1001	Operating Transfers In	\$95,000	\$0	\$0	\$95,000
1002	Operating Transfers Out	\$0	\$0	(\$95,000)	(\$95,000)
1003	Total Other Financing Sources (Uses)	\$95,000	\$0	(\$95,000)	\$0
1008	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$158,200)	\$0	(\$15,198)	(\$173,398)
1101	Capital Outlays (Enterprise Fund)	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$2,000,859	\$1,491	\$400,093	\$2,471,443
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$211,001)	(\$1,491)	(\$300,542)	\$0
1102	Depreciation Add Back	\$225,000	\$0	\$0	\$225,000
1109	Unit Months Available	1,788	0	0	1,788
1121	Number of Unit Months Leased	1,784	0	0	1,784

Boarding Authority of the City of Jennings

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended March 31, 2004**

The members of the Board of Commissioners serve without compensation.

Juanita Thibodeaux, Chairman

Joe Smith, Vice Chairman

Harvey Williams

Allen Adams

Cheryl Hobert



Green, Huggins & Williamson, LLC

3180 Knight Street, Suite 9
Shreveport, LA 71105

www.ghwcpa.com

Tim Green, CPA
Charles E. "Chuck" Huggins, CPA
Randy E. Williamson, CPA

Telephone: (318) 333-8300
Facsimile: (318) 333-8301

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 the City of Jennings
Jennings, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of Jennings, as of and for the year ended March 31, 2004, and have issued our report thereon dated September 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

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, compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 we 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, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:113 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Green, Huggins & Williamson, LLC

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana
September 30, 2004



Green, Huggins & Williamson, LLC

3150 Knight Street, Suite 9
Shreveport, LA 71105

www.ghecpa.com

The Green, CPA
Curtis E. "Curt" Huggins, CPA
Najeh E. Williamson, CPA

Telephone: (504) 833-6000
Facsimile: (504) 833-6001

Report on Compliance With Requirements Applicable to Each Major Program and an Internal Control Over Compliance in Accordance With OMB Circular No. A-133

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

Conclusion

We have audited the compliance of the Housing Authority of the City of Jennings, Jennings, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2004. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. 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 involves examining, on a test basis, evidence about the Housing Authority's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with these 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 March 31, 2004.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. 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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Housing Authority, as of and for the year ended March 31, 2004, and have issued our report thereon dated September 30, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OAGL Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be used should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 58:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Green, Huggins & Williamson, LLC

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana
September 30, 2004

**Housing Authority of the City of Jopling
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2004**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grant No.	Expenditures
United States Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing			
Operating Activity	14.020	PW0028	3115,401
Public Housing Capital Fund Program	14.031	PW0028	292,000
			<u>3407,401</u>
Total			<u>3407,401</u>

Housing Authority of the City of Jennings
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2004

NOTE 1 - GENERAL: The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Jennings (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(B) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING: The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

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

Federal Income

Enterprise fund

1508401

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS: Amounts reported in the accompanying schedule agree with the amounts reported in the related Federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS: For those funds that have matching revenues and state funding, federal expenditures were decreased by deducting matching revenues from total expenditures. In accordance with HUD Notice PI 94-14, "federal awards" do not include Housing Authority operating income from rents or investments for other non-federal accounts. In addition, the entire amount of operating activity received during the fiscal year is considered to be "expended" during the fiscal year.

Housing Authority of the City of Jennings
Schedule of Findings and Questioned Costs
As of and for the Year Ended March 31, 2004

PART I - Summary of the Auditor's Results

Financial Statement Audit

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

Audit of Federal Awards

- i. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- ii. The type of report the auditor issued on compliance for major programs was unqualified.
- iii. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .310(a).
- iv. The major federal program is:

CFDA# 14.150 Public and Indian Housing Operating Subsidy
- v. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .320(a) was \$300,000.
- vi. The auditor does qualify as a low-risk auditor under OMB Circular No. A-133, Section .330.