

HOUSING AUTHORITY OF THE CITY OF ABBEVILLE
REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
TWELVE MONTHS ENDED JUNE 30, 2004

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 11-10-04

Mike Estes, P.C.
A Professional Accounting Corporation

HOUSING AUTHORITY OF THE CITY OF ABBEVILLE
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TWELVE MONTHS ENDED JUNE 30, 2004

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INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Commissioners
Housing Authority of Abbeville
Abbeville, Louisiana

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of Abbeville, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of Abbeville, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2004, on our consideration of the Housing Authority of Abbeville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

The accompanying Financial Data Schedules required by HUD are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
October 26, 2004

HOUSING AUTHORITY OF THE CITY OF ABBEVILLE, LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2004

The management of the Housing Authority of Abbeville, Louisiana presents the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending June 30, 2004. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The Housing Authority's assets exceeded its liabilities by \$1,394,801 at the close of the fiscal year ended 2004.
- ✓ Of this amount, \$243,714 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 32 percent, or about 4 months, of the total operating expenses for the fiscal year 2004.
- ✓ The remainder of \$1,151,087 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, and equipment
- The Housing Authority's total net assets decreased by \$91,587, a 6% decline from the prior fiscal year 2003. This decrease is attributable to a decline in support from HUD for operations, plus an increase in certain expenses such as salaries, employee benefits, contract labor, electricity, and general insurance described in more detail below.
- The Housing Authority continues to operate without the need for debt borrowing during the current fiscal year. The primary source of funding for these activities continues to be HUD.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2004?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis* of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant two funds, the Low Rent Public Housing Program and Public Housing Capital Fund Program.

The Housing Authority's auditors provided assurance in their independent auditors' report, located immediately following the MD&A, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this 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 control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

Housing Authority of the City of Abbeville, Louisiana

Management's Discussion and Analysis (MD&A)

June 30, 2004

FINANCIAL ANALYSIS

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet

As of June 30, 2004

ASSETS

Current Assets	\$ 344,899
Capital Assets, Net of Depreciation	<u>1,151,087</u>
Total Assets	<u><u>1,495,986</u></u>

LIABILITIES

Current Liabilities	93,681
Non-Current Liabilities	<u>7,504</u>
Total Liabilities	<u>101,185</u>

NET ASSETS

Invested in Capital Assets	1,151,087
Unrestricted	<u>243,714</u>
Total Net Assets	<u>1,394,801</u>
Total Liabilities and Net Assets	<u><u>1,495,986</u></u>

Housing Authority of the City of Abbeville, Louisiana
 Management's Discussion and Analysis (MD&A)
 June 30, 2004

**Condensed Statement of Revenues, Expenses,
 and Changes in Fund Net Assets
 Fiscal Year Ended June 30, 2004**

OPERATING REVENUES	
Rental Revenue	\$ 186,326
Other	65,867
Total Operating Revenues	252,193
OPERATING EXPENSES	
Administration	196,348
Tenant Services	313
Utilities	144,350
Ordinary maintenance and operations	215,897
General	80,647
Depreciation	121,786
Other Expenses	1,613
Total Operating Expenses	760,954
Income (Loss) from Operations	(508,761)
NON-OPERATING REVENUES	
Federal Grants - Operating	334,684
Federal Grants - Capital	80,175
Interest Earnings and Other Revenue	2,315
Total Non-Operating Revenues	417,174
NET (DECREASE) IN NET ASSETS	(91,587)
NET ASSETS, Beginning of Fiscal Year	1,486,388
NET ASSETS, End of Fiscal Year	1,394,801

In future years, a comparative analysis of Authority-wide data with the prior year will be presented. (A comparative analysis for the current year is not required by accounting standards followed by the Authority.)

Compared with the prior fiscal year, total revenues decreased \$585,251, or by 47%, due to two major causes:

- A 59% decrease in funding from HUD for operations and capital projects. The Housing Authority was still in the process of completing projects funded from grants in HUD fiscal year 2003, and is awaiting approval of a grant submitted during fiscal year 2004.
- An offsetting increase in tenant revenues by 6% due to an increase in occupancy by 3% and an increase in minimum rental rates resulting from the completion of certain capital projects.

Compared with the prior fiscal year, total expenses increased \$28,359, or by 4%, due to:

Housing Authority of the City of Abbeville, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2004

- An increase in administrative salaries and employee benefits by 25% and maintenance salaries and employee benefits by 5% due to overtime payments the first 4 months of fiscal year 2004. The overtime was discontinued as a result of recommendations during the 2003 fiscal year's audit.
- An increase by 12% in electric utilities due to an increase in electric rates by an average of 1.2¢ per kilowatt-hour. Actual consumption decreased by ½%, but not enough to offset the increase in rates.
- An increase by 73% in contract labor due to an extensive program of painting, electrical and plumbing repairs during fiscal year 2004.
- An increase in general insurance by 11% due to increased contract rates.
- An offsetting decrease in other administrative expenses by 44% due to the previously mentioned audit recommendations. The administrative staff conducted much less travel in 2004.
- An offsetting decrease by 23% in depreciation expense on capital assets from several properties having reached the end of their estimated useful lives during fiscal year 2004.

Net Assets therefore decreased \$91,587, or by 6%, due to the combined effect of the excess of expenses over revenues. This change caused a decrease in total assets of \$78,461 and an increase in total liabilities of \$13,126.

Although capital assets increased total assets by \$80,174, a decrease in total assets from additional accumulated depreciation and a \$56,933 decrease in cash offset this increase. Most of the increase in liabilities was from an increase in accounts payable for operations and for vacation and sick leave due to employees.

BUDGETARY ANALYSIS

The final operating budget approved by HUD for the Low Rent Public Housing Program for fiscal year ended June 30, 2004 showed deficit of budgeted expenses exceeding budgeted revenues of \$36,116.

Low Rent Public Housing Program Budgetary Highlights

The original proposed budget of \$546,895 was revised during fiscal year 2004 to \$588,795 due to increased administrative salaries, utilities, and contract labor. There were several significant variations between the final adopted annual budget and the actual income and expenses:

- Total revenues were below the budget of \$552,679 by \$16,057 due to the manner in which occupancy is estimated. The budget is based upon a three-year average, which may differ from the actual results of just one fiscal year.
- Ordinary maintenance was below the budget of \$157,200 by \$16,694 to absorb some of the operating expense overruns noted above.
- General expense exceeded the budget of \$129,630 by \$13,796 due to an unanticipated increase in general insurance contract rates, an increase in maintenance salaries and employee benefits mentioned above, and in collection losses from vacated rental units.
- Utilities expense exceeded the budget of \$136,660 by \$7,690 due to unanticipated electricity rate increases mentioned above.
- Remaining budget items totaling \$165,305 were not significantly over- or underspent.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the Housing Authority had \$1,151,087 invested in a broad range of assets, listed below, and construction in progress from projects funded in 2003. This amount, not including depreciation, represents a net increase of \$75,102, or 1½%, from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

As of the end of the June 30, 2004 fiscal year, the Housing Authority completed a grant totaling \$285,983 obtained from HUD for the 2002 fiscal year. The Authority is still in the process of completing two HUD grants of \$282,198 obtained during the 2003 fiscal year. A total remainder of \$177,958 will be received and \$153,134 spent for these projects during fiscal year 2005.

Capital Assets
(Net of Accumulated Depreciation)
As of June 30, 2004

Land	\$ 117,780
Buildings	813,473
Furniture and Equipment	84,970
Leasehold Improvements	124,664
Construction in Progress	<u>10,200</u>
Total	<u><u>1,151,087</u></u>

Additional major capital projects of \$259,000, which are still awaiting approval, are planned for the June 30, 2005 fiscal year from a HUD grant submitted during fiscal year 2004.

Debt

Our long-term debt includes accrued annual vacation and sick leave. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

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 Federal budget than by local economic conditions. The capital budgets for June 30, 2005 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Ruth Richardson, Executive Director, at the Housing Authority of the City of Abbeville, LA telephone number (337) 893-4643.

HOUSING AUTHORITY OF ABBEVILLE
 ENTERPRISE FUNDS - BALANCE SHEET
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 147,131	\$ 0	\$ 147,131
Investments	89,649	0	89,649
Accounts receivable net	1,347	24,824	26,171
Interest receivable	422	0	422
Interfund receivable	24,824	0	24,824
Prepaid items and other assets	33,629	0	33,629
Inventory	799	0	799
Total Current Assets	297,801	24,824	322,625
Restricted Assets			
Investments	22,274	0	22,274
Capital Assets, net			
Land	117,780	0	117,780
Buildings, and equipment (net)	770,170	263,137	1,033,307
Total Capital Assets, net	887,950	263,137	1,151,087
TOTAL ASSETS	1,208,025	287,961	1,495,986
LIABILITIES			
Current Liabilities			
Compensated absences payable	\$ 6,810	\$ 0	\$ 6,810
Accounts payable	29,078	0	29,078
Accrued PILOT	10,695	0	10,695
Interfund payable	0	24,824	24,824
Total Current Liabilities	46,583	24,824	71,407
Current Liabilities - payable from Current Restricted Assets - Deposits due others	22,274	0	22,274
Noncurrent Liabilities			
Compensated absences payable	7,504	0	7,504
TOTAL LIABILITIES	76,361	24,824	101,185
NET ASSETS			
Invested in capital assets, net of related debt			
Restricted	887,950	263,137	1,151,087
Unrestricted	243,714	0	243,714
Net Assets	1,131,664	263,137	1,394,801
TOTAL LIABILITIES AND NET ASSETS	1,208,025	287,961	1,495,986

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

HOUSING AUTHORITY OF ABBEVILLE
 ENTERPRISE FUNDS – STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund	Total
OPERATING REVENUES			
Dwelling rental	\$ 186,326	\$ 0	\$ 186,326
Other	65,867	0	65,867
<i>Total Operating Revenues</i>	<u>252,193</u>	<u>0</u>	<u>252,193</u>
OPERATING EXPENSES			
Administration	196,348	0	196,348
Tenant services	313	0	313
Utilities	144,350	0	144,350
<i>Ordinary maintenance & operations</i>	163,301	52,595	215,896
General expenses	80,646	0	80,646
Depreciation	96,633	25,156	121,789
<i>Total Operating Expenses</i>	<u>681,591</u>	<u>77,751</u>	<u>759,342</u>
<i>Income (loss) from Operations</i>	<u>(429,398)</u>	<u>(77,751)</u>	<u>(507,149)</u>
Non Operating Revenues (Expenses)			
Interest earnings	2,315	0	2,315
Federal grants – operating	282,089	52,595	334,684
Loss on disposition of assets	(1,613)	0	(1,613)
<i>Total Non-Operating Revenues</i>	<u>282,791</u>	<u>52,595</u>	<u>335,386</u>
<i>Income (loss) before contribution and transfers</i>	<u>(146,607)</u>	<u>(25,156)</u>	<u>(171,763)</u>
Capital Contributions		80,176	80,176
Transfers In	381,524	0	381,524
Transfers Out	0	(381,524)	(381,524)
Change in Net Assets	234,917	(326,504)	(91,587)
Total Net Assets – Beginning	896,747	589,641	1,486,388
Total Net Assets - Ending	<u>\$ 1,131,664</u>	<u>\$ 263,137</u>	<u>\$ 1,394,801</u>

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

HOUSING AUTHORITY OF ABBEVILLE
 ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 185,863	\$ 0	\$ 185,863
Other receipts	47,577	0	47,577
Payments to vendors	(330,219)	(52,595)	(382,814)
Payments to employees – net	(243,636)	0	(243,636)
Net cash provided (used) by operating activities	(340,415)	(52,595)	(393,010)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Federal grants	282,387	52,595	334,982
Net cash provided (used) by non-capital financing activities	282,387	52,595	334,982
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	0	(80,176)	(80,176)
Federal Capital Grants	0	80,176	80,176
Net cash provided (used) by capital and related financing activities	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	2,086	0	2,086
Purchase of investments	(992)	0	(992)
Net cash provided (used) by interest income net of purchases of investment	1,094	0	1,094
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(56,934)	0	(56,934)
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	226,340	0	226,340
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 169,406	\$ 0	\$ 169,406

Continued

EXHIBIT C

HOUSING AUTHORITY OF ABBEVILLE
 ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2004

	General	Capital Fund Program	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (429,398)	\$ (77,751)	\$ (507,149)
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation Expense	96,633	25,156	121,789
Provision of uncollectible accounts	4,092	0	4,092
Change in assets and liabilities:			
Receivables	(4,555)	0	(4,555)
Due from other funds	(19,694)	0	(19,694)
Inventories	(259)	0	(259)
Prepaid items	(87)	0	(87)
Account payables	8,716	0	8,716
Accrued expenses	4,137	0	4,137
Net cash provided by operations	<u>\$ (340,415)</u>	<u>\$ (52,595)</u>	<u>\$ (393,010)</u>
			Concluded

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

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

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

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

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

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

The Housing Authority has the following units:

PHA Owned Housing	FW – 1087	156
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, *fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.*

The Housing Authority is a related organization of the City of Abbeville since the City of Abbeville appoints a voting majority of Housing Authority's governing board. The City of Abbeville is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Abbeville. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Abbeville.

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

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing Low Rent program. The Capital Funding program accounts for Capital Funding grants.

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

New Accounting Standards Adopted During the year ended June 30, 2004, the Authority adopted three new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

- Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.*
- Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Ominous, an amendment of GASB Statements No. 21 and 34.*
- Statement No. 38, *Certain Financial Statement Note Disclosures.*

Statement No. 34 (as amended by Statement No.37) represents a very significant change in the financial reporting model used by state and local governments including special purpose governments such as the Housing Authority of the City of Abbeville. This new reporting model requires management to provide a narrative and analysis to the ordinary user called the Management’s Discussion and Analysis (MD&A). This new reporting model also requires the financial statements to be presented on the entity as a whole (government-wide financial statements). The most significant changes to the financial statements are the format, classification of information and the classification of fund equity into various classes of net assets.

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 13, 1989.

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

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

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

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

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

Definitions:

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

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

F. SHORT - TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

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

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live 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	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	5-7 years

General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, sidewalks, and other infrastructure assets acquired subsequent to July 1, 2003.

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

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

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

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

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

M. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

All other interfund transfers are reported as operating transfers. Reimbursements are when one fund incurs cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

HOUSING AUTHORITY OF ABBEVILLE
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2004

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name
- Category 3 - Uninsured and unregistered investments held by the counter-party, its trust department, or its agent, but not in the Authority's name

At June 30, 2004 the Housing Authority has Cash equivalents, and investments totaling \$259,054 as follows:

Cash on hand	\$	100
Interest-bearing demand deposits		169,305
Time deposits		89,649
Total	\$	259,054
Cash and cash equivalents	\$	147,131
Cash and cash equivalents – restricted		22,274
Investments		89,649
Total	\$	259,054

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 owned by 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. 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 June 30, 2004, the Housing Authority's carrying amount of deposits was \$258,954 and the bank balance was \$270,866. Of the bank balance, \$128,452 was covered by federal depository insurance (GASB Category 1). The remaining \$142,414 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

HOUSING AUTHORITY OF ABBEVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement #3, Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Investments during the year were solely in time deposits at banks.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2004, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher Fund</u>	<u>Total</u>
Local sources			
Tenants	1,347	0	\$ 1,347
Federal sources:			
Grants	0	24,824	24,824
Total	1,347	24,824	\$ 26,171

The tenants account receivable is net of an allowance for doubtful accounts of \$2.

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

	Balance 6-30-03	Additions	Deletions	Balance 6-30-04
Land	\$ 117,780	\$ 0	\$ 0	\$ 117,780
Buildings	4,426,437	225,490	0	4,651,927
Furniture and equipment	227,878	52,601	5,072	275,407
Construction in progress	208,116	0	197,916	10,200
Total	4,980,211	278,091	202,988	5,055,314
Less: accumulated depreciation				
Buildings	3,660,029	88,874	0	3,748,903
Furniture and equipment	125,843	32,915	3,434	155,324
Total	3,785,872	121,789	3,434	3,904,227
Fixed assets, net	\$ 1,194,339	\$ 156,302	\$ 199,554	\$ 1,151,087

HOUSING AUTHORITY OF ABBEVILLE
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 5 – RETIREMENT SYSTEM The Housing Authority participates in the Housing – Renewal 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 regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 6% percent of each participant’s basic (excludes overtime) compensation. In addition, employees can make voluntary contributions. This payment represents a 8.5% contribution by the employee, and an 8% contribution by the Housing Authority.

The Housing Authority’s contribution for each employee and income allocated to the employee’s account are fully vested after five years of continuous service. Housing Authority’s contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority. Normal retirement date shall be the first day of the month following the employee’s 65th birthday or after 10 years of participation in the plan.

The Housing Authority’s contributions were calculated using the base salary amount of \$177,000. The Housing Authority made the required contributions of \$22,916 for the year ended June 30, 2004, of which \$11,716 was paid by the Housing Authority and \$11,280 was paid by employees. No payments were made out of the forfeiture account.

NOTE 6 – ACCOUNTS PAYABLE The payables at June 30, 2004 are as follows:

	General	Housing Choice Voucher Fund	Total
Vendors	28,016	0 \$	28,016
Payroll taxes & Retirement withheld	1,062	0	1,062
Total	29,078	0 \$	29,078

NOTE 7 – COMPENSATED ABSENCES At June 30, 2004, employees of the Housing Authority have accumulated and vested \$14,314 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF ABBEVILLE
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. *Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.*

Construction Projects There are certain renovation or construction projects in progress at June 30, 2004. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

NOTE 9 – INTERFUND RECEIVABLES / PAYABLES Interfund receivables / payables at June 30, 2004 are as follows:

The Capital Fund program owed \$24,824 to the Low Rent program at June 30, 2004.

NOTE 10 – GENERAL LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended June 30, 2004.

		<u>Compensated Absences</u>
Balance, beginning	\$	10,097
Additions		4,217
Deductions		0
Balance, ending		<u>14,314</u>
Amounts due in one year	\$	<u>6,810</u>

NOTE 11 – INTERFUND TRANSFERS Interfund transfers for the year June 30, 2004 consisted of an equity transfer of \$381,524 of the depreciated value of buildings and equipment.

<u>Transfer To</u>	<u>Transfer From</u>
Low Rent	Capital Fund

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2004

1. The Actual Modernization Costs are as follows:

		<u>2002 Capital Fund</u>
Funds approved	\$	285,983
Funds expended		<u>285,983</u>
Excess of funds approved	\$	<u>0</u>
Funds advanced	\$	285,983
Funds expended		<u>285,983</u>
Excess of funds advanced	\$	<u>0</u>

2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated August 26, 2003 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

EXHIBIT E(2)

HOUSING AUTHORITY OF ABBEVILLE
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2004

CASH BASIS

	2003 Capital Fund	Bonus Capital Fund
Funds approved	\$ 235,303	\$ 46,895
Funds expended	<u>115,325</u>	<u>13,738</u>
Excess of funds approved	<u>\$ 119,978</u>	<u>\$ 33,157</u>
Funds advanced	\$ 91,408	\$ 12,832
Funds expended	<u>115,325</u>	<u>13,738</u>
Excess of funds advanced	<u>\$ (23,917)</u>	<u>\$ (906)</u>

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MEMBER AMERICAN
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PUBLIC ACCOUNTANTS

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

Housing Authority of the City of Abbeville
Abbeville, Louisiana

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Abbeville, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Housing Authority of the City of Abbeville, Louisiana's basic financial statements and have issued our report thereon dated October 25, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Abbeville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Abbeville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted two immaterial instances of noncompliance. They are the two audit findings.

This report is intended for the information of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Under state Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike Estes, P. C.
Fort Worth, Texas
October 26, 2004

HOUSING AUTHORITY OF ABBEVILLE
STATEMENT OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850	<u>282,089</u>
Public Housing Capital Fund	14.872	<u>132,771</u>
Total United States Department of Housing and Urban Development	\$	<u><u>414,860</u></u>
Total Expenditures of Federal Awards	\$	<u><u>414,860</u></u>

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

YEAR ENDED JUNE 30, 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 Abbeville, Louisiana (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s general-purpose 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 general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s general-purpose financial statements as follows:

		Federal Sources
Enterprise funds:		
Public Housing	\$	282,089
Capital Fund		132,771
Total	\$	414,860

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, “federal awards” do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act “federal awards expended” threshold is met by the Housing Authority in a fiscal year. 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 ABBEVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2004

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.*
- iii. *There were no instances of noncompliance considered material, as defined by the Government Auditing Standards to the financial statements.*

HOUSING AUTHORITY OF ABBEVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2004

Prior Audit Findings

The prior audit report contained two audit findings, as follows:

Finding 03-01 – Independent Verification of Income

We noted instances where earned income was verified by a review of check stubs, or from other information obtained from the tenant. Per federal regulations, income should be confirmed directly with the third party. We also noted instances where the required Section 214 Declaration of Citizenship form had not been obtained.

No exceptions of this type were noted on the current year. This finding is cleared.

Finding 03-02 – Travel Policy Needs Updating

We noted that the travel per diem actually paid did not agree to the Board-approved travel policy. We also noted that overall documentation of travel should be approved.

The PHA has revised its travel policy and documentation procedures, and appears to be following the new procedures.

Current Audit Findings

Low Rent

04-01 – Admissions and Occupancy Policy (ACOP) Needs Revision

Statement of Condition

The PHA is consistently recognizing housing preferences for the homeless, victims of natural disaster, and the elderly. But the ACOP does not provide for preferences.

Criteria

Preferences should be provided for in the ACOP, if they are given.

Effect

Non compliance with the ACOP. From a review of the waiting list and from inquiry of all office personnel, it appears the PHA consistently gives the above mentioned preferences, which are equally weighted.

Cause

Appears to be oversight.

HOUSING AUTHORITY OF ABBEVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2004

Recommendation

The PHA should review its preference policy with the Board of Commissioners. If the PHA wants to continue to offer preferences, the ACOP should be revised.

Corrective Action Plan - Response 04 - 01

I am Ruth Richardson, Executive Director and Designated Person to answer these findings. We will comply with the above by November 30, 2004.

Low Rent and Capital Fund

04-02 - Office Needs To Remain Open During Posted Hours

Statement of Condition

It appears that approximately four times during the fiscal year, the office was closed during the regular weekday hours of operation, 8:30am - 3:30pm. These were days that were not national or state holidays, and the tenants were not notified in advance of the closing.

Criteria

The office should remain open during regularly scheduled business hours.

Effect

Unknown. An applicant may have been unable to place an application, or receive an update of where they stand on the waiting list.

However, we note that the PHA had a 95% occupancy rate, and always had applicants on the waiting list. When the office was closed, it appears office employees appropriately used comp time or personal leave time.

Cause

The Executive Director claims the office closed approximately four times on Friday, after the staff had a particularly hectic week and worked after normal hours, such as preparing for and attending Board meetings, or dealing with auditors.

04-02 - Corrective Action Plan - Response

We will not close the office again during the week, except for holidays or weather. One person will always be here.

SEE GENERAL COMMENT ON NEXT PAGE

HOUSING AUTHORITY OF THE CITY OF ABBEVILLE
GENERAL COMMENT

YEAR ENDED JUNE 30, 2004

The Office of the Louisiana Legislative Auditor performed a limited examination of the PHA. Their report was dated October 28, 2003. The PHA has been conscientious in their consideration of those findings. It appears, from our perspective, that the findings have been sufficiently addressed.

HOUSING AUTHORITY OF THE CITY OF ABBEVILLE
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2004

PHA: LA034 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$147,131	\$0	\$147,131
114	Cash - Tenant Security Deposits	\$22,274	\$0	\$22,274
100	Total Cash	\$169,405	\$0	\$169,405
122	Accounts Receivable - HUD Other Projects	\$0	\$24,824	\$24,824
126	Accounts Receivable - Tenants - Dwelling Rents	\$5,439	\$0	\$5,439
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-4,092	\$0	\$-4,092
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
129	Accrued Interest Receivable	\$422	\$0	\$422
120	Total Receivables, net of allowances for doubtful accounts	\$1,769	\$24,824	\$26,593
131	Investments - Unrestricted	\$89,649	\$0	\$89,649
142	Prepaid Expenses and Other Assets	\$33,629	\$0	\$33,629
143	Inventories	\$799	\$0	\$799
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0
144	Interprogram Due From	\$24,824	\$0	\$24,824
150	Total Current Assets	\$320,075	\$24,824	\$344,899
161	Land	\$117,780	\$0	\$117,780
162	Buildings	\$3,759,295	\$217,380	\$3,976,675
163	Furniture, Equipment & Machinery - Dwellings	\$133,797	\$7,088	\$140,885
164	Furniture, Equipment & Machinery - Administration	\$90,899	\$43,623	\$134,522
165	Leasehold Improvements	\$665,252	\$10,000	\$675,252
166	Accumulated Depreciation	\$-3,879,073	\$-25,154	\$-3,904,227
167	Construction In Progress	\$0	\$10,200	\$10,200
160	Total Fixed Assets, Net of Accumulated Depreciation	\$887,950	\$263,137	\$1,151,087
180	Total Non-Current Assets	\$887,950	\$263,137	\$1,151,087
190	Total Assets	\$1,208,025	\$287,961	\$1,495,986

PHA: LA034 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$28,016	\$0	\$28,016
321	Accrued Wage/Payroll Taxes Payable	\$1,062	\$0	\$1,062
322	Accrued Compensated Absences - Current Portion	\$6,810	\$0	\$6,810
333	Accounts Payable - Other Government	\$10,695	\$0	\$10,695
341	Tenant Security Deposits	\$22,274	\$0	\$22,274
347	Interprogram Due To	\$0	\$24,824	\$24,824
310	Total Current Liabilities	\$68,857	\$24,824	\$93,681
354	Accrued Compensated Absences - Non Current	\$7,504	\$0	\$7,504
350	Total Noncurrent Liabilities	\$7,504	\$0	\$7,504
300	Total Liabilities	\$76,361	\$24,824	\$101,185
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$887,950	\$263,137	\$1,151,087
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$243,714	\$0	\$243,714
513	Total Equity/Net Assets	\$1,131,664	\$263,137	\$1,394,801
600	Total Liabilities and Equity/Net Assets	\$1,208,025	\$287,961	\$1,495,986

PHA: LA034 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$186,326	\$0	\$186,326
704	Tenant Revenue - Other	\$65,867	\$0	\$65,867
705	Total Tenant Revenue	\$252,193	\$0	\$252,193
706	HUD PHA Operating Grants	\$282,089	\$52,595	\$334,684
706.1	Capital Grants	\$0	\$80,176	\$80,176
711	Investment Income - Unrestricted	\$2,315	\$0	\$2,315
715	Other Revenue	\$25	\$0	\$25
716	Gain/Loss on Sale of Fixed Assets	\$-1,638	\$0	\$-1,638
700	Total Revenue	\$534,984	\$132,771	\$667,755

PHA: LA034 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$115,118	\$0	\$115,118
912	Auditing Fees	\$4,130	\$0	\$4,130
913	Outside Management Fees	\$3,348	\$0	\$3,348
914	Compensated Absences	\$4,218	\$0	\$4,218
915	Employee Benefit Contributions - Administrative	\$39,983	\$0	\$39,983
916	Other Operating - Administrative	\$29,551	\$0	\$29,551
924	Tenant Services - Other	\$313	\$0	\$313
931	Water	\$15,843	\$0	\$15,843
932	Electricity	\$122,868	\$0	\$122,868
933	Gas	\$698	\$0	\$698
938	Other Utilities Expense	\$4,941	\$0	\$4,941
941	Ordinary Maintenance and Operations - Labor	\$65,633	\$0	\$65,633
942	Ordinary Maintenance and Operations - Materials and Other	\$25,042	\$9,867	\$34,909
943	Ordinary Maintenance and Operations - Contract Costs	\$49,830	\$42,728	\$92,558
945	Employee Benefit Contributions - Ordinary Maintenance	\$22,796	\$0	\$22,796
961	Insurance Premiums	\$65,790	\$0	\$65,790
963	Payments in Lieu of Taxes	\$10,695	\$0	\$10,695
964	Bad Debt - Tenant Rents	\$4,161	\$0	\$4,161
969	Total Operating Expenses	\$584,958	\$52,595	\$637,553
970	Excess Operating Revenue over Operating Expenses	\$-49,974	\$80,176	\$30,202
974	Depreciation Expense	\$96,633	\$25,156	\$121,789
900	Total Expenses	\$681,591	\$77,751	\$759,342
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-146,607	\$55,020	\$-91,587

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Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$896,747	\$589,641	\$1,486,388
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$381,524	\$-381,524	\$0
1120	Unit Months Available	1,872	0	1,872
1121	Number of Unit Months Leased	1,772	0	1,772