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**Housing Authority
Of
Town of Jena, Louisiana**

**Financial Statements and
Supplemental Financial Information**

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 12-8-04

**Housing Authority of the Town of Jena
Jena, Louisiana**

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Housing Authority of Jena

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Jena Housing Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended June, 30, 2004. Please read it in conjunction with the Independent Auditor's Report on page 3-4 and the Authority's financial statements on page 6,7,8,17,18,19,20, and 21.

FINANCIAL HIGHLIGHTS:

- The Authority's total combined capital assets (net of accumulated depreciation of \$1,617,389) were \$317,312 while the total net assets were \$500,128 at June 30, 2004. Bonds and notes of the Authority are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.
- During the year, the Authority has a combined loss before capital contributions and prior period adjustments of \$90,702. After capital contributions and prior period adjustments there was a net change in assets of (\$567).
- In the Authority's business- type activities, expenses increased \$11,158. This rise in expenses was due in part by an increase in depreciation expense of \$6,161 or 18.01%. The Authority had a loss of \$90,702 after operating revenues of \$84,571 and other revenues of \$13,156 in comparison to a \$18,945 loss in the prior year. This was due in part to an increase in operating expenses of \$11,158 and a decrease in HUD operating grants of \$50,587. The Authority had total expenses of \$188,429; of this amount \$148,050 was operating expenses while \$40,379 was depreciation expense which is a non-cash transaction.
- The total cash flow of the Authority's programs had an increase in cash of \$23,849 in comparison to a \$4,103 decrease for the year-end June 30, 2003.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include one kind of statement listed below.

- Proprietary fund statements offer short and long-term financial information about the activities the government manages like a business. These services for which the authority charge tenants a fee are reported in this section.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Authority has the following type of fund:

- Proprietary Funds

CONTACTING THE AUTHORITY'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact Donna Robertson, executive director of the Housing Authority of Jena, 1032 Tarver Ave., Jena, LA 71342, at (318) 992-6413.

JOHN R. VERCHER PC

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INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

Housing Authority of the
Town of Jena
Jena, Louisiana

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of Jena, 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. These financial statements are the responsibility of the Housing Authority of Jena, Louisiana's, management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of Jena, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 20, 2004 on my consideration of the Housing Authority of Jena, Louisiana internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of June 30, 2004.

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Jena, Louisiana, basic financial statements. The introductory section, combining financial statements, financial data schedule (FDS) and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements, financial data schedule (FDS) and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

Jena, Louisiana

August 20, 2004

John R. Vercher

Basic Financial Statements

**Housing Authority of the Town of Jena
Jena, Louisiana
Combined Statement of Net Assets
June 30, 2004
FW - 438**

	Enterprise Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 37,669
Investments	149,898
Receivables (net of allowances for uncollectables)	2
Inventory	-0-
Prepaid items	8,353
Total Current Assets	<u>\$ 195,922</u>
Non-Current Assets:	
Capital assets (net of accumulated depreciation)	\$ 317,312
Total Non-Current Assets	<u>\$ 317,312</u>
TOTAL ASSETS	<u>\$ 513,234</u>
LIABILITIES	
Current Liabilities	
Accrued pilot	\$ 8,229
Accounts Payable	1,402
Total Current Liabilities	<u>\$ 9,631</u>
Non-Current Liabilities	
Tenant security deposits	3,475
Total Non-Current Liabilities	<u>\$ 3,475</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 317,312
Unrestricted	182,816
TOTAL NET ASSETS	<u>\$ 500,128</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Jena
Jena, Louisiana**

**Combined Statement of Revenues, Expenses, and Changes In
Net Assets – Proprietary Funds
Year Ended June 30, 2004**

FW – 2265

	Enterprise Fund
Operating Revenues:	
Tenant Revenue	\$ 84,571
Other Revenue	13,156
Total Operating Revenue	\$ 97,727
Operating Expenses	
<i>Administration:</i>	
Administrative Salaries	\$ 33,146
EBC Administrative	13,054
Accounting / Legal	4,558
Travel	1,413
Other Operating - Administrative	18,305
<i>Cost of Sales & Service:</i>	
Water	179
Electricity	1,927
Other Utilities	251
Ordinary Maintenance – Labor	20,139
Materials	8,462
Contract Cost	13,855
EBC Maintenance	8,758
Insurance	15,621
Payment in Lieu of Taxes	8,231
Collection Losses	151
<i>Depreciation</i>	40,379
Total Operating Expenses	\$ 188,429
Operating Income (Loss)	\$ (90,702)
Nonoperating Revenue (Expense)	
HUD PHA Operating Grant	\$ 69,714
Federal Grants	14,249
Interest Earnings	5,105
Total Nonoperating Revenue (Expenses)	\$ 89,068
Income (Loss) Before Contributions, Transfers and Prior Period Adjustments	\$ (1,634)
Capital Contributions	\$ -0-
Prior Period Adjustments	2,201
Change in Net Assets	\$ 567
Total Net Assets – Beginning	499,561
Total Net Assets - Ending	\$ 500,128

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Jena
Jena, Louisiana
Combining Statement of Cash Flows
Year Ended June 30, 2004
FW - 438**

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 84,667
Receipts from other revenue	13,156
Payments to suppliers	(85,442)
Payments to employees	(53,285)
Payment in lieu of taxes	(7,368)
Net Cash Provided by Operating Activities	<u>\$ (48,272)</u>
Cash Flows From NonCapital Financing Activities	
Subsidy from federal grants	\$ 83,963
Net Cash Provided (used) by NonCapital Financing Activities	<u>\$ 83,963</u>
Cash Flows From Capital and Related Financing Activities	
Other	\$ 2,195
Acquisition and construction of capital assets	(14,249)
Net Cash Provided (used) by Capital and Related Financing Activities	<u>\$ (12,054)</u>
Cash Flows From Investing Activities	
Investments	\$ (4,893)
Interest and dividends received	5,105
Net Cash Provided (used) by Investing Activities	<u>\$ 212</u>
Net Increase in Cash and Cash Equivalents	\$ 23,849
Cash, Beginning of Year	13,820
Cash, End of Year	<u>\$ 37,669</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	<u>\$ (63,702)</u>
Depreciation Expense	\$ 40,379
(Increase) decrease in accounts receivable	(2)
(Increase) decrease in inventories	-0-
(Increase) decrease in prepaid items	389
(Increase) decrease in fixed assets	-0-
Increase (decrease) in customer deposits	100
Increase (decrease) in accounts payable	1,564
Total Adjustments	<u>\$ 42,430</u>
Net Cash Provided by Operating Activities	<u>\$ (48,272)</u>
Listing of Noncash Investing, Capital, and Financial Activities	
Contributions of capital assets from government	<u>\$ 567</u>

The accompanying notes are an integral part of this statement

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements

INTRODUCTION

The Housing Authority of Jena is a 49 unit apartment complex for persons of low income located in Jena, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the Town of Jena, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Jena, Louisiana. Each member serves a four-year term and receives no compensation for their services. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

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-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Interfund activity has been removed from these statements. The housing authority uses enterprise funds to account for its activities.

Separate financial statements are provided for the proprietary funds.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The housing authority reports the following major proprietary funds:

The Low Rent Fund is the housing authority's primary operating fund. It accounts for all financial resources of the housing authority, except those required to be accounted for in another fund.

The CFP Fund is the housing authority's grant operating fund. It accounts for all financial resources of the capital fund projects.

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to their same limitation. The housing authority has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of Interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The housing authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the housing authority's investment policy allow the housing authority to invest in collateralized certificated of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the housing authority are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either "due to/from other funds" (i.e., the current portion of Interfund loans) or "advances to/from other funds" (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net assets. All trade and other receivables are shown net of an allowance for uncollectives.

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The housing maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All Capital Assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>	
Land improvements	20	years
Buildings and building improvements	20	years
Furniture and fixtures	5	years
Vehicles	5	years
Equipment	5	years

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the housing authority, which are either unusual in nature or infrequent in occurrence.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At June 30, 2004, the housing authority has cash and investments (book balances) totaling \$187,567 as follows:

Demand deposits	\$ 37,594
Time deposits	149,898
Other	<u>75</u>
Total	<u>\$ 187,567</u>

These deposits are stated at cost, which is approximated market. 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 June 30, 2004, the housing authority has \$188,888 in deposits (collected bank balances). These deposits are secured from risk by \$188,888 of federal deposit insurance.

**Housing Authority of
The Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

Cash and Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the housing authority or its agent in the housing authority's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the housing authority's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the housing authority's name.

At fiscal year-end, the housing authority's investment balances were as follows:

Demand Deposits	\$	37,594
Certificate of Deposit		62,811
Certificate of Deposit		46,578
Certificate of Deposit		40,594

Total	\$	187,577

Type of Investment	Category			Fair Market Value
	1	2	3	
FDIC (Category 1)	\$ 187,577	\$ -0-	\$ -0-	\$ 187,577

3. RECEIVABLES

The receivables of \$ 2 June 30, 2004 are as follows:

Class of Receivables	Low Rent	2003 CFP	2002 CFP	Total
Accounts	\$ 2	\$ -0-	\$ -0-	\$ 2
Allowance for doubtful accounts	-0-	-0-	-0-	-0-
Total	2	\$ -0-	\$ -0-	\$ 2

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, for the primary government is as follows:

<u>Low Rent</u>	<u>Beginning of Period</u>	<u>Additions</u>	<u>Deletions Transfers</u>	<u>End of Period</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 26,000	\$ -0-	\$ -0-	\$ 26,000
Total capital assets, not being depreciated	\$ 26,000	\$ -0-	\$ -0-	\$ 26,000
Capital assets being depreciated				
Leasehold Improvements	71,353	7,483	-0-	78,836
Buildings	1,673,350	131,749	-0-	1,805,099
Furniture & equipment, etc.	-0-	10,516	-0-	10,516
Total capital assets being depreciated	\$ 1,744,703	\$ 149,748	\$ -0-	\$ 1,894,451
Less accumulated depreciation:	1,577,010	40,379	-0-	1,617,389
Total business-type assets being depreciated, net	\$ 167,693	\$ 109,369	\$ -0-	\$ 277,062
<u>CFP</u>				
Capital Assets	\$ 149,748	\$ 14,249	\$ (149,748)	\$ 14,249

Depreciation expense of \$40,379 for the year ended June 30, 2004 was charged to the following functions:

Buildings	\$ 30,866
Leasehold Improvements	7,410
Furniture & Equipment	2,103
Total Depreciation Expense	\$ 40,379

**Housing Authority of
the Town of Jena
Jena, Louisiana**

Notes to the Financial Statements - (Continued)

5. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$9,631 at June 30, 2004 are as follows:

Accrued Pilot	\$ 8,229
Vendors / Contractors	1,012
State Withholdings	<u>390</u>
Total	<u>\$ 9,631</u>

6. LONG-TERM OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority, and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.

7. CONTINGENT LIABILITIES

At June 30, 2004, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

**Other Supplemental Statements
and Schedules**

**Housing Authority of the Town of Jena
Jena, Louisiana
Combining Statement of Net Assets
June 30, 2004
FW - 438**

	Enterprise Funds			Total
	Low Rent	Major Enterprise Funds		
		2003-2 CFP	2003-1 CFP	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 37,669	\$ -0-	\$ -0-	\$ 37,669
Investments	149,898	-0-	-0-	149,898
Receivables (net of allowances for uncollectable)	2	-0-	-0-	2
Inventory	-0-	-0-	-0-	-0-
Prepaid items	8,353	-0-	-0-	8,353
Total Current Assets	\$ 195,922	\$ -0-	\$ -0-	\$ 195,922
Non-Current Assets:				
Capital assets (net of accumulated depreciation)	\$ 303,063	\$ 10,424	\$ 3,825	\$ 317,312
Total Non-Current Assets	\$ 303,063	\$ 10,424	\$ 3,825	\$ 317,312
TOTAL ASSETS	\$ 498,985	\$ 10,424	\$ 3,825	\$ 513,234
LIABILITIES				
Current Liabilities				
Accrued pilot	8,229	-0-	-0-	8,229
Accounts Payable	1,402	-0-	-0-	1,402
Total Current Liabilities	\$ 9,631	\$ -0-	\$ -0-	\$ 9,631
Non-Current Liabilities				
Tenant security deposits	3,475	-0-	-0-	3,475
Total Non-Current Liabilities	\$ 3,475	\$ -0-	\$ -0-	\$ 3,475
NET ASSETS				
Invested in capital assets, net of related debt	\$ 303,063	\$ 10,424	\$ 3,825	\$ 317,312
Unrestricted	182,816	-0-	-0-	182,816
TOTAL NET ASSETS	\$ 485,879	\$ 10,424	\$ 3,825	\$ 500,128

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Jena
Jena, Louisiana**

**Combining Statement of Revenues, Expenses, and Changes In
Net Assets – Proprietary Funds
Year Ended June 30, 2004**

FW – 2265

	Business-Type Activities – Enterprise Funds		
	Other Enterprise Funds	Major Enterprise Funds	
	Low Rent	2003-2 CFP	2003-1 CFP
Operating Revenues:			
Tenant Revenue	\$ 84,571	\$ -0-	\$ -0-
Other Revenue	13,156	-0-	-0-
Total Operating Revenue	\$ 97,727	\$ -0-	\$ -0-
Operating Expenses			
<i>Administration:</i>			
Administrative Salaries	\$ 33,146	\$ -0-	\$ -0-
EBC Administrative	13,054	-0-	-0-
Accounting / Legal	4,558	-0-	-0-
Travel	1,413	-0-	-0-
Other Operating - Administrative	2,144	3,846	12,315
<i>Cost of Sales & Service</i>			
Water	179	-0-	-0-
Electricity	1,927	-0-	-0-
Other Utilities	251	-0-	-0-
Ordinary Maintenance – Labor	20,139	-0-	-0-
Materials	8,462	-0-	-0-
Contract Cost	13,855	-0-	-0-
EBC Maintenance	8,758	-0-	-0-
Insurance	15,621	-0-	-0-
Payment in Lieu of Taxes	8,231	-0-	-0-
Collection Losses	151	-0-	-0-
<i>Depreciation</i>	40,379	-0-	-0-
Total Operating Expenses	\$ 172,268	\$ 3,846	\$ 12,315
Operating Income (Loss)	\$ (74,541)	\$ (3,846)	\$ (12,315)
Nonoperating Revenue (Expense)			
HUD PHA Operating Grant	\$ 53,553	\$ 3,846	\$ 12,315
Federal Grants	-0-	10,424	3,825
Interest Earnings	5,105	-0-	-0-
Total Nonoperating Revenue (Expenses)	\$ 58,658	\$ 14,270	\$ 16,140
Income (Loss) Before Contributions, Transfers and Prior Period Adjustments	\$ (15,883)	\$ 10,424	\$ 3,825
Capital Contributions	149,748	-0-	-0-
Prior Period Adjustment	2,201	-0-	-0-
Change in Net Assets	\$ 136,066	\$ 10,424	\$ 3,825
Total Net Assets – Beginning	349,813	-0-	-0-
Total Net Assets - Ending	\$ 485,879	\$ 10,424	\$ 3,825

The accompanying notes are an integral part of this statement.

Business-Type Activities – Enterprise Funds

Major Enterprise Funds

2002 CFP	2001 CFP	Total
\$ -0-	\$ -0-	\$ 84,571
-0-	-0-	13,156
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 97,727</u>
\$ -0-	\$ -0-	\$ 33,146
-0-	-0-	13,054
-0-	-0-	4,558
-0-	-0-	1,413
		18,305
-0-	-0-	179
-0-	-0-	1,927
-0-	-0-	251
-0-	-0-	20,139
-0-	-0-	8,462
-0-	-0-	13,855
-0-	-0-	8,758
-0-	-0-	15,621
-0-	-0-	8,231
-0-	-0-	151
-0-	-0-	40,379
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 188,429</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (90,702)</u>
\$ -0-	\$ -0-	\$ 69,714
-0-	-0-	14,249
-0-	-0-	5,105
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 89,068</u>
\$ -0-	\$ -0-	\$ (1,634)
(77,502)	(72,246)	-0-
-0-	-0-	2,201
<u>\$ (77,502)</u>	<u>\$ (72,246)</u>	<u>\$ 567</u>
77,502	72,246	499,561
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 500,128</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Jena
Jena, Louisiana
Combining Statement of Cash Flows
Year Ended June 30, 2004
FW – 438**

	Enterprise Funds		
	Low Rent	Major Enterprise Funds	
		2003-2 CFP	2003-1 CFP
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 84,667	\$ -0-	\$ -0-
Receipts from other revenue	13,156	-0-	-0-
Payments to suppliers	(69,281)	(3,846)	(12,315)
Payments to employees	(53,285)	-0-	-0-
Payment in lieu of taxes	(7,368)	-0-	-0-
Net Cash Provided by Operating Activities	\$ (32,111)	\$ (3,846)	\$ (12,315)
Cash Flows From NonCapital Financing Activities			
Subsidy from federal grants	\$ 53,553	\$ 14,270	\$ 16,140
Net Cash Provided (used) by NonCapital Financing Activities	\$ 53,553	\$ 14,270	\$ 16,140
Cash Flows From Capital and Related Financing Activities			
Other	\$ 2,195	\$ -0-	\$ -0-
Acquisition and construction of capital assets	-0-	(10,424)	(3,825)
Net Cash Provided (used) by Capital and Related Financing Activities	\$ 2,195	\$ (10,424)	\$ (3,825)
Cash Flows From Investing Activities			
Investments	\$ (4,893)	\$ -0-	\$ -0-
Interest and dividends received	5,105	-0-	-0-
Net Cash Provided (used) by Investing Activities	\$ 212	\$ -0-	\$ -0-
Net Increase in Cash	\$ 23,849	\$ -0-	\$ -0-
Cash, Beginning of Year	13,820	-0-	-0-
Cash, End of Year	\$ 37,669	\$ -0-	\$ -0-
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities			
Operating Income	\$ (74,541)	\$ (3,846)	\$ (12,315)
Depreciation Expense	\$ 40,379	\$ -0-	\$ -0-
(Increase) decrease in accounts receivable	(2)	-0-	-0-
(Increase) decrease in inventories	-0-	-0-	-0-
(Increase) decrease in prepaid items	389	-0-	-0-
(Increase) decrease in fixed assets	-0-	-0-	-0-
Increase (decrease) in customer deposits	100	-0-	-0-
Increase (decrease) in accounts payable	1,564	-0-	-0-
Total Adjustments	\$ 42,430	\$ -0-	\$ -0-
Net Cash Provided by Operating Activities	\$ (32,111)	\$ (3,846)	\$ (12,315)
Listing of Noncash Investing, Capital, and Financial Activities			
Contributions of capital assets from government	\$ 136,066	\$ 10,424	\$ 3,825

The accompanying notes are an integral part of this statement

Enterprise Funds

Major Enterprise Funds		
2002	2001	Total
CFP	CFP	
\$ -0-	\$ -0-	\$ 84,667
-0-	-0-	13,156
-0-	-0-	(85,442)
-0-	-0-	(53,285)
-0-	-0-	(7,368)
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (48,272)</u>
\$ -0-	\$ -0-	\$ 83,963
\$ -0-	\$ -0-	\$ 83,963
\$ -0-	\$ -0-	\$ 2,195
-0-	-0-	(14,249)
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (12,054)</u>
\$ -0-	\$ -0-	\$ (4,893)
-0-	-0-	5,105
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>212</u>
\$ -0-	\$ -0-	\$ 23,849
-0-	-0-	13,820
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 37,669</u>
\$ -0-	\$ -0-	(63,702)
\$ -0-	\$ -0-	40,379
-0-	-0-	(2)
-0-	-0-	-0-
-0-	-0-	389
-0-	-0-	-0-
-0-	-0-	100
-0-	-0-	1,564
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 42,430</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (48,272)</u>
<u>\$ (77,502)</u>	<u>\$ (72,246)</u>	<u>\$ 567</u>

The accompanying notes are an integral part of this statement

**Housing Authority of the Town of Jena
Jena, Louisiana
Schedule of Compensation Paid to Board Members
Year Ended June 30, 2004
FW - 438**

Board Member	Title	Salary
Keith Tarver	Chairman	\$ -0-
Earl Peavy	Vice-Chairman	-0-
Laverne Paul	Commissioner	-0-
Guy Campbell	Commissioner	-0-
Carolyn G. Hatcher	Commissioner	-0-

**Housing Authority of the Town of Jena
Jena, Louisiana**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract
FW - 438**

	Project 2003-2	Project 2003-1	Total
1. The Actual Modernization Costs are as follows:			
Funds Approved	\$ 14,270	\$ 71,602	\$ 85,872
Funds Expended	(14,270)	(16,140)	(30,410)
Excess of Funds Approved	\$ -0-	\$ 55,462	\$ 55,462
2. Funds Advanced	\$ 14,270	\$ 16,140	\$ 30,410
Funds Expended	(14,270)	(16,140)	(30,410)
Excess of Funds Advanced	\$ -0-	\$ -0-	\$ -0-

The accompanying notes are an integral part of this statement.

Other Reports

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

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

Housing Authority of the
Town of Jena
Jena, Louisiana

I have audited the financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the Town of Jena, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Housing Authority of the Town of Jena's basic financial statements and have issued my report thereon dated August 20, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Jena, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the Town of Jena, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the information and use of management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

August 20, 2004
Jena, Louisiana

**HOUSING AUTHORITY OF THE TOWN OF JENA
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2004**

I have audited the basic financial statements which collectively comprise the Housing Authority of the Town of Jena, Louisiana, as of and for the year ended June 30, 2004 and have issued my report thereon dated June 30, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2004 resulted in a unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards – (Not Applicable)

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:

§

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

Yes No

**HOUSING AUTHORITY OF THE TOWN OF JENA
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2004**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report.

**HOUSING AUTHORITY OF THE TOWN OF JENA
JENA, LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2004

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the Town of Jena, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2003.

There were no prior year findings.

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

During the course of my audit, I observed conditions and circumstances that may be improved. Below are findings noted for improvement, my recommendation for improvement and the Housing Authority's plan for corrective action.

There are no current year comments.

PHA: LA142 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$37,669	\$0	\$37,669
100	Total Cash	\$37,669	\$0	\$37,669
126	Accounts Receivable - Tenants - Dwelling Rents	\$2	\$0	\$2
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$2	\$0	\$2
131	Investments - Unrestricted	\$149,898	\$0	\$149,898
142	Prepaid Expenses and Other Assets	\$8,353	\$0	\$8,353
150	Total Current Assets	\$195,922	\$0	\$195,922
161	Land	\$26,000	\$0	\$26,000
162	Buildings	\$1,805,100	\$0	\$1,805,100
163	Furniture, Equipment & Machinery - Dwellings	\$10,516	\$0	\$10,516
165	Leasehold Improvements	\$78,836	\$0	\$78,836
166	Accumulated Depreciation	\$-1,617,389	\$0	\$-1,617,389
167	Construction In Progress	\$0	\$14,249	\$14,249
160	Total Fixed Assets, Net of Accumulated Depreciation	\$303,063	\$14,249	\$317,312
180	Total Non-Current Assets	\$303,063	\$14,249	\$317,312
190	Total Assets	\$498,985	\$14,249	\$513,234

PHA: LA142 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$1,402	\$0	\$1,402
341	Tenant Security Deposits	\$3,475	\$0	\$3,475
346	Accrued Liabilities - Other	\$8,229	\$0	\$8,229
310	Total Current Liabilities	\$13,106	\$0	\$13,106
350	Total Noncurrent Liabilities	\$0	\$0	\$0
300	Total Liabilities	\$13,106	\$0	\$13,106
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$303,063	\$14,249	\$317,312
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$182,816	\$0	\$182,816
513	Total Equity/Net Assets	\$485,879	\$14,249	\$500,128
600	Total Liabilities and Equity/Net Assets	\$498,985	\$14,249	\$513,234

PHA: LA142 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$84,571	\$0	\$84,571
704	Tenant Revenue - Other	\$13,156	\$0	\$13,156
705	Total Tenant Revenue	\$97,727	\$0	\$97,727
706	HUD PHA Operating Grants	\$53,553	\$16,161	\$69,714
706.1	Capital Grants	\$0	\$14,249	\$14,249
711	Investment Income - Unrestricted	\$5,105	\$0	\$5,105
700	Total Revenue	\$156,385	\$30,410	\$186,795

PHA: LA142 FYED: 06/30/2004

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$33,146	\$0	\$33,146
912	Auditing Fees	\$4,558	\$0	\$4,558
915	Employee Benefit Contributions - Administrative	\$13,054	\$0	\$13,054
916	Other Operating - Administrative	\$3,557	\$16,161	\$19,718
931	Water	\$179	\$0	\$179
932	Electricity	\$1,927	\$0	\$1,927
938	Other Utilities Expense	\$251	\$0	\$251
941	Ordinary Maintenance and Operations - Labor	\$20,139	\$0	\$20,139
942	Ordinary Maintenance and Operations - Materials and Other	\$8,462	\$0	\$8,462
943	Ordinary Maintenance and Operations - Contract Costs	\$13,855	\$0	\$13,855
945	Employee Benefit Contributions - Ordinary Maintenance	\$8,758	\$0	\$8,758
961	Insurance Premiums	\$15,621	\$0	\$15,621
963	Payments in Lieu of Taxes	\$8,231	\$0	\$8,231
966	Bad Debt - Other	\$151	\$0	\$151
969	Total Operating Expenses	\$131,889	\$16,161	\$148,050
970	Excess Operating Revenue over Operating Expenses	\$24,496	\$14,249	\$38,745
974	Depreciation Expense	\$40,379	\$0	\$40,379
900	Total Expenses	\$172,268	\$16,161	\$188,429
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-15,883	\$14,249	\$-1,634

PHA: LA142 FYED: 06/30/2004

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	\$352,013	\$149,749	\$501,762
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$149,749	\$-149,749	\$0
1120	Unit Months Available	588	0	588
1121	Number of Unit Months Leased	588	0	588