

**HOUSING AUTHORITY OF
THE CITY OF BOSSIER CITY
Bossier City, Louisiana**

**Basic Financial Statements
With Independent Auditors' Reports
As of and for the Year Ended
June 30, 2004
With Supplemental Information Schedules**

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 2-23-05

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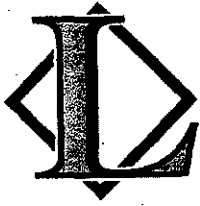
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HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana
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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

To the Board of Commissioner
Housing Authority of the City of Bossier City
Bossier City, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of Bossier City as of and for the year ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of the Housing Authority of the City of Bossier City. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Bossier City as of June 30, 2004, and results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

As described in Note 1 to the basic financial statements, the Housing Authority of the City of Bossier City 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* and Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, as of July 1, 2003. This results in a change in the form and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2004, on our consideration of the Housing Authority of the City of Bossier City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit

The Board of Commissioners
Housing Authority of the City of Bossier City
Bossier City, Louisiana
June 30, 2004

performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial data schedule, the schedule of expenditures of federal awards, and the other supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Housing Authority of the City of Bossier City, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Little & Associates, LLC

Monroe, Louisiana
October 26, 2004

Management's Discussion and Analysis

Housing Authority of the City of Bossier City, Louisiana

Management's Discussion and Analysis (MD&A) June 30, 2004

(Unaudited)

We the management of the Housing Authority of the city of Bossier City present 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 Housing Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at June 30, 2004 by approximately \$13,532,273 at the close of the fiscal year ended 2004.
- Of this amount, \$1,608,112 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 37 percent, or about 4 months, of the total operating expenses for the fiscal year 2004.
- The remainder of \$11,924,161 represents restrictions equal to the net amount invested in land, building, furnishings, leasehold improvements, and equipment, of \$11,731,761, and future capital expenditures of \$192,400.
- The Housing Authority's total net assets decreased by \$4,033, a .03% decrease from fiscal year 2003.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's basic financial statements are comprised of two components. 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

The financial statements are designed to provide readers with a broad overview of the Housing Authority's finances in a manner similar to a private sector business.

The *balance sheet* presents information on all of the Housing Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

Management's Discussion and Analysis (MD&A)

June 30, 2004

(Unaudited)

The *statement of revenue, expenses and changes in net assets* presents information detailing how the Housing Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., depreciation and earned but unused vacation leave.).

The *statement of cash flows* provides information about the Housing Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

These financial statements report on the functions of the Housing Authority that are principally supported by intergovernmental revenues. The Housing Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U. S. Department of Housing and Urban Development (HUD) and dwelling rentals.

MAJOR PROGRAMS

The Housing Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Low-Income Public Housing – Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the Housing Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program – The Conventional Public Housing Program also included the Capital Fund Program, the primary funding source for the Housing Authority's physical and management improvements. The formula funding methodology is based on size and age of the Housing Authority's units.

Section 8 Housing Assistance – New Construction/Substantial Rehabilitation and Moderate Rehabilitation – These programs assist low-income families in affording decent, safe and sanitary housing by encouraging property owners to construct new, or rehabilitate existing substandard housing, and then lease the units with rental subsidies to low-income families.

Riverwood Apartments – The Riverwood Apartments (Business Activities) fund accounts for the activity of a 300-unit multifamily complex acquired by the Housing Authority from HUD in September 1995.

FINANCIAL ANALYSIS

Fund Financial Statements

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The

Management's Discussion and Analysis (MD&A)

June 30, 2004

(Unaudited)

Housing Authority has only one fund type, namely an enterprise fund which is a proprietary fund type. The financial statements can be found on pages 9 through 15 of this report.

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 16 through 27 of this report.

Balance Sheet

The following table represents a condensed Balance Sheet as of June 30, 2004:

Current Assets	\$	2,225,021
Restricted Assets		778,954
Fixed Assets		<u>13,487,524</u>
Total Assets	\$	<u>16,491,499</u>
Current Liabilities	\$	2,654,532
Long Term Liabilities		<u>222,286</u>
Total Liabilities		<u>2,959,226</u>
Net Assets:		
Invested in capital assets	\$	11,731,761
Restricted net assets		192,400
Unrestricted net assets		<u>1,608,112</u>
Total Net Assets		<u>13,532,273</u>
Total Liabilities and Net Assets	\$	<u>16,491,499</u>

Fiscal year 2004 is the first year the Housing Authority has implemented Governmental Accounting Board (GASB) Statement No. 34; accordingly, a comparative analysis of current and prior year balances is not included. However, such an analysis will exist in subsequent years.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets exceeded liabilities by approximately \$13,532,273 at June 30, 2004.

Management's Discussion and Analysis (MD&A)

June 30, 2004

(Unaudited)

By far the largest portion of the Housing Authority's net assets (87%) reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Housing Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net assets of the Housing Authority are available for future use to provide program services.

Statement of Revenues, Expenses, and Changes in Net Assets

The following table represents a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2004:

Revenues

Dwelling rental and other	\$ 1,481,519	
Interest Earnings	25,465	
Gain (Loss) on disposition of capital assets	(119,585)	
Gain (Loss) on casualty	7,363	
AHP grant	<u>1,934,484</u>	
Total Revenues		3,504,246

Expenses

Administration	643,375	
Tenant services	81,081	
Utilities	174,657	
Ordinary maintenance and operations	969,712	
Protective services	282,820	
General expenses	593,248	
Housing assistance payments	729,363	
Depreciation	<u>847,663</u>	
Total Expenses		<u>4,331,919</u>

Management's Discussion and Analysis (MD&A)

June 30, 2004

(Unaudited)

Excess Deficiency before Contributions and Transfers	(817,673)
Partners' equity contributions	<u>813,640</u>
Net decrease in net assets	<u>\$ (4,033)</u>

The net assets of the Housing Authority decreased by \$4,003 during the year ended June 30, 2004. The Housing Authority's revenues are derived primarily from dwelling rental income and various HUD programs. The Housing Authority's revenues were sufficient to cover all expenses incurred during the year (excluding depreciation expense).

Capital Assets and Long Term Debt Activity

Capital Assets

As of June 30, 2004, the Housing Authority's investment in capital assets for its business-type activities was approximately \$ 13,312,524 (net of accumulated depreciation) as reflected in the following schedule.

Land	\$ 823,011
Buildings	18,485,582
Equipment	818,934
Leasehold Improvements	1,831,961
Construction in progress	3,600,623
Accumulated Depreciation	<u>(12,247,587)</u>
Total	\$ <u>13,312,524</u>

Major capital asset purchases during the year ended June 30, 2004 include dwelling structure improvements and development activity.

Additional information on the Housing Authority's capital assets can be found in Note 5 on page 24 of this report.

Debt

The Housing Authority loaned \$175,000 to Eagle Point Development I Limited Partnership. The loan proceeds were utilized by Eagle Point I in the construction of a low-income housing tax credit project.

Eagle Point I Limited Partnership is committed to entering into a permanent financing arrangement for the construction and development of its low-income housing tax credit project.

Management's Discussion and Analysis (MD&A)

June 30, 2004

(Unaudited)

Economic Factors and Next Year's Budgets and Rates

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The Budgets for 2004-2005 have already been approved by HUD.

Future Events That Will Financially Impact the Housing Authority

The redevelopment of Riverwood Apartments (Business Activities) under the three Eagle Pointe Development Limited Partnerships [Low Income Housing Tax Credit (LIHTC) projects] will begin leasing the first phase of its completed units. It is anticipated that full occupancy of its 44 units will be achieved by December 17, 2004. The next funded phase of 60 units will break ground on December 23, 2004. The next funded phase of 48 units will break ground in late 2005. The relocation of tenants and demolition of vacated buildings is expected to decrease the annual rental income by 23%, however the rental income from Eagle Pointe Phase I will contribute approximately 28%.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Housing Authority of the City of Bossier City, 805 First Street East, Bossier City, LA 71171, or call (318) 549 -1556.

Basic Financial Statements

STATEMENT A

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2004

	SECTION 8 - NEW CONSTRUCTION				RIVERWOOD	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE I	TOTAL
	GENERAL	CLOVERDALE						
ASSETS								
Current Assets:								
Cash and cash equivalents	\$ 32,535	\$ 144,488	\$ 4,643	\$ 181,666	\$ 981	\$ 182,647		
Investments	818,801	-	457,360	1,276,161	-	1,276,161		
Receivables (net of allowances for uncollectibles)	36,864	-	5,149	42,013	-	42,013		
Internal balances	(60,082)	(2,300)	62,382	-	-	-		
Due from component unit	-	-	538,422	538,422	-	538,422		
Inventory	29,780	-	-	29,780	-	29,780		
Prepaid expenses	108,618	-	47,380	155,998	-	155,998		
Other assets	-	-	-	-	-	-		
Total Current Assets	966,516	142,188	1,115,336	2,224,040	981	2,225,021		
Restricted Assets:								
Cash and cash equivalents	504,140	-	32,989	537,129	-	537,129		
Investments	241,825	-	-	241,825	-	241,825		
Total Restricted Assets	745,965	-	32,989	778,954	-	778,954		
Noncurrent Assets:								
Due from component unit (loan)	175,000	-	-	175,000	-	175,000		
Capital assets:								
Land	723,011	-	90,000	813,011	10,000	823,011		
Buildings and equipment (net of accumulated depreciation)	7,591,040	-	1,297,851	8,888,891	-	8,888,891		
Construction/Development-in-progress	182,980	-	-	182,980	3,417,642	3,600,622		
Total Non-Current Assets	8,672,031	-	1,387,851	10,059,882	3,427,642	13,487,524		
TOTAL ASSETS	\$ 10,384,512	\$ 142,188	\$ 2,536,176	\$ 13,062,876	\$ 3,428,623	\$ 16,491,499		

(CONTINUED)

STATEMENT A

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2004

	SECTION 8 - NEW				RIVERWOOD	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE I	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE						
LIABILITIES								
Current Liabilities:								
Accounts payable	30,946	-	\$ 24,658	\$ 55,604		\$ 3,228	58,832	
Accounts payable - HLID	-	77,610	-	77,610		-	77,610	
Accrued wages and payroll taxes	5,487	-	3,087	8,574		488,442	8,574	
Contracts payable	-	-	-	-		538,422	488,442	
Due to primary government	-	-	-	-		-	538,422	
Deferred revenues	2,831	-	2,601	5,432		4,128	5,432	
Other liabilities	40,969	-	-	40,969		1,405,763	45,097	
Note payable - construction loan	-	-	-	-		-	1,405,763	
Accrued compensated absences - current portion	18,453	-	7,907	26,360		-	26,360	
Total Current Liabilities	98,686	77,610	38,253	214,549		2,439,983	2,654,532	
Current Liabilities Payable from restricted assets - tenant security deposits	49,425	-	32,983	82,408		-	82,408	
Non Current Liabilities:								
Due to primary government (loan)	-	-	-	-		175,000	175,000	
Accrued compensated absences - net of current portion	40,490	-	6,796	47,286		-	47,286	
Total Non-Current Liabilities	40,490	-	6,796	47,286		175,000	222,286	
Total Liabilities	188,601	77,610	78,032	344,243		2,614,983	2,959,226	
NET ASSETS								
Invested in capital assets, net of related debt	8,497,031	-	1,387,851	9,884,882		1,846,879	11,731,761	
Restricted	192,400	-	-	192,400		-	192,400	
Unrestricted	1,506,480	64,578	1,070,293	2,641,351		(1,033,239)	1,608,112	
Total Net Assets	10,195,911	64,578	2,458,144	12,718,633		813,640	13,532,273	
TOTAL LIABILITIES AND NET ASSETS	\$ 10,384,512	\$ 142,188	\$ 2,336,176	\$ 13,062,876		\$ 3,428,623	\$ 16,491,499	

(CONCLUDED)

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSET
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000.

	SECTION 8 - NEW				TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE I	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD				
OPERATING REVENUES							
Dwelling rental	\$ 511,250	\$ -	\$ 901,544	\$ -	\$ 1,412,794	\$ -	\$ 1,412,794
Other	33,644	-	35,081	-	68,725	-	68,725
Total Operating Revenues	544,894	-	936,625	-	1,481,519	-	1,481,519
OPERATING EXPENSES							
Administration	387,378	23,660	232,337	-	643,375	-	643,375
Tenant services	64,977	-	16,104	-	81,081	-	81,081
Utilities	101,554	-	73,103	-	174,657	-	174,657
Ordinary maintenance and operations	581,833	-	387,879	-	969,712	-	969,712
Protective services	141,740	-	141,080	-	282,820	-	282,820
General expenses	416,621	9,638	166,989	-	593,248	-	593,248
Housing assistance payments	-	729,363	-	-	729,363	-	729,363
Depreciation	774,539	-	73,124	-	847,663	-	847,663
Total Operating Expenses	2,468,642	762,661	1,090,616	-	4,321,919	-	4,321,919
OPERATING INCOME (LOSS)	(1,923,748)	(762,661)	(153,991)	-	(2,840,400)	-	(2,840,400)
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	19,685	950	4,830	-	25,465	-	25,465
Gain (Loss) on disposition of capital assets	(410)	-	(119,175)	-	(119,585)	-	(119,585)
Gain (Loss) on casualty	4,757	-	2,606	-	7,363	-	7,363
AHP grant	175,000	-	-	-	175,000	-	175,000
Federal grants	1,074,918	772,007	-	-	1,846,925	-	1,846,925
Total Nonoperating Revenues (Expenses)	1,273,950	772,957	(111,739)	-	1,935,168	-	1,935,168

(CONTINUED)

STATEMENT B

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	SECTION 8 - NEW			RIVERWOOD	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE I	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE					
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(649,798)	10,296	(265,730)	(905,232)	(905,232)	-	(905,232)
Capital contributions	87,559	-	-	87,559	87,559	813,640	901,199
Transfers	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	(562,239)	10,296	(265,730)	(817,673)	(817,673)	813,640	(4,033)
TOTAL NET ASSETS - BEGINNING	10,758,150	54,282	2,723,874	13,536,306	13,536,306	-	13,536,306
TOTAL NET ASSETS - ENDING	<u>\$ 10,195,911</u>	<u>\$ 64,578</u>	<u>\$ 2,458,144</u>	<u>\$ 12,718,633</u>	<u>\$ 12,718,633</u>	<u>\$ 813,640</u>	<u>\$ 13,532,273</u>

(CONCLUDED)

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	SECTION 8 - NEW				TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE I	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD				
Cash Flows From Operating Activities							
Dwelling rent receipts	\$ 523,625		\$ 906,604		\$ 1,430,229	\$ -	\$ 1,430,229
Other receipts	27,591		36,431		64,022		64,022
Payments to suppliers	(1,262,825)	(7,138)	(769,447)		(2,039,410)		(2,039,410)
Payments to employees	(389,889)	(21,360)	(224,885)		(636,134)		(636,134)
Other payments	(74,578)	(2,500)	(16,104)		(93,182)		(93,182)
Interfund receipts (payments)	(24,522)	26,063	(1,541)		-		-
Housing assistance payments	-	(729,363)			(729,363)		(729,363)
Net Cash Provided (Used) by Operating Activities	(1,200,598)	(734,298)	(68,942)		(2,003,838)		(2,003,838)
Cash Flows From NonCapital Financing Activities							
Transfers to other funds	-				-		-
Advances to (from) other funds	-				-		-
Federal grants	1,141,345	826,419			1,967,764		1,967,764
Net Cash Provided (Used) by Noncapital Financing Activities	1,141,345	826,419			1,967,764		1,967,764
Cash Flows From Capital and Related Financing Activities							
Purchases of capital assets	(90,564)		(49,291)		(139,855)		(139,855)
Acquisition and construction of capital assets	(64,015)				(64,015)	(2,560,113)	(2,624,128)
Proceeds from capital debt	-				-	1,405,763	1,405,763
Interest paid on capital debt	-				-		-
Loan (to component unit)/from primary government	(110,985)		(240,706)		(351,691)	351,691	-
Contributed capital	262,559				262,559	803,640	1,066,199
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,005)	-	(289,997)		(293,002)	981	(292,021)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
 STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004

	SECTION 8 - NEW			RIVERWOOD	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE					
Cash Flows From Investing Activities							
Increase in restricted assets							
(Increase) Decrease in investments	515,343	950	304,969		820,312		820,312
Interest and dividends received	19,685		4,830		25,465		25,465
Net Cash Provided (Used) by Investing Activities	535,028	950	309,799		845,777		845,777
Net Increase in Cash and Cash Equivalents	472,770	93,071	(49,140)		516,701	981	517,682
Cash and Cash Equivalents, Beginning of Year	63,905	51,417	86,772		202,094		202,094
Cash and Cash Equivalents, End of Year	536,675	144,488	37,632		718,795	981	719,776

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	SECTION 8 - NEW				TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT - EAGLE POINTE	TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD				
	\$ (1,923,748)	\$ (762,661)	\$ (153,991)	\$ -	\$ (2,840,400)	\$ -	\$ (2,840,400)
	774,539	-	73,124		847,663		847,663
	13,335		5,581		18,916		18,916
	20,324	27,915			48,239		48,239
	(9,178)				(9,178)		(9,178)
	(3,341)		174		(3,167)		(3,167)
	(14,860)		(513)		(15,373)		(15,373)
	655		3,737		4,392		4,392
	(736)		5,316		4,580		4,580
	1,453		(829)		624		624
	(59,041)	448	(1,541)		(60,134)		(60,134)
	723,150	28,363	85,049		836,562		836,562
	\$ (1,200,598)	\$ (734,298)	\$ (68,942)	\$ -	\$ (2,003,838)	\$ -	\$ (2,003,838)

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, net	
(Increase) decrease in due from other funds	
(Increase) decrease in inventories	
(Increase) decrease in prepaid items	
Increase (decrease) in accounts payable	
Increase (decrease) in customer deposits	
Increase (decrease) in compensated absences	
Increase (decrease) in deferred revenues	
Increase (decrease) in due to other funds	
Total Adjustments	

Net Cash Provided by Operating Activities

Listing of Noncash Investing, Capital, and Financial Activities

Contributions of capital assets from primary government	\$ (10,000)	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Acquisition of capital assets through the incurrence of liabilities	\$ 64,015	\$ -	\$ -	\$ -	\$ 64,015	\$ 494,817

(CONCLUDED)

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The Housing Authority has the following units:

	<u>Number of Units</u>
PHA Owned Housing	437
Section 8 - New Construction - Cloverdale	180
Non HUD Programs:	
Riverwood	264

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority of the City of Bossier City, Louisiana is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

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

GASB Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting unit:

Eagle Pointe Development I Limited Partnership, Eagle Pointe Development II Limited Partnership, and Eagle Pointe Development III Limited Partnership are legally separate entities. The Managing General Partner of each partnership is Bossier Housing Corporation, Inc., a not-for-profit corporation. The Board of Directors of Bossier Housing Corporation, Inc. consists entirely of the Board of Commissioners of the Housing Authority. The Housing Authority can impose its will on Eagle Pointe II and III. However, the Housing Authority can impose its will, only to the extent allowed in its partnership agreement, on Eagle Pointe I. Also, the Housing Authority has provided development funding for each partnership. The partnerships provide no direct services to the Housing Authority. Based on the above, it has been determined that the Eagle Pointe II and Eagle Pointe III are component units of the Housing Authority and should be included in the Housing Authority's financial statements as blended entities. Eagle Point Development I Limited Partnership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

B. BASIS OF PRESENTATION AND FUND ACCOUNTING

The accounts of the Housing Authority are organized and operated on a fund basis whereby a self-balancing set of accounts, which comprise the Housing Authority's assets, liabilities, net assets, revenues, and expenses, is maintained. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. The general fund accounts for the transactions of the public housing low rent program, the capital funds program, and the tenant assistance program. The other funds reported by the Housing Authority are the Section 8 - New Construction and Substantial Rehabilitation Program for which the Housing Authority is the contract administrator, and Riverwood Apartments, a market rate multi-family complex acquired by the Housing Authority from the United States Department of Housing and Urban Development in September 1995.

The Housing Authority's operating revenues include dwelling rentals, charges, and other revenues paid by the tenants of the Housing Authority's projects. Revenues that are not classified as operating revenues are presented as nonoperating revenues.

The accompanying basic financial statements of the Housing Authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (the "Statement"), which was unanimously approved in June 1999 by the Governmental Accounting Standards Board. Certain of the changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Housing Authority's overall financial position and results of operations is required to be presented.
- Fund Equity that had been classified as contributed capital and retained earnings is now reported as Net Assets and classified as either (a) invested in capital assets, net of related debt, (b) restricted net assets, or (c) unrestricted net assets.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary funds are reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

D. BUDGET PRACTICES

The Housing authority adopted budgets for all funds. Budgets for the Capital Funds Programs are multiple-year budgets.

HUD approves all budgets for all HUD-funded programs. Such budgets are controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners; however, the Executive Director is authorized to transfer amounts between line items within any fund provided such transfer does not change the total of any function. Monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Formal budgetary integration is employed as a management control device during the year.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits (including interest-bearing), time deposits having an original maturity of ninety days or less, and cash with the fiscal agent. Under state law, the Housing authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Housing Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Housing authority has cash demand deposits (book balances) totaling \$718,795.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

These deposits are stated at cost, which approximates fair value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposit balances (bank balances) at June 30, 2004, total \$835,896. Of this amount, \$404,140 in deposits are not covered by federal deposit insurance or pledged securities. The remaining deposits, \$431,756, are covered by federal deposit insurance and/or pledged securities held in a Federal Reserve pledge account and, thus, are not exposed to custodial credit risk.

F. INVESTMENTS

Financial instruments having original maturities exceeding ninety days are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents. Investments are reported at either fair value or amortized cost.

G. BAD DEBTS

Uncollectible amounts due from tenants are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate that the amount of the particular receivable is uncollectible.

H. INTERNAL BALANCES

During the course of operations, numerous transactions occur between individual funds and programs for services rendered or for reimbursement of costs paid by one fund or program on behalf of another fund or program. These receivables and payables are classified in internal balances on the balance sheet. The internal balances are eliminated at the primary government level in the balance sheet.

I. INVENTORY

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

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

J. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

K. TENANTS' REFUNDABLE SECURITY DEPOSITS

The Housing Authority requires tenants to place a deposit before moving into a unit. These deposits are considered restricted and are held until the tenant moves out.

L. CAPITAL ASSETS

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

Buildings	40 years
Building and site improvements	15 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

M. VACATION AND SICK LEAVE

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 the employee's retirement or termination date.

N. RESTRICTED NET ASSETS

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

O. RISK MANAGEMENT

The Housing Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Housing Authority maintains commercial insurance policies covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2004.

P. USE OF ESTIMATES

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

2. INVESTMENTS

At June 30, 2004, the Housing Authority's investments included an investment in a certificate of deposit in a local financial institution. The certificate of deposit is reported in the financial statements at its amortized cost of \$100,000. Furthermore, the certificate of deposit is categorized in Category 1 in the three risk categories provided by GASB Codification Section I50.125.

In addition, at June 30, 2004, the Housing Authority held investments of \$1,517,986, stated at cost, which approximates market value, in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana for the purpose of operating a local government investment pool.

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2004, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore is not evidenced by securities that exist in physical or book entry form. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's *Investment Guidelines* were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP is subject to the regulatory oversight of the State Treasurer and its board of directors. LAMP is not registered with the SEC as an investment company.

3. RESTRICTED ASSETS

Restricted assets at June 30, 2004, are as follows:

General:	
Investments - tenants' deposits	\$ 49,425
Investments - replacement reserve	192,400
Cash and cash equivalents - collateral deposit	504,140
Riverwood:	
Cash and cash equivalents - tenants' deposits	32,989
Total restricted assets	<u>\$ 778,954</u>

4. RECEIVABLES

The following is a summary of receivables, net of allowance for doubtful accounts, at June 30, 2004:

	General	Riverwood	Total
Tenants	\$ 13,360	\$ 5,279	\$ 18,639
Other	493		493

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

	General	Riverwood	Total
Federal and State Grants	23,990		23,990
Total	37,843	5,279	43,122
Less allowance for doubtful accounts	(979)	(130)	(1,109)
Total	\$ 36,864	\$ 5,149	\$ 42,013

5. FIXED ASSETS

The following presents the changes in fixed assets for the year ended June 30, 2004:

	Balance at July 1, 2003	Additions	Deletions	Balance at June 30, 2004
Land	\$ 823,011	\$ 10,000	\$ (10,000)	\$ 823,011
Buildings and improvements	19,530,789	923,222	(136,468)	20,317,543
Furniture and equipment	748,814	76,006	(5,885)	818,934
Construction in progress	1,340,069	3,183,775	(923,222)	3,600,622
Total	\$22,442,683	\$4,193,003	\$(1,075,575)	\$ 25,560,111
Less accumulated depreciation:				
Buildings and improvements	\$10,866,182	\$ 770,759	\$ (27,294)	\$ 11,609,647
Furniture and equipment	566,310	76,905	(5,275)	637,940
Total	11,432,492	847,664	(32,569)	12,247,587
Fixed assets, net	\$11,010,191	\$3,345,338	\$(1,043,006)	\$ 13,312,524

6. RETIREMENT SYSTEM

The employees of the Housing Authority of the City of Bossier City participate in the Housing-Renewal and Local Agency Retirement Plan, which is a defined contribution plan. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular, full-time employees are eligible to participate in the plan on the first day of the month following completion of six months of continuous uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of his basic compensation. The Housing Authority makes a monthly contribution equal to 8.5% of each participant's basic compensation.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

Employees are considered fully vested in the plan after five years of continuous participation. Forfeitures of Housing Authority's contributions and interest earnings by employees who leave before being fully vested are used to offset future contributions by the Housing Authority.

At June 30, 2004, 2003, and 2002, the Housing Authority's contributions to the plan totaled \$58,097, \$61,879, and \$57,052, respectively.

7. COMPENSATED ABSENCES

At June 30, 2004, employees of the Housing Authority had accumulated and vested \$73,646 of employee leave benefits, computed in accordance with GASB Codification C60. These amounts are recorded as liabilities within the fund from which payment will be made.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the various funds when leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave privileges not requiring current resources is considered a long-term obligation.

8. LONG-TERM OBLIGATIONS

Long-term obligations consist of compensated absences in the amount of \$47,286 and a loan in the amount of \$175,000 due to the primary government from Eagle Point Development I Limited Partnership, a component unit. The following is a summary of long-term obligations for the year ended June 30, 2004:

Balance at July 1, 2003	\$ 50,811
Additions	197,835
Retirements	-
Balance at June 30, 2004	<u>248,646</u>
Less current portion of long-term obligations	<u>(26,360)</u>
Long-term obligations	<u>\$222,286</u>

9. CONSTRUCTION LOAN

Eagle Pointe Development I Limited Partnership has entered into a construction loan agreement with Bank One, NA for the purpose of funding a portion of the construction of Eagle Pointe I. Interest is payable monthly on the loan at the LIBOR Rate, plus 2.50%. The loan matures on the earliest to occur

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

of (i) May 5, 2005, (ii) the expiration, termination, or cancellation of the Permanent Loan Commitment, or (iii) the occurrence of an event of default. The loan is collateralized primarily by real estate and its improvements and equipment.

10. LITIGATION AND CLAIMS

At June 30, 2004, the Housing Authority is not involved in any known pending or threatened litigation, nor is it aware of any unasserted claims.

11. COMMITMENTS AND CONTINGENCIES

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

The Housing Authority has certain major construction projects in progress at June 30, 2004, that are funded by HUD. Funds are requested periodically as the costs are incurred.

The Housing Authority participates in a number of federal 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 grant. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

12. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2004, Riverwood Apartments (Business Activities) advanced \$240,706, net of repayments, to the three Eagle Pointe Development Limited Partnerships, component units of the Housing Authority. Eagle Pointe was organized by the Housing Authority for the purpose of acquiring and rehabilitating Riverwood Apartments in accordance with the Low-Income Housing Tax Credit program. The funds advanced to Eagle Pointe were derived from non-federal sources and were utilized for the payment of development costs incurred by Eagle Pointe. Eagle Pointe owed the Housing Authority \$602,437 at June 30, 2004.

Also, during 2004, Bossier Housing Corporation received an AHP grant in the amount of \$175,000, which was subsequently loaned to Eagle Pointe Development I Limited Partnership. The entire amount of the loan was owed to Bossier Housing Corporation at June 30, 2004. The loan bears interest at a rate of 5.00% and matures on December 31, 2043. Interest and principal are deferred and are due and payable as the income and cash flow of Eagle Pointe I permits, as set forth in Eagle Pointe I's Amended

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

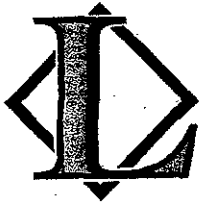
and Restated Articles of Partnership in Commendam dated as of November 5, 2003. The note is collateralized by an open-end mortgage granting to the Housing Authority a security interest in Eagle Pointe I's real property.

13. SUBSEQUENT EVENTS

Eagle Pointe Development I Limited Partnership received its Certificate of Substantial Completion for the low-income tax credit project being developed by the partnership and has begun leasing the project.

**Independent Auditors' Report Required
by *Government Auditing Standards***

The following independent Auditors' report on compliance with laws and regulations and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

**Independent Auditors' Report on Compliance and
Internal Control Over Financial Reporting Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of Commissioners
Housing Authority of the City of Bossier City
Bossier City, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of Bossier City, Louisiana as of and for the year ended June 30, 2004, and have issued our report thereon dated October 26, 2004. We conducted our audit in accordance with U.S. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Bossier City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Bossier City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

Housing Authority of the City of Bossier City
Bossier City, Louisiana
Independent Auditors' Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2004

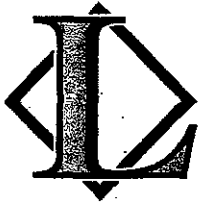
opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters we reported to the management of the Housing Authority of the City of Bossier City in a separate letter dated October 26, 2004.

This report is intended solely for the information and use of the Housing Authority of the City of Bossier City, its management and oversight agencies, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates, LLC

Bossier City, Louisiana
October 26, 2004



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Board of Commissioners
Housing Authority of the City of Bossier City
Bossier City, Louisiana

Compliance

We have audited the compliance of Housing Authority of the City of Bossier City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. The Housing Authority of the City of Bossier City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of Bossier City's management. Our responsibility is to express an opinion on the Housing Authority of the City of Bossier City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Bossier City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of the City of Bossier City's compliance with those requirements.

In our opinion, the Housing Authority of the City of Bossier City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004. However, the results of our auditing procedures disclosed instances of

Board of Commissioners
Housing Authority of the City of Bossier City
Bossier City, Louisiana
Independent Auditors' Report on Compliance
And Internal Control Over Compliance, etc.
June 30, 2004

noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 04-01.

Internal Control Over Compliance

The management of the Housing Authority of the City of Bossier City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Bossier City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the Housing Authority of the City of Bossier City, its management and oversight agencies, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates, LLC

Bossier City, Louisiana
October 26, 2004

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

A. SUMMARY OF AUDIT RESULTS

Financial Statement Audit

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Housing Authority of the City of Bossier City, Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Housing Authority of the City of Bossier City, Louisiana were disclosed during the audit.

Audit of Federal Awards

5. No reportable conditions relating to the audit of the major federal award program is reported in the *Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
4. The auditors' report on compliance for the major federal award programs for the Housing Authority of the City of Bossier City, Louisiana expresses an unqualified opinion on all major programs.
5. There were no audit findings relevant to the major federal award program for the Housing Authority of the City of Bossier City, Louisiana.
6. The programs tested as major programs included:

CFDA #14.182 Section 8 New Construction and Substantial Rehabilitation
7. The threshold used for distinguishing Type A and B programs was \$300,000.
8. The Housing Authority of the City of Bossier City, Louisiana qualifies as a low-risk auditee.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

Section 8 New Construction and Substantial Rehabilitation - CFDA #14.182

Finding 04-01

Condition and Criteria: HUD has guidelines for verifying and calculating tenant income. A total of twenty-five tenant files were selected for testing tenant eligibility compliance. The testing of the tenant files detected the following instances of noncompliance:

- In six instances, tenant income was not calculated correctly.
- In four instances, the third party verifications were dated more than ninety days prior to the certification/recertification dates. In one instance, the third party verification was dated subsequent to the recertification date.

Effect: The amount of monthly rent charged these tenants are not correct. However, the total difference between the correct monthly rent charged to the tenants and the actual amount charged is immaterial.

Cause: Unknown

Recommendation: Housing Authority personnel responsible for calculating tenant income should review HUD's guidelines relevant to this matter. Also, the Housing Authority should continue its periodic reviews of tenant files, particularly with respect to third party verifications. Also, such reviews should include recalculating tenant income.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

There were no audit findings for the year ended June 30, 2003.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Corrective Action Plan
For the Year Ended June 30, 2004

Our corrective action plan is as follows:

Finding 04-01

Condition Found: Tenant incomes were not calculated correctly and verifications of tenant income were not timely made.

Corrective Action Planned: The Housing Authority will contract with a qualified independent consultant for the purpose of reviewing and testing all of the project's tenant files for compliance with HUD's rules and regulations. The findings resulting from this review and testing will be forwarded to responsible management personnel at the project for corrective purposes. The Housing Authority then will follow-up with the project's management to ensure that the findings were corrected.

Person Responsible for Corrective Action:

Mr. Bill Hensley, Executive Director
Housing Authority of the City of Bossier City
805 First Street East
Bossier City, Louisiana 71171
Telephone: (318) 549-1556, Ext. 13
Fax: (318) 549-3810

Supplemental Information Schedules

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2004

The members of the Board of Commissioners serve a staggered five-year term without compensation. The Board consists of the following members at June 30, 2004:

Ms. Vita M. Gregorio
414 Highland Drive
Bossier City, LA 71112
(318) 747-0671

Mr. Johnny A. Benson
9875 Mansfield Road
Shreveport, LA 71118
(318) 422-1183

Mr. Charles Maxie
1403 Gibson Circle
Bossier City, LA 71112
(318) 741-3138

Ms. Clara M. Taylor
Vice-Chairperson
1773 Southview Drive
Bossier City, LA 71111
(318) 747-0369

Mr. Francisco (Frank) Vela
Chairperson
3635 Green Acres Place, #352
Bossier City, LA 71111
(318) 752-4912

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Public and Indian Housing	14.850		\$463,064
Section 8 New Construction and Substantial Rehabilitation	14.182		772,007
Public Housing Capital Fund	14.872		<u>644,451</u>
Total U.S. Department of Housing and Urban Development - Direct Programs			<u>1,879,522</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through Programs:			
Louisiana Housing Finance Agency: Temporary Assistance for Needy Families	93.558	Not Available	<u>54,962</u>
Total U.S. Department of Health and Human Services - Pass-Through Programs			<u>54,962</u>
Total Expenditures of Federal Awards			<u><u>\$1,934,484</u></u>

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

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 to the Housing Authority's basic financial statements.

2. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

Low Rent Public Housing	\$ 463,064
New Construction and Substantial Rehabilitation - Section 8	772,007
Temporary Assistance for Needy Families	54,962
Public Housing Grant Programs	<u>644,451</u>
Total	<u>\$1,934,484</u>

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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 U. S. generally accepted accounting principles.

5. FEDERAL AWARDS

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 the Housing Authority's 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 the Housing Authority bonds or for the Housing Authority notes held by the Federal Financing Bank 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 THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Statement of Comprehensive Grant Cost Certificate
For the Year Ended June 30, 2004

PHA OWNED HOUSING (ACC FW 1144)

1. The actual modernization costs for the completed modernization program is as follows:

	Grant LA-48-PO42- 501-00
Funds Approved	\$900,230
Funds Expended	900,230
Excess of Funds Approved	NONE
Funds Advanced	\$900,230
Funds Expended	900,230
Excess of Funds Advanced	NONE

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated May 10, 2004, for the above project is in agreement with the Housing Authority's records.

3. All modernization costs have been paid and all related liabilities have been charged through payment.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Statement of Comprehensive Grant Cost Certificate
For the Year Ended June 30, 2004

PHA OWNED HOUSING (ACC FW 1144)

1. The actual modernization costs for the completed modernization program is as follows:

	Grant LA-48-PO42- 501
Funds Approved	\$895,543
Funds Expended	<u>895,543</u>
Excess of Funds Approved	<u>NONE</u>
Funds Advanced	\$895,543
Funds Expended	<u>895,543</u>
Excess of Funds Advanced	<u>NONE</u>

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated January 21, 2004, for the above project is in agreement with the Housing Authority's records.

3. All modernization costs have been paid and all related liabilities have been charged through payment.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Statement of Comprehensive Grant Cost Certificate
For the Year Ended June 30, 2004

PHA OWNED HOUSING (ACC FW 1144)

1. The actual modernization costs for the completed modernization program is as follows:

	Grant LA-48-R042 - 501-02
Funds Approved	\$107,628
Funds Expended	107,628
Excess of Funds Approved	NONE
Funds Advanced	\$107,628
Funds Expended	107,628
Excess of Funds Advanced	NONE

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated January 22, 2004, for the above project is in agreement with the Housing Authority's records.

3. All modernization costs have been paid and all related liabilities have been charged through payment.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Statement of Comprehensive Grant Cost Certificate
For the Year Ended June 30, 2004

PHA OWNED HOUSING (ACC FW 1144)

1. The actual modernization costs for the completed modernization program is as follows:

	Grant LA-48-RO42- 501-03
Funds Approved	\$83,559
Funds Expended	<u>83,559</u>
Excess of Funds Approved	<u>NONE</u>
Funds Advanced	\$83,559
Funds Expended	<u>83,559</u>
Excess of Funds Advanced	<u>NONE</u>

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated January 22, 2004, for the above project is in agreement with the Housing Authority's records.

3. All modernization costs have been paid and all related liabilities have been charged through payment.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grant Programs	New Constr. & Substantial Rehab - Section 8 - Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 536,675	\$ -	\$ -	\$ 144,488	\$ 4,643	\$ -	\$ 981	686,787
114	Cash - tenant security deposits	-	-	-	-	32,989	-	-	32,989
100	Total Cash	536,675	-	-	144,488	37,632	-	981	719,776
Accounts and notes receivable:									
122	Accounts receivable - HUD other projects	-	23,990	-	-	-	-	-	23,990
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	493	-	-	-	-	-	-	493
126	Accounts receivable - tenants - dwelling rents	759	-	-	-	5,149	-	-	5,908
126	Allowance for doubtful accounts - dwelling rents	(55)	-	-	-	-	-	-	(55)
128	Fraud recovery	12,601	-	-	-	-	-	-	12,601
128.1	Allowance for doubtful accounts - fraud	(924)	-	-	-	-	-	-	(924)
120	Total receivables, net of allowances for doubtful accounts	12,874	23,990	-	-	5,149	-	-	42,013
Current investments:									
131	Investments - unrestricted	818,801	-	-	-	457,360	-	-	1,276,161
132	Investments - restricted	241,825	-	-	-	-	-	-	241,825
142	Prepaid expenses and other assets	108,618	-	-	-	47,380	-	-	155,998
143	Inventories	29,780	-	-	-	-	-	-	29,780
144	Inter-program - due from	27,923	-	-	-	602,437	-	-	630,360
180	TOTAL CURRENT ASSETS	1,776,496	23,990	-	144,488	1,149,958	-	981	3,095,913

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grant Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	723,011	-	-	-	90,000	-	10,000	823,011
162	Buildings	16,005,140	910,883	-	-	1,569,558	-	-	18,485,581
163	Furniture, equipment & machinery - dwellings	194,256	81,097	-	-	-	-	-	275,353
164	Furniture, equipment & machinery - administration	388,074	76,075	-	-	79,433	-	-	543,582
165	Leasehold improvements	1,819,622	12,339	-	-	-	-	-	1,831,961
166	Accumulated depreciation	(11,764,454)	(131,993)	-	-	(351,140)	-	-	(12,247,587)
167	Construction in progress	-	118,966	-	-	-	-	-	3,600,623
160	Total fixed assets, net of accumulated depreciation	7,365,649	1,067,367	-	-	1,387,851	-	3,491,657	13,312,524
Other noncurrent assets:									
171	Notes, loans, & mortgages receivable - noncurrent	-	-	-	-	-	-	175,000	175,000
180	TOTAL NONCURRENT ASSETS	7,365,649	1,067,367	-	-	1,387,851	-	3,666,657	13,487,524
190	TOTAL ASSETS	\$ 9,142,145	\$ 1,091,357	\$ -	\$ 144,488	\$ 2,537,809	\$ -	\$ 3,667,638	\$ 16,583,437

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grants Programs	New Constr. & Substantial Rehab - Section 8 - Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
LIABILITIES AND NET ASSETS:									
LIABILITIES:									
Current liabilities:									
312	Accounts payable <= 90 days	\$ 30,946	\$ -	\$ -	\$ -	\$ 24,658	\$ -	\$ 3,228	\$ 58,832
321	Accrued wages/payroll taxes payable	5,487	-	-	-	3,087	-	-	8,574
322	Accrued compensated absences - current portion	18,453	-	-	-	7,907	-	-	26,360
325	Accrued interest payable	-	-	-	-	-	-	4,128	4,128
331	Accounts payable - HUD PRA programs	-	-	-	77,610	-	-	-	77,610
333	Accounts payable - other government	40,969	-	-	-	-	-	-	40,969
341	Tenant security deposits	49,425	-	-	-	32,983	-	-	82,408
342	Deferred revenues	2,831	-	-	-	2,601	-	-	5,432
343	Current portion of long-term debt - capital projects/ mortgage revenue bonds	-	-	-	-	-	-	1,405,763	1,405,763
345	Other current liabilities	-	-	-	-	-	-	488,442	488,442
347	Inter-program due to	-	23,990	-	2,300	1,633	-	602,437	630,360
310	TOTAL CURRENT LIABILITIES	146,111	23,990	-	79,910	72,869	-	2,503,998	2,828,878
Noncurrent liabilities:									
351	Long-term debt, net of current - capital projects/ mortgage revenue bonds	-	-	-	-	-	-	175,000	175,000
354	Accrued compensated absences - non-current	40,490	-	-	-	6,796	-	-	47,286
350	TOTAL NONCURRENT LIABILITIES	40,490	-	-	-	6,796	-	175,000	222,286
300	TOTAL LIABILITIES	188,601	23,990	-	79,910	79,665	-	2,678,998	3,051,164
NET ASSETS:									
508.1	Invested in capital assets, net of related debt	7,365,649	1,067,367	-	-	1,387,851	-	1,910,894	11,731,761
511.1	Restricted net assets	192,400	-	-	-	-	-	-	192,400
512.1	Unrestricted net assets	1,395,495	-	-	64,578	1,070,293	-	(922,254)	1,608,112
513	TOTAL NET ASSETS	8,953,544	1,067,367	-	64,578	2,458,144	-	988,640	13,532,273
600	TOTAL LIABILITIES AND NET ASSETS	\$ 9,142,145	\$ 1,091,357	\$ -	\$ 144,488	\$ 2,537,809	\$ -	\$ 3,667,638	\$ 16,583,437

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grant Programs	New Constr. & Substantial Rehab -Section 8-Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
REVENUE:									
703	Net tenant rental revenue	\$ 511,250	-	\$ -	-	\$ 901,544	\$ -	-	\$ 1,412,794
704	Tenant revenue - other	18,121	-	-	-	27,991	-	-	46,112
705	Total tenant revenue	529,371	-	-	-	929,535	-	-	1,458,906
706	HUD P/LA operating grants	463,064	556,892	-	772,007	-	-	-	1,791,963
706.1	Capital grants	-	87,559	-	-	-	-	-	87,559
708	Other government grants	-	-	-	-	-	84,962	175,000	229,962
711	Investment income-unrestricted	18,470	-	-	950	4,830	-	-	24,250
714	Fraud recovery	-	-	-	-	-	-	-	-
715	Other revenue	48,185	-	-	-	11,513	-	-	59,698
716	Gain/loss on sale of fixed assets	(174)	(236)	-	-	(119,175)	-	-	(119,585)
720	Investment income - restricted	1,215	-	-	-	-	-	-	1,215
700	TOTAL REVENUE	1,060,131	644,215	-	772,957	826,703	84,962	175,000	3,533,968
EXPENSES:									
Administrative									
911	Administrative salaries	226,401	67,760	-	20,370	160,729	3,808	-	479,068
912	Auditing fees	5,000	1,500	-	2,500	3,500	-	-	13,100
914	Compensated absences	4,364	-	-	-	7,316	-	-	11,680
915	Employee benefit contributions - administrative	76,677	5,184	-	3,290	64,292	988	-	150,431
916	Other operating - administrative	148,196	31,677	-	7,138	75,775	-	-	262,786
	Subtotal	461,238	106,121	-	33,298	311,612	4,796	-	917,065
Tenant services									
922	Relocation costs	-	2,168	-	-	-	-	-	2,168
924	Tenant services - other	12,643	-	-	-	16,104	50,166	-	78,913
	Subtotal	12,643	2,168	-	-	16,104	50,166	-	81,081
Utilities									
931	Water	64,936	-	-	-	42,736	-	-	107,692
932	Electricity	28,918	-	-	-	27,989	-	-	56,907
933	Gas	7,680	-	-	-	2,378	-	-	10,058
	Subtotal	101,534	-	-	-	73,103	-	-	174,637
Ordinary maintenance & operation									
941	Ordinary maintenance and operations - labor	178,501	-	-	-	83,548	-	-	262,049
942	Ordinary maintenance and operations - materials & other	102,562	-	-	-	101,493	-	-	204,055
943	Ordinary maintenance and operations - contract costs	238,036	-	-	-	170,528	-	-	408,564

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

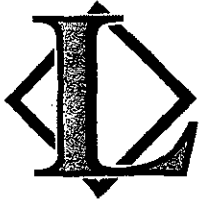
Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grant Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
945	Employee benefit contributions - ordinary maintenance	62,736	-	-	-	32,310	-	-	95,046
	Subtotal	581,835	-	-	-	387,879	-	-	969,714
952	Protective services	-	-	-	-	141,080	-	-	282,820
	Protective services - other contract costs	-	141,740	-	-	141,080	-	-	282,820
	Subtotal	-	141,740	-	-	141,080	-	-	282,820
961	General expenses	144,977	-	-	-	65,670	-	-	210,647
963	Insurance premiums	40,970	-	-	-	-	-	-	40,970
964	Payments in lieu of taxes	40,885	-	-	-	22,044	-	-	62,929
	Bad debts - tenant rents	226,832	-	-	-	87,714	-	-	314,546
	Subtotal	1,384,102	250,029	-	33,298	1,017,492	54,962	-	2,739,883
969	TOTAL OPERATING EXPENSES								
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(323,971)	394,186	-	739,659	(190,789)	-	175,000	794,085
972	Casualty losses - non-capitalized	27,904	-	-	-	1,817	-	-	29,721
973	Housing assistance payments	-	-	-	729,363	-	-	-	729,363
974	Depreciation expense	680,720	102,845	-	-	73,124	-	-	856,689
975	Fraud losses	5,011	-	-	-	-	-	-	5,011
980	TOTAL EXPENSES	2,097,737	352,874	-	762,661	1,092,433	54,962	-	4,360,667
1001	OTHER FINANCING SOURCES (USES)								
1002	Operating transfers in	306,863	-	-	-	-	-	-	306,863
	Operating transfers out	-	(306,863)	-	-	-	-	-	(306,863)
1010	TOTAL OTHER FINANCING SOURCES (USES)	306,863	(306,863)	-	-	-	-	-	-
1080	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (730,743)	\$ (15,522)	\$ -	\$ 10,296	\$ (265,730)	\$ -	\$ 175,000	\$ (826,699)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Financial Data Schedule
For the Year Ended June 30, 2004

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	Public Housing Comprehensive Grant Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Temporary Assistance For Needy Families	Component Units	Totals
1101	Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 813,640	\$ 813,640
1103	Beginning equity	\$ 9,180,897	\$ 1,073,863	\$ 503,390	\$ 54,282	\$ 2,723,874	\$ -	\$ -	\$ 13,536,306
1104	Prior period adjustments, equity transfers, and correction of errors	\$ 503,390	\$ -	\$ (503,390)	\$ -	\$ -	\$ -	\$ -	\$ -
1114	Maximum Annual Contributions Commitment (Per Acc)	\$ -	\$ -	\$ -	\$ 826,428	\$ -	\$ -	\$ -	\$ 826,428
1115	Contingency reserve, ACC program reserve	\$ -	\$ -	\$ -	\$ 578,048	\$ -	\$ -	\$ -	\$ 578,048
1116	Total annual contributions available	\$ -	\$ -	\$ -	\$ 1,404,476	\$ -	\$ -	\$ -	\$ 1,404,476
1120	Unit months available	5,094	-	-	2,160	3,291	-	-	-
1121	Number of unit months leased	5,050	-	-	2,081	3,098	-	-	-



LITTLE & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

October 26, 2004

To the Board of Commissioners of the
Housing Authority of the City of Bossier City
Bossier City, Louisiana

In planning and performing our audit of the basic financial statements of the Housing Authority of the City of Bossier City as of and for the year ended June 30, 2004, we considered the Housing Authority of the City of Bossier City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We reported on the Housing Authority of the City of Bossier City's compliance and internal control over financial reporting in our report dated October 26, 2004. This letter does not affect our report dated October 26, 2004, on the financial statements of Housing Authority of the City of Bossier City.

We will review the status of these comments during our next audit engagement. We have already discussed some of these comments and suggestions with various members of management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

LITTLE & ASSOCIATES, LLC
Certified Public Accountants

Little & Associates, LLC

MANAGEMENT LETTER FINDINGS AND RECOMMENDATION
MANAGEMENT LETTER FINDINGS AND RECOMMENDATION

ML-04-01 Pledged Securities – Bank Deposits Should Be Fully Secured

Finding: Louisiana Revised Statutes and HUD regulations require that the Housing Authority's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities. At June 30, 2004, deposits with one financial institution were not adequately covered by federal deposit insurance or the pledge of securities. Consequently, the Housing Authority's deposits totaling \$835,896 at June 30, 2004, were under secured by \$431,756.

Recommendation: We recommend that management of the Housing Authority monitor its deposits and require that banks provide security equal to one hundred percent of the amount on deposit at all times less the amount of deposits covered by federal deposit insurance.

Management's Corrective Action: The Housing Authority will monitor its deposits and will require that the banks provide full security for the Housing Authority's deposits.