

HOUSING AUTHORITY OF DENHAM SPRINGS

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2007

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 6/18/08

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Denham Springs
Denham Springs, Louisiana

We have audited the accompanying financial statements of the discretely presented component unit and each major fund of the Housing Authority of Denham Springs, Louisiana as of and for the year ended September 30, 2007, 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 Denham Springs, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit and each major fund of the Housing Authority of Denham Springs, Louisiana, as of September 30, 2007, and the respective changes in financial position and cash flows, 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*, we have also issued our report dated March 25, 2008, on our consideration of the Housing Authority of Denham Springs, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Mike Estes, P.C.
Fort Worth, Texas
March 25, 2008

**HOUSING AUTHORITY OF THE CITY OF
DENHAM SPRINGS, LOUISIANA**

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2007

The management of Public Housing Authority of Denham Springs, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2007. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,250,033 at the close of the fiscal year ended 2007.
 - ✓ Of this amount \$431,652 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ Also of this amount, \$129,382 of net assets are restricted for tenant deposits and future housing assistance payments.
 - ✓ The remainder of \$688,999 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 69% of the total operating expenses of \$994,996 for the fiscal year 2007, which means the Authority might be able to operate about 8 months using the unrestricted assets alone, which is similar to the prior year.
- The Housing Authority's total net assets increased by \$327,561, a 34% change from the prior fiscal year 2006. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by a decrease in cash and cash equivalents of \$144,333. This is principally a combination of federal grants, rental and development fees exceeding operating expenses by \$45,828, and transferring \$182,309 to investments.
- The Authority expended \$1,018,130 on capital assets during the current fiscal year.
- These changes led to an increase in total assets by \$1,256,530 and an increase in total liabilities by \$928,969. As related measure of financial health, there are still over \$33 of current assets covering each dollar of total current liabilities, which compares favorably with \$27 covering the prior fiscal year's current liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2007?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

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

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Capital Fund Program
- Component Unit #1 (Note 1, A-Reporting Entity)
- The above programs comprise the General Fund

- Housing Choice Voucher Program
- Disaster Voucher Program
- The above programs comprise the Housing Choice Voucher Fund

Housing Authority of The City of Denham Springs, Louisiana

Management's Discussion and Analysis (MD&A)

SEPTEMBER 30, 2007

Component Unit #2 (Note 1, A-Reporting Entity)

A developed, operational low income apartment complex is reflected in the accompanying financial statements in an accompanying column, to the side of the total primary government column.

This Management, Discussion, and Analysis concentrates on the activities of the primary government.

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

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

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$1,250,033 as of September 30, 2007. Of this amount, \$431,652 was invested in capital assets. There were \$129,382 in specific assets restricted for tenant deposits and future HAP payments. The remaining \$688,999 was unrestricted.

Housing Authority of The City of Denham Springs, Louisiana

Management's Discussion and Analysis (MD&A)

SEPTEMBER 30, 2007

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet

As of September 30,

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$ 718,120	\$ 544,594
Assets restricted for tenant deposits and future HAP payments	129,382	0
Capital assets, net of depreciation	1,351,951	398,329
Total assets	<u>2,199,453</u>	<u>942,923</u>
LIABILITIES		
Current liabilities	21,643	20,451
Non-current liabilities	927,777	0
Total liabilities	<u>949,420</u>	<u>20,451</u>
NET ASSETS		
Invested in capital assets, net of depreciation	431,652	398,329
Restricted	129,382	0
Unrestricted net assets	688,999	524,143
Total net assets	<u>1,250,033</u>	<u>922,472</u>
Total liabilities and net assets	<u>2,199,453</u>	<u>942,923</u>

The net assets of these funds increased by \$327,561, or by 36%, from those of fiscal year 2006, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets

Fiscal Year Ended September 30,

	<u>2007</u>	<u>2006</u>
Total operating revenues	\$ 558,656	\$ 107,259
Total operating expenses	(994,996)	(778,977)
Operating loss	(436,340)	(671,718)
Total non-operating revenues	717,035	700,332
Capital contributions	46,866	0
Change in net assets	327,561	28,614
Net assets, beginning of the year	922,472	893,858
Net assets, end of the year	<u>1,250,033</u>	<u>922,472</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

ASSETS

- Current assets increased \$173,526, from \$544,594 to \$718,120. This principally results from developer fees receivable of \$203,600 in the current year. The receivable from component unit #2 increased by \$46,000. Total unrestricted cash and investments decreased by \$91,400. Restricted investments increased \$129,382.

LIABILITIES

- Current liabilities changed insignificantly.

The above increase in current assets of \$173,526, plus the \$129,382 increase in restricted investments comprises \$302,908 of the \$327,561 change in net assets.

Compared with the prior fiscal year, total operating, non-operating revenues, and capital contributions increased \$514,966, or by 64%, from a combination of factors. Reasons for most of this change are listed below:

- The increase of \$451,397 in total operating revenues includes \$403,600 of development fees.
- Total other non-operating revenue increased by \$16,703 from that of the prior fiscal year.
- Federal Capital Funds from HUD increased by \$46,866. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2005 through 2006, and submitted a new grant during fiscal year 2008.

Compared with the prior fiscal year, total operating expenses increased \$216,020, or by 27%. The increase is principally due to a developer fee paid of \$200,000, paid by component unit #1, in the General Fund.

- Maintenance and repairs increased by \$10,278, principally because contract costs increased \$13,592.
- Depreciation expense decreased by \$14,773, because many assets are reaching the end of their useful lives.
- Housing Assistance Payments to landlords increased by \$27,042, because there was an increase in the number of tenants qualifying for subsidy during the year, considering the Disaster Voucher Program. Consequently, revenues from HUD for these subsidies increased by \$57,233.
- Utilities Expense decreased by \$4,388, or by 29% from that of the prior fiscal year, primarily because electricity cost decreased by \$2,940 and gas cost decreased by \$1,315.
- Casualty losses and General expenses, totaling \$30,858, did not change significantly from the prior to the current year.

Housing Authority of The City of Denham Springs, Louisiana

Management's Discussion and Analysis (MD&A)

SEPTEMBER 30, 2007

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2007, the Housing Authority had a total cost of \$3,925,839 invested in a broad range of assets and construction in progress from projects funded in 2005 through 2006, listed below. This amount, not including depreciation, represents increases of \$953,622 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Capital Assets, Net of Accumulated Depreciation As of September 30,

	<u>2007</u>	<u>2006</u>
Land	347,200	\$ 17,200
Buildings and leasehold improvements	382,652	341,908
Furniture and equipment	21,488	39,221
Construction in progress	<u>600,611</u>	<u>0</u>
Total	<u>1,351,951</u>	<u>398,329</u>

As of the end of the 2007 fiscal year, the Authority has completed the process of receiving HUD grants obtained during 2005 through 2006 fiscal years. A total remainder of \$57,756 will be received and \$59,590 will be spent for completing these projects during fiscal year 2008.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Low Rent program of the Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations. As discussed in Note 8 of the financial statements, construction in progress on the Low income-eligible apartment complexes is included in the General Fund. Notes payable to individuals of \$319,688 and notes payable to a bank of \$600,611 were outstanding at September 30, 2007. In January 2008, they were rolled into an interim, construction loan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2008 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Fred Banks, at Public Housing Authority of Denham Springs, Louisiana; P.O. Box 910; Denham Springs, LA.

HOUSING AUTHORITY OF DENHAM SPRINGS
BALANCE SHEET
SEPTEMBER 30, 2007

	General	Housing Choice Vouchers	Total Primary Government	Component Unit
ASSETS				
Current assets				
Cash and cash equivalents	\$ 27,621	\$ 182,949	\$ 210,570	\$ 0
Cash (restricted)	0	0	0	389,985
Investments - Unrestricted	115,455	49,035	164,490	0
Accounts receivable net	297,876	37,663	335,539	48,728
Interest receivable	69	60	129	0
Internal balances	172,811	(172,811)	0	0
Prepaid items and other assets	7,392	0	7,392	0
Total Current Assets	621,224	96,896	718,120	438,713
Restricted assets				
Investments	0	129,382	129,382	0
Capital Assets, net				
Nondepreciable	947,811	0	947,811	164,846
Buildings and equipment, net	404,140	0	404,140	4,188,184
Total Capital Assets, net	1,351,951	0	1,351,951	4,353,030
NonCurrent				
Notes and Mortgage Receivable	0	0	0	15,000
Other Asset	0	0	0	44,604
Total Assets	\$ 1,973,175	\$ 226,278	\$ 2,199,453	4,851,347
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 8,703	\$ 0	\$ 8,703	45,896
Accrued interest payable	4,871	0	4,871	0
Compensated absences payable	1,522	1,197	2,719	0
Deposits due others	5,350	0	5,350	10,326
Total Current Liabilities	20,446	1,197	21,643	56,222
Noncurrent Liabilities				
Notes payable	920,299	0	920,299	2,323,377
Loan liability - Non current	0	0	0	615,707
Compensated absences payable	4,186	3,292	7,478	0
Total Liabilities	944,931	4,489	949,420	2,995,306
NET ASSETS				
Invested in capital assets, net of related debt	431,652	0	431,652	1,413,946
Restricted	0	129,382	129,382	985,475
Unrestricted	596,592	92,407	688,999	(543,380)
Net Assets	1,028,244	221,789	1,250,033	1,856,041
Total Liabilities and Net Assets	\$ 1,973,175	\$ 226,278	\$ 2,199,453	4,851,347

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

HOUSING AUTHORITY OF DENHAM SPRINGS
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED SEPTEMBER 30, 2007

	General	Housing Choice Voucher	Total Primary Government	Component Unit
OPERATING REVENUES				
Dwelling rental	\$ 106,010	\$ 0	\$ 106,010	36,497
Other	452,504	142	452,646	2,450
Total Operating Revenues	558,514	142	558,656	38,947
OPERATING EXPENSES				
Administration	286,824	72,199	359,023	26,365
Utilities	10,885	0	10,885	3,692
Ordinary maintenance & operations	65,999	0	65,999	4,022
General expenses	26,129	3,579	29,708	134,396
Depreciation and amortization	64,506	0	64,506	77,337
Extraordinary maintenance	1,560	0	1,560	0
Casualty losses	1,150	0	1,150	0
Housing assistance payments	0	462,165	462,165	0
Total Operating Expenses	457,053	537,943	994,996	245,812
Income (loss) from Operations	101,461	(537,801)	(436,340)	(206,865)
Non Operating Revenues (Expenses)				
Interest earnings	9,700	3,198	12,898	0
Federal grants	98,620	605,237	703,857	0
Interest expense	(17,583)	0	(17,583)	0
Insurance proceeds	17,863	0	17,863	0
Total Non-Operating Revenues (Expenses)	108,600	608,435	717,035	0
Income (loss) before contribution	210,061	70,634	280,695	(206,865)
Capital Contribution	46,866	0	46,866	985,475
Change in net assets	256,927	70,634	327,561	778,610
Total net assets - beginning	784,859	154,391	939,250	796,228
Prior period and equity adjustment- Note 15 & 16	(13,542)	(3,236)	(16,778)	281,203
Adjusted total assets, beginning	771,317	151,155	922,472	1,077,431
Total net assets - ending	\$ 1,028,244	\$ 221,789	\$ 1,250,033	1,856,041

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

HOUSING AUTHORITY OF DENHAM SPRINGS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007

	General	Housing Choice Voucher	Total Primary Government	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES				
Rental receipts	\$ 106,368	\$ 0	\$ 106,368	36,497
Other receipts	155,398	65,197	220,595	9,924
Payments to vendors	(349,700)	(19,155)	(368,855)	(43,463)
Payments to employees – net	(83,839)	(47,846)	(131,685)	(124,992)
Payments to private landlords	0	(462,165)	(462,165)	0
Net cash provided (used) by operating activities	(171,773)	(463,969)	(635,742)	(122,034)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Federal grants	113,996	567,574	681,570	0
Net cash provided (used) by non- capital financing activities	113,996	567,574	681,570	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on loan	(12,712)	0	(12,712)	0
Purchase of assets	(993,360)	0	(993,360)	0
Capital/mortgage loan proceeds	920,299	0	920,299	1,243,118
Insurance proceeds	17,863	0	17,863	0
Federal capital grants	46,866	0	46,866	985,475
Net cash provided (used) by capital and related financing activities	(21,044)	0	(21,044)	2,228,593
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property & Equipment	0	0	0	(2,820,103)
Syndication costs	0	0	0	(22,000)
Tax Credit Cost	0	0	0	(24,219)
Interest income	10,054	3,138	13,192	0
Purchase of investments	(3,892)	(178,417)	(182,309)	0
Net cash provided (used) by investing activities	6,162	(175,279)	(169,117)	(2,866,322)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,659)	(71,674)	(144,333)	(759,763)
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	100,280	254,623	354,903	1,149,748
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 27,621	\$ 182,949	\$ 210,570	389,985

Continued

HOUSING AUTHORITY OF DENHAM SPRINGS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007

	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 101,461	\$ (537,801)	\$ (436,340)	\$ (206,865)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Interest expense	(17,583)	0	(17,583)	0
Prior period adjustments	(38,310)	7,062	(31,248)	0
Depreciation Expense	64,506	0	64,506	77,337
Change in assets and liabilities:				
Receivables	(219,567)	67,526	(152,041)	2,852
Due from other funds	(124,662)	(15,966)	(140,628)	0
Prepaid items	(2,793)	1,858	(935)	0
Account payables	2,111	0	2,111	20
Accrued expenses	16,083	(143)	15,940	(169)
Deferred revenue	(17,863)	(4,846)	(22,709)	0
Due to other funds	64,844	18,341	83,185	4,791
Net cash provided (used) by operations	<u>\$ (171,773)</u>	<u>\$ (463,969)</u>	<u>\$ (635,742)</u>	<u>\$ (122,034)</u>

Concluded

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2007

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HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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

The Housing Authority has the following units:

PHA Owned Housing	FW	52
Section 8		
Housing Choice Vouchers	LA-	120

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

The Housing Authority is a related organization of the City of Denham Springs since the City of Denham Springs appoints a voting majority of the Housing Authority's governing board. The City of Denham Springs 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 Denham Springs. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Denham Springs.

Governmental Accounting Standards Board (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 criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

- 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 entity:

Ashley Place Limited Partnership (Ashley Place I), Ashley Place Development II Limited Partnership (Ashley Place II), and Ashley Place Development III Limited Partnership (Ashley Place III) are legally separate entities. The managing general partner of Ashley Place I is the Denham Springs Community Corporation. The managing general partner of Ashley Place II and Ashley Place III is Denham Springs Community GP, LLC. The Board of Directors of Denham Springs Community Corporation and the Denham Springs Community GP, LLC consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing bodies of Ashley Place I, II, and III.

The Denham Springs Community Corporation, the Denham Springs Community GP, LLC, and Ashley Place II and III are included in the financial statements as blended entities, as part of the General Fund. Ashley Place I is included in the financial statements through discrete presentation.

The financial position, changes in net assets, and cash flows of the Denham Springs Community Corporation, the Denham Springs Community GP, LLC, and Ashley Place I, II, and III are presented as of and for the year ended December 31, 2006. Ashley Place I reported for the period ended September 30, 2006, in the prior audited financial statements. The December year end has been adopted, to conform to the fiscal year end of Ashley Place I. A stand alone audit was performed on Ashley Place I, for the year ended 12-31-06.

The separate financial statements of Ashley Place Limited Partnership (Ashley Place I) can be obtained from the Housing Authority of the City of Denham Springs, 600 Eugene Street, P.O. Box 910, Denham Springs, Louisiana. Denham Springs Community Corporation, Denham Springs Community GP, LLC, Ashley Place II and III do not issue separate financial statements.

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program, the Capital Fund program, and the blended component units. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program, and the Disaster Voucher Program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

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

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

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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

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

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

Definitions:

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

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

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

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

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

H. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

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

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

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

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

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

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2007. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits, which do not have credit ratings. However, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk: At September 30, 2007, the Housing Authority's carrying amount of deposits was \$504,218 and the bank balance was \$554,254, which includes \$293,872 in certificates of deposits classified as investments. Of the bank balance, \$316,785 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

Ashley Place I, the discretely presented component unit, had uninsured deposits of \$270,128.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2007, are as follows:

	General	Housing Choice Voucher	Total
<u>Class of Receivables</u>			
Local sources:			
Tenants	\$ 282	\$ 0	\$ 282
Other	45,598	0	45,598
Developers fees	203,600	0	203,600
Ashley Place I	45,896	0	45,896
Federal sources:			
Grants	2,500	37,663	40,163
Total	\$ 297,876	\$ 37,663	\$ 335,539

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

	Balance 10-1-06	Additions	Deletions	Balance 9-30-07
Land	\$ 17,200	\$ 330,000	\$ 0	\$ 347,200
Buildings	2,750,790	87,519	0	2,838,309
Furniture and equipment	139,719	0	0	139,719
Construction in progress	0	600,611	0	600,611
Total	<u>2,907,709</u>	<u>1,018,130</u>	<u>0</u>	<u>3,925,839</u>
Less: accumulated depreciation				
Buildings	2,406,656	49,001	0	2,455,657
Furniture and equipment	102,724	15,507	0	118,231
Total	<u>2,509,380</u>	<u>64,508</u>	<u>0</u>	<u>2,573,888</u>
Fixed assets, net	<u>\$ 398,329</u>	<u>\$ 953,622</u>	<u>\$ 0</u>	<u>\$ 1,351,951</u>

At December 31, 2006, Ashley Place I, the discretely presented component unit, had the following fixed assets:

Buildings	\$ 3,593,681
Furniture and equipment	129,121
Site improvements	541,104
Total	<u>4,263,906</u>
Less: accumulated depreciation	<u>(75,722)</u>
Net depreciable	4,188,184
Land	164,846
Total property and equipment	<u>\$ 4,353,030</u>

NOTE 5 – INTERFUND RECEIVABLES / PAYABLES Interfund receivables / payables at September 30, 2007 are as follows:

The Housing Choice Vouchers Program owes \$172,811 to the Low Rent program for various expenses paid but not reimbursed by year-end.

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 6 – ACCOUNTS PAYABLE The payables at September 30, 2007 are as follows:

	General	Housing Choice Voucher Fund	Total
Vendors	\$ 3,112	\$ 0	\$ 3,112
Payroll taxes & Retirement withheld	1,257	0	1,257
Federal sources: Grants	4,334	0	4,334
Total	\$ 8,703	\$ 0	\$ 8,703

NOTE 7 – COMPENSATED ABSENCES At September 30, 2007, employees of the Housing Authority have accumulated and vested \$10,197 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 8 – NOTES PAYABLE

Primary Government

Notes Payable – Individuals - \$319,688

As disclosed in Note 1, Reporting Entity, Ashley Place II and III are presented as blended component entities, and part of the General Fund. On September 1, 2006, Ashley Place II purchased land from individuals, and executed a promissory note for \$170,000. On November 1, 2006, Ashley Place III purchased land from individuals, and executed a promissory note for \$160,000.

\$319,688 on the above two notes was due at December 31, 2006, the reporting date for Ashley Place II and III, as noted in Note 1, Reporting Entity.

Both notes were secured by the real estate specified in the Credit Sale Deeds. Both did bear interest at 5½%. Interest was payable twice a year, on June 30 and December 31.

Notes Payable – Bank - \$600,611

\$600,611 was borrowed on a bridge loan and due by Ashley Place II and III at December 31, 2006. The loan was secured by the construction in progress.

The notes payable to individuals of \$319,688 and \$600,611 payable to the bank were paid off by the securing of a permanent loan, in January 2008.

Discretely Presented Component Unit

Construction financing for the development of Ashley Place I was required through the First Guaranty Bank of Ponchatoula, Louisiana in the sum of \$2,330,000, collateralized by land and building. At December 31, 2006, the construction loan had an outstanding balance of \$2,323,377.

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

In addition, at December 31, 2006, other construction costs payable, development costs payable and developer fee payable totaled \$615,707.

These \$615,707 payables, plus the construction loan, were paid off by securing a permanent loan, subsequent to December 31, 2006.

NOTE 9 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended September 30, 2007.

	Compensated Absences
Balance, beginning	\$ 10,202
Additions	920,299
Deductions	5
Balance, ending	930,496
Amounts due in one year	\$ 2,719

NOTE 10 – RETIREMENT SYSTEM The Housing Authority participates in the Louisiana Housing Council Group Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 14% percent of each participant's basic (excludes overtime) compensation. This payment represents a 6% contribution by the employee, and an 8% contribution by the Housing Authority.

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

The Housing Authority made the required contributions of \$11,306 for the year ended September 30, 2007, of which \$4,985 was paid by the employees and \$6,321 was paid by the Housing Authority. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 11 – INTERPROGRAM TRANSFERS Interprogram transfers for the year September 30, 2007 consists of the following:

The Capital Fund grant provisions allowed the PHA to transfer \$20,000 to the Low Rent program to pay for eligible Low Rent expenses. In addition, the Capital Funding program transferred \$26,574 of net capital costs on the closed 2004 program to Low Rent.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

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

Construction Projects There are certain renovation or construction projects in progress at September 30, 2007. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

Guaranty The Housing Authority has entered into a Guaranty Agreement (the “Guaranty”) with respect to Ashley Place Limited Partnership in favor of First Guaranty Bank, and with respect to Ashley Place Development II Limited Partnership, and Ashley Place Development III Limited Partnership in favor of Bank of America, N.A. Under the terms of each Guaranty, the Housing Authority unconditionally guarantees the due payment, performance, and fulfillment to Ashley Place I, II, and III, their limited partners, and specified affiliates of the limited partners, certain guaranteed obligations of Denham Springs Community Corporation. Such obligations shall be payment and performance of each and every guaranteed obligation of the Denham Springs Community Corporation and/or Denham Springs Community GP, LLC arising under the Amended and Restated Agreement of Limited Partnership and under the General Partner Closing Certificate of each partnership. Each Guaranty includes all of the assets of the Housing Authority now owned or hereafter required, except for :(i) the property of the Housing Authority located at 600 Eugene Street, Denham Springs, Louisiana, (ii) the property and funds controlled by the Consolidated Annual Contributions Contract, including amendments, (the “ACC”), and (iii) the funds received by the Housing Authority as proceeds directly pursuant to the ACC. Each Guaranty will remain in force until all of the guaranteed obligations of the Denham Springs Community Corporation and/or Denham Springs Community GP, LLC have expired or been fully performed in accordance with each partnership’s Amended and Restated Agreement of Limited Partnership.

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 13 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$750,723 to the Housing Authority, which represents approximately 56% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 14 – OPERATING REVENUES – OTHER ADMINISTRATIVE EXPENSES

Operating Revenues – Other of \$452,646 includes \$203,600 of developer fees recognized by Ashley Place II and III, and \$200,000 recognized by Ashley Place I. Administration expenses include \$200,000 of developer fees paid by Ashley Place I.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS Prior period adjustments of \$16,778 to the primary government unit consist of correction of accounting errors made in the prior year. The operating loss for the prior year is revised from \$671,718 to \$688,496. The revised, adjusted total assets are \$922,472, as of 9-30-06, the beginning of the year.

NOTE 16 – EQUITY ADJUSTMENT As disclosed in Note 1, Reporting Entity, the discretely presented component unit, Ashley Place I, reported for the year ended September 30, 2006, in the prior audited financial statements. The December year end has been adopted, to conform to the fiscal year end of Ashley Place I. This necessitates the following adjustment:

Total net assets, 9-30-06, prior audit report	\$ 796,228
Equity adjustment	<u>281,203</u>
Total net assets, beginning of Year, 1-1-06	\$ <u>1,077,431</u>

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

To the Housing Authority of Denham Springs
Denham Springs, Louisiana

We have audited the financial statements of the discretely presented component unit, and each major fund of the Housing Authority of Denham Springs, Louisiana, as of and for the year ended September 30, 2007, which collectively comprise the Housing Authority of Denham Springs, Louisiana's basic financial statements and have issued our report thereon dated March 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Denham Springs, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Denham Springs, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Denham Springs, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority of Denham Springs, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority of Denham Springs, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority of Denham Springs, Louisiana's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Audit Finding 07-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority of Denham Springs, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above as Audit Finding 07-01 is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Denham Springs, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as Audit Finding 07-01.

The Housing Authority of Denham Springs, Louisiana's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority of Denham Springs, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 25, 2008

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Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Housing Authority of Denham Springs
Denham Springs, Louisiana

Compliance

We have audited the compliance of the Housing Authority of Denham Springs, Louisiana 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 each of its major federal programs for the year ended September 30, 2007. The Housing Authority of Denham Springs, Louisiana's major federal programs are identified in the summary of auditor's 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 Denham Springs, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of Denham Springs, Louisiana'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 *Governmental 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 Denham Springs, Louisiana'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 Denham Springs, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Denham Springs, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007. However, the results of our auditing procedures disclosed instances on noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompany schedule of findings and questioned costs as Finding 07-01.

Internal Control Over Compliance

The management of the Housing Authority of Denham Springs, Louisiana 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 Denham Springs, Louisiana's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Denham Springs, Louisiana's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Housing Authority of Denham Springs, Louisiana's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority of Denham Springs, Louisiana's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Housing Authority of Denham Springs, Louisiana's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 07-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority of Denham Springs, Louisiana's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Housing Authority of Denham Springs, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority of Denham Springs, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 25, 2008

HOUSING AUTHORITY OF DENHAM SPRINGS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2007

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	66,999
Disaster Voucher Program	14.DVP	123,799
Housing Choice Voucher	14.871	481,438
Public Housing Capital Fund	14.872	<u>78,487</u>
Total United States Department of Housing and Urban Development	\$	<u>750,723</u>
Total Expenditures of Federal Awards	\$	<u>750,723</u>

HOUSING AUTHORITY OF DENHAM SPRINGS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2007

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Denham Springs, Louisiana (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

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

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

	Federal Sources
General	\$ 145,486
Section 8 Housing Choice Vouchers	605,237
Total	\$ <u>750,723</u>

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

HOUSING AUTHORITY OF DENHAM SPRINGS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section I – Summary of the Auditor’s Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one audit finding which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA# 14.871	Section 8 Housing Choice Voucher
CFDA# 14.DVP	Disaster Voucher Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was 300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF DENHAM SPRINGS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

All Programs

07 – 01 – Lack of Adequate Control Check of Financial Statements

Statement of Condition

Material audit adjustments were necessary that were not brought to our attention by management. The PHA did not perform a supervisory review, to an adequate extent, to detect the material misstatements, before the unaudited statements were released.

This is considered a significant deficiency in financial reporting.

Criteria

They July 2007 Revision (and earlier versions) of Government Auditing Standards state that generally accepted government auditing standards incorporate AICPA auditing standards.

Under Statement on Auditing Standards (SAS) #112, effective for years ended 12/31/06 and after, material audit adjustments are evidence of a weakness in the internal control over reporting, which are usually deemed to be a significant deficiency.

In addition, the Government Accountability Office (GAO) adopted the SAS #112 internal control terminology in January 2007. In June 2007, the OMB revised Circular A-133 to adopt SAS #112 internal control terminology.

Effect

The net loss before contribution was materially misstated.

Cause

The accountant, who is experienced and conscientious, made accounting errors. A supervisory review should have been performed, and was, to review the statements. But, the review did not detect the errors.

Questioned Cost

None

HOUSING AUTHORITY OF DENHAM SPRINGS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation

The errors have been discussed with the accountant. The supervisory review procedures should be reviewed, and revised if necessary.

07 – 01 – Corrective Action Plan

I am Fred Banks, Executive Director and Designated Person to answer this finding. We believe we have an excellent fee accountant. But, we have discussed the situation with them. They assure us they will perform an adequate review in the future.

HOUSING AUTHORITY OF DENHAM SPRINGS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

The Audit Finding shown in Part II also applies here.

HOUSING AUTHORITY OF DENHAM SPRINGS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2007

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Low Rent Program

Finding 2006-01 – Procurement Policy Not Followed

Condition

The prior auditor noted that the Authority did not have sufficient evidence that the procurement policy was properly followed for a \$16,600 contract for termite treatment.

Recommendation

The auditor recommended that the procurement policy be followed.

Current Status

No such noncompliance was noted. This finding is not repeated in this audit.

Low Rent Program

Finding 2006-02 – Tenant Income Not Independently Verified

Condition

The prior auditor noted, in one of fifteen files reviewed, that there was inadequate documentation that the tenant's income was independently verified.

Recommendation

The auditor recommended that tenant income be verified, in accordance with federal regulations.

Current Status

No such noncompliance was noted. This finding is not repeated in this audit.

HOUSING AUTHORITY OF DENHAM SPRINGS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2007

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Voucher Program

Finding 2006-3 – Rent Reasonableness Survey Not Documented

Condition

The prior auditor noted, in one of fifteen files reviewed, that the rent reasonableness survey was not timely done, at the time of move-in.

Recommendation

The auditor recommended a checklist be used at time of move-in, to ensure rent reasonableness tests are not overlooked.

Current Status

No such noncompliance was noted. This finding is not repeated in this audit.

Housing Choice Voucher Program

Finding 2006-4 – File Not Located

Condition

The prior auditor noted that the Authority could not locate a requested file.

Recommendation

The auditor recommended that the Authority evaluate its current file maintenance procedure to ensure the accounting of all files.

Current Status

No such noncompliance was noted. This finding is not repeated in this audit.

HOUSING AUTHORITY OF DENHAM SPRINGS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2007

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Voucher Program

Finding 2006-5 – HUD 50058 Input Error

Condition

The prior auditor noted, in one of fifteen files tested, the move-in date was incorrectly entered on HUD 50058.

Recommendation

The prior auditor recommended that a procedure be established to ensure information reported on the 50058 is complete and accurate.

Current Status

No such noncompliance was noted. This finding is not repeated in this audit.

All Programs

Finding 2006-6 – Financial Statements Not Submitted Timely

Condition

The audited financial statements were not timely submitted to the Legislative Auditor, within the required six months following the fiscal year-end.

Recommendation

None

Current Status

The current year financial statements are timely submitted. This finding is not repeated in this audit.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED SEPTEMBER 30, 2007

	2005 Capital Fund	2006 Capital Fund
Funds approved	\$ 70,256	\$ 67,821
Funds expended	<u>15,000</u>	<u>63,487</u>
Excess of funds approved	<u>\$ 55,256</u>	<u>\$ 4,334</u>
Funds advanced	\$ 12,500	\$ 67,821
Funds expended	<u>15,000</u>	<u>63,487</u>
Excess (deficiency) of funds advanced	<u>\$ (2,500)</u>	<u>\$ 4,334</u>

See accountants' report

HOUSING AUTHORITY OF DENHAM SPRINGS
FINANCIAL DATA SCHEDULE

YEAR ENDED SEPTEMBER 30, 2007

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Component Units	Other Federal Program 1	Total
111	Cash - Unrestricted	\$22,271	\$182,949	\$0	\$0	\$0	\$0	\$205,220
112	Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$379,490	\$0	\$379,490
114	Cash - Tenant Security Deposits	\$5,350	\$0	\$0	\$0	\$10,495	\$0	\$15,845
100	Total Cash	\$27,621	\$182,949	\$0	\$0	\$389,985	\$0	\$600,555
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$2,500	\$37,663	\$0	\$0	\$40,163
125	Accounts Receivable - Miscellaneous	\$320	\$0	\$0	\$0	\$297,626	\$0	\$297,946
126	Accounts Receivable - Tenants - Dwelling Rents	\$282	\$0	\$0	\$0	\$0	\$0	\$282
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$69	\$60	\$0	\$0	\$0	\$0	\$129
120	Total Receivables, net of allowances for doubtful accounts	\$671	\$60	\$2,500	\$37,663	\$297,626	\$0	\$338,520
131	Investments - Unrestricted	\$115,455	\$49,035	\$0	\$0	\$0	\$0	\$164,490
132	Investments Restricted	\$0	\$129,382	\$0	\$0	\$0	\$0	\$129,382
142	Prepaid Expenses and Other Assets	\$7,392	\$0	\$0	\$0	\$0	\$0	\$7,392
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$279,197	\$24,961	\$4,334	\$0	\$0	\$0	\$308,492
150	Total Current Assets	\$430,336	\$388,387	\$6,834	\$37,663	\$687,611	\$0	\$1,548,831
161	Land	\$17,200	\$0	\$0	\$0	\$494,846	\$0	\$512,046
162	Buildings	\$2,391,133	\$0	\$41,866	\$0	\$3,593,681	\$0	\$6,026,680
163	Furniture, Equipment & Machinery - Dwellings	\$34,375	\$0	\$0	\$0	\$129,121	\$0	\$163,496
164	Furniture, Equipment & Machinery - Administration	\$76,913	\$29,431	\$0	\$0	\$0	\$0	\$105,344
165	Leasehold Improvements	\$400,310	\$0	\$5,000	\$0	\$541,104	\$0	\$946,414
166	Accumulated Depreciation	\$-2,542,333	\$-28,431	\$-3,124	\$0	\$-75,722	\$0	\$-2,649,610
167	Construction In Progress	\$0	\$0	\$0	\$0	\$600,611	\$0	\$600,611
160	Total Fixed Assets, Net of Accumulated Depreciation	\$377,598	\$0	\$43,742	\$0	\$5,283,841	\$0	\$5,704,981
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
174	Other Assets	\$0	\$0	\$0	\$0	\$44,604	\$0	\$44,604
180	Total Non-Current Assets	\$377,598	\$0	\$43,742	\$0	\$5,343,245	\$0	\$5,764,585
190	Total Assets	\$807,934	\$388,387	\$50,576	\$37,663	\$6,030,856	\$0	\$7,313,416
312	Accounts Payable <= 90 Days	\$3,086	\$0	\$0	\$0	\$41	\$0	\$3,127
321	Accrued Wage/Payroll Taxes Payable	\$1,257	\$0	\$0	\$0	\$0	\$0	\$1,257
322	Accrued Compensated Absences - Current Portion	\$1,522	\$1,197	\$0	\$0	\$0	\$0	\$2,719
325	Accrued Interest Payable	\$0	\$0	\$0	\$0	\$4,871	\$0	\$4,871
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$4,334	\$0	\$0	\$0	\$4,334
341	Tenant Security Deposits	\$5,350	\$0	\$0	\$0	\$10,326	\$0	\$15,676
345	Other Current Liabilities	\$5	\$0	\$0	\$0	\$0	\$0	\$5
347	Interprogram Due To	\$4,334	\$162,788	\$2,500	\$34,984	\$103,886	\$0	\$308,492
310	Total Current Liabilities	\$15,554	\$163,985	\$6,834	\$34,984	\$119,124	\$0	\$340,481
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$2,643,065	\$0	\$2,643,065
354	Accrued Compensated Absences - Non Current	\$4,186	\$3,292	\$0	\$0	\$0	\$0	\$7,478
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$1,216,318	\$0	\$1,216,318
350	Total Noncurrent Liabilities	\$4,186	\$3,292	\$0	\$0	\$3,859,383	\$0	\$3,866,861
300	Total Liabilities	\$19,740	\$167,277	\$6,834	\$34,984	\$3,978,507	\$0	\$4,207,342

**HOUSING AUTHORITY OF DENHAM SPRINGS
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2007

508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$377,598	\$0	\$43,742	\$0	\$1,424,258	\$0	\$1,845,598
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$129,382	\$0	\$0	\$985,475	\$0	\$1,114,857
512.1	Unrestricted Net Assets	\$410,596	\$89,728	\$0	\$2,679	\$-357,384	\$0	\$145,619
513	Total Equity/Net Assets	\$788,194	\$219,110	\$43,742	\$2,679	\$2,052,349	\$0	\$3,106,074
600	Total Liabilities and Equity/Net Assets	\$807,934	\$386,387	\$50,576	\$37,663	\$6,030,856	\$0	\$7,313,416
703	Net Tenant Rental Revenue	\$106,010	\$0	\$0	\$0	\$36,497	\$0	\$142,507
705	Total Tenant Revenue	\$106,010	\$0	\$0	\$0	\$36,497	\$0	\$142,507
706	HUD PHA Operating Grants	\$66,999	\$481,438	\$31,621	\$123,799	\$0	\$0	\$703,857
706.1	Capital Grants	\$0	\$0	\$46,866	\$0	\$0	\$0	\$46,866
711	Investment Income - Unrestricted	\$9,700	\$1,297	\$0	\$0	\$0	\$0	\$10,997
715	Other Revenue	\$56,455	\$142	\$0	\$0	\$1,401,837	\$0	\$1,458,434
720	Investment Income - Restricted	\$0	\$1,901	\$0	\$0	\$0	\$0	\$1,901
700	Total Revenue	\$239,164	\$484,778	\$78,487	\$123,799	\$1,438,334	\$0	\$2,364,562
911	Administrative Salaries	\$37,528	\$44,527	\$0	\$0	\$6,800	\$0	\$88,855
912	Auditing Fees	\$4,443	\$4,443	\$0	\$0	\$0	\$0	\$8,886
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$2,190	\$0	\$2,190
914	Compensated Absences	\$138	\$0	\$0	\$0	\$0	\$0	\$138
915	Employee Benefit Contributions - Administrative	\$6,379	\$3,176	\$0	\$0	\$780	\$0	\$10,335
918	Other Operating - Administrative	\$28,569	\$19,853	\$9,767	\$100	\$216,595	\$100	\$274,984
931	Water	\$915	\$0	\$0	\$0	\$1,109	\$0	\$2,024
932	Electricity	\$8,396	\$0	\$0	\$0	\$2,583	\$0	\$10,979
933	Gas	\$1,561	\$0	\$0	\$0	\$0	\$0	\$1,561
938	Other Utilities Expense	\$13	\$0	\$0	\$0	\$0	\$0	\$13
941	Ordinary Maintenance and Operations - Labor	\$32,299	\$0	\$0	\$0	\$0	\$0	\$32,299
942	Ordinary Maintenance and Operations - Materials and Other	\$7,642	\$0	\$0	\$0	\$0	\$0	\$7,642
943	Ordinary Maintenance and Operations - Contract Costs	\$18,714	\$0	\$1,854	\$0	\$4,022	\$0	\$24,590
945	Employee Benefit Contributions - Ordinary Maintenance	\$5,490	\$0	\$0	\$0	\$0	\$0	\$5,490
961	Insurance Premiums	\$16,473	\$3,579	\$0	\$0	\$16,984	\$0	\$37,036
962	Other General Expenses	\$0	\$0	\$0	\$0	\$21	\$0	\$21
963	Payments in Lieu of Taxes	\$9,512	\$0	\$0	\$0	\$0	\$0	\$9,512
964	Bad Debt - Tenant Rents	\$123	\$0	\$0	\$0	\$0	\$0	\$123
967	Interest Expense	\$0	\$0	\$0	\$0	\$17,583	\$0	\$17,583
968	Severance Expense	\$0	\$0	\$0	\$0	\$117,412	\$0	\$117,412
969	Total Operating Expenses	\$178,195	\$75,578	\$11,621	\$100	\$386,079	\$100	\$851,673
970	Excess Operating Revenue over Operating Expenses	\$60,969	\$409,200	\$66,866	\$123,699	\$1,052,255	\$-100	\$1,712,889
971	Extraordinary Maintenance	\$1,560	\$0	\$0	\$0	\$0	\$0	\$1,560
972	Casualty Losses - Non-Capitalized	\$1,150	\$0	\$0	\$0	\$0	\$0	\$1,150
973	Housing Assistance Payments	\$0	\$336,996	\$0	\$125,169	\$0	\$0	\$462,165
974	Depreciation Expense	\$61,382	\$0	\$3,124	\$0	\$77,337	\$0	\$141,843
900	Total Expenses	\$242,287	\$412,574	\$14,745	\$125,269	\$463,416	\$100	\$1,258,391
1001	Operating Transfers In	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000
1002	Operating Transfers Out	\$0	\$0	\$-20,000	\$0	\$0	\$0	\$-20,000
1010	Total Other Financing Sources (Uses)	\$20,000	\$0	\$-20,000	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$16,877	\$72,204	\$43,742	\$-1,470	\$974,918	\$-100	\$1,106,171
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$758,285	\$139,944	\$26,574	\$4,149	\$796,228	\$10,298	\$1,735,478
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$13,032	\$8,962	\$-26,574	\$0	\$281,203	\$-10,198	\$264,425
1120	Unit Months Available	564	1,440	0	202	0	0	2,206
1121	Number of Unit Months Leased	544	1,009	0	202	0	0	1,755
1117	Administrative Fee Equity	\$0	\$88,508	\$0	\$0	\$0	\$0	\$88,508
1118	Housing Assistance Payments Equity	\$0	\$130,602	\$0	\$0	\$0	\$0	\$130,602