

4102

HOUSING AUTHORITY OF THE CITY OF SULPHUR

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 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 7/30/08

**HOUSING AUTHORITY OF THE CITY OF SULPHUR
SULPHUR, LOUISIANA**

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HOUSING AUTHORITY OF THE CITY OF SULPHUR, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2007

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

The management of Public Housing Authority of Sulphur, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 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 \$4,820,465 at the close of the fiscal year ended 2007.
 - ✓ Of this amount \$3,801,949 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$1,018,516 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 49% of the total operating expenses of \$2,067,336 for the fiscal year 2007.
- The Housing Authority's total net assets increased by \$739,277, a 17% change from the prior fiscal year 2006. This increase is attributable to significant increases in Federal grants and capital contributions for both operations and capital improvements, and the Frenchman's Creek Development described in more detail below.
- The increase in net assets of these funds was accompanied by a decrease in unrestricted cash by \$90,045 from fiscal year 2006, primarily due to spending more for operations and capital assets than Federal funds received.
- The Authority spent \$75,890 on capital asset additions, \$1,094,783 on construction in progress, and \$542,316 on land including the Authority's investment in Frenchman's Creek Limited Partnership, a tax-credit development project, during the current fiscal year.
- These changes led to an increase in total assets by \$1,234,191 and an increase in total liabilities by \$739,277.
- The Housing Authority owes \$718,555 in long term notes payable to Bank of America and the National Equity Fund, which were used to purchase property and begin construction on the 40 family Low Income Housing Tax Credit units for Frenchman's Creek Limited Partnership, a tax credit development project. This project contributed \$898,245 capital to Net Assets during the current fiscal year.

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.

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

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 (which includes the component unit Frenchman's Creek Limited Partnership, a tax credit development program, See Note 1.A – Financial Reporting Entity)
- Housing Choice Vouchers
- Lower Income Housing Assistance Program (Section 8 Moderate Rehabilitation)
- Public Housing Capital Fund Program
- Shelter Care Plus
- Disaster Voucher Program

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.

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

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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 \$5,101,485 as of December 31, 2007. Of this amount, \$3,802,081 was invested in capital assets, and the remaining \$1,299,404 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet
(Excluding Interfund Transfers)
As of December 31,

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$1,387,598	\$1,621,750
Capital assets, net of depreciation	<u>4,520,637</u>	<u>3,147,282</u>
Total assets	<u>5,908,235</u>	<u>4,769,032</u>
LIABILITIES		
Current liabilities	74,056	394,828
Non-current liabilities, including long term debt	<u>732,693</u>	<u>11,996</u>
Total liabilities	<u>806,749</u>	<u>406,824</u>
NET ASSETS		
Invested in capital assets, net of depreciation and related debts	3,802,081	3,147,282
Unrestricted net assets	<u>1,299,404</u>	<u>1,214,926</u>
Total net assets	<u>5,101,485</u>	<u>4,362,208</u>
Total liabilities and net assets	<u>5,908,235</u>	<u>4,769,032</u>

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$739,277, or by 17%, 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
(Excluding Interfund Transfers)
Fiscal Year Ended December 31,

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 310,368	\$ 288,954
Other tenant revenue	1,800	1,600
Total operating revenues	<u>312,168</u>	<u>290,554</u>
OPERATING EXPENSES		
Federal Housing Assistance Payments (HAP) to landlords	823,742	750,060
Maintenance and repairs	373,277	369,121
Depreciation	339,633	329,431
Administration	309,345	277,571
General	126,097	120,503
Utilities	75,963	68,862
Extraordinary repairs	16,980	-
Tenant services	2,299	2,173
Total operating expenses	<u>2,067,338</u>	<u>1,917,721</u>
(Losses) from operations	<u>(1,755,170)</u>	<u>(1,627,167)</u>
NON-OPERATING REVENUES		
Federal grants for operations	1,345,440	1,214,040
Other non-tenant revenue, including limited partnership revenue	954,412	479,027
Interest income	41,181	48,427
Fraud Recovery	-	5,573
Total Non-Operating Revenues	<u>2,341,033</u>	<u>1,747,067</u>
NON-OPERATING EXPENSES		
Casualty losses	-	10,800
Income after non-operating revenues and expenses	<u>585,863</u>	<u>109,100</u>
OTHER CHANGES IN NET ASSETS		
Federal grants for capital expenditures	<u>153,412</u>	<u>297,241</u>
NET INCREASES IN NET ASSETS	739,277	406,341
NET ASSETS, beginning of fiscal year	<u>4,362,208</u>	<u>3,955,867</u>
NET ASSETS, end of fiscal year	<u>5,101,485</u>	<u>4,362,208</u>

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$615,580, or by 30%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Contributed capital received from National Equity Fund for Frenchman's Creek Limited Partnership was \$898,245 for December 31, 2007.
- Federal Capital Funds from HUD decreased by \$143,829, or by 48% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2005 through 2007, and submitted a new grant during fiscal year 2008.
- Federal revenues from HUD for operations increased by \$131,400, or by 11% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Total other non-operating revenue increased by \$475,385, or by 99% from that of the prior fiscal year, due to a combination of two offsetting factors: Other revenue decreased by \$423,449, because the Authority received proceeds from casualty insurance claims in the prior year, which were recorded as other income by the Authority in the year received, and little in the current year. However, this was offset by an increase of \$898,245 of capital contributed from the Frenchman's Creek Limited Partnership tax credit investment during the current fiscal year.
- Total tenant revenue increased from that of the prior fiscal year, due to these major factors: Tenant rental revenues increased by \$21,414, or by 7%, even though occupancy rates decreased by 3%, because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by 13%.
- Interest income decreased by \$7,246 or by 15% from that of the prior fiscal year because available cash was not transferred into investments as frequently during the current fiscal year. Cash was needed increasingly for the tax credit limited partnership construction during phases when financing for the partnership was negotiated.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$138,817, or by 7%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Housing Assistance Payments to landlords increased by \$73,682, or by 10% from that of the prior fiscal year, because there was an increase in the number of tenants qualifying for subsidy during the year. Consequently, revenues from HUD for these subsidies increased by \$35,286.

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

- Administrative Expenses increased by \$31,774, or by 11% from that of the prior fiscal year, due to a combination of many factors including: Administrative staff salaries increased by \$6,159, staff vacation and sick leave pay increased by \$2,479, and related employee benefit contributions increased by \$4,149; therefore, total staff salaries and benefit costs increased by 7%. In addition, accounting fees increased by \$8,890 legal fees increased by \$4,122; thus, total outside professional fees increased by 80%. Finally, staff travel reimbursements increased by \$21,948, however sundry expenses decreased by \$17,476; therefore, other staff administrative expense increased by 7%.
- Maintenance and repairs increased by \$4,156, or by 1% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$7,637, or by 7%, related employee benefit contributions increased by \$6,564, or by 14%, and materials used increased by \$7,117, or by 12%. However, contract labor costs decreased by \$17,161, or by 11%. In addition, Extraordinary maintenance increased by \$16,380 from that of the prior fiscal year, because the Housing Authority striped the parking lot and built a fence.
- Depreciation expense increased by only \$10,202, or by 3% from that of the prior fiscal year, because there was an increase in capital assets by \$1,713,589, most of which were still under construction.
- Casualty losses decreased by \$10,200, or by 94% from that of the prior fiscal year, because most of the expenses occurred in the prior fiscal year.
- Utilities Expense increased by \$7,101, or by 10% from that of the prior fiscal year, because water cost increased by \$1,861, an increase in flat rate by 7%. Also, electricity cost increased by \$1,357, due to a decrease in consumption by 6% but an increase in rate by 18%. Finally, other utilities expense (such as garbage, sewage, and waste removal) increased by \$3,882, or by 13%.
- General Expenses increased by \$5,594 or by 5% from that of the prior fiscal year, primarily because insurance premiums increased by \$3,156, or by 4%, since property and casualty insurance premiums increased. Also, payments in lieu of taxes (PILOT) increased by \$1,452, or by 7%. PILOT is calculated as a percentage of rent (which increased by 7%) minus utilities (which increased 10%), and therefore changed proportionately to the changes in each of these.
- Tenant services, totaling \$2,299, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2007, the Housing Authority had a total cost of \$10,222,331 invested in a broad range of assets and construction in progress from projects funded in 2005 through 2007, listed below. This amount, not including depreciation, represents increases of \$1,713,589 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 December 31,**

	<u>2007</u>	<u>2006</u>
Buildings	\$ 2,034,633	\$ 2,213,241
Leasehold improvements	712,734	688,394
Land, including \$545,346 in tax credit limited partnership	642,215	99,900
Furniture and equipment	36,272	46,538
Construction, including \$1,091,800 in tax credit limited partnership	<u>1,094,784</u>	<u>99,209</u>
Total	<u>4,520,637</u>	<u>3,147,282</u>

Housing Authority of The City of Sulphur, Louisiana

Management's Discussion and Analysis (MD&A)

DECEMBER 31, 2007

As of the end of the 2007 fiscal year, the Authority is still in the process of completing HUD grants of \$904,194 obtained during 2005 through 2007 fiscal years. A total remainder of \$450,878 will be received and \$449,311 will be spent for completing these projects during fiscal year 2008.

Debt

The Housing Authority owes long term notes payable to Bank of America and National Equity Fund that were used to finance construction listed above totaling \$718,555 in Frenchman's Creek Limited Partnership, a tax credit development enterprise involving the construction of 40 family low income housing units.

Non-current liabilities also include accrued annual vacation and sick leave due to employees.

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 Lawrence Italo, at Public Housing Authority of Sulphur, Louisiana; 312 Brook Street; Sulphur, LA 70663.

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Independent Auditors' Report

Board of Commissioners
Housing Authority of The City
of Sulphur
Sulphur, Louisiana

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Housing Authority of The City of Sulphur, as of and for the year ended December 31, 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 The City of Sulphur'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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Housing Authority of The City of Sulphur, as of December 31, 2007, and the respective changes in financial position and, where applicable, 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 June 30, 2008, on our consideration of the Housing Authority of The City of Sulphur'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 important for assessing the results of our audit.

The management's discussion and analysis on pages 5 through 12 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 required 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 The City of Sulphur's basic financial statements. The accompanying information identified in the table of contents as supplemental information including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the Financial Data Schedule required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Housing Authority of The City of Sulphur. 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.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso, CPAs

June 30, 2008

Housing Authority of The City of Sulphur
Sulphur, Louisiana

ENTERPRISE FUNDS
Balance Sheet

December 31, 2007

	<u>General</u>	<u>Section 8</u>	<u>(Memorandum Only) Totals Primary Government</u>
ASSETS			
Current assets			
Cash	\$ 1,000,746	\$ 288,407	\$ 1,289,153
Investments	30,000	-	30,000
Accounts receivable-tenants, net	670	-	670
Accounts receivable-HUD, net	-	1,567	1,567
Interfund receivable	7,273	148,511	155,784
Inventory	4,131	-	4,131
Prepaid items and other assets	21,691	2,821	24,512
Total current assets	<u>1,064,511</u>	<u>441,306</u>	<u>1,505,817</u>
Restricted assets			
Security deposits	37,566	-	37,566
Total restricted assets	<u>37,566</u>	<u>-</u>	<u>37,566</u>
Capital assets, net			
Land	642,216	-	642,216
Construction in progress	1,094,783	-	1,094,783
Buildings and equipment, net	2,783,505	132	2,783,637
Total capital assets, net	<u>4,520,504</u>	<u>132</u>	<u>4,520,636</u>
TOTAL ASSETS	<u>\$ 5,622,581</u>	<u>\$ 441,438</u>	<u>\$ 6,064,019</u>

The notes to the financial statements are an integral part of this statement.

Housing Authority of The City of Sulphur
Sulphur, Louisiana

ENTERPRISE FUNDS
Balance Sheet (Continued)

December 31, 2007

	<u>General</u>	<u>Section 8</u>	<u>(Memorandum Only) Totals Primary Government</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 16,669	\$ -	16,669
Accounts payable - other government	5,787	-	5,787
Other payable	2,167	-	2,167
Interfund payable	-	155,784	155,784
Deferred revenues	-	2,904	2,904
Current portion of long term debt - compensated absences payable	7,234	1,730	8,964
Total current liabilities	<u>31,857</u>	<u>160,418</u>	<u>192,275</u>
Current liabilities payable from current restricted assets			
Deposits due others	37,566	-	37,566
Noncurrent liabilities			
Compensated absences payable	14,138	-	14,138
Long term debt	718,555	-	718,555
Total noncurrent liabilities	<u>732,693</u>	<u>-</u>	<u>732,693</u>
Total liabilities	802,116	160,418	962,534
NET ASSETS			
Invested in capital assets, net of related debt	3,801,949	132	3,802,081
Unrestricted	1,018,516	280,888	1,299,404
Net assets	<u>4,820,465</u>	<u>281,020</u>	<u>5,101,485</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,622,581</u>	<u>\$ 441,438</u>	<u>\$ 6,064,019</u>

Housing Authority of The City of Sulphur
Sulphur, Louisiana

ENTERPRISE FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets

December 31, 2007

	General	Section 8	(Memorandum Only) Totals Primary Government
OPERATING REVENUES			
Dwelling rental	\$ 312,168	\$ -	\$ 312,168
Other	55,080	1,087	56,167
Total operating revenues	367,248	1,087	368,335
OPERATING EXPENSES			
Administration	220,012	89,333	309,345
Tenant services	2,299	-	2,299
Utilities	75,962	-	75,962
Ordinary maintenance and operation	373,277	-	373,277
General expenses	118,648	7,450	126,098
Nonroutine maintenance	16,980	-	16,980
Housing and assistance payments	-	823,742	823,742
Depreciation	335,845	3,790	339,635
Total operating expenses	1,143,023	924,315	2,067,338
Income (Loss) from operations	(775,775)	(923,228)	(1,699,003)
Nonoperating revenues (expenses)			
Interest earnings	32,077	9,106	41,183
Federal grants	436,859	908,581	1,345,440
Total nonoperating revenues (expenses)	468,936	917,687	1,386,623
Income (loss) before capital contributions	(306,839)	(5,541)	(312,380)
Capital grant contributions	153,412	-	153,412
Contributed capital	898,245	-	898,245
Change in net assets	744,818	(5,541)	739,277
NET ASSETS AT BEGINNING OF YEAR	4,075,647	286,561	4,362,208
NET ASSETS AT END OF YEAR	\$ 4,820,465	\$ 281,020	\$ 5,101,485

The notes to the financial statements are an integral part of this statement.

Housing Authority of The City of Sulphur
Sulphur, Louisiana

ENTERPRISE FUNDS
Statement of Cash Flows

December 31, 2007

	<u>General</u>	<u>Section 8</u>	<u>(Memorandum Only) Totals Primary Government</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 318,616	\$ -	\$ 318,616
Payments to vendors	(562,689)	(403,224)	(965,913)
Payments to employees	(231,332)	(36,249)	(267,581)
Other receipts (payments)	91,811	1,087	92,898
Payments to private landlords	-	(823,742)	(823,742)
Net cash provided by (used in) operating activities	(383,594)	(1,262,128)	(1,645,722)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributed capital	898,245	-	898,245
Federal grants	607,819	1,002,864	1,610,683
Net cash provided by (used in) noncapital financing activities	1,506,064	1,002,864	2,508,928
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of land	(542,316)	-	(542,316)
Purchase of capital assets	(75,890)	-	(75,890)
Payments for construction in progress	(1,094,783)	-	(1,094,783)
Proceeds from loans	718,555	-	718,555
Net cash provided by (used in) capital and related financing activities	(994,434)	-	(994,434)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	32,077	9,106	41,183
Net cash provided by (used in) investing activities	32,077	9,106	41,183
Net increase (decrease) in cash and cash equivalents	160,113	(250,158)	(90,045)
Cash and cash equivalents at beginning of year	878,199	538,565	1,416,764
Cash and cash equivalents at end of year	\$ 1,038,312	\$ 288,407	\$ 1,326,719

The notes to the financial statements are an integral part of this statement.

Housing Authority of The City of Sulphur
Sulphur, Louisiana

ENTERPRISE FUNDS
Statement of Cash Flows (Continued)

December 31, 2007

	<u>General</u>	<u>Section 8</u>	<u>(Memorandum Only) Totals Primary Government</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (775,775)	\$ (923,228)	\$ (1,699,003)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	335,845	3,790	339,635
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable-other	36,731	-	36,731
(Increase) decrease in accounts receivable-tenants	(78)	-	(78)
(Increase) decrease in interfund receivables	23,839	(118,827)	(94,988)
(Increase) decrease in inventory	(12)	-	(12)
(Increase) decrease in prepaid items	(2,687)	(2,311)	(4,998)
Increase (decrease) in accounts payable	13,050	-	13,050
Increase (decrease) in accounts payable-HUD	-	(341,418)	(341,418)
Increase (decrease) in interfund payables	(24,613)	119,604	94,991
Increase (decrease) in deposit due others	6,526	-	6,526
Increase (decrease) in compensated absences	3,580	262	3,842
Net cash provided by (used in) operating activities	<u>(383,594)</u>	<u>(1,262,128)</u>	<u>(1,645,722)</u>
Reconciliation of cash and cash equivalents at end of year to balance sheet presentation:			
Cash			
Security deposits	1,000,746	288,407	1,289,153
Cash and cash equivalents at end of year	37,566	-	37,566
	<u>\$ 1,038,312</u>	<u>\$ 288,407</u>	<u>\$ 1,326,719</u>

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 1 - Organization and Summary of Significant Accounting Policies

The Housing Authority of The City of Sulphur (the Authority) was incorporated July 13, 1961 under the authority of the Constitution of statutes (LSA:R.S. 40:381) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations in Sulphur, Louisiana.

A. Financial Reporting Entity

GASB Statement 14, *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity component units that should be included within the reporting entity. Under the provisions of this Statement, the 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.

The Authority is a related organization of the City of Sulphur since the Honorable Mayor of the City of Sulphur appoints the Authority's governing board. The Authority's governing board is composed of five members appointed for staggered multi-year terms. The City of Sulphur is not financially accountable for the Authority as it is not able to impose its will on the Authority and there is no potential for the Authority to provide financial benefit to, or impose financial burdens on, the City of Sulphur. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Sulphur or any other governmental unit.

In determining how to define the reporting entity, management has considered all potential component units. Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Authority for financial reporting purposes. The criterion include manifestation of oversight responsibility; including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based on the previous criteria, the Authority has determined that there is a component unit that should be considered as part of the Authority's reporting entity:

Frenchman's Creek Limited Partnership involves the new construction of 40 family Low Income Housing Tax Credit units located in Sulphur, Louisiana, and is a legally separate entity. The managing general partner of Frenchman's Creek Limited Partnership is the FCD GP, LLC, of which FCD Corporation, a Louisiana non-profit corporation, is the only member of the limited liability company. The Board of Directors of FCD Corporation consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing body of Frenchman's Creek Limited Partnership.

The Frenchman's Creek Limited Partnership is included in the financial statements as a blended entity, as part of the General Fund.

Programs within the general and section 8 funds operated by the Authority receive federal assistance from the U.S. Department of Housing and Urban Development (HUD), and are subject to applicable laws and regulations. The operations of each fund are accounted for through a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Federal contributions are received and accounted for in the individual programs based upon the purposes for which they are to be spent. The Authority is not subject to income taxes.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (continued)

A brief description of the various programs is as follows:

- Housing Authority Owned Rental Housing (FW-1132) - Approximately 201 units of low-income public housing are owned by the Housing Authority of The City of Sulphur. Low Income is defined by published entry in the Federal Register per Standard Metropolitan Statistical Areas (SMSA). Tenants pay the highest of 30% of their adjusted income or 10% of monthly income for such housing.
- Section 8 Public Owned Rental Housing - Section 8 Public Housing is a program designed to allow private homeowners to lease their houses to low-income families. The rents are set by the Federal Government and published in the Federal Register and cannot be increased without HUD approval. Tenants pay the highest of 30% of their adjusted income or 10% of monthly income for such housing. The Housing Authority of The City of Sulphur makes up the difference between the tenants portion of the rent and the Fair Market Rent as subsidy to the homeowner. Section 8 has evolved into two programs:

Housing Choice Vouchers (FW-2228V) - 100 units

Moderate Rehab (FW-2074) - 75 units

- Shelter Plus Care Housing - This program provides for housing for homeless individuals and families with special disabilities. The basic Section 8 rules apply.

B. Funds

The accounts of the 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 is maintained consistent with legal and managerial requirements.

All funds of the Authority are classified as proprietary. The general fund accounts for transactions of the public housing low rent program, the capital fund program, and the blended component unit, Frenchman's Creek Limited Partnership. The Section 8 fund accounts for transactions of the housing choice voucher program, the moderate rehab program, and the shelter plus care housing program.

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or 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. 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 Authority has elected, pursuant to Governmental Accounting Standards Board (GASB) Statement 20, to apply all GASB pronouncements and only FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 fund's principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents and administration fees earned.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (continued)

Operating Expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Total columns on the basic financial statements are captioned as "Memorandum Only," because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

D. Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. Budgets are not, however legally adopted nor legally required for financial statement presentation.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. The Authority considers all highly liquid transactions purchased with an original maturity of 90 days or less when purchased to be cash equivalents. The Authority had cash equivalents consisting of \$1,326,719 in money market accounts at December 31, 2007.

F. Investments

Investments are limited by LSA-R.S. 33:2955 and the 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. Investments included a certificate of deposit totaling \$30,000.

The investments are reflected at fair value except for the following, when applicable, which are required/permitted as per GASB Statement No. 31:

1. 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.
2. Money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost.

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.

G. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. Additionally, transactions occur between individual funds as a result of the use of a common paymaster for shared costs of the Authority. Cash settlements are made periodically. These receivables and payables are classified as interfund receivables/payables.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

H. Inventory

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

I. Prepaid Items

Payments made to vendors that will benefit periods beyond the fiscal year end are recorded as prepaid items.

J. Restricted Assets

Certain assets are classified as restricted assets on the balance sheet because their use is restricted for security deposits held in trust.

K. Capital Assets

The Authority's purchased capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The Authority's policy is to capitalize significant items of equipment, major renovations, buildings, and real estate. The Authority capitalizes equipment and/or personal property with an initial cost of \$500 or more and an anticipated life or useful value of said equipment or property of more than one year.

Straight-line depreciation is calculated in accordance with PHA-GAAP guidelines as follows:

Original buildings	33 years
Building Improvements	15 years
Site improvements	15 years
Furniture and equipment	5-7 years

When capital assets are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

L. Deferred Revenues

The Authority reports deferred revenues on its balance sheet. Deferred revenues arise when the Authority receives resources before it has a legal claim to them. In subsequent periods, then the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

M. Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Annual and sick leave is earned by each full-time and each part-time associate who has a regular tour of duty, except that no associate shall earn annual or sick leave while serving on restricted appointment or while using leave from an agency leave pool as defined in Rule 11.34.

The earning of such leave is based on the equivalent of years of full-time State service and shall be creditable at the end of each calendar month or at the end of each regular pay period based on graduated rates per hour. Accrued annual and sick leave earned by an associate shall be carried forward to succeeding calendar years. Upon separation from the Authority, an associate is paid the value of his accrued annual leave in a lump sum up to a maximum of 300 hours, disregarding any final fraction of an hour; provided the privileges of this rule shall not extend to any associate who is dismissed for theft of Authority funds or property. Upon separation from the Authority, an associate is not compensated for sick leave.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

N. 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.

O. Use of Estimates

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

Note 2 - Deposits and Investments

The Authority's investments are limited to those allowed by state statute. At December 31, 2007, the Authority's investments consisted of a certificate of deposit.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may be returned to it. As of December 31, 2007, \$1,047,389 of the Authority's bank balances of \$1,347,389 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging

Banks' trust department not in the Authority's name	\$ 1,047,389
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Although the pledged securities are considered uncollateralized 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 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon request.

Under state law, the Authority's demand deposits are required to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC), and pledged securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 3 - Accounts Receivable

The accounts receivables at December 31, 2007 are as follows:

Class of Receivable	General	Section 8	(Memorandum Only)
			Total
HUD	\$ -	\$ 1,567	\$ 1,567
Tenants	670	-	670
	<u>\$ 670</u>	<u>\$ 1,567</u>	<u>\$ 2,237</u>

Included in tenants accounts receivable are repayment agreements for fraudulently reporting incorrect income amounts for past rental calculations. The tenants account receivable is net of an allowance for doubtful accounts of zero. The Housing Authority expects to collect all receivables within one year.

Note 4 - Prepaid Items

Prepaid items as of December 31, 2007 consisted of prepaid insurance of \$21,691.

Note 5 - Capital Assets

Changes in capital assets and accumulated depreciation during the current year are as follows:

	Cost	Additions	Dispositions	Cost
	12/31/2006			12/31/2007
Land	\$ 99,900	\$ 542,316	\$ -	\$ 642,216
Buildings	8,797,144	15,250	-	\$ 8,812,394
Furniture, equipment, and machinery	209,990	56,349	-	\$ 266,339
Construction in progress	99,209	1,094,783	(99,209)	\$ 1,094,783
Site improvements	397,885	103,500	-	\$ 501,385
	<u>9,604,128</u>	<u>\$ 1,812,198</u>	<u>\$ (99,209)</u>	<u>11,317,117</u>
Accumulated depreciation:				
Balance 12/31/06				(6,456,846)
Current year depreciation				(339,635)
Current year dispositions				-
Balance 12/31/07				<u>(6,796,481)</u>
Capital assets, net of accumulated depreciation				<u>\$ 4,520,636</u>

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 6 - Interfund Receivables/Payables

The following schedule reports receivables and payables within the reporting entity at December 31, 2007:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 7,273	\$ -
Section 8	148,511	155,784
	<u>\$ 155,784</u>	<u>\$ 155,784</u>

Note 7 - Accounts Payable

The accounts payable at December 31, 2007 are as follows:

Class of Payable	General	Section 8	(Memorandum Only Total)
Due to Other Governments:			
Payment in lieu of property tax	5,787	-	5,787
Operating	18,836	-	18,836
	<u>\$ 24,623</u>	<u>\$ -</u>	<u>\$ 24,623</u>

Note 8 - Compensated Absences Payable

As of December 31, 2007, employees of the Housing Authority have accumulated and vested \$23,102 of employee leave computed in accordance with GASB Codification Section C60.

Note 9 - Notes Payable

As disclosed in Note 1, Financial Reporting Entity, Frenchman's Creek Limited Partnership is presented as a blended component entity, as part of the General Fund. On October 24, 2007, Frenchman's Creek Limited Partnership executed a loan for the new construction of 40 family Low Income Housing Tax Credit units for \$1,466,790 with Bank of America, collateralized by the property. The construction loan is a non-amortizing obligation with interest only payable monthly, at a rate equal to the London Interbank Offered Rate (LIBOR) plus two hundred forty (240) basis points as determined on an actual 30/360 basis. The maturity date of the construction loan is the payment date falling 24 months after the closing date. The loan bears interest from the earlier of the closing date, or from the date of the first disbursement of the proceeds, until the loan is paid in full. On the construction loan maturity date, the remaining principal balance of the loan will be due and payable. As of December 31, 2007, the balance of the loan was \$518,555.

On November 9, 2007, FCD Corporation, the member of FCD GP, LLC, of which is the managing general partner of Frenchman's Creek Limited Partnership entered into a mortgage with National Equity Fund for \$200,000 for the purpose of being used as security by FCD Corporation for indebtedness due National Equity Fund. The note is a non-amortizing mortgage in which the interest rate and repayment terms have not been set and is secured by real estate. The mortgage remains in effect until canceled under a written mortgage cancellation instrument signed by National Equity Fund. It is the intention of FCD Corporation to refinance the obligation with a local bank.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 10 - General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 2007, which consisted of, compensated absences and notes payable:

	(Memorandum Only Total)		
	General	Section 8	
Balance, beginning	\$ 17,792	\$ 1,468	\$ 19,260
Additions	722,135	262	722,397
Balance, ending	<u>\$ 739,927</u>	<u>\$ 1,730</u>	<u>\$ 741,657</u>
Amounts due in one year	<u>\$ 7,234</u>	<u>\$ 1,730</u>	<u>\$ 8,964</u>

Note 11 - Contributed Capital

As noted in Note 1, Financial Reporting Entity, Frenchman's Creek Limited Partnership is a component unit of the Authority. The managing general partner of the Partnership is the FCD GP, LLC, of which FCD Corporation is the only member. National Equity Fund Assignment Corporation (NEFAC) is the nominee limited partner in the Partnership. As of December 31, 2007, NEFAC contributed \$898,145 towards the construction project.

Note 12 - Retirement Plan

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Authority provides pension benefits for all of its full-time employees. All regular 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. The Board of Commissioners of the Authority determines plan provisions and changes to plan contributions.

Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

Under the plan, the Authority contributes 8.5% of the employee's basic (excludes overtime) monthly salary to the plan with the provision that the employee is required to contribute a minimum 6.5%. The Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the 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 Authority's total payroll for the year ended December 31, 2007 was \$267,584. The Authority's contributions were calculated using the base salary amount of \$185,704. The Authority made the required contributions of \$15,447 for the year ended December 31, 2007.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to Basic Financial Statements
December 31, 2007**

Note 13 - Contingencies and Commitments

Grant Disallowances In the normal course of operations, the Authority receives grant funds from federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management of the Authority believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Construction Projects There are construction projects in progress at December 21, 2007 which include modernizing rental units. HUD funds these projects. Funds are requested periodically as the cost is incurred. Also, as noted in Note 1, *Financial Reporting Entity*, the component entity Frenchman's Creek Limited Partnership involves the construction of 40 family Low Income Housing Tax Credit units. The construction costs at December 31, 2007 totaled \$1,091,800. The projected total costs of the development are \$6,876,366.

Guaranty The Authority and FCD Corporation have agreed to be the guarantor with respect to Frenchman's Creek Limited Partnership's construction loan with Bank of America.

Note 14 - Risk Management

The Authority is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 15- Economic Dependence and Current Vulnerability Due to Certain Concentrations

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$1,498,852 to the Authority, which represents approximately 79% of the Authority's total revenue for the year.

The Authority's operations are concentrated in the public housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. HUD subject to change by an act of congress or an administrative change mandates such administrative directives, rules, and regulations. Such changes may occur with little notice or inadequate funding to pay the related cost, including additional administrative burden, to comply with a change.

SUPPLEMENTARY INFORMATION

Housing Authority of The City of Sulphur
Sulphur, Louisiana

FINANCIAL DATA SCHEDULE
For the Year Ended December 31, 2007

Line Item No.	Account Description	Lower Income Housing Assistance Program Section 8						Total
		Shelter Plus Care	Low Rent Public Housing	Moderate Rehabilitation LA063MR0001	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	
111	Cash - Unrestricted	\$ -	\$ 1,000,746	\$ -	\$ 288,407	\$ -	\$ -	\$ 1,289,153
113	Cash - Other Restricted	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	37,566	-	-	-	-	37,566
100	Total Cash	-	1,038,312	-	288,407	-	-	1,326,719
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	1,567	-	-	1,567
126	Accounts Receivable - Tenants - Dwelling Rents	-	2,177	-	-	-	-	2,177
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	(1,507)	-	-	-	-	(1,507)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-
120	Total Receivables, net of allowance for doubtful accounts	-	670	-	1,567	-	-	2,237
131	Investments - Unrestricted	-	30,000	-	-	-	-	30,000
132	Investments - Restricted	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	21,691	-	2,821	-	-	24,512
143	Inventories	-	4,131	-	-	-	-	4,131
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144	Interprogram Due From	-	7,273	81,077	64,530	-	2,904	155,784
150	Total Current Assets	-	63,095	81,077	357,325	-	2,904	214,427
161	Land	-	642,216	-	-	-	-	642,216
162	Buildings	-	7,887,921	-	-	-	-	7,887,921
163	Furniture, Equipment & Machinery - Dwellings	-	41,294	-	-	-	-	41,294
164	Furniture, Equipment & Machinery - Administration	-	132,691	9,469	10,621	20,439	-	173,220
165	Leasehold Improvements	-	1,242,052	-	-	235,629	-	1,477,681
166	Accumulated Depreciation	-	(6,750,468)	(9,403)	(10,555)	(26,053)	-	(6,796,479)
167	Construction In Progress	-	1,091,800	-	-	2,983	-	1,094,783
160	Total Fixed Assets, Net of Accumulated Depreciation	-	4,287,506	66	66	232,998	-	4,520,636
174	Other Assets	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	4,287,506	66	66	232,998	-	4,520,636
190	Total Assets	\$ -	\$ 5,389,583	\$ 81,143	\$ 357,391	\$ 232,998	\$ 2,904	\$ 6,064,019

Housing Authority of The City of Sulphur
Sulphur, Louisiana

FINANCIAL DATA SCHEDULE
For the Year Ended December 31, 2007

Line Item No.	Account Description	Lower Income Housing Assistance Program Section					Public Housing Capital Fund Program	Disaster Voucher Program	Total
		Shelter Plus Care	Low Rent Public Housing	8 Moderate Rehabilitation LA063MR0001	Housing Choice Vouchers				
312	Accounts Payable - 90 Days	\$ -	\$ 16,669	\$ -	\$ -	\$ -	\$ -	\$ 16,669	
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	
322	Accrued Compensated Absences - Current Portion	-	7,234	-	1,730	-	-	8,964	
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	
333	Accounts Payable - Other Government	-	5,787	-	-	-	-	5,787	
341	Tenant Security Deposits	-	37,566	-	-	-	-	37,566	
342	Deferred Revenues	-	-	-	-	-	2,904	2,904	
345	Other Current Liabilities	-	2,167	-	-	-	-	2,167	
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	
347	Interprogram Due To	-	-	6,925	148,859	-	-	155,784	
310	Total Current Liabilities	-	69,423	6,925	150,589	-	2,904	229,841	
354	Accrued Compensated Absences - Non Current	-	14,138	-	-	-	-	14,138	
355	Loan Liability - Noncurrent	-	718,555	-	-	-	-	718,555	
350	Total Noncurrent Liabilities	-	732,693	-	-	-	-	732,693	
300	Total Liabilities	-	802,116	6,925	150,589	-	2,904	962,534	
508	Total Contributed Capital	-	-	-	-	-	-	-	
508.1	Invested in Capital Assets, Net of Related Debt	-	3,568,951	66	66	232,998	-	3,802,081	
511	Total Reserved Fund Balance	-	-	-	-	-	-	-	
511.1	Restricted Net Assets	-	-	-	-	-	-	-	
512.1	Unrestricted Net Assets	-	1,018,516	74,152	206,736	-	-	1,299,404	
513	Total Equity/Net Assets	-	4,587,467	74,218	206,802	232,998	-	5,101,485	
600	Total Liabilities and Equity/Net Assets	\$ -	\$ 5,389,583	\$ 81,143	\$ 357,391	\$ 232,998	\$ 2,904	\$ 6,064,019	

Housing Authority of The City of Sulphur
Sulphur, Louisiana

FINANCIAL DATA SCHEDULE
For the Year Ended December 31, 2007

Line Item No.	Account Description	Lower Income Housing Assistance Program					Public Housing Capital Fund Program	Total
		Shelter Plus Care	Low Rent Public Housing	Moderate Rehabilitation LA063MR0001	Housing Choice Vouchers			
703	Net Tenant Rental Revenue	\$ -	\$ 310,368	\$ -	\$ -	\$ -	\$ 310,368	
704	Tenant Revenue - Other	-	1,800	-	-	-	1,800	
705	Total Tenant Revenue	-	312,168	-	-	-	312,168	
706	HUD PHA Operating Grants	63,567	436,859	340,379	504,635	96,058	1,441,498	
706	Capital Grants	-	-	-	-	57,354	57,354	
711	Investment Income - Unrestricted	-	32,076	4,553	4,553	-	41,182	
714	Fraud Recovery	-	-	72	1,015	-	1,087	
715	Other Revenue	-	953,325	-	-	-	953,325	
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	
720	Investment Income - Restricted	-	-	-	-	-	-	
700	Total Revenue	63,567	1,734,428	345,004	510,203	153,412	2,806,614	
911	Administrative Salaries	500	96,885	17,876	17,876	-	133,137	
912	Auditing Fees	-	7,213	1,500	1,500	-	10,213	
914	Compensated Absences	-	3,581	131	131	-	3,843	
915	Employee Benefit Contributions - Administrative	-	45,547	8,559	8,559	-	62,665	
916	Other Operating - Administrative	-	57,482	16,350	16,351	9,304	99,487	
921	Tenant Services - Salaries	-	-	-	-	-	-	
922	Relocation Costs	-	2,299	-	-	-	2,299	
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	
924	Tenant Services - Other	-	-	-	-	-	-	
931	Water	-	27,982	-	-	-	27,982	
932	Electricity	-	14,383	-	-	-	14,383	
933	Gas	-	-	-	-	-	-	
938	Other Utilities Expense	-	33,597	-	-	-	33,597	
941	Ordinary Maintenance and Operations - Labor	-	112,547	-	-	-	112,547	
942	Ordinary Maintenance and Operations - Materials and Other	-	66,403	-	-	597	67,000	
943	Ordinary Maintenance and Operations - Contract Costs	-	65,064	-	-	75,756	140,820	
945	Employee Benefit Contributions - Ordinary Maintenance	-	52,910	-	-	-	52,910	
952	Protective Services - Other Contract Costs	-	-	-	-	-	-	
961	Insurance Premiums	-	81,307	3,725	3,725	-	88,757	
962	Other General Expenses	-	-	-	-	-	-	
963	Payments in Lieu of Taxes	-	23,621	-	-	-	23,621	
964	Bad Debt - Tenant Rents	-	13,720	-	-	-	13,720	
966	Bad Debt - Other	-	-	-	-	-	-	
968	Severance Expense	-	-	-	-	-	-	
969	Total Operating Expenses	500	704,541	48,141	48,142	85,657	886,981	
970	Excess Operating Revenue over Operating Expenses	63,067	1,029,887	296,863	462,061	67,755	1,919,633	
971	Extraordinary Maintenance	-	16,379	-	-	-	16,379	
972	Casualty Losses - Non-Capitalized	-	600	-	-	-	600	
973	Housing Assistance Payments	63,067	-	345,344	415,331	-	823,742	
974	Depreciation Expense	-	316,846	1,895	1,895	18,999	339,635	
900	Total Expenses	63,567	1,038,366	395,380	465,368	104,656	2,067,337	
1001	Operating Transfers In	-	10,401	-	-	-	10,401	
1002	Operating Transfers Out	-	-	-	-	(10,401)	(10,401)	
1010	Total Other Financing Sources (Uses)	-	10,401	-	-	(10,401)	-	
1000	Excess-Deficiency of Operating Revenue Over (Under) Expenses	\$ -	\$ 706,463	\$ (50,376)	\$ 44,835	\$ 38,355	\$ 739,277	

Housing Authority of The City of Sulphur
Sulphur, Louisiana

FINANCIAL DATA SCHEDULE
For the Year Ended December 31, 2007

Line Item No.	Account Description	Shelter Plus Care	Low Rent Public Housing	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation LA063MR0001	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
1102	Debt Principle Payments	-	-	-	-	-	-
1103	Beginning Equity	-	\$ 3,881,004	\$ 124,594	\$ 161,967	194,643	\$4,362,208
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
1113	Maximum Annual Contributions (Per ACC)	-	-	-	-	-	-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	-	-	-	-	-
1116	Total Annual Contributions Available	-	-	-	-	-	-
1120	Unit Months Available	200	2,401	934	1,260	-	4,795
1121	Number of Unit Months Leased	200	2,262	836	1,148	-	4,446
1117	Administrative Fee Equity	-	-	-	142,272	-	142,272
1118	Housing Assistance Payments Equity	-	-	-	64,530	-	64,530

Housing Authority of The City of Sulphur
Sulphur, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2007

<u>Federal Grantor/Pass-through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>1/1/07 - 12/31/07 Grants</u>	
		<u>Expenditures</u>	
Department of Housing and Urban Development:			
PHA Owned Housing	14.850	\$	436,859
Public Housing Capital Fund	14.872		153,412
Section 8 Moderate Rehabilitation	14.856		340,379
Section 8 Housing Choice Vouchers	14.871		504,635
Shelter Plus Care Renewal	14.238		63,567
			<u>63,567</u>
		\$	<u>1,498,852</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**Housing Authority of The City of Sulphur
Sulphur, Louisiana**

**Notes to the Schedule of Federal Financial Assistance
December 31, 2007**

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of all federal awards programs of the Housing Authority of the City of Sulphur (the Authority). The Authority's reporting entity is defined in Note 1 of the notes to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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 to the Authority's basic financial statements.

Note 3 - Relationship to Basic Financial Statements

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

<u>Federal Sources</u>	<u>Amount</u>
General	\$ 436,859
Section 8	908,581
Capital Fund - General	153,412
	<u>\$ 1,498,852</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 accounting principles generally accepted in the United States of America.

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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**

Board of Commissioners
Housing Authority of The City of Sulphur
Sulphur, Louisiana

We have audited the financial statements of each major fund and the aggregate remaining fund information of Housing Authority of the City of Sulphur, as of and for the year ended December 31, 2007, which collectively comprise the Housing Authority of the City of Sulphur's basic financial statements and have issued our report thereon dated June 30, 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 the City of Sulphur'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 the City of Sulphur's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of The City of Sulphur'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 that we consider to be a material weakness.

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 the City of Sulphur'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 The City of Sulphur's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority of The City of Sulphur's internal control. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting. [2007-01]

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 the City of Sulphur's internal control.

Our consideration of 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 internal control that

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might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiency described above, we consider it to be a material weakness.

Compliance and Other Matters

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

The Housing Authority of the City of Sulphur'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 the City of Sulphur's response, and accordingly, we express no opinion on it.

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

MCMULLEN AND MANCUSO, CPAs, LLC

McMullen and Mancuso, CPAs

June 30, 2008

McMullen and Mancuso

Certified Public Accountants, LLC

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

Board of Commissioners
Housing Authority of The City of Sulphur
Sulphur, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Sulphur 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 December 31, 2007. The Housing Authority of the City of Sulphur'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 the City of Sulphur's management. Our responsibility is to express an opinion on the Housing Authority of the City of Sulphur'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 Sulphur'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 Sulphur's compliance with those requirements.

In our opinion, the Housing Authority of the City of Sulphur 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 December 31, 2007.

Internal Control Over Compliance

The management of the Housing Authority of the City of Sulphur 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 Sulphur'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

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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 the City of Sulphur'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 the City of Sulphur'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 entity'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 entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2007-01 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 entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The Housing Authority of the City of Sulphur'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 the City of Sulphur's response and, accordingly, we express no opinion on it.

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

MCMULLEN AND MANCUSO, CPAs, LLC

June 30, 2008

The Mullen and Mancuso, CPAs

Housing Authority of The City of Sulphur

Sulphur, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2007

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Housing Authority of the City of Sulphur.
2. There were one significant deficiency in internal control required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States. This significant deficiency is considered to be a material weakness.
3. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards*, to the financial statement.
4. There was one significant deficiency in internal control over major federal award programs required to be disclosed during the audit. This significant deficiency is considered to be a material weakness.
5. The auditors' report on compliance for the major federal award programs for the Housing Authority of The City of Sulphur expresses an unqualified opinion on all major federal programs.
6. There was one audit finding required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major program included:
 - PHA Owned – Low Rent Public Housing – CFDA 14.850
8. The threshold for distinguishing Types A and B programs was 300,000.
9. The Housing Authority of The City of Sulphur was determined to be a low risk auditee.

Housing Authority of The City of Sulphur
Sulphur, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2007

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

2007-01 Lack of Proper Review of the Financial Statements by Management

Criteria: There should be effective oversight of financial reporting and internal control by those charged with governance.

Condition: The Authority did not perform an adequate review of the unaudited financial statements before they were released. Frenchman's Creek Limited Partnership, a component entity of the Sulphur Housing Authority, was not reported in the financial statements.

Cause: The Authority uses an outside accounting firm to handle its accounting and reporting functions. The firm is technically competent and is able to prepare the financial statements. Management did not properly communicate the nature of transactions to the accountants.

Effect: The total assets, total liabilities, and change in net assets reported in the financial statements were materially misstated.

Recommendation: Communication should be improved between management and the outside accountants, and the supervisory procedures should be reviewed and revised to ensure proper financial reporting.

Management's Response: The Authority will improve communication of these matters with the outside accountants and well as improve the supervisory procedures.

Responsible Official: The person responsible for implementation of the corrective action is Executive Director Lawrence Italo. The date of completion of the corrective action is immediate.

Housing Authority of The City of Sulphur
Sulphur, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2007

Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 3510(a):

The audit finding shown under Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America also applies here.

Housing Authority of The City of Sulphur
Sulphur, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2007

Finding – Financial Statement Audit

2006-01 Failure to Complete and Submit Report Within Six Months of Close of Fiscal Year

Condition and Criteria: Under state law, the audit report must be completed and submitted within six months of the close of the fiscal year to the Louisiana Legislative Auditor.

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