

**Housing Authority of the Parish of St. James
Lutcher, Louisiana**

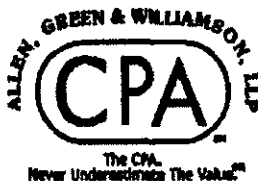
**Annual Financial Report
As of and for the Year Ended September 30, 2005**

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 4-26-06

**Housing Authority of the Parish of St. James
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the Parish of St. James
Lutcher, Louisiana

Basic Financial Statements We have audited the accompanying basic financial statements of the Housing Authority of the Parish of St. James, as of and for the year ended September 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority as of September 30, 2005, and the changes in its financial position and its cash flows 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 24, 2006, on our consideration of the Housing Authority'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.

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

Supplemental Information Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying information identified in the table of contents as other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Also, the schedule of expenditures of federal awards, which is required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is 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.

Other Information Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2006

Housing Authority of the Parish of St. James

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

The St. James Parish Housing Authority hereinafter referred to as "the Authority" management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Authority's financial activity; (c) identify changes in the Authority's financial position; and, (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's Net Assets increased by \$76,703 during 2005. Net Assets were \$3,185,173 and \$3,261,876 for 2004 and 2005, respectively.
- Revenues increased \$200,671, \$1,457,573 and \$1,658,244 for 2004 and 2005, respectively.
- The total expenses of all Authority programs decreased by \$249,430. Total expenses were \$1,830,971 and \$1,581,541 for 2004 and 2005, respectively.

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)

September 30, 2005

• **USING THIS ANNUAL REPORT**

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

~ Management's Discussion
and Analysis ~

Basic Financial Statements

~ Authority-wide Financial Statements ~
~ Notes to Financial Statements ~

Other Required Supplementary Information

~ No supplementary information required other than the MD&A~

The primary focus of the Authority's financial statements is on the Authority as a whole as much as the major individual funds. Both perspectives allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated columns for the entire Authority.

These Statements include a Balance Sheet. The Balance Sheet reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)

September 30, 2005

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Fund Financial Statements

The Authority uses the Enterprise fund basis for accounting, which utilizes the full accrual basis. The Enterprise method of accounting is similar to accounting used by the private sector for accounting.

The Authority's Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

AUTHORITY-WIDE STATEMENTS

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1

STATEMENT OF NET ASSETS

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Current and Other Assets	\$ 583,336	\$ 363,780	\$ 219,556
Capital Assets	<u>2,783,473</u>	<u>2,902,180</u>	<u>(118,707)</u>
Total Assets	<u>3,366,809</u>	<u>3,265,960</u>	<u>100,849</u>
Current Liabilities	79,860	59,733	20,127
Long-Term Liabilities	<u>25,073</u>	<u>21,054</u>	<u>4,019</u>
Total Liabilities	<u>\$ 104,933</u>	<u>80,787</u>	<u>\$ 24,146</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	2,783,473	2,902,180	(118,707)
Unrestricted	<u>478,403</u>	<u>282,993</u>	<u>195,410</u>
Total Net Assets	<u>\$3,261,876</u>	<u>\$3,185,173</u>	<u>\$ 76,703</u>

Major Factors Affecting the Statement of Net Assets

Current and other assets increased by \$100,849 as of September 30, 2005. Liabilities also increased by \$24,146.

Net fixed assets were decreased by \$118,707. The components of fixed assets changed, including \$347,458 of acquisitions, net of dispositions, minus about \$466,165 in net depreciation. For more information see Table 4 below.

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

Table 2 presents details on the change in Unrestricted Net Assets

TABLE 2
CHANGE OF UNRESTRICTED NET ASSETS

Unrestricted Net Assets as of September 30, 2004	<u>\$ 282,993</u>
Results from Operations	76,703
Adjustments:	
Depreciation (1)	418,445
Funding Provided for Capital Grants (2)	<u>(292,738)</u>
Adjusted Results from Operations	<u>118,707</u>
Unrestricted Net Assets as of September 30, 2005	<u>\$ 478,403</u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets

(2) Funding provided for capital grant hard costs, pursuant to GASB 33, is reported as revenue. However, the revenue is absorbed by the associated capital expenditures and therefore does not increase Unrestricted Net Assets.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer measure in financial well being.

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Revenues			
Tenant Revenue – Rents and Other	\$ 316,503	\$ 194,898	\$121,605
Operating Subsidies and Grants	1,038,617	996,567	42,050
Capital Grants	299,738	264,193	35,545
Other Revenues	<u>3,386</u>	<u>1,915</u>	<u>1,471</u>
Total Revenue	<u>1,658,244</u>	<u>1,457,573</u>	<u>200,671</u>
Expenses			
Administrative	371,120	505,858	(134,738)
Tenant Services	88,726	0	88,726
Utilities	137,826	134,526	3,300
Maintenance	362,048	538,756	(176,708)
General	189,658	214,005	(24,347)
Depreciation	<u>432,163</u>	<u>437,826</u>	<u>(5,663)</u>
Total Expenses	<u>1,581,541</u>	<u>1,830,971</u>	<u>(249,430)</u>
Net Increase (Decrease)	<u>\$ 76,703</u>	<u>\$ (373,398)</u>	<u>\$450,101</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Assets

Revenues increased by \$200,671, mainly due to an increase in rental changes, subsidies, and insurance proceeds received. Tenant revenues, capital grants, and other revenues increased while operating subsidies decreased slightly.

Expenses decreased from 2004 to 2005 with the exceptions of tenant services and utilities. This decrease of \$249,430 was mainly due to casualty loss decreased by \$87,561, protective services decreased by \$43,460, and administrative cost decreased by \$63,748.

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

Capital Assets and Debt Administration

Capital Assets

As of the end of 2005, the Authority had \$2,783,473 invested in a variety of capital assets as reflected in the following schedule.

TABLE 4

CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	<u>2005</u>	<u>2004</u>
Land and land rights	\$ 554,522	\$ 554,522
Buildings	9,694,697	9,397,869
Equipment – Administrative	359,814	309,184
Accumulated Depreciation	<u>(7,825,560)</u>	<u>(7,359,395)</u>
Total	<u>\$ 2,783,473</u>	<u>\$ 2,902,180</u>

The Capital Assets were consistent in most categories, except for Buildings, which increased by \$296,828. Accumulated Depreciation also increased by \$466,165, due to current year Depreciation Expense.

The following reconciliation summarizes the change in Capital Assets.

TABLE 5

CHANGE IN CAPITAL ASSETS

	<u>Business Type Activities</u>
Beginning Balance	\$2,902,180
Additions, Net of Retirements	347,458
Depreciation and Amortization	<u>(466,165)</u>
Ending Balance	<u>\$2,783,473</u>

Housing Authority of the Parish of St. James

Management's Discussion and Analysis (MD&A)
September 30, 2005

Debt

Other than routine payables and other accrued liabilities, the Authority did not have debt outstanding as of September 30, 2004 or 2005.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by congress to HUD.
- Local labor & demand which can affect salary and wage rate.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Dana Groover, of the St. James Parish Housing Authority, at (225) 869-3278. Specific requests may be submitted to the St. James Parish Housing Authority, 2627 North King Avenue, Lusher, Louisiana, 70071.

Housing Authority of the Parish of St. James
Lutcher, Louisiana

ENTERPRISE FUNDS
Balance Sheet
September 30, 2005

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 313,849
Investments	105,000
Accounts receivable	97,739
Accrued interest receivable	632
Prepaid items and other assets	37,191
Restricted Assets	
Resident deposits	<u>29,125</u>
Total Current Assets	583,336

Capital Assets

Land, buildings, and equipment (net)	<u>2,783,473</u>
TOTAL ASSETS	<u>\$ 3,366,809</u>

(CONTINUED)

Housing Authority of the Parish of St. James
Lutcher, Louisiana

ENTERPRISE FUNDS
Balance Sheet
September 30, 2005

Statement A

LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities

Accounts payable	\$	27,302
Deferred revenue		17,165
Current portion of compensated absences payable		6,268

Current Liabilities Payable From Current Restricted Assets

Deposits due others		<u>29,125</u>
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Total Current Liabilities

79,880

Noncurrent Liabilities

Compensated absences payable		<u>25,073</u>
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Total Liabilities

104,933

NET ASSETS

Invested in capital assets, net of related debt		2,783,473
Restricted		0
Unrestricted		<u>478,403</u>

NET ASSETS

3,261,876

TOTAL LIABILITIES AND NET ASSETS

\$ 3,366,809

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the Parish of St. James
Lutcher, Louisiana**

**ENTERPRISE FUNDS
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For the Year Ended September 30, 2005**

Statement B

OPERATING REVENUES	
Dwelling rental	\$ 269,764
Other income	<u>48,739</u>
Total operating revenues	<u>316,503</u>
OPERATING EXPENSES	
Administration	371,120
Tenant services	88,726
Utilities	137,826
Ordinary maintenance & operations	314,828
General expenses	189,658
Nonroutine maintenance	47,220
Depreciation and amortization	<u>432,163</u>
Total operating expenses	<u>1,581,541</u>
Income (loss) from Operations	<u>(1,265,038)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	3,165
Miscellaneous revenue	221
Federal grants	<u>1,038,617</u>
Total nonoperating revenues (expenses)	<u>1,042,003</u>
Net Income (Loss) before capital contributions	(223,035)
Capital contributions	<u>299,738</u>
Change in net assets	76,703
NET ASSETS AT BEGINNING OF YEAR	<u>3,185,173</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,261,876</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the Parish of St. James
Lutcher, Louisiana

ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended September 30, 2005

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 269,443
Other receipts	109,889
Payments to vendors	(772,508)
Payments to employees	<u>(376,314)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(789,490)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal grants	<u>1,051,950</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,051,950</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase fixed assets	(347,458)
Sale of fixed assets	221
Increase in security deposits	2,555
Capital contributions	<u>299,738</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(44,944)</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest and dividends	<u>2,942</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,942</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	240,458
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>73,191</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 313,649</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (1,265,038)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	432,163
Change in assets and liabilities:	
Receivables, net	(11,195)
Prepaid items	35,812
Accounts payables	31,826
Compensated absences	5,026
Deferred revenue	<u>1,916</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (789,490)</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005**

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Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

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

A. REPORTING ENTITY Housing authorities are chartered as public corporations under the laws LSA-R.S. 40:391 of the state of Louisiana for the purpose of providing safe and sanitary dwelling 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 Housing Authority has the following units:

	<u># of Units</u>
PHA Owned Housing	315

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, set rates or charges, and issue bonded debt.

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

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various resident associations which are legally separate entities.

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 funds of the Housing Authority are classified as proprietary.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The general fund accounts for the transactions of the public housing low rent program, drug elimination program, temporary assistance to needy families, and the capital fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING 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's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. INVESTMENTS Investments are limited by 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 fair value except for the following 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. The Housing Authority reports at amortized cost money market investments and *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.

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

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

F. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

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

G. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life 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	10 years
Original development costs	27.5 years
Equipment	5 years

H. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 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.

I. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net assets 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.

It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

J. 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS At September 30, 2005, the Housing Authority has cash and cash of \$447,774 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

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

Custodial Credit Risk: At year end, the Housing Authority's carrying amount of deposits was \$447,774 (which includes restricted cash of \$29,125 for tenant security deposits and \$105,000 reported as investments) and the bank balance was \$500,644. Of the bank balance, \$200,000 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES The receivables net of allowance for doubtful accounts at September 30, 2005, are as follows:

Class of Receivables		
Tenants, net of allowance of \$12		\$ 2,431
Fraud Recovery, net of allowance of \$9,026		5,597
HUD		<u>82,711</u>
Total		<u>\$97,739</u>

NOTE 4 - CAPITAL ASSETS The changes and balances at September 30, 2005 in capital assets are as follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, Ending</u>
Capital assets, not being depreciated				
Land	\$ 554,522	\$ 0	\$ 0	\$ 554,522
Construction in progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total capital assets, not being depreciated	<u>554,522</u>	<u>0</u>	<u>0</u>	<u>554,522</u>
Capital assets being depreciated:				
Buildings and improvements	9,397,869	296,828	0	9,694,697
Furniture and equipment	<u>309,184</u>	<u>84,702</u>	<u>34,072</u>	<u>359,814</u>
Total capital assets being depreciated	<u>9,707,053</u>	<u>381,530</u>	<u>34,072</u>	<u>10,054,511</u>
Less accumulated depreciation				
Buildings and improvements	7,134,259	407,742	0	7,542,001
Furniture and equipment	<u>225,136</u>	<u>92,495</u>	<u>34,072</u>	<u>283,559</u>
Total accumulated depreciation	<u>7,359,395</u>	<u>500,237</u>	<u>34,072</u>	<u>7,825,560</u>
Total capital assets being depreciated, net	<u>2,347,658</u>	<u>(118,707)</u>	<u>0</u>	<u>2,228,951</u>
Capital assets, net	<u>\$2,902,180</u>	<u>\$(118,707)</u>	<u>\$ 0</u>	<u>\$ 2,783,473</u>

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

NOTE 5 - RETIREMENT SYSTEM The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

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 8.5 percent of each participant's basic (excludes overtime) compensation. The covered employee contributes 6 percent of basic compensation. 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. The 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.

The Housing Authority's total payroll for year ended September 30, 2005, was \$251,749. The Housing Authority's contributions were calculated using the base salary amount of \$251,749. The Housing Authority made the required contributions of \$21,399 and the covered employees made the required contributions of \$13,898 for the year ended September 30, 2005.

NOTE 6 - ACCOUNTS PAYABLE The account payables balances at September 30, 2005, are as follows:

Vendors	\$14,683
Salaries	8,685
Utilities	<u>3,934</u>
Total	<u>\$27,302</u>

NOTE 7 - COMPENSATED ABSENCES At September 30, 2005, employees of the Housing Authority have accumulated and vested \$31,341 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance, Beginning	\$26,315
Additions	14,672
Deductions	<u>9,646</u>
Balance, Ending	<u>\$31,341</u>
Amount Due in One Year	<u>\$ 6,268</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation At September 30, 2005, the Housing Authority was not involved in any litigation that would have a material impact on the financial statements.

Construction Projects There are certain major construction projects in progress at September 30, 2005. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2005

NOTE 9 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 10 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standard (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 \$1,338,355 to the Housing Authority, which represents approximately 81% of the Housing Authority's total revenue for the year.

Housing Authority of the Parish of St. James
 Financial Data Schedule
 For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	State/Local	Total
111	Cash - Unrestricted	\$ 313,649	\$ 0	\$ 0	\$ 313,649
114	Cash - Tenant Security Deposits	29,125	0	0	29,125
100	Total Cash	<u>342,774</u>	<u>0</u>	<u>0</u>	<u>342,774</u>
122	Accounts Receivable - HUD Other Projects	0	89,711	0	89,711
126	Accounts Receivable - Tenants - Dwelling Rents	2,443	0	0	2,443
126	Allowance for Doubtful Accounts - Dwelling Rents	(12)	0	0	(12)
126	Allowance for Doubtful Accounts - Other	0	0	0	0
128	Fraud Recovery	14,623	0	0	14,623
128	Allowance for Doubtful Accounts - Fraud	(9,028)	0	0	(9,028)
129	Accrued Interest Receivable	632	0	0	632
120	Total Receivables, net of allowances for doubtful accounts	<u>8,660</u>	<u>89,711</u>	<u>0</u>	<u>98,371</u>
131	Investments - Unrestricted	105,000	0	0	105,000
142	Prepaid Expenses and Other Assets	37,191	0	0	37,191
144	Interprogram Due From	78,848	0	16,005	94,853
150	Total Current Assets	<u>572,473</u>	<u>89,711</u>	<u>16,005</u>	<u>678,189</u>
161	Land	554,522	0	0	554,522
162	Buildings	8,607,612	1,087,085	0	9,694,697
163	Furniture, Equipment & Machinery - Dwellings	103,180	0	0	103,180
164	Furniture, Equipment & Machinery - Administration	256,634	0	0	256,634
165	Leasehold Improvements	0	0	0	0
166	Accumulated Depreciation	(7,600,777)	(224,783)	0	(7,825,560)
160	Total Fixed Assets, Net of Accumulated Depreciation	<u>1,921,171</u>	<u>862,302</u>	<u>0</u>	<u>2,783,473</u>
180	Total Non-Current Assets	<u>1,921,171</u>	<u>862,302</u>	<u>0</u>	<u>2,783,473</u>
190	Total Assets	<u>\$ 2,493,644</u>	<u>\$ 962,013</u>	<u>\$ 16,005</u>	<u>\$ 3,461,662</u>

Housing Authority of the Parish of St. James
 Financial Data Schedule
 For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	State/Local	Total
312	Accounts Payable <= 90 Days	\$ 8,349	\$ 6,334	\$ 0	\$ 14,683
321	Accrued Wage/Payroll Taxes Payable	4,156	4,529	0	8,685
322	Accrued Compensated Absences - Current Portion	6,268	0	0	6,268
341	Tenant Security Deposits	29,125	0	0	29,125
342	Deferred Revenues	1,160	0	16,005	17,165
346	Accrued Liabilities - Other	3,934	0	0	3,934
347	Interprogram Due To	16,006	78,848	0	94,853
310	Total Current Liabilities	<u>68,997</u>	<u>89,711</u>	<u>16,005</u>	<u>174,713</u>
354	Accrued Compensated Absences - Non Current	25,073	0	0	25,073
350	Total Noncurrent Liabilities	<u>25,073</u>	<u>0</u>	<u>0</u>	<u>25,073</u>
300	Total Liabilities	<u>94,070</u>	<u>89,711</u>	<u>16,005</u>	<u>199,786</u>
506	Total Contributed Capital	0	0	0	0
508	Invested in Capital Assets, Net of Related Debt	1,921,171	862,302	0	2,783,473
511	Total Reserved Fund Balance	0	0	0	0
511	Restricted Net Assets	0	0	0	0
512	Unrestricted Net Assets	478,403	0	0	478,403
513	Total Equity/Net Assets	<u>2,399,574</u>	<u>862,302</u>	<u>0</u>	<u>3,261,876</u>
600	Total Liabilities and Equity/Net Assets	<u>\$ 2,493,644</u>	<u>\$ 952,013</u>	<u>\$ 16,005</u>	<u>\$ 3,461,662</u>

Housing Authority of the Parish of St. James
 Financial Data Schedule
 For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	State/Local	Total
703	Net Tenant Rental Revenue	\$ 258,738	\$ 0	\$ 0	\$ 258,738
704	Tenant Revenue - Other	11,028	0	0	11,028
705	Total Tenant Revenue	<u>269,764</u>	<u>0</u>	<u>0</u>	<u>269,764</u>
708	HUD PHA Operating Grants	802,458	148,915	0	949,373
708	Capital Grants	0	299,738	0	299,738
708	Other Government Grants	0	0	89,244	89,244
711	Investment Income - Unrestricted	3,165	0	0	3,165
714	Fraud Recovery	4,658	0	0	4,658
715	Other Revenue	42,081	0	0	42,081
718	Gain/Loss on Sale of Fixed Assets	221	0	0	221
700	Total Revenue	<u>\$ 1,122,347</u>	<u>\$ 448,653</u>	<u>\$ 89,244</u>	<u>\$ 1,658,244</u>

Housing Authority of the Parish of St. James
 Financial Data Schedule
 For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	State/Local	Total
911	Administrative Salaries	\$ 137,272	\$ 40,033	\$ 0	\$ 177,305
912	Auditing Fees	14,100	0	0	14,100
914	Compensated Absences	11,607	11,112	620	23,339
915	Employee Benefit Contributions - Administrative				
		64,532	3,804	0	68,336
916	Other Operating - Administrative	73,716	14,325	0	88,041
921	Tenant Services - Salaries	0	0	57,321	57,321
922	Relocation Costs	0	102	0	102
923	Employee Benefit Contributions - Tenant Services	0	0	6,208	6,208
924	Tenant Services - Other	0	0	25,095	25,095
931	Water	78,438	0	0	78,438
932	Electricity	56,721	0	0	56,721
933	Gas	2,667	0	0	2,667
941	Ordinary Maintenance and Operations - Labor				
		80,026	0	0	80,026
942	Ordinary Maintenance and Operations - Materials and Other	60,780	47,540	0	108,320
943	Ordinary Maintenance and Operations - Contract Costs	88,858	0	0	88,858
945	Employee Benefit Contributions - Ordinary Maintenance	37,624	0	0	37,624
961	Insurance Premiums	184,745	0	0	184,745
964	Bad Debt - Tenant Rents	4,913	0	0	4,913
969	Total Operating Expenses	<u>895,999</u>	<u>116,916</u>	<u>89,244</u>	<u>1,102,159</u>
970	Excess Operating Revenue over Operating Expenses	<u>226,348</u>	<u>329,737</u>	<u>0</u>	<u>556,085</u>
972	Casualty Losses - Non-Capitalized	39,748	0	0	39,748
974	Depreciation Expense	323,456	108,707	0	432,163
975	Fraud Losses	7,472	0	0	7,472
900	Total Expenses	<u>1,266,675</u>	<u>225,623</u>	<u>89,244</u>	<u>1,581,542</u>
1001	Operating Transfers In	30,000	0	0	30,000
1002	Operating Transfers Out	0	(30,000)	0	(30,000)
1010	Total Other Financing Sources (Uses)	<u>30,000</u>	<u>(30,000)</u>	<u>0</u>	<u>0</u>
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	<u>\$ (114,328)</u>	<u>\$ 191,030</u>	<u>\$ 0</u>	<u>\$ 78,702</u>

Housing Authority of the Parish of St. James
 Financial Data Schedule
 For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	State/Local	Total
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0
1103	Beginning Equity	\$ 2,125,781	\$ 1,050,393	\$ 0	\$ 3,185,174
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ 388,121	\$ (388,121)	\$ 0	\$ 0
1120	Unit Months Available	2,753	0	0	2,753
1121	Number of Unit Months Leased	2,735	0	0	2,735

Housing Authority of the Parish of St. James

ACTUAL CAPITAL FUND
COST CERTIFICATE
September 30, 2005

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-48PO09250101</u>
Funds Approved	\$ 624,873
Funds Expended	<u>624,873</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	624,873
Funds Expended	<u>624,873</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated November 24, 2004 for the project LA48PO09250101 is in agreement with the PHA's records.

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

Housing Authority of the Parish of St. James

ACTUAL CAPITAL FUND
COST CERTIFICATE
September 30, 2005

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-48P09250102</u>
Funds Approved	\$ 595,056
Funds Expended	<u>595,056</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	595,056
Funds Expended	<u>595,056</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated November 3, 2005 for the project LA48PO9250102 is in agreement with the PHA's records.

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

Housing Authority of the Parish of St. James

ACTUAL CAPITAL FUND
COST CERTIFICATE
September 30, 2005

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-48P09250103</u>
Funds Approved	\$ 461,989
Funds Expended	<u>461,989</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	461,989
Funds Expended	<u>461,989</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated November 3, 2005 for the project LA48P09250103 is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the Parish of St. James

ACTUAL CAPITAL FUND
COST CERTIFICATE
September 30, 2005

1. The actual Capital Fund costs is as follows:

	PROJECT LA-48P09250103 <u>AMENDED</u>
Funds Approved	\$ 97,576
Funds Expended	<u>97,576</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	97,576
Funds Expended	<u>97,576</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated November 3, 2005 for the project LA48P09250103 is in agreement with the PHA's records.

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

Housing Authority of the Parish of St. James

COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

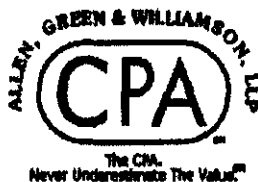
Denesia Batiste

Ronald Dabney

JoAnn Martin

Lois Jones-Moore

Florian Qubre



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1963 - 2000

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 Parish of St. James
Lutcher, Louisiana

We have audited the financial statements of the Housing Authority of the Parish of St. James, as of and for the year ended September 30, 2005, and have issued our report thereon dated March 24, 2006. 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

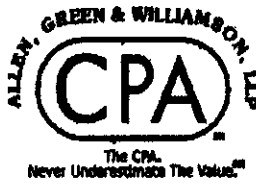
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority'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.

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2006



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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 Parish of St. James
Lutcher, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the Parish of S. James, Lutcher, 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, 2005. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority'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'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 on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority 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, 2005.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 24, 2006

**Housing Authority of the Parish of St. James
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2005**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-through Grantor No.</u>	<u>Expenditures</u>
United States Department of Health & Human Services Passed Through Louisiana Department of Social Services: Temporary Assistance for Needy Families	93.558	N/A	\$ 89,244
United States Department of Housing and Urban Development Direct Programs Public and Indian Housing Operating Subsidy	14.850	FW-2007	802,458
Public Housing Capital Fund Program	14.872	FW-2007	<u>446,653</u>
Total			<u>\$1,338,355</u>

Housing Authority of the Parish of St. James
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2005

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

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's financial statements.

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

Nonoperating revenues - federal grants	\$ 1,038,617
Capital contributions	<u>299,738</u>
Total	<u>\$1,338,355</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.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH98-14, "federal awards" do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of the Housing Authority bonds or for the Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the Parish of St. James
Schedule of Findings and Questioned Costs
As of and for the Year Ended September 30, 2005**

PART I- Summary of the Auditors' Results

Financial statement audit

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

Audit of federal awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal program is:

CFDA #14.872 Capital Fund Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530