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THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-6-07

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

TABLE OF CONTENTS

	Page
Management's Discussion and Analysis (MD&A)	1 - 7
Independent Auditors' Report	8 - 12
<b>FINANCIAL STATEMENTS:</b>	
Statement of Net Assets	13 - 14
Statement of Revenues, Expenses and Changes in Net Assets	15
Statement of Cash Flows	16
Notes to Financial Statements	17 - 25
<b>SUPPLEMENTARY DATA:</b>	
Schedule of Assets, Liabilities and Net Assets by Program	26 - 29
Schedule of Revenues, Expenses and Changes in Net Assets by Program	30 - 31
Statement and Certification of Program Costs – Capital Fund Program	32
Summary Schedule of Expenditures of Federal Awards	33
Financial Data Schedule	34 - 41
Summary of Findings and Questioned Costs	42 - 49

**Housing Authority Of East Baton Rouge Parish  
Management Discussion And Analysis  
For The Year Ended September 30, 2006**

This section of the East Baton Rouge Parish's (EBRP) financial report represents our discussion and analysis of EBRP's financial performance during the fiscal year ended September 30, 2006. Please read it in conjunction with EBRP's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- EBRP's total net assets as of September 30, 2006 was approximately \$24,267,920 as compared to total net assets of approximately \$21,824,145 at September 30, 2005. This represents an increase from the prior year of approximately \$2,443,775 or nearly 11.20%.
- During the year, EBRP's revenues were \$2,443,775 more than the \$25,404,335 expended on Housing Assistance Payments, General & Administrative, Repairs and Maintenance, Utilities, Tenant Services, Protective Services, and Interest Expense. This is better than last year, when revenues exceeded expenses by \$103,627.
- For the fiscal year ended September 30, 2006, EBRP recognized Low Income and Section 8 Vouchers operating subsidies of \$1,856,702 and \$19,770,491, respectively. EBRP also recognized \$2,694,947 in operating grant revenues, \$1,528,022 in capital grant revenues, and \$1,773,621 in dwelling rental revenues for the current fiscal year.
- EBRP administers federal self-sufficiency programs that benefited 15 Section 8 Housing Choice Voucher participants for the fiscal year ended September 30, 2006. The goal of these programs is to provide supportive services as well as job readiness and placement programs. The programs emphasize life skills, education, training and other comprehensive services. During fiscal year 2006, one participant completed the program with a payout of \$3,952.
- For the fiscal year ended September 30, 2006, EBRP received a regulatory waiver of its SEMAP submission. The most current submission in 2004 resulted in a score of 100%.
- EBRP received a FASS score of 27.09 out of 30 total points for its unaudited electronic Financial Data Schedule submission to the HUD Real Estate Assessment Center (REAC) for the fiscal year ended September 30, 2006. EBRP received a regulatory waiver of its FASS score issued by HUD REAC for the fiscal year ended September 30, 2005. EBRP received a FASS score of 21.3 for its audited electronic submission to HUD REAC for the fiscal year ended September 30, 2004.
- EBRP administers a HOPE VI grant that is being used to revitalize a once-prosperous, historic Old South Baton Rouge neighborhood. It is designed to provide residents of deteriorating public housing communities with new housing and training. Demolition of 171 obsolete public housing units and an acquired obsolete 82 unit apartment complex has been completed. These properties along with other acquisition in the development neighborhood are being used to develop 126 new single-family homes and duplexes for home-ownership and rental. Phase 1 construction consisting of 21 homeownership and 27 rental units is underway. An alternative financing plan for Phase 2 (78 units) has been approved by HUD. The HOPE VI Community Supportive Services Program (CSS) offers a comprehensive array of job training, educational and life skills programs as well as support services. At the end of 2006, there were 30 households and 71 persons participating in the CSS Program. A Neighborhood Network grant, a state-of-the-art computer facility with training programs, and a Youthbuild grant, a youth education and job training program, were implemented to compliment the CSS Program.

- For the fiscal year ended September 30, 2006, EBRP received a regulatory waiver of its MASS certification. The most current submission in 2004 resulted in a score of 24 out of 30 total points.
- During 2005, Hurricanes Katrina and Rita struck the Gulf Coast region with catastrophic results. As part of the federal government's efforts to house families impacted by the storm, EBRP participated in the Katrina Disaster Housing Assistance Program (KDHAP). Under KDHAP, special vouchers were issued similar to the Housing Choice Voucher program and eligible families were provided assistance. For the fiscal year ended September 30, 2006, EBRP assisted a total of 459 families under KDHAP. In December of 2005, through Congressional action, an appropriations bill was approved that provided funding for the Disaster Voucher Program (DVP). Under DVP, EBRP was to terminate assistance under the KDHAP program on February 28, 2006 and move the assisted families to DVP assistance. For the fiscal year ended September 30, 2006, EBRP assisted a total of 756 families under DVP.

**Partners for Progress, Inc. (PFP)** was established in June 2004, as a component unit (CU) of EBRP, to manage a residential apartment complex as well as future acquired properties. In June of 2005, **Partners for Progress Development Corporation, LLC (PFPDC)** was established as a development corporation to facilitate low income housing development.

**The Brookstown Place Partnership (BPP)** was established in August of 2005 as the ownership entity of the Brookstown Place development. PFP and PFPDC hold ownership interests in BPP.

**Cedar Pointe Development, LLC (CPD)** was established in April 2006 as a for profit corporation to facilitate the development of low income housing. **Cedar Pointe Subdivision Limited Partnership, (CPS)** was established in September 2006 as the ownership entity of the Cedar Pointe development. PFP and CPD hold ownership interests in CPS.

- In October 2005, BPP executed a \$300,000 mortgage and in November 2005, BPP executed a cash purchase of property in the amount of \$45,545. In 2006, Brookstown Place Partnership was awarded a \$438,200 tax credit allocation for the development of 25 single family affordable housing units. A development agreement was executed in January 2006 with George Jenne Development, LLC. The site work is currently underway on the Brookstown Development.
- In 2006, Cedar Pointe Development, LLC was awarded a \$1,220,972 tax credit allocation for the development of 80 single family affordable housing units. Cedar Pointe Subdivision is currently in the planning stages. In September 2006, CPS executed an Act of Credit Sale acquiring land for \$500,000, \$100,000 cash and \$400,000 payable in lump sum one year from purchase date.

## OVERVIEW OF FINANCIAL STATEMENTS

The annual report consists of three parts – *management's discussion and analysis (this section)*, *the basic financial statements*, and *required supplementary information*. The basic financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- **Statement of Net Assets** – reports EBRP's assets and liabilities at the end of the operating year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- **Statement of Revenue, Expenses, and Change in Net Assets** – report the results of activity over the course of the current year. It details the costs associated with operating the EBRP and how those costs were funded. It also provides an explanation of the change in net assets from the previous operating period to the current operating period.

- Statement of Cash Flows – reports EBRP’s cash flows in and out from operating, noncapital financing, capital related financing and investing activities. It details the sources of EBRP’s cash, what it was used for, and the change in cash over the course of the operating year.
- The notes to the financial statements explain some of the information in the financial statements and provide more detailed data.
- The statements are followed by *required supplementary information* that presents EBRP’s electronic data submitted to HUD’s Real Estate Assessment Center.

Our analysis of EBRP as a whole begins on this page. The most important question asked about EBRP’s finances is, “*Is EBRP, as a whole, better or worse off as a result of the year’s activities?*”

The attached analysis of entity wide net assets, revenue, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis also presents EBRP’s net assets and changes in them. You can think of EBRP’s net assets as the difference between what EBRP owns (assets) to what EBRP owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of EBRP.

Net assets are categorized as one of three types.

- I. **Invested in capital assets, net of related debt** – Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;
- II. **Restricted** – net assets whose use is subject to constraints imposed by law or agreement;
- III. **Unrestricted** – net assets that are neither invested in capital assets nor restricted.

Over time, significant changes in EBRP’s net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Housing Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Housing Authority’s capital assets.

## **FINANCIAL ANALYSIS OF THE EBRP AS A WHOLE**

As noted earlier, net assets may serve over time as a useful indicator of EBRP’s financial position. In the case of EBRP, assets exceeded liabilities by \$24,267,920 at the close of the most recent fiscal year.

By far the largest portion of EBRP’s net assets (88 percent) reflects the investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. EBRP uses these capital assets to provide services to its program participants. Although EBRP’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1**  
**Housing Authority of East Baton Rouge Parish Net Assets**

	<u>2006</u>	<u>2005</u>	<u>Variance</u>
Current assets	\$ 3,865,583	\$ 1,332,566	190.09%
Restricted assets	121,311	432,441	-71.95%
Capital assets (net)	22,423,288	22,283,718	.63%
Other assets	106,351	175,412	-39.37%
Total assets	<u>26,516,533</u>	<u>24,224,137</u>	<u>9.46%</u>
Current liabilities	982,290	788,023	24.65%
Tenant security deposits	98,428	100,781	-2.33%
Non current liabilities	1,167,895	1,511,188	-22.72%
Total Liabilities	<u>2,248,613</u>	<u>2,399,992</u>	<u>-6.31%</u>
Invested in capital assets (net)	21,420,826	21,134,306	1.36%
Restricted Net Assets	-	207,500	-100.00%
Unrestricted Net Assets	2,847,094	482,339	490.27%
Total Net Assets	<u>\$24,267,920</u>	<u>\$21,824,145</u>	<u>11.20%</u>

The remaining balance of *unrestricted net assets* \$2,847,094 may be used to meet EBRP's ongoing obligations to program participants and creditors'.

At the end of the current fiscal year, EBRP is able to report positive balances in all categories of net assets. The same situation held true for its prior fiscal year.

EBRP's net assets increased by \$2,443,775 during the current fiscal year. The increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

EBRP's current assets increased by \$2,533,017 during the current fiscal year. This increase is a result of revenue earned in administering the KDHAP and DVP programs and excess revenue over expenses in the Housing Choice Voucher program.

EBRP's restricted assets decreased by \$311,130 during the current fiscal year. This decrease is a result of the expenditure of grant funds received in 2005 towards deposits for KDHAP and DVP families.

EBRP's non-current liabilities decreased by \$343,293 during the current fiscal year. This decrease is a result of pay down on mortgages and CDBG loan forgiveness.

**Table A-2**  
**Housing Authority of East Baton Rouge Parish Changes in Net Assets**

	<u>2006</u>	<u>2005</u>	<u>Variance</u>
Revenues:			
Operating revenues:			
HAP revenues	\$16,422,068	\$13,409,182	22.47%
Administrative fees	3,348,423	1,013,464	230.39%
Public housing operating subsidy	1,856,702	2,077,232	-10.62%
Operating grants	2,694,947	2,081,618	29.46%
Dwelling rental	1,773,621	1,506,134	17.76%
Other operating	162,787	171,853	-5.28%
Nonoperating revenues:			
Capital grants	1,528,022	2,421,740	-36.90%
Interest revenue	61,540	3,572	1,622.84%
Total revenues	27,848,110	22,684,795	22.76%
Expenses:			
Housing assistance payments	16,529,896	13,409,182	23.27%
General and administrative	4,120,041	3,906,012	5.48%
Repairs and maintenance	1,542,246	1,781,460	-13.43%
Utilities	1,489,427	1,113,411	33.77%
Tenant services	76,296	50,697	50.49%
Protection services	28,770	30,125	-4.50%
Depreciation and amortization	1,577,978	1,550,402	1.78%
Nonoperating expenses:			
Interest expense	39,681	41,020	-3.26%
Loss on disposition of capital assets	-	698,859	-100.00%
Total expenses	25,404,335	22,581,168	12.50%
Increase (decrease) in net assets	2,443,775	103,627	2,258.24%
Net assets – 10/1	21,824,145	21,720,518	.48%
Net assets – 9/30	\$24,267,920	\$21,824,145	11.20%

EBRP's HAP revenues increased by \$3,012,886 during the current fiscal year. The increase resulted primarily from the activity associated with the KDHAP and DVP programs.

EBRP's Administrative fee revenues increased by \$2,334,959 during the current fiscal year. The increase resulted primarily from the activity associated with the KDHAP and DVP programs.

EBRP's Operating grant revenues increased by \$613,329 during the current fiscal year. The increase resulted primarily from HOPE VI and Development Block Grant activities.

EBRP's Capital grant revenues decreased by \$893,718 during the current fiscal year. The decrease resulted from a reduction in capital improvements.

EBRP's interest revenues increased by \$57,968 during the current fiscal year. The increase resulted from additional cash balances as a result of net earnings from KDHAP and DVP programs.

EBRP's Repairs and Maintenance expenses decreased by \$239,214 during the current fiscal year. The decrease resulted from additional resources utilized towards vacancy reduction.

EBRP's General and administrative expenses increased by \$214,029 during the current fiscal year. The increase resulted from costs associated with the management of the KDHAP and DVP programs.

#### **Capital Asset and Debt Administration**

**Capital assets.** EBRP's investment in capital assets as of September 30, 2006, amounts to \$22,423,288 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The total increase in EBRP's investment in capital assets for the current operating year was 3%.

#### **Major capital asset events during the current fiscal year included the following:**

- Completion of the multi-phased rehabilitation of Capitol Square, a 50-unit public housing family development, funded under the Capital Fund Program.
- HOPE VI property acquisition
- HOPE VI infrastructure of East Blvd. site and start of Phase I construction

#### **Housing Authority of East Baton Rouge Parish's Capital Assets**

	2006	2005
Land	\$ 5,287,065	\$ 5,010,799
Buildings and improvements	52,325,298	49,991,541
Furniture and equipment	699,771	502,248
Construction in progress	1,145,563	2,235,561
Total	59,457,697	\$57,740,149

Additional information on EBRP's capital assets can be found in note N on page 24 of this report.



**Long-term debt.** At the end of the current year, EBRP had total debt outstanding of \$1,002,462. EBRP's Mortgage Note is secured by the rents and leases on the building, and is payable in monthly installments through September 2020. EBRP's CDBG HOME program notes are secured by lien on the Wesley Chapel property and are payable in equal monthly installments through March 2022.

**Housing Authority of East Baton Rouge Parish's Outstanding Debt**

	<b>2006</b>	<b>2005</b>
Mortgage note payable	\$ 479,337	\$ 497,053
CDBG HOME program notes payable	523,125	652,358
<b>Total</b>	<b>\$1,002,462</b>	<b>\$1,149,411</b>

EBRP's total debt decreased by \$146,949 (12.8%) during the current fiscal year. This decrease in outstanding debt represents scheduled debt service payments.

Additional information on EBRP's long-term debt can be found in note M on pages 22-23 of this report.

**Economic Factors**

Significant economic factors affecting EBRP are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development,
- Local labor supply and demand, which can affect salary and wage rates,
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income,
- Natural disasters which can have a devastating impact on the local economy,
- Locality issues which result from goods and services often being required to be imported,
- *Inflationary pressure on utility rates, supplies and other costs.*

**Requests for Information**

The financial report is designed to provide a general overview of EBRP's finances for all those with an interest in the Housing Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Executive Director, Housing Authority of East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

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Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the business-type activities which comprise the major fund of the Housing Authority of East Baton Rouge Parish as of and for the year ended September 30, 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities which comprise the major fund of the Authority as of September 30, 2006, and the changes in financial position and 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 February 2, 2007 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis 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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the financial statements. Also, the accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for Department of Housing and Urban Development information and is not a required part of the financial statements. Such supplementary data, including the schedule of expenditures of federal awards, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Birmingham, Alabama  
February 2, 2007

*Yeager & Boyd*  
Yeager & Boyd

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

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  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

We have audited the financial statements of the business-type activities which comprise the major fund of the Authority as of and for the year ended September 30, 2006, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 2, 2007. 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 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 over financial reporting 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 a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated February 2, 2007.

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

Birmingham, Alabama  
February 2, 2007

Yeager & Boyd

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

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

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the Authority 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, 2006. The Authority'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 Authority's management. Our responsibility is to express an opinion on the 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 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 Authority's compliance with those requirements.

In our opinion, the 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, 2006. However, the results of our auditing procedures disclosed two instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06 - 01.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contract and grants applicable to federal programs. In planning and performing our audit, we considered the 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 internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information of the Board of Commissioners, management and federal awarding agencies and passthrough entities, and is not intended to be and should not be used by anyone other than these specified parties.

Birmingham, Alabama  
February 2, 2007

Yeager & Bond

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2006**

**ASSETS**

	<b>Enterprise Fund</b>
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 3,038,556
Accounts Receivable - Grants	254,449
Accounts Receivable - Other	122,912
Tenants Accounts Receivable	83,597
Allowance for Doubtful Accounts	(2,394)
Prepaid Costs	282,082
Inventory	86,381
Total Current Assets	<u>3,865,583</u>
<b><u>Non-current Assets</u></b>	
<b><u>Restricted Assets</u></b>	
Cash and Cash Equivalents	<u>121,311</u>
Total Restricted Assets	121,311
<b><u>Fixed Assets</u></b>	
Land	5,287,065
Buildings and Improvements	52,325,298
Furniture & Equipment	699,771
Construction in Progress	<u>1,145,563</u>
	59,457,697
(Less): Accumulated Depreciation	<u>(37,034,409)</u>
Net Fixed Assets	22,423,288
<b><u>Other Assets</u></b>	
Prepaid Costs - Long Term	<u>106,351</u>
Total Other Assets	<u>106,351</u>
Total Assets	<u><u>\$ 26,516,533</u></u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2006**

**LIABILITIES AND NET ASSETS**

	<b>Enterprise Fund</b>
<b><u>Liabilities</u></b>	
<b><u>Current Liabilities</u></b>	
Accounts Payable	\$ 226,005
Accounts Payable - HUD	222,094
Accounts Payable - Other Government	46,151
Accrued Wages and Payroll Taxes	123,283
Accrued Compensated Absences	58,849
Accrued Interest Payable	574
Tenant Security Deposits	98,428
Deferred Revenues	234,917
Other Current Liabilities	16,902
Current Portion of Long Term Debt	53,515
Total Current Liabilities	<u>1,080,718</u>
<b><u>Long Term Liabilities</u></b>	
Long Term Debt	948,947
Accrued Compensated Absences	97,637
Noncurrent Liabilities - Other	121,311
Total Long Term Liabilities	<u>1,167,895</u>
Total Liabilities	<u>2,248,613</u>
<b><u>Net Assets</u></b>	
Investment in Capital Assets net of Related Debt	21,420,826
Unrestricted Net Assets	2,847,094
Total Net Assets	<u>24,267,920</u>
Total Liabilities and Net Assets	<u><u>\$ 26,516,533</u></u>

See the accompanying notes to financial statements.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
SEPTEMBER 30, 2006**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,773,621
Operating Grants	24,322,140
Other Revenue	162,787
Total Operating Revenues	<u>26,258,548</u>
<u>Operating Expenses</u>	
Administrative	3,470,403
Tenant Services	76,296
Utilities	1,489,427
Maintenance and Operations	1,542,246
Protective Services	28,770
General Expense	649,638
Housing Assistance Payments	16,529,896
Depreciation	1,577,978
Total Operating Expenses	<u>25,364,654</u>
Operating Income (Loss)	893,894
<u>Non-Operating Revenues (Expenses)</u>	
Capital Subsidy	1,528,022
Investment Income	61,540
Interest Expense on Capital Debt	(39,681)
Total Non-Operating Rev/(Exp)	<u>1,549,881</u>
Increase (Decrease) in Net Assets	2,443,775
Net Assets, Beginning	21,824,145
Net Assets, Ending	<u>\$ 24,267,920</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 2006**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,728,453
Cash Received from Operating Grants	24,798,008
Cash Received from Other Sources	322,625
Cash Payments for Salaries & Benefits	(2,942,527)
Cash Payments to Vendors & Landlords	(21,229,103)
Net cash provided (used) by operating activities	<u>2,677,456</u>
<u>Cash flows from non-capital financing activities:</u>	
Net cash provided (used) by noncapital financing activities	-
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	1,528,022
Capital Outlay	(1,717,548)
Payments of principal and interest on capital debt	(186,628)
Net cash provided (used) by capital and related financing activities	<u>(376,154)</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	61,540
Net cash provided (used) by investing activities	<u>61,540</u>
Net increase in cash and cash equivalents	2,362,842
<u>Cash and cash equivalents, beginning of year:</u>	
Current and Restricted Cash	797,025
Total cash and cash equivalents, beginning of year	<u>797,025</u>
<u>Cash and cash equivalents, end of year:</u>	
Current and Restricted Cash	3,159,867
Total cash and cash equivalents, end of year	<u>\$ 3,159,867</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ 893,894
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,577,978
Bad Debt Expense	79,740
Change in Tenants Accounts Receivable	(134,296)
Change in Accounts Receivable/Payable - Grants	475,868
Change in Other Accounts Receivable	159,838
Change in Prepaid Costs	(213,021)
Change in Inventory	9,299
Change in Accounts Payable	(15,634)
Change in Accrued Expenses	(15,522)
Change in Deferred Revenue	89,128
Change in Other Current Liabilities	(227,463)
Change in Tenant Security Deposits	(2,353)
Net cash provided (used) by operating activities	<u>\$ 2,677,456</u>

See accompanying notes to financial statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

Cash

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Other accounts receivable consists of amounts due from HUD for Grant Income.

Prepaid Items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Inventory

Inventories consist of materials and supplies that have not been used or consumed. Inventory is valued at cost and recorded as an expense when it is consumed.

Deferred Revenue

The Authority recognizes revenues as earned. The amount received in advance of the period in which it is earned is recorded as a liability under Deferred Revenue.

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	20 years
Improvements	10 years
Furniture fixtures and equipment	5 years

Cost Allocation Plan

In accordance with OMB Circular A-87, the Authority utilizes a Cost Allocation Plan. The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria 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 for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

**Partners for Progress** is a related not-for-profit Louisiana Corporation, which was created as an instrumentality of the Authority for the purpose of managing an 82-unit residential apartment complex, Wesley Chapel, as well as future acquired properties. On December 31, 2004, legal ownership of the complex was transferred to Partners for Progress. Partners for Progress has entered into a management agreement with the Authority for the Authority to manage Wesley Chapel apartments for a fee of \$2,300 per month. The management agreement is on a calendar year basis with cost adjusted annually on October 1. Partners for Progress is considered to be a blended component unit. The activity from Partners for Progress is reported in the accompanying schedules in the Section 8 Housing Assistance Payments Program – Special Allocations column. The organization's fiscal year end is September 30. A copy of the financial statements of Partners for Progress for the year ended September 30, 2006 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 47 North Boulevard, Baton Rouge, Louisiana 70806.

**Partners for Progress Development Corporation, LLC** is a related for profit Louisiana Corporation which was created on June 16, 2005 as an instrumentality of the Authority to facilitate low income housing development. Partners for Progress Development Corporation is the managing general partner of **Brookstown Place Partnership**, a Louisiana Partnership in Commendam. Partners for Progress Development Corporation holds .01% interest in Brookstown Place Partnership and contributed \$50 at formation for this interest. Partners for Progress Development Corporation will receive .01% of income, 5% of the distribution of cash flow, and 5% from the sale or refinancing of partnership assets.

**Cedar Pointe Development, L.L.C.** is a related for profit Louisiana Corporation which was created on April 4, 2006 as an instrumentality of the Authority to facilitate low income housing development. Cedar Pointe Development, L.L.C. is the managing general partner of **Cedar Pointe Subdivision Limited Partnership**, a Louisiana Partnership in Commendam. Cedar Pointe Development, L.L.C. holds .01% interest Cedar Pointe Subdivision Limited Partnership. Cedar Pointe Development, LLC will receive .01% of income, 5% of the distribution of cash flow, and 5% from the sale or refinancing of partnership assets.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

Partners for Progress Development Corporation, LLC and Cedar Pointe Development LLC are considered by the Authority to be blended component units. Brookstown Place Partnership and Cedar Pointe Subdivision Limited Partnership are all considered by the Authority to be discretely presented component units. These component units have December 31 year ends. As of their previous fiscal year end of December 31, 2005, these four entities had no financial activity and therefore there is no financial activity for them in this report except for the contingent liabilities as described in notes Q and R and except for the following condensed balance sheet of Brookstown Place Partnership as of December 31, 2005.

<u>ASSETS</u>		
Land		\$55,460
Other Assets		<u>8,215</u>
Total Assets		<u>\$63,675</u>
<u>LIABILITIES &amp; EQUITY</u>		
Accounts Payable		\$8,482
Mortgage Payable		<u>55,193</u>
		<u>\$63,675</u>
Equity		<u>\$ 0</u>

This balance sheet is considered immaterial for presentation in these financial statements as a discretely presented component unit.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE C - CASH AND INVESTMENT DEPOSITS

The Housing Authority's cash and cash equivalents consist of cash held interest bearing checking accounts and investment sweep accounts totaling \$3,159,867. Deposits with financial institutions are secured as follows:

Insured by FDIC	\$ 200,000
Collateralized with specific securities in the Authority's name which are held by the financial institution	2,959,867
Uncollateralized	<u>0</u>
	<u>\$3,159,867</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

### NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the Balance Sheet Date as follows:

<u>Type Commitment</u>	<u>Amount</u>
Renovations	\$1,824,037

### NOTE E - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, and costs to complete long term contracts. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

### NOTE F - PENSION PLAN

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan. The plan is administered by Broussard, Bush & Hurst. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after twelve months of continuous service. The Authority contributes approximately 6.5% of the employee's compensation, while the employees are not required to contribute to the plan. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service. During fiscal year 2006, the Authority made the required contributions in the amount of \$129,345 and the employees contributed \$17,391.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE G – OPERATING LEASE

The Authority leases its office facility for its HOPE VI program staff from The McKinley High School Alumni Association under a long-term lease expiring on November 30, 2008. The lease provides for four options to renew for a period of one year each, at the end of the initial term. The Authority prepaid the \$273,474 rent for the 3-year term in December of 2005. The authority expenses this prepaid rent amount monthly. During fiscal year 2006, the Authority incurred \$75,977 of rental expense for the lease of office space for its HOPE VI staff.

### NOTE H – OTHER ASSETS

Other Assets are the portion of the prepaid rent described in Note G, above, which is not going to be incurred as expense during the fiscal year 2007.

### NOTE I – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

### NOTE J – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed by the Public Housing Program. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2006 consisted of the following:

Section 8 - Moderate Rehabilitation	\$ 102,363
Disaster Voucher Program	762,011
KDHAP	300,348
Business Activities	(6,533)
Section 8 - Special Allocations Program	(48,528)
Community Development Block Grants	(27,930)
Home Investment Partnership	(37,926)
Opportunities for Youth	(11,763)
Low Rent	(88,390)
HOPE VI	(10,927)
ROSS	(14,710)
Housing Choice Vouchers	(869,004)
Capital Fund Program	(42,369)
State/Local	(6,642)
	<u>\$ -</u>



NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K – COMPENSATED ABSENCES

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2006, is shown as a liability allocated between current and non-current.

NOTE L – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE M – NOTES PAYABLE

1. In March of 2000, the Authority issued a note payable of \$567,000 for the remodeling of a commercial office building. The note bears interest at a rate of 8% for seven years with repricing every seven years at 150 basis points over the seven-year treasury rate. The note, which is secured by the rents and leases on the building, is payable in monthly installments through September 2020. The amount of interest paid and charged to expense during the year was \$39,680. The principal balance at September 30, 2006 was \$479,337. Debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2007	\$ 19,765	\$ 37,631	\$ 459,572
2008	21,405	35,991	438,167
2009	23,182	34,214	414,985
2010	25,106	32,290	389,879
2011	27,190	30,206	362,689
2012 - 2016	173,788	113,192	188,901
2017 - 2020	188,901	31,052	-
	<u>\$ 479,337</u>	<u>\$ 314,576</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – NOTES PAYABLE - CONTINUED

2. In November of 2000, the Authority issued a non-interest bearing CDBG Home Loan Program notes payable of \$504,000, for the purchase and rehabilitation of the Wesley Chapel project. The note is secured by a lien on Wesley Chapel property and is payable in equal monthly installments through March 2022. The outstanding balance as of September 30, 2006 was \$390,600. Future projected payments are as follows:

	<u>Principal</u>	<u>Balance Due</u>
2007	\$ 25,200	\$ 365,400
2008	25,200	340,200
2009	25,200	315,000
2010	25,200	289,800
2011	25,200	264,600
2012 - 2016	126,000	138,600
2017 - 2021	126,000	12,600
2022	12,600	-
	<u>\$ 390,600</u>	<u>\$ -</u>

3. In November of 2000, the Authority issued a second non-interest bearing CDBG Home Loan Program note payable of \$171,000, for the purchase and rehabilitation of the Wesley Chapel project. The note is secured by a lien on Wesley Chapel property and is payable in equal monthly installments through March 2022. The outstanding balance as of September 30, 2006 was \$132,525. Future projected payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Balance Due</u>
2007	\$ 8,550	\$ 123,975
2008	8,550	115,425
2009	8,550	106,875
2010	8,550	98,325
2011	8,550	89,775
2012 - 2016	42,750	47,025
2017 - 2021	42,750	4,275
2022 - 2026	4,275	-
Total Payments	<u>\$ 132,525</u>	<u>\$ -</u>

Long-term debt activity for the year ended September 30, 2006, was as follows:

	<u>Prior Year Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Year End Balance</u>
Long Term Debt	\$ 1,149,411	\$ -	\$ 146,949	\$ 1,002,462
Less: Current portion	41,671	-	-	53,515
Long Term Debt Liabilities	<u>\$ 1,107,740</u>	<u>-</u>	<u>-</u>	<u>\$ 948,947</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2006 is as follows:

	<u>BUSINESS ACTIVITIES</u>	<u>SECTION 8- SPECIAL ALLOCATIONS</u>	<u>CDBG</u>	<u>LOW RENT PUBLIC HOUSING</u>
Land	\$ 110,500	\$ 166,100	\$ 30,000	\$ 3,275,672
Building and Improvements	785,335	2,377,029	228,598	45,687,465
Furniture and Equipment	-	5,020	-	323,930
Construction in Process	-	-	-	-
Less Accumulated Depreciation	<u>(213,786)</u>	<u>(793,132)</u>	<u>-</u>	<u>(35,432,371)</u>
Total Property and Equipment	<u>\$ 682,049</u>	<u>\$ 1,755,017</u>	<u>\$ 258,598</u>	<u>\$ 13,854,696</u>

	<u>HOPE VI</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>ROSS</u>	<u>CAPITAL FUND</u>
Land	\$ 1,704,793	\$ -	\$ -	\$ -
Building and Improvements	1,610,326	390,646	-	1,245,899
Furniture and Equipment	49,366	169,540	-	151,915
Construction in Process	-	-	10,447	1,135,116
Less Accumulated Depreciation	<u>(21,878)</u>	<u>(506,846)</u>	<u>-</u>	<u>(66,396)</u>
Total Property and Equipment	<u>\$ 3,342,607</u>	<u>\$ 53,340</u>	<u>\$ 10,447</u>	<u>\$ 2,466,534</u>

	<u>Prior Year Balance</u>	<u>Additions</u>	<u>Transfers &amp; Deletions</u>	<u>Year End Balance</u>
Land	\$ 5,010,799	\$ 276,266	\$ -	\$ 5,287,065
Buildings and Improvements	49,991,541	1,087,858	1,245,899	52,325,298
Furniture and Equipment	502,248	197,523	-	699,771
Construction in Process	<u>2,235,561</u>	<u>155,901</u>	<u>(1,245,899)</u>	<u>1,145,563</u>
Total Property and Equipment	57,740,149	1,717,548	-	59,457,697
Less Accumulated Depreciation	<u>(35,456,431)</u>	<u>(1,577,978)</u>	<u>-</u>	<u>(37,034,409)</u>
Net Book Value	<u>\$ 22,283,718</u>	<u>\$ 139,570</u>	<u>\$ -</u>	<u>\$ 22,423,288</u>

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE O – RESTRICTED CASH

The Authority's restricted cash consists of the following as of the end of the fiscal year:

Cash Held in Escrow for Tenants	<u>\$121,311</u>
Total	<u>\$121,311</u>

### NOTE P – RELATED PARTY TRANSACTIONS

A member of the Authority's board is employed by the State of Louisiana. The Authority participates in a program administered by this board member's state office. The Authority's contract with this agency can be renewed on a year-to-year basis unless the Authority is found to be non compliant with the provisions of the contract. A separate office within the State monitors the program. During board meetings in which matters arise related to this contract, the board member abstains from voting.

### NOTE Q – CONTINGENT LIABILITY – BROOKSTOWN PLACE PARTNERSHIP

Partners for Progress, Inc. is the sole member of Partners for Progress Development Corporation, LLC. Partners for Progress Development Corporation, LLC is the general partner of Brookstown Place Partnership. As the general partner of Brookstown Place Partnership, Partners for Progress Development Corporation is a guarantor of Brookstown Place Partnership's debt. On October 18, 2006 Brookstown Place Partnership signed a promissory note with Alliant Capital, LTD in the amount of \$800,000. Management feels that due to the ownership structure of these component units the Authority could be liable if Brookstown Place Partnership defaults on the \$800,000 promissory note.

### NOTE R – CONTINGENT LIABILITY – CEDAR POINTE SUBDIVISION LIMITED PARTNERSHIP

Partners for Progress, Inc. is the sole member of Cedar Pointe Development, L.L.C. Cedar Pointe Development, L.L.C. is the general partner of Cedar Pointe Subdivision Limited Partnership. As the general partner of Cedar Pointe Subdivision Limited Partnership, Cedar Pointe Development, L.L.C. is a guarantor of Cedar Pointe Subdivision Limited Partnership's debt. On September 19, 2006 Cedar Pointe Subdivision Limited Partnership signed a promissory note with Alliant Capital, LTD in the amount of \$380,000. On September 21, 2006 Cedar Pointe Limited Partnership signed a promissory note with Greenwell Land Acquisitions, LLC for \$400,000. Management feels that due to the ownership structure of these component units the Authority could be liable if Cedar Pointe Subdivision Limited Partnership defaults on the \$780,000 in promissory notes.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM  
SEPTEMBER 30, 2006**

**ASSETS**

	Business Activities	Section 8- Special Allocations Program	Community Development Block Grants	Home Investment Partnerships	Opportunities For Youth	Section 8 Mod Rehabilitation	Low Rent Public Housing
<b><u>Current Assets</u></b>							
Cash and Cash Equivalents	\$ 17,512	\$ 254,626	\$ -	\$ 6,691	\$ -	\$ -	\$ 537,973
Accounts Receivable - Grants	-	-	28,500	32,308	13,539	5,337	-
Accounts Receivable - Other	-	-	-	-	-	-	22,558
Tenants Accounts Receivable	-	7,268	-	-	-	-	76,329
Allowance for Doubtful Accounts	-	(1,201)	-	-	-	-	(1,193)
Prepaid Costs	-	9,401	-	-	-	79	157,397
Inventory	-	-	-	-	-	-	86,381
Interprogram	-	-	-	-	-	102,363	-
Total Current Assets	17,512	270,094	28,500	38,999	13,539	107,779	879,445
<b><u>Non-current Assets</u></b>							
<b><u>Restricted Assets</u></b>							
Cash and Cash Equivalents	-	-	-	-	-	-	-
Total Restricted Assets	-	-	-	-	-	-	-
<b><u>Fixed Assets</u></b>							
Land	110,500	166,100	30,000	-	-	-	3,275,672
Buildings and Improvements	785,335	2,377,029	228,598	-	-	-	45,687,465
Furniture & Equipment	-	5,020	-	-	-	-	323,930
Construction in Progress	-	-	-	-	-	-	-
(Less): Accumulated Depreciation	895,835	2,548,149	258,598	-	-	-	49,287,067
Net Fixed Assets	(213,786)	(793,132)	-	-	-	-	(35,432,371)
Total Fixed Assets	682,049	1,755,017	258,598	-	-	-	13,854,696
<b><u>Other Assets</u></b>							
Prepaid Costs - Long Term	-	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-	-
Total Assets	\$ 699,561	\$ 2,025,111	\$ 287,098	\$ 38,999	\$ 13,539	\$ 107,779	\$ 14,734,141

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM  
 SEPTEMBER 30, 2006**

**ASSETS**

	Revitalization of Severely Distressed	Resident Opportunity Support	Housing Choice Vouchers Program	Capital Fund Program	Disaster Voucher Program	State/ Local	Other Federal Program 2	Total
<b><u>Current Assets</u></b>								
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,221,754	\$ -	\$ -	\$ -	\$ -	\$ 3,038,556
Accounts Receivable - Grants	91,391	15,762	-	57,943	-	9,669	-	254,449
Accounts Receivable - Other	-	-	100,354	-	-	-	-	122,912
Tenants Accounts Receivable	-	-	-	-	-	-	-	83,597
Allowance for Doubtful Accounts	-	-	-	-	-	-	-	(2,394)
Prepaid Costs	91,158	-	24,047	-	-	-	-	282,082
Inventory	-	-	-	-	-	-	-	86,381
Interprogram	-	-	-	-	762,011	-	300,348	1,164,722
Total Current Assets	182,549	15,762	2,346,155	57,943	762,011	9,669	300,348	5,030,305
<b><u>Non-current Assets</u></b>								
Cash and Cash Equivalents	-	-	121,311	-	-	-	-	121,311
Total Restricted Assets	-	-	121,311	-	-	-	-	121,311
<b><u>Fixed Assets</u></b>								
Land	1,704,793	-	-	-	-	-	-	5,287,065
Buildings and Improvements	1,610,326	-	390,646	1,245,899	-	-	-	52,325,298
Furniture & Equipment	49,366	-	169,540	151,915	-	-	-	699,771
Construction in Progress	-	10,447	-	1,135,116	-	-	-	1,145,563
(Less): Accumulated Depreciation	3,364,485	10,447	560,186	2,532,930	-	-	-	59,457,697
Net Fixed Assets	(21,878)	-	(506,846)	(66,396)	-	-	-	(37,034,409)
Total Fixed Assets	3,342,607	10,447	53,340	2,466,534	-	-	-	22,423,288
<b><u>Other Assets</u></b>								
Prepaid Costs - Long Term	106,351	-	-	-	-	-	-	106,351
Total Other Assets	106,351	-	-	-	-	-	-	106,351
Total Assets	\$ 3,631,507	\$ 26,209	\$ 2,520,806	\$ 2,524,477	\$ 762,011	\$ 9,669	\$ 300,348	\$ 27,681,255

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM  
SEPTEMBER 30, 2006**

	Business Activities	Section 8-		Community Development Block Grants	Home Investment Partnerships	Opportunities For Youth		Section 8 Mod Rehabilitation		Low Rent Public Housing
		Special Allocations Program								
<b>Liabilities</b>										
<b>Current Liabilities</b>										
Accounts Payable	\$ 950	\$ 11,494	\$ 570	\$ -	\$ -	\$ 661	\$ 92	\$ 167,860		
Accounts Payable - HUD	-	-	-	-	-	-	-	170,930		
Accounts Payable - Other	-	-	-	-	-	-	-	-		
Accrued Wages and Payroll Taxes	-	6,563	-	-	-	1,115	357	60,486		
Accrued Compensated Absences	-	-	-	-	-	-	-	38,972		
Accrued Interest Payable	574	-	-	-	-	-	-	-		
Tenant Security Deposits	-	9,128	-	-	-	-	-	89,300		
Deferred Revenues	-	-	-	1,073	-	-	-	-		
Other Current Liabilities	-	-	-	-	-	-	-	8,523		
Current Portion of Long Term Debt	19,765	33,750	-	-	-	-	-	-		
Interprogram Payable	6,533	48,528	27,930	37,926	11,763	-	-	88,390		
<b>Total Current Liabilities</b>	<b>27,822</b>	<b>109,463</b>	<b>28,500</b>	<b>38,999</b>	<b>13,539</b>	<b>449</b>	<b>624,461</b>			
<b>Long Term Liabilities</b>										
Long Term Debt	459,572	489,375	-	-	-	-	-	-		
Accrued Compensated Absences	-	3,551	-	-	-	-	-	59,003		
Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-		
<b>Total Long Term Liabilities</b>	<b>459,572</b>	<b>492,926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,003</b>			
<b>Total Liabilities</b>	<b>487,394</b>	<b>602,389</b>	<b>28,500</b>	<b>38,999</b>	<b>13,539</b>	<b>449</b>	<b>683,464</b>			
<b>Net Assets</b>										
Investment in Capital Assets										
Net of Related Debt	202,712	1,231,892	258,598	-	-	-	-	13,854,696		
Unrestricted Net Assets	9,455	190,830	-	-	-	-	107,330	195,981		
<b>Total Net Assets</b>	<b>212,167</b>	<b>1,422,722</b>	<b>258,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,330</b>	<b>14,050,677</b>		
<b>Total Liabilities and Net Assets</b>	<b>\$ 699,561</b>	<b>\$ 2,025,111</b>	<b>\$ 287,098</b>	<b>\$ 38,999</b>	<b>\$ 13,539</b>	<b>\$ 107,779</b>	<b>\$ 14,734,141</b>			

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM  
SEPTEMBER 30, 2006**

<u>LIABILITIES AND NET ASSETS</u>	Revitalization of Severely Distressed	Resident Opportunity Support	Housing Choice Vouchers Program	Capital Fund Program	Disaster Voucher Program	State/ Local	Other Federal Program 2	<u>Total</u>
<u>Liabilities</u>								
<u>Current Liabilities</u>								
Accounts Payable	\$ 28,572	\$ 111	\$ 7,681	\$ 7,836	\$ -	\$ 178	\$ -	\$ 226,005
Accounts Payable - HUD	-	-	-	-	51,164	-	-	222,094
Accounts Payable - Other	-	-	-	-	-	841	45,310	46,151
Accrued Wages and Payroll Taxes	15,557	941	27,091	7,738	1,427	2,008	-	123,283
Accrued Compensated Absences	-	-	19,877	-	-	-	-	58,849
Accrued Interest Payable	-	-	-	-	-	-	-	574
Tenant Security Deposits	-	-	-	-	-	-	-	98,428
Deferred Revenues	233,844	-	-	-	-	-	-	234,917
Other Current Liabilities	-	-	-	-	-	-	-	16,902
Current Portion of Long Term Debt	-	-	-	-	-	-	-	53,515
Interprogram Payable	10,927	14,710	869,004	42,369	-	6,642	-	1,164,722
Total Current Liabilities	288,900	15,762	923,653	57,943	60,970	9,669	45,310	2,245,440
<u>Long Term Liabilities</u>								
Long Term Debt	-	-	-	-	-	-	-	948,947
Accrued Compensated Absences	-	-	35,083	-	-	-	-	97,637
Noncurrent Liabilities - Other	-	-	121,311	-	-	-	-	121,311
Total Long Term Liabilities	-	-	156,394	-	-	-	-	1,167,895
Total Liabilities	288,900	15,762	1,080,047	57,943	60,970	9,669	45,310	3,413,335
<u>Net Assets</u>								
Investment in Capital Assets								
Net of Related Debt	3,342,607	10,447	53,340	2,466,534	-	-	-	21,420,826
Unrestricted Net Assets	-	-	1,387,419	-	701,041	-	255,038	2,847,094
Total Net Assets	3,342,607	10,447	1,440,759	2,466,534	701,041	-	255,038	24,267,920
Total Liabilities and Net Assets	\$ 3,631,507	\$ 26,209	\$ 2,520,806	\$ 2,524,477	\$ 762,011	\$ 9,669	\$ 300,348	\$ 27,681,255



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET ASSETS BY PROGRAM  
SEPTEMBER 30, 2006**

	Business Activities	Section 8-Special Allocations Program	Community Development Block Grants	Home Investment Partnerships	Opportunities For Youth	Section 8 Mod Rehabilitation	Low Rent Public Housing
<u>Operating Revenues</u>							
Dwelling Rent	\$ -	\$ 15,760	\$ -	\$ -	\$ -	\$ -	\$ 1,757,861
Operating Grants	-	467,727	371,037	31,235	67,872	76,692	1,856,702
Other Revenue	85,486	7,435	-	-	-	-	69,866
Total Operating Revenues	85,486	490,922	371,037	31,235	67,872	76,692	3,684,429
<u>Operating Expenses</u>							
Administrative	11,578	81,992	-	1,658	67,872	12,680	824,390
Tenant Services	-	5,502	-	-	-	-	27,982
Utilities	-	59,305	-	43	-	203	1,416,373
Maintenance and Operations	-	107,817	112,439	44	-	10	1,321,936
Protective Services	-	28,770	-	-	-	-	-
General Expense	-	32,631	-	119	-	245	473,479
Housing Assistance Payments	-	-	-	29,371	-	67,003	-
Depreciation	39,267	180,572	-	-	-	-	1,262,680
Total Operating Expenses	50,845	496,589	112,439	31,235	67,872	80,141	5,326,840
Operating Income (Loss)	34,641	(5,667)	258,598	-	-	(3,449)	(1,642,411)
<u>Non-Operating Revenues (Expenses)</u>							
Capital Subsidy	-	-	-	-	-	-	-
Investment Income	-	7,477	-	-	-	540	95
Interest Expense on Capital Debt	(39,681)	-	-	-	-	-	-
Total Non-Operating Rev/(Exp)	(39,681)	7,477	-	-	-	540	95
Operating Transfers In (Out)	-	-	-	-	-	-	551,602
Increase (Decrease) in Net Assets	(5,040)	1,810	258,598	-	-	(2,909)	(1,090,714)
Net Assets, Beginning	217,207	1,420,912	-	-	-	110,239	13,589,806
Net Asset Transfers	-	-	-	-	-	-	1,551,585
Net Assets, Ending	\$ 212,167	\$ 1,422,722	\$ 258,598	\$ -	\$ -	\$ 107,330	\$ 14,050,677

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET ASSETS BY PROGRAM  
 SEPTEMBER 30, 2006**

	Revitalization of Severely Distressed	Resident Opportunity Support	Housing Choice Vouchers	Capital Fund	Disaster Voucher Program	State/ Local	Other Federal Program 2	Total
<u>Operating Revenues</u>								
Dwelling Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,773,621
Operating Grants	560,882	41,167	13,879,170	1,028,666	4,437,395	49,669	1,453,926	24,322,140
Other Revenue	-	-	-	-	-	-	-	162,787
Total Operating Revenue	560,882	41,167	13,879,170	1,028,666	4,437,395	49,669	1,453,926	26,258,548
<u>Operating Expenses</u>								
Administrative	773,987	41,167	971,128	527,064	105,349	6,857	44,681	3,470,403
Tenant Services	-	-	-	-	-	42,812	-	76,296
Utilities	-	-	10,585	-	1,668	-	1,250	1,489,427
Maintenance and Operations	-	-	-	-	-	-	-	1,542,246
Protective Services	-	-	-	-	-	-	-	28,770
General Expense	-	-	122,305	-	9,887	-	10,972	649,638
Housing Assistance Payments	-	-	11,786,663	-	3,619,450	-	1,027,409	16,529,896
Depreciation	10,834	-	18,230	66,395	-	-	-	1,577,978
Total Operating Expenses	784,821	41,167	12,908,911	593,459	3,736,354	49,669	1,084,312	25,364,654
Operating Income (Loss)	(223,939)	-	970,259	435,207	701,041	-	369,614	893,894
<u>Non-Operating Revenue (Expenses)</u>								
Capital Subsidy	1,220,207	-	-	307,815	-	-	-	1,528,022
Investment Income	-	-	53,428	-	-	-	-	61,540
Interest Expense on Capital Debt	-	-	-	-	-	-	-	(39,681)
Total Non-Operating Rev/(Exp)	1,220,207	-	53,428	307,815	-	-	-	1,549,881
Operating Transfers In (Out)	150,000	-	-	(501,602)	-	-	(200,000)	-
Increase (Decrease) in Net Assets	1,146,268	-	1,023,687	241,420	701,041	-	169,614	2,443,775
Net Assets, Beginning	2,196,339	10,447	417,072	3,776,699	-	-	85,424	21,824,145
Net Asset Transfers	-	-	-	(1,551,585)	-	-	-	-
Net Assets, Ending	\$ 3,342,607	\$ 10,447	\$ 1,440,759	\$ 2,466,534	\$ 701,041	\$ -	\$ 255,038	\$ 24,267,920

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM  
 SEPTEMBER 30, 2006**

	<b>Public Housing Capital Fund Program LA48P00350103</b>	<b>Public Housing Capital Fund Program LA48P00350203</b>
Funds Approved	\$ 1,639,140	\$ 346,201
Funds Expended	1,639,140	346,201
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 1,639,140	\$ 346,201
Funds Expended	1,639,140	346,201
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2006

EXPENDITURES

Low Rent Public Housing Expenditures	
Total CFDA Number 14.850a	<u>\$ 1,856,702</u>
Revitalization of Severely Distressed Public Housing	
Total CFDA Number 14.866	<u>1,781,089</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>41,167</u>
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	<u>18,316,565</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>1,336,481</u>
Section 8 Housing Assistance Payments Program Special Allocations	
Total CFDA Number 14.195	<u>467,727</u>
Community Development Block Grants	
Total CFDA Number 14.218	<u>371,037</u>
HOME Investment Partnerships Program	
Total CFDA Number 14.239	<u>31,235</u>
Opportunities for Youth - Youthbuild Program	
Total CFDA Number 14.243	<u>67,872</u>
Section 8 Moderate Rehabilitation Single Room Occupancy	
Total CFDA Number 14.249	<u>76,692</u>
Total HUD Expenditures	<u>24,346,567</u>
Katrina Disaster Housing Assistance Program	
Total CDFA Number 97.048	<u>1,453,926</u>
Total Department of Homeland Security Expenditures	<u>1,453,926</u>
 TOTAL FEDERAL EXPENDITURES	 <u><u>\$ 25,800,493</u></u>

Accounting Policies:

The information on this schedule is prepared in accordance with accounting principles as described in the footnotes to this report.

THE HOUSING AUTHORITY OF EAST BAYON ROUGE PARISH  
 EAST BAYON ROUGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

SECTION 8

ASSETS	BUSINESS ACTIVITIES	SPECIAL ALLOCATIONS	COMMUNITY DEVELOPMENT BLOCK GRANTS	HOME INVESTMENT PARTNERSHIPS	OPPORTUNITIES FOR YOUTH/YOUTHSTART	SECTION 8 MOD RENAR	LOW RENT PUBLIC HOUSING
CURRENT ASSETS							
CASH							
111 CASH UNRESTRICTED	17,512	254,626	-	6,691	-	-	444,893
115 CASH RESTRICTED FOR PAYMENT OF 8/2 DEBT	-	-	-	-	-	-	-
112 CASH RESTRICTED FOR MODIFICATION AND DEV	-	-	-	-	-	-	-
113 CASH OTHER RESTRICTED	-	-	-	-	-	-	-
114 CASH TENANT SECURITY DEPOSIT	-	-	-	-	-	-	93,080
100 TOTAL CASH	17,512	254,626	-	6,691	-	-	537,973
ACCOUNTS AND NOTES RECEIVABLE							
121 A/R - FHA PROJECTS	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	-	-	-	-	13,539	5,337	-
124 A/R - OTHER GOVT	-	-	28,500	32,308	-	-	-
125 A/R - MISC	-	-	-	-	-	-	-
126 A/R - TENANTS DELINQUENT DEBT	-	7,268	-	-	-	-	22,558
126.1 ALLOWANCE FOR D A - TENANTS	-	(1,201)	-	-	-	-	76,339
126.2 ALLOWANCE FOR D A - OTHER	-	-	-	-	-	-	(1,193)
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-
128.1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-
130 TOTAL RECEIVABLES NET OF ALLOW	-	6,067	28,500	32,308	13,539	5,337	97,694
CURRENT INVESTMENTS							
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-
135 INVESTMENTS RESTRICTED FYR 8/2 DEBT	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-
142 PREPAID COSTS	-	9,401	-	-	-	79	157,397
143 INVENTORIES - MATERIALS	-	-	-	-	-	-	86,381
143.1 ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	-
144 INVENTORY DIS FROM	-	-	-	-	-	102,363	-
146 AMOUNTS TO BE PROVIDED	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	17,512	270,094	28,500	38,999	13,539	107,779	879,445
NONCURRENT ASSETS							
FIXED ASSETS							
161 LAND	110,500	166,100	30,000	-	-	-	3,275,672
162 INFRASTRUCTURE	-	-	-	-	-	-	-
163 BUILDINGS	785,335	1,162,700	9,434	-	-	-	45,687,465
163 FURNITURE & EQUIPMENT - DWELLINGS	-	-	-	-	-	-	-
164 FURNITURE & EQUIPMENT - ADMINIS	-	5,020	-	-	-	-	323,900
165 LEASEHOLD IMPROVEMENTS	-	1,214,329	219,164	-	-	-	-
167 CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
166 ACCUMULATED DEPRECIATION	(213,786)	(793,132)	-	-	-	-	(35,432,371)
160 TOTAL FIXED ASSETS, NET OF DEPR	682,049	1,755,017	258,598	-	-	-	13,854,696
NOTES & MORTGAGES RECEIVABLE - M/C	-	-	-	-	-	-	-
172 NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-	-	-
173 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	-
176 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	682,049	1,755,017	258,598	-	-	-	13,854,696
190 TOTAL ASSETS	699,561	2,025,111	287,098	38,999	13,539	107,779	14,734,141

THE HOUSING AUTHORITY OF EAST BAYOU MOORE PARISH  
 EAST BAYOU MOORE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

SECTION 9

	BUSINESS ACTIVITIES	HAP PROGRAM SPECIAL ALLOCATIONS	COMMUNITY DEVELOPMENT BLOCK GRANTS	HOME INVESTMENT PARTNERSHIPS	OPPORTUNITIES FOR YOUTH/ YOUTHBUILT	SECTION 8 MOD REHAB	LOW RENT PUBLIC HOUSING
	14,195	14,218	14,239	14,243	14,249	14,850A	
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
311 BANK OVERDRAFT	-	-	-	-	-	-	-
312 A/P < 90 DAYS	950	11,494	570	661	661	92	157,860
313 A/P > 90 DAYS	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	-	6,563	-	1,115	1,115	357	60,486
322 ACCRUED COMPENSATED ABSENCES	-	-	-	-	-	-	38,972
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	574	-	-	-	-	-	-
331 ACCOUNTS PAYABLE - HUD PHA PROGRAMS	-	-	-	-	-	-	170,930
332 ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-	-	-
333 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	-	-
341 TENANT SECURITY DEPOSIT	-	9,128	-	-	-	-	89,308
342 DEFERRED REVENUES	-	-	-	1,073	-	-	-
343 CURRENT PORTION OF LT DEBT CAPITAL	19,765	33,750	-	-	11,763	-	88,390
344 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-
345 LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	8,523
346 ACCRUED LIABILITIES - OTHER	-	-	-	-	-	-	-
347 INTERPROGRAM DUE TO	6,533	46,528	27,930	37,926	11,763	-	88,390
310 TOTAL CURRENT LIABILITIES	27,822	109,463	28,500	38,999	13,539	449	624,461
NONCURRENT LIABILITIES							
351 LONG TERM DEBT NET OF CURRENT CAPITAL	459,572	488,375	-	-	-	-	-
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-
354 LONG TERM PORTION OF COMPENSATED ABSENC	-	3,351	-	-	-	-	59,003
355 LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-
353 NONCURRENT LIABILITIES OTHER	-	-	-	-	-	-	-
350 TOTAL NONCURRENT LIABILITIES	459,572	492,326	-	-	-	-	59,003
300 TOTAL LIABILITIES	487,394	602,389	28,500	38,999	13,539	449	683,464
EQUITY							
501 INVESTMENT IN GENERAL FUND ASSETS	-	-	-	-	-	-	-
CONTRIBUTED CAPITAL							
502 PROJECT NOTES (HUD)	-	-	-	-	-	-	-
503 LONG TERM DEBT - HUD GUARANTEE	-	-	-	-	-	-	-
504 NET HUD PHA CONTRIBUTIONS	-	-	-	-	-	-	-
505 OTHER HUD CONTRIBUTIONS	-	-	-	-	-	-	-
507 OTHER CONTRIBUTIONS	-	-	-	-	-	-	-
508 TOTAL CONTRIBUED CAPITAL	-	-	-	-	-	-	-
508.1 INVESTMENT IN CAPITAL ASSETS	202,712	1,231,892	258,598	-	-	-	13,854,698
509 RESERVED FUND BALANCE	-	-	-	-	-	-	-
509 RESERVED FOR OPERATING ACTIVITIES	-	-	-	-	-	-	-
510 RESERVED FOR CAPITAL ACTIVITIES	-	-	-	-	-	-	-
511 TOTAL RESERVED BALANCE	-	-	-	-	-	-	-
511.1 RESTRICTED NET ASSETS	-	-	-	-	-	-	-
512 UNRESTRICTED FUND BALANCE/R/E	9,455	190,930	-	-	-	107,330	195,981
513 TOTAL EQUITY	212,167	1,422,722	258,598	-	-	107,330	14,050,677
600 TOTAL LIABILITIES AND EQUITY	699,561	2,025,111	287,098	38,999	13,539	107,779	14,734,141

THE HOUSING AUTHORITY OF EAST BAYOU HOUGE PARISH  
 EAST BAYOU HOUGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

SECTION 8  
 BUSINESS ACTIVITIES  
 RHP PROGRAM SPECIAL ALLOCATIONS  
 COMMUNITY DEVELOPMENT BLOCK GRANTS  
 HOME INVESTMENT PARTNERSHIPS  
 OPPORTUNITIES FOR YOUTH/YOUTHFIELD  
 SECTION 8 MOD REBAS  
 LOW RENT PUBLIC HOUSING

SECTION 8	BUSINESS ACTIVITIES	RHP PROGRAM SPECIAL ALLOCATIONS	COMMUNITY DEVELOPMENT BLOCK GRANTS	HOME INVESTMENT PARTNERSHIPS	OPPORTUNITIES FOR YOUTH/YOUTHFIELD	SECTION 8 MOD REBAS	LOW RENT PUBLIC HOUSING
703	NET TENANT RENTAL REVENUE	15,760	-	-	-	-	1,494,493
704	TENANT REVENUE - OTHER	-	-	-	-	-	263,458
705	TOTAL TENANT REVENUE	15,760	-	-	-	-	1,757,951
706	RFD FEA GRANTS	467,727	-	-	67,872	76,692	1,656,702
706.1	CAPITAL GRANTS RECEIVED	-	-	-	-	-	-
708	OTHER GOVT GRANTS	-	371,037	-	-	-	-
710	SEC 8 INCOME	-	-	31,235	-	-	-
711	INVESTMENT INCOME - UNRESTRICTED	7,477	-	-	-	-	95
712	MORTGAGE INTEREST INCOME	-	-	-	-	-	-
714	FRAUD RECOVERY	-	-	-	-	-	-
715	OTHER REVENUE	7,435	-	-	-	-	69,866
716	GAIN OR LOSS ON THE SALE OF FIXED ASSETS	85,486	-	-	-	-	-
720	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-
700	TOTAL REVENUE	498,399	371,037	31,235	67,872	77,232	3,684,524
	EXPENSES						
	ADMINISTRATIVE						
911	ADMINISTRATIVE SALARIES	40,035	-	-	22,074	6,632	497,329
912	AUDITING FEES	-	-	56	-	-	14,776
913	OUTSIDE MANAGEMENT FEES	-	-	-	-	-	-
914	COMPENSATED AMBUSHES	(1,754)	-	-	-	-	-
915	EMPLOYEE BENEFIT CONTRIBUTION	8,691	-	669	-	2,532	134,876
916	OTHER OPERATING ADMINISTRATIVE	35,020	-	664	45,798	1,516	177,419
	TENANT SERVICES						
921	TENANT SERVICES SALARIES	4,494	-	-	-	-	23,700
922	RELOCATION COSTS	-	-	-	-	-	-
923	EMPLOYEE BENEFIT CONTRIBUTION	1,008	-	-	-	-	3,948
924	TENANT SERVICES OTHER	-	-	-	-	-	334
	UTILITIES						
931	WATER	10,794	-	-	-	-	82,198
932	ELECTRICITY	11,347	-	41	-	191	771,471
933	GAS	17	-	2	-	6	321,475
934	FUEL	-	-	-	-	-	-
935	LABOR	-	-	-	-	-	-
937	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-
938	OTHER UTILITIES	37,147	-	-	-	2	243,229
	ORDINARY MAINTENANCE & OPERATION						
941	ORDINARY MAINT AND OP LABOR	81,257	92,720	-	-	-	632,446
942	CRUIARY MAINTENANCE AND OP MATERIALS	12,131	15,568	-	-	-	158,387
943	ORDINARY MAINTENANCE AND OP CONTRACT	5,238	-	44	-	10	341,959
945	EMPLOYEE BENEFIT CONTRIBUTION	9,201	4,151	-	-	-	179,563
	PROTECTIVE SERVICES						
951	PROTECTIVE SERVICES - LABOR	28,770	-	-	-	-	-
952	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-
953	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-
955	EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-
	GENERAL EXPENSES						
961	INSURANCE PREMIUMS	27,254	-	110	-	245	399,116
962	OTHER GENERAL EXPENSE	-	-	9	-	-	-
963	PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-
964	RAD DEBT - TENANT	5,377	-	-	-	-	74,363
965	RAD DEBT - MORTGAGES	-	-	-	-	-	-
966	RAD DEBT - OTHER	-	-	-	-	-	-
967	INTEREST EXPENSE	38,661	-	-	-	-	-

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 EAST BATON ROUGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006  
 SECTION 8

	BUSINESS ACTIVITIES	RAP PROGRAM SPECIAL ALLOCATIONS	COMMUNITY DEVELOPMENT BLOCK GRANTS	HOME INVESTMENT PARTNERSHIPS	OPPORTUNITIES FOR YOUTH/YOUTHBUILD	SECTION 8 MOD REPAIRS	LOW RENT PUBLIC HOUSING
968	REVENUE EXPENSE	-	-	-	-	-	-
969	TOTAL OPERATING EXPENSES	51,259	316,017	112,439	1,864	13,136	4,054,149
970	EXCESS OPERATING REVENUE OVER OP EXP	34,227	182,362	258,598	29,371	64,094	(369,625)
971	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-
972	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	10,011
973	RAP	-	-	-	29,371	67,003	-
974	DEPRECIATION EXPENSE	39,267	180,572	-	-	-	1,262,680
975	FRAUD LOSSES	-	-	-	-	-	-
976	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-
977	NET PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-
978	IMAGING UNIT'S RENT EXPENSE	-	-	-	-	-	-
900	TOTAL EXPENSES	90,526	496,589	112,439	31,235	60,141	5,326,840
1001	OPERATING TRANSFERS IN	-	-	-	-	-	-
1002	OPERATING TRANSFERS OUT	-	-	-	-	-	551,602
1006	PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-
1007	EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-
1008	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	551,602
1000	EXCESS REVENUE OVER EXPENSES	(5,040)	1,810	258,598	-	(2,909)	(1,090,714)
1103	BEGINNING EQUITY	-	-	-	-	-	-
1104	EQUITY TRANSFERS	217,207	1,430,912	-	-	110,239	13,589,806
1104	PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	1,551,585
1101	CAPITAL OUTLAYS ENTERPRISE FUND	-	-	-	-	-	-
	ENDING EQUITY	212,167	1,422,722	258,598	-	107,330	14,050,677
1120	GROSS \$ UNITS	-	984	-	-	288	13,836
1121	\$ UNIT MONTHS LEASED	-	907	-	-	212	12,258



THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
EAST BATON ROUGE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2006

ASSETS	REVALUATION OF SEVERELY DISTRESSED PUBLIC HOUSING 14,866	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES 14,870	HOUSING CHOICE VOUCHERS 14,871	PUBLIC HOUSING CAPITAL FUND 14,872	DISASTER VOUCHER 14,872	STATE/ LOCAL	FMRAP 97,048	TOTAL
CURRENT ASSETS								
CASH								
111 CASH UNRESTRICTED	-	-	2,221,754	-	-	-	-	2,945,476
115 CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-	-	-	-
112 CASH RESTRICTED MODERNIZATION AND DEV	-	-	-	-	-	-	-	-
113 CASH OTHER RESTRICTED	-	-	121,311	-	-	-	-	121,311
114 CASH TENANT SECURITY DEPOSIT	-	-	-	-	-	-	-	93,080
100 TOTAL CASH	-	-	2,343,065	-	-	-	-	3,159,867
ACCOUNTS AND NOTES RECEIVABLE								
121 A/R - PMA PROJECTS	-	-	100,354	-	-	-	-	100,354
122 A/R - HUD PROJECTS	91,391	15,762	-	57,943	-	-	-	165,096
124 A/R - OTHER GOVT	-	-	-	-	-	-	-	60,808
125 A/R - MISC	-	-	-	-	-	-	-	32,227
126 A/R - TENANTS DWELLING RENT	-	-	-	-	-	9,669	-	9,669
126.1 ALLOWANCE FOR D A - TENANTS	-	-	-	-	-	-	-	83,597
126.2 ALLOWANCE FOR D A - OTHER	-	-	-	-	-	-	-	(2,394)
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-	-
128.1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	91,391	15,762	100,354	57,943	-	9,669	-	458,564
CURRENT INVESTMENTS								
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-
135 INVESTMENTS RESTRICTED FROM S/T DEBT	-	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-
142 PREPAID COSTS	91,158	-	24,047	-	-	-	-	282,082
143 INVENTORIES - MATERIALS	-	-	-	-	-	-	-	86,391
143.1 ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	-	-
144 INTERPROGRAM DUE FROM	-	-	-	-	-	-	-	-
146 AMOUNTS TO BE PROVIDED	-	-	-	-	-	-	300,348	1,164,722
150 TOTAL CURRENT ASSETS	162,549	15,762	2,467,466	57,943	-	9,669	300,348	9,151,616
NONCURRENT ASSETS								
FILED ASSETS								
161 LAND	1,704,793	-	-	-	-	-	-	5,287,065
168 INFRASTRUCTURE	-	-	-	-	-	-	-	-
162 BUILDINGS	1,610,326	-	390,646	1,245,899	-	-	-	50,891,805
163 FURNITURE & EQUIPMENT - DWELLINGS	-	-	-	-	-	-	-	-
164 FURNITURE & EQUIPMENT - ADMINIST	49,366	-	169,540	151,915	-	-	-	699,771
165 LEASEHOLD IMPROVEMENTS	-	-	-	-	-	-	-	-
167 CONSTRUCTION IN PROGRESS	-	10,447	-	1,135,116	-	-	-	1,433,493
166 ACCUMULATED DEPRECIATION	(21,978)	-	(506,846)	(66,396)	-	-	-	(37,036,409)
160 TOTAL FILED ASSETS, NET OF DEPR	3,343,607	10,447	53,340	2,466,534	-	-	-	22,423,288
171 NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-	-	-	-
172 NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-	-	-	-
173 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-
174 OTHER ASSETS	166,351	-	-	-	-	-	-	166,351
176 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	3,448,958	10,447	53,340	2,466,534	-	-	-	23,529,639
190 TOTAL ASSETS	3,631,507	26,209	2,520,806	2,524,477	762,011	9,669	300,348	27,681,285

THE HOUSING AUTHORITY OF EAST BAYOU BOOGE PARISH  
 EAST BAYOU BOOGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

LIABILITIES AND EQUITY	REVENUE	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES	HOUSING CHOICE VOUCHERS	HOUSING CAPITAL FUND	DISASTER VOUCHERS	STATE/LOCAL	KIRAP	TOTAL
311 BANK OVERDRAFT	-	-	-	-	-	-	-	-
312 A/P < 90 DAYS	28,572	111	7,681	7,836	-	178	-	226,005
313 A/P > 90 DAYS	-	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	15,557	941	27,091	7,738	1,427	2,008	-	123,263
322 ACCRUED COMPENSATED ABSENCES	-	-	19,877	-	-	-	-	58,849
324 ACCRUED CONFERENCE LIABILITY	-	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	574
331 ACCOUNTS PAYABLE - HUD FHA PROGRAMS	-	-	-	-	51,164	-	-	222,094
332 ACCOUNTS PAYABLE - FHA PROJECTS	-	-	-	-	-	-	-	-
333 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	841	45,310	46,151
341 TREASURY SECURITY DEPOSIT	-	-	-	-	-	-	-	98,428
342 DEFERRED REVENUES	233,844	-	-	-	-	-	-	234,917
343 CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-	-
344 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-	-
345 LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	-	-
346 ACCRUED LIABILITIES - OTHER	-	-	-	-	8,379	-	-	16,902
347 INTERPROGRAM DUE TO	10,927	14,710	869,004	42,369	-	6,642	-	1,164,722
350 TOTAL CURRENT LIABILITIES	288,900	15,762	923,653	57,943	60,970	9,669	45,310	2,245,440
NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-	948,947
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-
354 LONG TERM PORTION OF COMPENSATED ABSENC	-	-	35,083	-	-	-	-	97,637
355 LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-	-
353 NONCURRENT LIABILITIES OTHER	-	-	121,311	-	-	-	-	121,311
350 TOTAL NONCURRENT LIABILITIES	-	-	156,394	-	-	-	-	1,167,895
300 TOTAL LIABILITIES	288,900	15,762	1,080,047	57,943	60,970	9,669	45,310	3,413,335
EQUITY	-	-	-	-	-	-	-	-
501 INVESTMENT IN GENERAL FUND ASSETS	-	-	-	-	-	-	-	-
COMPLETED CAPITAL	-	-	-	-	-	-	-	-
502 PROJECT NOTES (HUD)	-	-	-	-	-	-	-	-
503 LONG TERM DEBT - HUD GUARANTEE	-	-	-	-	-	-	-	-
504 NET HUD FHA CONTRIBUTIONS	-	-	-	-	-	-	-	-
505 OTHER HUD CONTRIBUTIONS	-	-	-	-	-	-	-	-
507 OTHER CONTRIBUTIONS	-	-	-	-	-	-	-	-
508 TOTAL COMPLETED CAPITAL	-	-	-	-	-	-	-	-
508.1 INVESTMENT IN CAPITAL ASSETS	3,342,607	10,447	53,348	2,466,534	-	-	-	21,420,826
RESERVED FUND BALANCE	-	-	-	-	-	-	-	-
509 RESERVED FOR OPERATING ACTIVITIES	-	-	-	-	-	-	-	-
510 RESERVED FOR CAPITAL ACTIVITIES	-	-	-	-	-	-	-	-
511 TOTAL RESERVED BALANCE	-	-	-	-	-	-	-	-
511.1 RESTRICTED NET ASSETS	-	-	-	-	-	-	-	-
512 UNRESTRICTED FUND BALANCE/R/E	-	-	1,387,419	-	701,041	-	255,038	2,867,096
512.1 UNRESTRICTED NET ASSETS	-	-	1,440,759	2,466,534	701,041	-	255,038	26,287,920
513 TOTAL EQUITY	3,342,607	10,447	2,520,806	2,524,477	762,011	9,669	309,348	27,681,285
600 TOTAL LIABILITIES AND EQUITY	3,631,507	26,209	2,520,806	2,524,477	762,011	9,669	309,348	27,681,285

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 EAST BATON ROUGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

	RENTALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES	HOUSING CHOICE VOUCHERS	PUBLIC HOUSING CAPITAL FUND	DIABYSTER VOUCHER	STATE/ LOCAL	KISHIP	TOTAL
	14,866	14,870	14,871	14,872	14,873		97,048	
703 NET TENANT RENTAL REVENUE	-	-	-	-	-	-	-	1,510,163
704 TENANT REVENUE - OTHER	-	-	-	-	-	-	-	263,459
705 TOTAL TENANT REVENUE	-	-	-	-	-	-	-	1,773,621
706 HUD PMA GRANTS	560,882	41,167	13,879,170	1,028,666	4,437,395	-	-	22,416,373
706.1 CAPITAL GRANTS RECEIVED	1,220,207	-	-	307,815	-	-	-	1,528,022
708 OTHER SOFT GRANTS	-	-	-	-	-	49,669	1,453,926	1,905,867
710 SEC 8 INCOME	-	-	-	-	-	-	-	-
711 INVESTMENT INCOME - UNRESTRICTED	-	-	53,428	-	-	-	-	61,540
712 MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-	-
714 FRAUD RECOVERY	-	-	-	-	-	-	-	-
715 OTHER REVENUE	-	-	-	-	-	-	-	-
716 GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-	162,787
720 INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-	-	-
700 TOTAL REVENUE	1,781,088	41,167	13,922,598	1,336,481	4,437,395	49,669	1,453,926	27,848,110
EXPENSES								
ADMINISTRATIVE								
911 ADMINISTRATIVE SALARIES	130,161	29,958	656,754	67,162	44,304	-	7,239	1,484,107
912 AUDITING FEES	-	-	14,248	-	2,142	-	-	33,353
913 OVSIDE MANAGEMENT FEES	-	-	-	-	-	-	-	-
914 COMPENSATED SERVICES	-	-	3,734	-	-	-	-	1,980
915 EMPLOYEE BENEFIT CONTRIBUTION	-	-	136,843	-	29,376	-	34,061	336,848
916 OTHER OPERATING ADMINISTRATIVE	643,526	11,209	179,549	459,902	29,527	6,937	11,250	1,614,115
TENANT SERVICES								
921 TENANT SERVICES SALARIES	-	-	-	-	-	39,423	-	67,617
922 RELOCATION COSTS	-	-	-	-	-	-	-	-
923 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	3,369	-	6,345
924 TENANT SERVICES OTHER	-	-	-	-	-	-	-	334
UTILITIES								
931 WATER	-	-	181	-	29	-	20	93,226
932 ELECTRICITY	-	-	9,952	-	1,561	-	1,168	795,751
933 GAS	-	-	335	-	40	-	52	321,927
934 FUEL	-	-	-	-	18	-	10	38
935 LABOR	-	-	-	-	-	-	-	-
937 EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-	-
938 OTHER UTILITIES	-	-	117	-	-	-	-	278,495
ORDINARY MAINTENANCE & OPERATION								
941 ORDINARY MAINT AND OF LABOR	-	-	-	-	-	-	-	806,423
942 ORDINARY MAINTENANCE AND OF MATERIALS	-	-	-	-	-	-	-	186,066
943 ORDINARY MAINTENANCE AND OF CONTRACT	-	-	-	-	-	-	-	346,811
945 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	-	-	192,915
PROTECTIVE SERVICES								
951 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-
952 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	-	26,770
953 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-
955 EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-	-
GENERAL EXPENSES								
961 INSURANCE PREMIUMS	-	-	87,713	-	9,617	-	10,972	535,037
962 OTHER GENERAL EXPENSE	-	-	34,592	-	270	-	-	34,871
963 PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-	-	-
964 BAD DEBT - TENANT	-	-	-	-	-	-	-	79,740
965 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	-
966 BAD DEBT - OTHER	-	-	-	-	-	-	-	-
967 INTEREST EXPENSE	-	-	-	-	-	-	-	39,681

THE HOUSING AUTHORITY OF EAST BAYOU ROUGE PARISH  
 EAST BAYOU ROUGE, LOUISIANA  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2006

	REVALUATION		RESIDENT		HOUSING		PUBLIC		DIASPER		STATE/		TOTAL
	OF SEVERELY DISTRESSED PUBLIC HOUSING	SUPPORTIVE SERVICES	HOUSING CROICE VOUCHERS	HOUSING CROICE VOUCHERS	HOUSING CROICE VOUCHERS	HOUSING CROICE VOUCHERS	HOUSING CROICE VOUCHERS	HOUSING CROICE VOUCHERS	DIASPER VOUCHER	DIASPER VOUCHER	LOCAL	STATE/	
	14,866	14,870	14,871	14,871	14,872	14,872	14,872	14,872	14, DVP	14, DVP	LOCAL	STATE/	97,048
968 REVENUE EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	775,287	41,167	1,104,018	1,104,018	527,064	527,064	527,064	527,064	116,904	116,904	49,669	49,669	7,286,450
970 EXCESS OPERATING REVENUE OVER OF EXP	1,007,102	-	13,828,580	13,828,580	809,417	809,417	809,417	809,417	4,320,491	4,320,491	-	-	20,561,660
971 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	10,011
972 CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-	-	-
973 EXP	-	-	11,786,663	11,786,663	-	-	-	-	3,619,450	3,619,450	-	-	16,529,896
974 DEPRECIATION EXPENSE	10,834	-	18,230	18,230	66,395	66,395	66,395	66,395	-	-	-	-	1,577,978
975 FRAUD LOSSES	-	-	-	-	-	-	-	-	-	-	-	-	-
976 CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
977 DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
978 SWELLING UNITS DEBT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
900 TOTAL EXPENSES	784,921	41,167	12,908,911	12,908,911	593,459	593,459	593,459	593,459	3,736,354	3,736,354	49,669	49,669	25,606,335
1001 OPERATING TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	-	-
1002 OPERATING TRANSFERS OUT	150,000	-	-	-	-	-	-	-	-	-	-	-	701,602
1006 PROCEEDS FROM PROPERTY SALES	-	-	-	-	(501,602)	(501,602)	(501,602)	(501,602)	-	-	-	-	(701,602)
1007 EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-	-	-
1008 SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-	-	-
1010 TOTAL OTHER FINANCING SOURCES (USES)	150,000	-	-	-	(501,602)	(501,602)	(501,602)	(501,602)	-	-	-	-	(200,000)
1000 EXCESS REVENUE OVER EXPENSES	1,146,288	-	1,023,687	1,023,687	241,430	241,430	241,430	241,430	701,061	701,061	-	-	2,643,775
1103 BEGINNING EQUITY	-	-	-	-	-	-	-	-	-	-	-	-	-
1104 EQUITY TRANSFERS	2,196,339	10,447	417,072	417,072	3,776,699	3,776,699	3,776,699	3,776,699	-	-	-	-	85,424
1104 PRIOR PERIOD ADJUSTMENT	-	-	-	-	(1,551,885)	(1,551,885)	(1,551,885)	(1,551,885)	-	-	-	-	-
1101 CAPITAL OUTLAYS REVERSEPRISE FUND	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING EQUITY	3,342,607	10,447	1,440,759	1,440,759	2,466,534	2,466,534	2,466,534	2,466,534	701,061	701,061	-	-	24,267,920
1120 GROSS # UNITS	-	-	28,524	28,524	-	-	-	-	4,866	4,866	-	-	49,764
1121 # UNITS MONTHS LABORED	-	-	25,194	25,194	-	-	-	-	4,866	4,866	-	-	44,703

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2006

**Section I: Summary of Auditor's Results:**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unqualified  
Internal Control over financial reporting:  
Are material weaknesses identified? \_\_\_ Yes  X  No  
Are reportable conditions that are not considered to be  
Material weaknesses identified? \_\_\_ Yes  X  No  
Is noncompliance which could have a material effect  
On the financial statements identified? \_\_\_ Yes  X  No

**FEDERAL AWARDS**

Internal control over major programs:  
Are material weaknesses identified? \_\_\_ Yes  X  No  
Are reportable conditions that are not considered to be  
Material weaknesses identified? \_\_\_ Yes  X  No  
Type of report issued on compliance with requirements  
Applicable to each major program: Unqualified  
Are there any audit findings that are required to be  
Reported in accordance with Section 510(a) of OMB  
Circular A-133?  X  Yes \_\_\_ No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Low Rent Public Housing	14.850a
Section 8 Housing Choice Vouchers	14.871
Public Housing Capital Fund Program	14.872

Dollar threshold used to distinguish between type A and type B programs: \$774,015

Is the auditee identified as a low-risk auditee? \_\_\_ Yes  X  No

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2006

**Section II: Financial Statement Findings:**

**Summary Schedule of Prior Year Findings:**

Finding 05 - 01

Entity wide; Grant period – year ended September 30, 2005

Criteria: The PIH notice 96-33 requires all funds in excess of FDIC coverage to be collateralized with specific approved governmental securities.

Condition:

The Housing Authority did not have separate pledged securities for \$731,243 invested at September 30, 2005 which was not insured by FDIC and not invested in U.S. Treasury Obligations.

Recommendation:

It was recommend that the Housing Authority monitor their balances with their financial institutions on a monthly basis to assure the banks have sufficient collateral pledged at all times.

Current Year Status:

The Authority has implemented their Corrective Action Plan to ensure sufficient collateralization. The Authority was sufficiently collateralized as of September 30, 2006.

Finding 05 - 02

Low Rent Public Housing – CFDA No. 14.850a; Grant period – year ended September 30, 2005

Criteria:

The calculation of the Public Housing Operating Subsidy should include an estimate of other income. Specifically, HUD form 52723 section 2 part C, line 1 should include an estimate of excess utility income.

Condition:

The calculation of the Public Housing Operating Subsidy did not include an estimate of other income. Specifically, HUD form 52723 section 2 part C, line 1 did not include an estimate of excess utility income. Therefore, the agency received \$163,297 more subsidy than they were supposed to receive.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Section II: Financial Statement Findings - Continued:**

**Summary Schedule of Prior Year Findings – Continued:**

Finding 05 – 02 – Continued:

Recommendation:

It was recommend the Authority revise their HUD form 52723 to include an estimate of excess utility income. We further recommend the Authority include estimates of other income components on future submittals.

Current Year Status:

The Authority has re-submitted their HUD form 52723 for their 2006 operating subsidy calculation to include an estimate of excess utility income.

**Current Year Findings and Questioned Costs:**

None

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Current Year Findings and Questioned Costs – Continued:**

**Section III: Federal Awards Findings & Questioned Costs:**

**Summary Schedule of Prior Year Findings:**

Finding 05 - 02

Low Rent Public Housing – CFDA No. 14.850a; Grant period – year ended September 30, 2005

See Financial Statement Findings – Summary Schedule of Prior Year Findings – No. 05 - 02

Finding 05 - 03

Section 8 Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2005

Criteria:

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Section 8 Housing Choice Vouchers Program. Specifically, the ACC and the CFR describe minimal tenant file documentation required to be maintained by the PHA to comply with federal regulations.



THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Summary Schedule of Prior Year Findings - Continued:**

Finding 05 - 03 - Continued

Condition:

Testing of 25 HCV tenant files resulted in the following deficiencies noted:

- 11 instances of untimely annual re-examinations
- 4 instances of lacking current HQS inspections
- 2 instances in which the PHA did not sign the contract
- 1 instance noted where income verification did not agree to the 50058

Recommendation:

It was recommended that staff review each tenant file and make adjustments as necessary.

Current Year Status:

The results of the independent auditor's review of 40 HCV tenant files as of February 2, 2007, the date of this report, indicate that the Authority appears to have corrected their tenant file maintenance procedures which lead to this finding, except as noted in current year finding 06 - 01.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Current Year Findings and Questioned Costs**

**Finding 06 - 01 – Tier II Comprehensive Review**

Low Rent Public Housing – CFDA No. 14.850a and Section 8 Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2006

**Criteria**

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing and Section 8 Housing Choice Vouchers Programs. Specifically, HUD regulations CFR Parts 960.259(c) and 982.516(a) require Authorities to obtain and document in the tenant files independent third party verification of reported family income, and to correctly calculate tenant rent payments using information obtained from third parties. Also, the Authority's policy and procedures dictate full compliance with these regulations, as well as guidelines to be followed in maintaining these files. In addition Security Procedures for Upfront Income Verification (UIV) Data, Version 1.4, November 2005, gives the security requirements and procedures necessary to protect UIV data.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Current Year Findings and Questioned Costs - Continued:**

**Finding 06 - 01 -- Tier II Comprehensive Review -- Continued:**

**Condition & Cause**

HUD conducted a Tier II Comprehensive Review of the Authority during the period of June 19 through June 29, 2006. The Tier II Comprehensive Review consisted of a Rental Integrity Monitoring (RIM) Review, an Upfront Income Verification (UIV) Review, Community Service/Self Sufficiency Requirement (CSSR) Review and an Exigent Health and Safety (EH&S) Review. The report issued June 29, 2006 contained the following findings:

- 1) RIM Review - 2 of the 27 Low Rent tenant files reviewed contained income or child support miscalculations, and 3 of 37 Section 8 tenant files reviewed did not have documentation of 3<sup>rd</sup> party income verifications.
- 2) UIV Review - Of the five Low Rent tenant files and five Section 8 tenant files reviewed, all were missing documentation that the Authority had attempted to resolve income discrepancies. The Authority's staff has not been utilizing the Excess Threshold report and investigating potential income discrepancies.
- 3) UIV Review - The Authority (both Low Rent and Section 8 programs) does not have an Enterprise Income Verification (EIV) security policy therefore security requirements and procedures outlined in the UIV Monitoring Report are not adhered to and followed.
- 4) UIV Review - The Authority (both Low Rent and Section 8 programs) does not have a designated Security Officer or equivalent (outlined in the UIV Manual and Monitoring Report).
- 5) UIV Review - The Authority (Section 8 program only) does not have a key control log to track the inventory of keys available to staff.
- 6) CSSR Review - The Authority (Low Rent program only) is not in compliance with the Community Service Requirement. The PHA has not contacted any agencies for the residents to perform community service. None of the residents are performing community service.
- 7) EH&S Review - HUD reviewed five properties formerly inspected by REAC on March 3, 2005, to confirm that all deficiencies observed during initial inspection were corrected within the 24-hour requirement. Three of five property deficiencies had not been corrected. For each of the three properties, the Director of Management notified the tenant of the deficiency of blocked egress and this deficiency has not been corrected.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2006

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Current Year Findings and Questioned Costs – Continued:**

**Finding 06 - 01 – Tier II Comprehensive Review – Continued:**

Questioned Costs – None identified

Recommendation

We recommend the Authority make the following corrective actions as outlined by HUD:

- 1) RIM Review – It was recommended that staff review each tenant file and make adjustments as necessary. Also, the Authority is to provide the New Orleans HUD office with documentation that corrections have been made.
- 2) UIV Review – The Authority must establish security policies and procedures and designate a Security Officer. The staff should be trained on the confidentiality of EIV data and a system to assure the EIV system is utilized to investigate income discrepancies. A key log must be established and maintained to track the inventory of keys.
- 3) UIV Review – The Authority must resolve the discrepancies noted in the five files reviewed.
- 4) CSSR Review – The Authority must enter into an agreement with all noncompliant families to make up any deficient hours over the immediate 12 month period.

Reply & Corrective Action Plan

The Authority has complied with a corrective action plan meeting the recommendations outlined by HUD. Richard Murray, Executive Director, has assumed responsibility for implementing the Corrective Action Plan.

# YEAGER & BOYD

## CERTIFIED PUBLIC ACCOUNTANTS

Member American Institute of Certified Public Accountants  
Member Alabama Association of Certified Public Accountants  
Quality Reviewed

February 2, 2007

Mr. Richard Murray, Executive Director  
Board of Commissioners  
Housing Authority of the City of East Baton Rouge Parish  
4731 North Blvd.  
Baton Rouge, LA 70806

Dear Mr. Murray and Board Members:

The purpose of this management letter is to communicate to you matters which do not warrant being placed as formal findings in the audit report, yet need to be communicated to you based on problems encountered during the September 30, 2006 audit.

These comments are designed to improve the financial and accounting operations:

### 2006 Recommendations

**Recommendation 1:** During our audit, we noticed internal controls over Housing Choice Vouchers cash management which need improvement. As of September 30, 2006 the Authority had a discrepancy between the reconciled balance and the general ledger balance in the operating cash account. The cash shown on the general ledger was overstated by \$23,510. This overstatement was due to checks that had cleared the bank and were still shown as outstanding; and was due to an error in the accounting software which allowed negative checks to be printed. We recommend that the Authority strengthen the internal controls in this area of cash management. This should include timely performance of account reconciliations and investigations of discrepancies between bank reconciliations and general ledger balances. It should be noted that management of the Authority, after the conclusion of the audit, contacted the software company and resolved the issue of the negative checks being printed. As of the date of the audit report the discrepancy was reduced to \$7,494.

**Recommendation 2:** The Housing Authority failed to meet the six month statutory issue date of the audit report as required by the State of Louisiana. The Authority made an effort to have the audit report issued within the required six month period. However, at the conclusion of the audit there were subjective issues that needed resolution before the audit report could be issued. These issues related to the complex areas of tax credit partnerships as potential component units of the Authority. We recommend the issues and activity involved in these potential component units be evaluated prior to the end of the fiscal year in the future.

We feel that these recommendations, if implemented, will be helpful in the financial operations of the Housing Authority of the East Baton Rouge Parish.

Very Truly Yours,

*Robert A. Boyd*

Robert A. Boyd, CPA