

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

**Basic Financial Statements
With Independent Auditors' Reports
As of and for the Year Ended
June 30, 2007
With Supplemental Information Schedules**

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

Release Date 4/2/08

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As of and for the Year Ended
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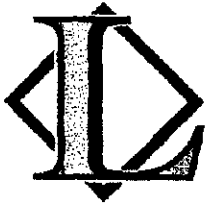
HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
Bossier City, Louisiana

Basic Financial Statements
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As of and for the Year Ended
June 30, 2007
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Independent Auditors' Report



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the business-type activities, the discretely presented component units, and each major fund of the Housing Authority of the City of Bossier City as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component units, and each major fund of the Housing Authority of the City of Bossier City as of June 30, 2007, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2007, on our consideration of the Housing Authority of the City of Bossier City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an

audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The financial data schedule, the schedule of expenditures of federal awards, the statement of comprehensive grant certificate, and the schedule of compensation paid board members are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Housing Authority of the City of Bossier City. The financial data schedule, the schedule of expenditures of federal awards, the statement of comprehensive grant certificate, and the schedule of compensation paid board members have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Little & Associates, LLC

Monroe, Louisiana
November 7, 2007

Management's Discussion and Analysis

Housing Authority of the City of Bossier City, Louisiana

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

We, the management of the Housing Authority of the City of Bossier City (the "Housing Authority"), present the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending June 30, 2007. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Housing Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities by \$12,331,872 at the close of the fiscal year ended 2007. Of this amount, \$2,889,809 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount is approximately 70%, or about 8 months, of the total operating expenses for the fiscal year 2007. The remainder of \$9,442,063 represents restrictions equal to the net amount invested in land, building, furnishings, leasehold improvements, and equipment, of \$8,912,993, and future capital expenditures of \$529,070.
- The Housing Authority's total net assets decreased by \$401,656, approximately 3%, from fiscal year 2006.
- The Housing Authority continues to operate without the need to incur debt for operating purposes.

USING THIS ANNUAL REPORT

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

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

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

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

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

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

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

HOUSING AUTHORITY'S SIGNIFICANT PROGRAMS

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

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

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

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

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

FINANCIAL ANALYSIS

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Housing Authority has only one fund type, namely an enterprise fund which is a proprietary fund type. The Housing Authority maintains several funds. The general fund is used to account for the low rent, capital fund, and tenant assistance programs and blended component units. The Section 8 New Construction – Cloverdale fund accounts for the activities of the Housing Authority as contract administrator for the Section 8 New Construction program for Cloverdale Apartments. The Riverwood Apartments fund accounts for the activities of Riverwood Apartments, a non-HUD project owned by the Housing Authority. The fund financial statements can be found on pages 10 through 16 of this report.

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 17 through 31 of this report.

Net Assets and Changes in Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets exceeded liabilities by \$12,331,782 at June 30, 2007. By far the largest portion of the Housing Authority's net assets (72%) reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Housing Authority uses these capital assets to provide housing services to residents. The Housing Authority also has net assets in the amount of \$529,070, the use of which has been restricted by HUD for future replacement costs. Consequently, these restricted assets are not available for day-to-day operations. The unrestricted net assets of the Housing Authority are available for future use to provide program services. An analysis of net assets and changes in net assets is as follows:

	2007	2006
Current assets	\$ 2,117,913	\$ 2,750,704
Restricted assets	615,928	500,104
Capital assets, net	8,911,993	8,847,168
Other noncurrent assets	2,520,348	1,576,905
Total assets	<u>14,166,182</u>	<u>13,674,881</u>
Current liabilities	1,029,127	462,035
Long-term liabilities	805,183	479,318
Total liabilities	<u>1,834,310</u>	<u>941,353</u>
Net assets		
Invested in capital assets, net of related debt	8,912,993	8,847,168
Restricted	529,070	411,244
Unrestricted	2,889,809	3,475,116
Total net assets	<u>\$ 12,331,872</u>	<u>\$ 12,733,528</u>

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

Change in Net Assets

	<u>2007</u>	<u>2006</u>
Revenues:		
Dwelling rental and other	\$ 1,616,158	\$ 1,466,533
Interest earnings	158,266	127,731
Developer fee revenue	108,000	525,000
Gain (Loss) on disposition of assets and casualty	(158,242)	(4,915)
Federal grants	2,235,692	1,946,040
AHP grants	267,360	-
Developer costs reimbursements, net	-	335,000
Capital contributions	432,763	503,874
Total revenues	<u>4,659,997</u>	<u>4,899,263</u>
Expenses:		
Administration	928,708	687,131
Tenant services	58,542	65,613
Utilities	272,209	200,219
Ordinary maintenance and repairs	986,213	996,362
Protective services	80,597	134,295
General expenses	705,880	560,661
Housing assistance payments	1,075,582	913,430
Interest Expense	12,644	-
Depreciation and amortization	941,278	919,308
	<u>5,061,653</u>	<u>4,477,019</u>
Change in net assets	(401,656)	422,244
Beginning net assets	<u>12,733,528</u>	<u>12,311,284</u>
Ending net assets	<u>\$ 12,331,872</u>	<u>\$ 12,733,528</u>

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

Total revenues had a net decrease of \$239,266 due primarily to:

- Increases in the following classifications -
 - Dwelling rental and other revenue of \$149,625.
 - Other grants of \$267,360
 - Loss on the disposition of assets of \$153,291.
 - Increase in Federal grants of \$289,652.

and

- Decreases in the following classifications -
 - Developer services revenue earned from the development of the Eagle Pointe developments ("Eagle Point low income housing tax credit projects") of \$417,000.
 - Decrease in developer costs reimbursements of \$335,000.

Total expenses had a net increase of \$584,634 due primarily to:

- Increases in the following classifications -
 - Housing assistance payments of \$162,152 from the Shelter + Care program.
 - Administration costs of \$241,577.
 - General expenses of \$145,219.

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2007, the Housing Authority's investment in capital assets was \$ 8,911,993 (net of accumulated depreciation) as reflected in the following schedule. This amount represents an increase (including additions, deductions, and depreciation) of \$64,825.

	2007	2006
Land	\$ 797,011	\$ 797,011
Buildings and improvements	21,101,868	20,619,029
Furniture and equipment	806,482	873,270
Construction in progress	889,519	554,134
Totals	<u>23,594,880</u>	<u>22,843,444</u>
Less accumulated depreciation	<u>(14,682,887)</u>	<u>(13,996,276)</u>
	<u>\$ 8,911,993</u>	<u>\$ 8,847,168</u>

Major capital asset purchases during the year ended June 30, 2007, included dwelling structure improvements and dwelling equipment.

Additional information on the Housing Authority's capital assets can be found in the notes to the financial statements.

Debt

The Housing Authority's debt consists of accrued annual leave and a note payable to Christus Health. We present more detail about our debt in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The Budgets for 2007 - 2008 have already been approved by HUD and no major changes are expected.

Management's Discussion and Analysis (MD&A)

June 30, 2007

(Unaudited)

The budgets under the Capital Fund Program are multiple year budgets and have remained relatively stable. The Housing Authority has approximately \$1,034,676 of approved funding available for future spending under the Capital Fund Program.

Future Events That Will Financially Impact the Housing Authority

The Housing Authority will continue its redevelopment of Riverwood Apartments (Business Activities) through the utilization of the Eagle Pointe Development Limited Partnerships [Low Income Housing Tax Credit projects]. Eagle Pointe IV is in the early stages of development. Eagle Pointe II has been allocated low-income housing tax credits by LHFA and will complete construction of the project in November 2007. Also, effective July 1, 2007, the Housing Authority will no longer be the contract administrator for the Section 8, New Construction and Substantial Rehabilitation program at Cloverdale Apartments.

Contacting the Authority's Financial Management

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

Basic Financial Statements

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2007

	SECTION 8 - NEW					COMPONENT UNITS			
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD	TOTAL PRIMARY GOVERNMENT	EAGLE POINTE I	EAGLE POINTE III	COMPONENT UNITS	TOTAL	
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 57,888	\$ 2,373	\$ 55,875	\$ 116,136	\$ 5,119	\$ 16,269	\$ 21,388	\$ 137,524	
Investments	26,023	91,614	275,643	393,280	-	-	-	393,280	
Receivables (net of allowances for uncollectibles)	171,057	14,304	15,417	200,778	10,199	30,117	40,316	241,094	
Internal balances	187,715	(25,130)	888,741	1,051,326	2,588	(2,588)	-	1,051,326	
Due from component units	56,010		69,568	125,578				125,578	
Inventory	43,595			43,595				43,595	
Prepaid expenses	144,154		43,066	187,220	19,678	27,175	46,853	234,073	
Total Current Assets	686,442	83,161	1,348,310	2,117,913	37,584	70,973	108,557	2,226,470	
Restricted Assets:									
Cash and cash equivalents	57,200		29,658	86,858	128,092	98,806	226,898	313,756	
Investments	529,070			529,070				529,070	
Total Restricted Assets	586,270	-	29,658	615,928	128,092	98,806	226,898	842,826	
Noncurrent Assets:									
Due from component units	1,241,779		278,569	1,520,348				1,520,348	
Investments	750,000		250,000	1,000,000				1,000,000	
Capital assets:									
Land	733,511		63,500	797,011	10,000	16,000	26,000	823,011	
Buildings and equipment (net of accumulated depreciation)	6,455,533		769,930	7,225,463	3,206,033	4,831,763	8,037,796	15,263,259	
Construction/Development-in-progress	889,519			889,519				889,519	
Other assets	-			-	170,616	93,436	264,052	264,052	
Total Non-Current Assets	10,070,342	-	1,361,999	11,432,341	3,386,649	4,941,199	8,327,848	19,760,189	
TOTAL ASSETS	\$ 11,343,054	\$ 83,161	\$ 2,739,967	\$ 14,166,182	\$ 3,552,325	\$ 5,110,978	\$ 8,663,303	\$ 22,829,485	

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2007

	SECTION 8 - NEW							COMPONENT UNITS			
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD	TOTAL PRIMARY GOVERNMENT	EAGLE POINTE I	EAGLE POINTE III	TOTAL COMPONENT UNITS				TOTAL
LIABILITIES											
Current Liabilities:											
Accounts payable	\$ 127,522	\$ 5,030	\$ 43,397	\$ 175,949	\$ 3,043	\$ 7,154	\$ 10,197	\$			\$ 186,146
Accrued wages and payroll taxes	11,251		6,358	17,609							17,609
Contracts payable	606,857			606,857							606,857
Due to primary government	-			-	28,272	58,008	86,280				86,280
Deferred revenues	3,258		12,006	15,264	1,230	2,077	3,307				18,571
Due to other governments	42,876			42,876							42,876
Note payable	-			-	9,382	22,264	31,646				31,646
Accrued compensated absences - current portion	59,683		26,966	86,649							86,649
Other current liabilities	-		4,121	4,121	5,061	14,374	19,435				23,556
Total Current Liabilities	851,447	5,030	92,848	949,325	46,988	103,877	150,865				1,100,190
Current Liabilities Payable from restricted assets - tenant security deposits	57,200		22,602	79,802	10,500	15,001	25,501				105,303
Non Current Liabilities:											
Notes payable	-		750,000	750,000	1,245,464	2,697,865	3,943,329				4,693,329
Due to primary government	-			-	325,312	907,417	1,232,729				1,232,729
Accrued compensated absences - net of current portion	41,726		13,457	55,183							55,183
Other noncurrent liabilities	-			-		8,633	8,633				8,633
Total Non-Current Liabilities	41,726		763,457	805,183	1,570,776	3,613,915	5,184,691				5,989,874
Total Liabilities	950,373	5,030	878,907	1,834,310	1,628,264	3,732,793	5,361,057				7,195,367

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2007

	SECTION 8 -							TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS			TOTAL COMPONENT UNITS	TOTAL
	NEW CONSTRUCTION CLOVERDALE	RIVERWOOD	GENERAL	EAGLE POINTE I	EAGLE POINTE III	EAGLE POINTE I	EAGLE POINTE III						
NET ASSETS													
Invested in capital assets, net of related debt		833,430	8,078,563				8,911,993	1,816,915	1,885,734		3,702,649	12,614,642	
Restricted			529,070				529,070				-	529,070	
Unrestricted	78,131	1,027,630	1,785,048				2,890,809	107,146	(507,549)	(400,403)	(400,403)	2,490,406	
Total Net Assets	78,131	1,861,060	10,392,681				12,331,872	1,924,061	1,378,185	3,302,246	3,302,246	15,634,118	
TOTAL LIABILITIES AND NET ASSETS	\$ 83,161	\$ 2,739,967	\$ 11,343,054	\$ 3,552,325	\$ 5,110,978	\$ 8,663,303	\$ 14,166,182	\$ 3,552,325	\$ 5,110,978	\$ 8,663,303	\$ 8,663,303	\$ 22,829,485	

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SECTION 8 - NEW							COMPONENT UNITS			TOTAL	
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD	TOTAL PRIMARY GOVERNMENT	EAGLE POINTE I	EAGLE POINTE III	COMPONENT UNITS	TOTAL				
OPERATING REVENUES												
Dwelling rental	\$ 607,212		\$ 770,009	\$ 1,377,221	\$ 238,801	\$ 356,187	\$ 594,988	\$ 1,972,209				
Other	166,663		72,274	238,937	9,955	45,184	55,139	294,076				
Total Operating Revenues	773,875	-	842,283	1,616,158	248,756	401,371	650,127	2,266,285				
OPERATING EXPENSES												
Administration	628,046	24,600	276,062	928,708	55,583	70,831	126,414	1,055,122				
Tenant services	34,432		24,110	58,542				58,542				
Utilities	178,443		93,766	272,209	23,498	19,940	43,438	315,647				
Ordinary maintenance and repairs	556,590		429,623	986,213	57,562	52,630	110,192	1,096,405				
Protective services	24,306		56,291	80,597				80,597				
General expenses	474,670	20,064	211,146	705,880	42,086	63,431	105,317	811,397				
Housing assistance payments	135,696	939,886		1,075,582				1,075,582				
Depreciation and amortization	884,411		56,867	941,278	101,833	139,495	241,328	1,182,606				
Total Operating Expenses	2,916,594	984,550	1,147,865	5,049,009	280,562	346,327	626,889	5,675,898				
OPERATING INCOME (LOSS)	(2,142,719)	(984,550)	(305,582)	(3,432,851)	(31,806)	55,044	23,238	(3,409,613)				
NONOPERATING REVENUES (EXPENSES)												
Interest earnings	94,228	7,825	56,213	158,266				158,266				
Interest expense	-		(12,644)	(12,644)	(91,603)	(231,343)	(322,946)	(335,590)				
Development services fee revenue	-		108,000	108,000				108,000				
Gain (Loss) on disposition of capital assets	28,393		(186,635)	(158,242)				(158,242)				
Other grants	3,360		264,000	267,360				267,360				
Federal grants	1,244,403	991,289		2,235,692				2,235,692				
Total Nonoperating Revenues (Expenses)	1,370,384	999,114	228,934	2,598,432	(91,603)	(231,343)	(322,946)	2,275,486				

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	SECTION 8 -							TOTAL COMPONENT UNITS
	NEW CONSTRUCTION CLOVERDALE	RIVERWOOD	TOTAL PRIMARY GOVERNMENT	EAGLE POINTE I	EAGLE POINTE III	TOTAL COMPONENT UNITS	TOTAL	
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS								
Capital contributions	(772,335)	(76,648)	(834,419)	(123,409)	(176,299)	(299,708)	(1,134,127)	
	432,763	-	432,763	95,353	836,316	931,669	1,364,432	
CHANGE IN NET ASSETS	(339,572)	(76,648)	(401,656)	(28,056)	660,017	631,961	230,305	
TOTAL NET ASSETS - BEGINNING	10,732,253	1,937,708	12,733,528	1,952,117	718,168	2,670,285	15,403,813	
TOTAL NET ASSETS - ENDING	\$ 10,392,681	\$ 1,861,060	\$ 12,331,872	\$ 1,924,061	\$ 1,378,185	\$ 3,302,246	\$ 15,634,118	

(CONCLUDED)

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
 STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	SECTION 8 - NEW					COMPONENT UNITS			TOTAL
	GENERAL	CONSTRUCTION CLOVERDALE	RIVERWOOD	PRIMARY GOVERNMENT	EAGLE POINTE I	EAGLE POINTE III	COMPONENT UNITS	TOTAL	
Cash Flows From Operating Activities									
Dwelling rent receipts	\$ 604,700	\$ -	\$ 757,012	\$ 1,361,712	\$ 242,949	\$ 330,344	\$ 573,293	\$ 1,935,005	
Other receipts	166,663	-	73,274	238,937	9,955	45,184	55,139	294,076	
Payments to suppliers	(944,578)	(14,510)	(778,718)	(1,737,806)	(165,295)	(201,524)	(366,819)	(2,104,625)	
Payments to employees	(784,281)	(24,600)	(283,096)	(1,091,977)	(21,440)	(28,935)	(50,375)	(1,142,352)	
Housing assistance payments	(136,146)	(927,015)	-	(1,133,161)	-	-	-	(1,133,161)	
Net Cash Provided (Used) by Operating Activities	(1,093,642)	(1,036,125)	(232,528)	(2,362,295)	66,169	145,069	211,238	(2,151,057)	
Cash Flows From NonCapital Financing Activities									
Transfers from other funds	220,911	-	-	220,911	-	-	-	220,911	
Transfers to other funds	(220,911)	-	-	(220,911)	-	-	-	(220,911)	
Payment of developer fee	-	-	-	-	(102,067)	-	(102,067)	(102,067)	
Federal and other grants	1,247,763	991,289	264,000	2,503,052	-	-	-	2,503,052	
Net Cash Provided (Used) by Noncapital Financing Activities	1,247,763	991,289	264,000	2,503,052	(102,067)	-	(102,067)	2,400,985	
Cash Flows From Capital and Related Financing Activities									
Acquisition and construction of capital assets	(1,274,039)	-	(53,372)	(1,327,411)	-	(404,535)	(404,535)	(1,731,946)	
Proceeds from capital assets	-	-	750,000	750,000	(8,717)	3,145,153	3,136,436	3,886,436	
Principal payment on capital debt	(425,000)	-	-	(425,000)	-	(3,417,566)	(3,417,566)	(3,842,566)	
Interest paid on capital debt	-	-	(8,523)	(8,523)	(61,138)	(198,753)	(259,891)	(268,414)	
Payment of loan fees and syndication costs	-	-	-	-	-	(19,953)	(19,953)	(19,953)	
Net advances (to component unit) from primary government	799,379	-	-	799,379	(29,307)	5,605	(23,702)	775,677	
Contributed capital	422,463	-	-	422,463	95,353	836,316	931,669	1,354,132	
Net Cash Provided (Used) by Capital and Related Financing Activities	(477,197)	-	688,105	210,908	(3,809)	(53,733)	(57,542)	153,366	
Cash Flows From Investing Activities									
(Increase) Decrease in investments	28,672	(91,614)	140,912	77,970	-	-	-	77,970	
Payment on Note Receivable	360,885	-	-	360,885	-	-	-	360,885	
Internal Balances	(101,264)	-	(894,181)	(995,445)	-	-	-	(995,445)	
Deposits to reserves	(117,824)	-	-	(117,824)	(13,519)	(81,938)	(95,457)	(213,281)	
Investments earnings	94,228	7,825	56,213	158,266	-	-	-	158,266	
Net Cash Provided (Used) by Investing Activities	264,697	(83,789)	(697,056)	(516,148)	(13,519)	(81,938)	(95,457)	(611,605)	
Net Increase (Decrease) in Cash and Cash Equivalents	(58,379)	(128,025)	22,521	(164,483)	(53,226)	9,398	(43,828)	(208,311)	
Cash and Cash Equivalents, Beginning of Year	116,267	130,998	33,354	280,619	58,345	6,871	65,216	345,835	
Cash and Cash Equivalents, End of Year	\$ 57,888	\$ 2,373	\$ 55,875	\$ 116,136	\$ 5,119	\$ 16,269	\$ 21,388	\$ 137,524	

(CONTINUED)

STATEMENT C

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	SECTION 8 - NEW CONSTRUCTION					COMPONENT UNITS			TOTAL COMPONENT UNITS
	GENERAL	CLOVERDALE	RIVERWOOD	PRIMARY GOVERNMENT	TOTAL	EAGLE POINTE I	EAGLE POINTE III	TOTAL	
	\$ (2,142,719)	\$ (984,530)	\$ (303,582)	\$ (3,432,851)	\$ (31,806)	\$ 55,044	\$ 23,238	\$ (3,409,613)	
884,411	-	56,867	941,278	101,833	139,495	241,328	1,182,606		
(39,214)	(14,304)	675	(52,843)	7,751	(26,464)	(18,713)	(71,556)		
(19,275)	-	-	(19,275)	-	-	-	(19,275)		
(48,494)	-	(2,972)	(51,466)	(1,933)	(30,202)	(32,135)	(83,601)		
(40,771)	(52,119)	21,099	(69,791)	(6,073)	6,575	502	(69,289)		
-	(10,282)	-	(10,282)	-	-	-	(10,282)		
799	-	1,865	2,664	-	-	-	2,664		
(32,614)	-	-	(32,614)	-	-	-	(32,614)		
-	-	(7,372)	(7,372)	3,614	(1,456)	2,158	(5,214)		
41,352	-	21,377	62,729	-	-	-	62,729		
552	-	8,110	8,662	(7,217)	2,077	(5,140)	3,522		
1,922	-	-	1,922	-	-	-	1,922		
300,439	25,130	(28,595)	296,974	97,975	-	-	296,974		
1,049,077	(31,575)	73,054	1,070,556	90,025	-	-	1,258,556		
\$ (1,093,642)	\$ (1,036,125)	\$ (232,528)	\$ (2,362,295)	\$ 66,169	\$ 145,069	\$ 211,238	\$ (2,151,057)		

Net Cash Provided (Used) by Operating Activities

Schedule of Noncash Investing, Capital, and Financial Activities

Acquisition of capital assets through the incurrence of liabilities	\$ 909,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 909,839
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(CONCLUDED)

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

- Operating income (loss)
- Adjustments to reconcile operating income (loss) to net cash provided by operating activities:
- Depreciation and amortization expense
- Changes in assets and liabilities:
- (Increase) decrease in accounts receivable, net
- (Increase) decrease in inventories
- (Increase) decrease in prepaid items
- Increase (decrease) in accounts payable
- Increase (decrease) in accounts payable - III/D
- Increase (decrease) in accrued wages and payroll taxes
- Increase (decrease) in contracts payable
- Increase (decrease) in customer deposits
- Increase (decrease) in compensated absences
- Increase (decrease) in deferred revenues
- Increase (decrease) in due to other governments
- Increase (decrease) in due to other funds
- Total Adjustments

Notes to the Financial Statements

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The Housing Authority has the following units:

	<u>Number of Units</u>
PHA Owned Housing	437
Section 8 - New Construction - Cloverdale	180
Non HUD Programs:	
Riverwood	192

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

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the City of Bossier City, Louisiana since the City appoints a voting majority of the Housing Authority's governing board. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Bossier

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

City, Louisiana. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Bossier City, Louisiana.

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

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

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

Eagle Pointe Development I Limited Partnership ("Eagle Pointe I"), Eagle Pointe Development II Limited Partnership ("Eagle Pointe II"), Eagle Pointe Development III Limited Partnership ("Eagle Pointe III"), and Eagle Pointe Development IV Limited Partnership ("Eagle Pointe IV") are legally separate entities. The Managing General Partner of each partnership is Bossier Housing Corporation, Inc., a not-for-profit corporation. The Board of Directors of Bossier Housing Corporation, Inc. consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing bodies of Eagle Pointe I, II, III, and IV. In addition, there is the potential for Eagle Pointe I, II, III, and IV to impose a financial burden on the Housing Authority. Based on the above, Eagle Pointe I, II, III, and IV are considered to be component units of the Housing Authority.

The governing body of the Housing Authority is considered to have complete control over Bossier Housing Corporation and Eagle Pointe II and IV but not complete control over Eagle Pointe I and III. As a result, Bossier Housing Corporation and Eagle Pointe II and IV are included in the Housing Authority's financial statements as blended entities, and Eagle Pointe I and III are included in the Housing Authority's financial statements through discrete presentation. The financial position, changes in net assets, and cash flows of Eagle Pointe I, Eagle Pointe II, Eagle Pointe III, and Eagle Pointe IV are presented as of and for the year ended December 31, 2006.

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

The separate financial statements of Eagle Pointe Development I Limited Partnership and Eagle Pointe Development III Limited Partnership can be obtained from the Housing Authority of the City of Bossier City, 805 First Street, Bossier City, LA 71171. Bossier Housing Corporation, Eagle Pointe Development II Limited Partnership, and Eagle Pointe Development III Limited Partnership do not issue separate financial statements.

B. BASIS OF PRESENTATION AND FUNDS

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

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

The Housing Authority's operating revenues include dwelling rentals, charges, and other revenues paid by the tenants of the Housing Authority's projects. Revenues that are not classified as operating revenues, including federal program revenues, are presented as nonoperating revenues or capital contributions depending on the purpose of the revenue.

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary funds are accounted for on the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets and all liabilities of the proprietary funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

D. BUDGET PRACTICES

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

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

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

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

E. CASH AND CASH EQUIVALENTS

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

F. INVESTMENTS

Investments are limited by LSA-RS 33:2955 and the Housing Authority's investment policy. Financial instruments having original maturities exceeding ninety days are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents. Investments are reported at either fair value or amortized cost in accordance with GASB Statement No. 31.

G. BAD DEBTS

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

H. INTERNAL BALANCES

During the course of operations, numerous transactions occur between individual funds and programs for services rendered or for reimbursement of costs paid by one fund or program on behalf of another fund or program. Generally, these receivables and payables are eliminated at the primary government level in the balance sheet. However, due to the blended component units having fiscal year ends different from the Housing Authority's fiscal year end, these receivables and payables may not be eliminated as of June 30.

I. INVENTORY

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

J. PREPAID EXPENSES

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

K. TENANTS' REFUNDABLE SECURITY DEPOSITS

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

L. CAPITAL ASSETS

Capital assets of the Housing Authority are included on the balance sheet of the enterprise fund and are recorded at actual cost. The capitalization threshold is \$500. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives as shown:

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

M. VACATION AND SICK LEAVE

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

N. RESTRICTED NET ASSETS

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

O. RISK MANAGEMENT

The Housing Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Housing Authority maintains commercial insurance policies covering property, employee liability, and public official's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2007.

P. USE OF ESTIMATES

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

2. DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates fair value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2007, the Housing Authority's carrying amount of deposits was \$1,202,994 which includes the following:

Cash and cash equivalents - unrestricted	\$ 116,136
Cash and cash equivalents - restricted	86,858
Investments in certificate of deposit and investment certificates	<u>1,000,000</u>
Total	<u>\$ 1,202,994</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2007, the Housing Authority's bank (deposit) balance totaled \$1,336,754, of which \$946,492 is exposed to custodial credit risk.

At June 30, 2007, the Housing Authority held investments of \$922,350 in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana for the purpose of operating a local government investment pool. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. Also, LAMP's investment guidelines permit the investment in government-only money market funds and limited investment in A-1 or A-1+ commercial paper.

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

The carrying amount of the deposits for Eagle Pointe Development I Limited Partnership and Eagle Pointe Development III Limited Partnership, the Housing Authority's discretely presented component units, were \$133,211 and \$115,075 respectively. The bank balances totaled \$135,674 and \$123,119 for Eagle Pointe I and Eagle Pointe III, respectively. Eagle Pointe I had an uninsured deposit balance in Citizens National Bank of \$35,674 at December 31, 2006.

3. RESTRICTED ASSETS

Restricted assets at June 30, 2007, are as follows:

General:	
Cash and cash equivalents - tenants' deposits	\$ 57,200
Investments - replacement reserve	529,070
Riverwood:	
Cash and cash equivalents - tenants' deposits	<u>29,658</u>
Total restricted assets	<u>\$ 615,928</u>

Restricted assets at December 31, 2006, for the discretely presented component units are as follows:

	<u>Eagle Pointe I</u>	<u>Eagle Pointe II</u>
Tenant Security Deposits	\$ 9,813	\$ 13,841
Operating Deficit Reserves	102,875	81,938
Real Estate Tax and Insurance Escrow	2,194	3,027
Replacement Reserves	13,210	-
Total restricted assets	<u>\$ 128,092</u>	<u>\$ 98,806</u>

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

4. RECEIVABLES

The following is a summary of receivables, net of allowance for doubtful accounts, at June 30, 2007:

	General	Riverwood	Cloverdale	Total
Tenants - rents and other charges	\$ 15,278	\$ 19,294	\$ -	\$ 34,572
Other	1,750	123	-	1,873
Federal and State Grants	157,712	-	14,304	172,016
Subtotal	174,740	19,417	14,304	208,461
Less allowance for doubtful accounts	(3,683)	(4,000)	-	(7,683)
Total	<u>\$ 171,057</u>	<u>\$ 15,417</u>	<u>\$ 14,304</u>	<u>\$ 200,778</u>

Eagle Pointe Development I Limited Partnership and Eagle Pointe Development III Limited Partnership accounts receivable consisted of tenant rents and other charges totaling \$10,199, and \$30,117, respectively.

5. CAPITAL ASSETS

The following presents the changes in capital assets:

Primary Government

	Balance at June 30, 2006	Additions	Deletions	Balance at June 30, 2007
Land	\$ 797,011	\$ -	\$ -	\$ 797,011
Buildings and improvements	20,619,029	688,631	(205,792)	21,101,868
Furniture and equipment	873,273	223,047	(289,885)	806,482
Construction in progress	554,133	803,229	(467,843)	889,519
Total	<u>22,843,446</u>	<u>1,714,907</u>	<u>(963,520)</u>	<u>23,594,880</u>
Less accumulated depreciation:				
Buildings and improvements	13,250,145	870,916	10,365	14,131,426
Furniture and equipment	746,133	70,363	(265,035)	551,461
Total	<u>13,996,278</u>	<u>941,279</u>	<u>(254,670)</u>	<u>14,682,887</u>
Fixed assets, net	<u>\$ 8,847,168</u>	<u>\$ 773,628</u>	<u>\$ (708,850)</u>	<u>\$ 8,911,993</u>

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

Discretely Presented Component Units

	Beginning Balances	Additions	Deletions	Ending Balances
Land	\$ 26,000	\$ -	\$ -	\$ 26,000
Buildings and improvements	8,247,500			8,247,500
Furniture and equipment	187,216			187,216
Construction in progress	-			-
Total	<u>8,460,716</u>	<u>-</u>	<u>-</u>	<u>8,460,716</u>
Less accumulated depreciation:				
Buildings and improvements	151,214	214,576	-	365,790
Furniture and equipment	12,408	18,722	-	31,130
Total	<u>163,622</u>	<u>233,298</u>	<u>-</u>	<u>396,920</u>
Fixed assets, net	<u>\$ 8,297,094</u>	<u>\$ (233,298)</u>	<u>\$ -</u>	<u>\$ 8,063,796</u>

6. RETIREMENT SYSTEM

The employees of the Housing Authority of the City of Bossier City participate in the Housing-Renewal and Local Agency Retirement Plan, which is a defined contribution plan. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular, full-time employees are eligible to participate in the plan on the first day of the month following completion of six months of continuous uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of his basic compensation. The Housing Authority makes a monthly contribution equal to 8.5% of each participant's basic compensation. Employees are considered fully vested in the plan after five years of continuous participation. Forfeitures of Housing Authority's contributions and interest earnings by employees who leave before being fully vested are used to offset future contributions by the Housing Authority.

At June 30, 2007, 2006, and 2005, the Housing Authority's contributions to the plan totaled \$56,922, \$56,942, and \$56,830, respectively.

7. COMPENSATED ABSENCES

At June 30, 2007, employees of the Housing Authority had accumulated and vested \$141,832 of employee leave benefits, computed in accordance with GASB Codification C60. These amounts are recorded as liabilities within the fund from which payment will be made.

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

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

8. NOTES PAYABLE

Housing Authority

On January 14, 2005, the Housing Authority entered into a loan agreement with Christus Health in the amount of \$750,000. The loan serves as a "bridge loan", the proceeds of which are to be used in the development of Eagle Pointe II and III. As of June 30, 2007, the Housing Authority had borrowed \$750,000 on the loan. The loan bears interest at 2.00%. Quarterly payments of interest only are payable on the loan. The loan matures on December 31, 2008, at which time the unpaid principal balance and the accrued interest are due and payable. At June 30, 2007, an investment certificate in the amount of \$750,000 provided collateral for the loan.

Component Units

Eagle Pointe Development I Limited Partnership

First Mortgage

Construction financing was acquired through Home Federal Savings and Loan Association of Shreveport at an annual interest rate of 7.375%. The construction loan matured on July 1, 2004. At such time Home Federal Savings and Loan Association of Shreveport loaned \$842,818 to Eagle Pointe I for the purpose of paying the balance due on the construction loan. Under the terms of the loan, Eagle Pointe I will make monthly principal and interest payments of \$5,821 (7.375% per annum) until December 31, 2023, at which time the note matures and all unpaid balances on the note are due and payable. The balance due as of December 31, 2006, was \$824,202.

The Home Federal Savings and Loan Association of Shreveport loan is nonrecourse debt and is collateralized primarily by a first mortgage on Eagle Pointe I's land and buildings and an assignment of all rents and leases of Eagle Pointe I.

Second Mortgage

The Louisiana Housing Finance Agency (LHFA) has committed loan proceeds of \$510,000 to Eagle Pointe I, of which the partnership has only received \$399,916. The loan bears interest at a rate of 5.34%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest will not begin until the earlier of, the first mortgage with Home Federal Savings and Loan Association of Shreveport is paid in full or April 1, 2023, (commencement of amortization) at which time, the note will be payable in monthly principal and interest installments. In addition to the monthly installment, the accrued interest from inception of the note through commencement of amortization will be payable in equal monthly installments through August 15, 2019, which is the date all unpaid sums under the note are due and payable. The loan also details that payments shall be made only out of and to the extent of the cash flow of Eagle Pointe I after payment of all operating expenses approved by the

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

LHFA. As a condition to obtaining this financing, Eagle Pointe I has entered into a regulatory agreement with LHFA. Rentals to tenants of low income and restrictions of rents charged are two major conditions of the regulatory agreement. Should the LHFA issue a written notice to Eagle Pointe I of an instance of noncompliance with the regulatory agreement, Eagle Pointe I has thirty days from the issuance of such notice to correct the noncompliance. Should the noncompliance not be corrected within the thirty days, LHFA has the authority to declare the entire amount of mortgage immediately due and payable.

Third Mortgage

Eagle Pointe Development I Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on November 5, 2003, in the amount of \$175,000. The loan bears interest at a rate of 5.00%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all of Eagle Pointe I's operating expenses, the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in Eagle Pointe I's Limited Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2043. The note payable is reported in the balance sheet in noncurrent liabilities in due to primary government.

Maturities of Long-Term Debt

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2007	\$ 9,382
2008	\$ 10,097
2009	\$ 10,868
2010	\$ 11,697
2011	\$ 12,589
Thereafter	\$1,344,485

Eagle Pointe Development II Limited Partnership

First Mortgage

Eagle Pointe Development II Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on December 18, 2006, in the amount of \$750,000. The Housing Authority advanced the funds to Eagle Pointe II on January 11, 2007. The loan bears interest at a rate of 5.00%, which accrues on the outstanding principal. Interest and principal shall be due and payable at the time of the closing of the permanent loan.

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

Second Mortgage

Eagle Pointe Development II Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on January 10, 2007, in the amount of \$240,000. The loan bears interest at the Applicable Federal Rate, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all of Eagle Pointe II's operating expenses, the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in Eagle Pointe II's Limited Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2046.

Eagle Pointe Development III Limited Partnership

First Mortgage

Construction financing for the development of the project was acquired through JP Morgan Chase Bank, N.A. of Houston Texas in the principal sum of up to \$3,118,643. Interest on the construction loan will be computed using the adjusted LIBOR Rate which shall mean a per annum rate equal to this rate plus 2.50%. During February 2006, the construction loan had an outstanding balance of \$3,044,442. At such time Eagle Pointe III paid off the construction loan using the second installment of equity received from the Investor Limited Partner as well as permanent financing obtained through Home Federal Savings and Loan Association of Shreveport in the amount of \$2,312,083. Under the terms of the loan, Eagle Pointe III will make monthly principal and interest payments of \$16,166 (7.50% per annum) until March 31, 2036 at which time the note matures and all unpaid balances on the note are due and payable. The balance due as of December 31, 2006, was \$2,299,844.

The Home Federal Savings and Loan Association of Shreveport loan is non-recourse debt and is collateralized primarily by a first mortgage on Eagle Pointe III's land and buildings and an assignment of all rents and leases of Eagle Pointe III.

Second Mortgage

The Louisiana Housing Finance Agency (LHFA) has committed loan proceeds of \$422,785 to Eagle Pointe III. Of this amount, Eagle Pointe III has received \$420,285. The loan bears interest at a rate of 4.68%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest will not begin until the earlier of, the first mortgage with Home Federal Savings and Loan Association of Shreveport is paid in full or April 1, 2036, (commencement of amortization) at which time, the note will be payable in monthly principal and interest installments. In addition to the monthly installment, the accrued interest from inception of the note through commencement of amortization will be payable in equal monthly installments through April 1, 2036, which is the date all unpaid sums under the note are due and payable. The loan also details that payments shall be made only out of and to the extent of the cash flow of Eagle Pointe III after payment of all operating expenses approved by the

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

LHFA. As a condition to obtaining this financing, the Partnership has entered into a regulatory agreement with LHFA. Rentals to tenants of low income and restrictions of rents charged are two major conditions of the regulatory agreement. Should the LHFA issue a written notice to the Partnership of an instance of noncompliance with the regulatory agreement, Eagle Pointe III has thirty days from the issuance of such notice to correct the noncompliance. The balance due as of December 31, 2006, was \$420,285.

Should the noncompliance not be corrected within the thirty days, LHFA has the authority to declare the entire amount of mortgage immediately due and payable

Third Mortgage

Eagle Pointe Development III Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on December 17, 2004, in the amount of \$190,000. The loan bears interest at a rate of 5.00%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all Borrowers' operating expenses and the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in the Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2044. Accrued interest on the loan as of December 31, 2006, was \$17,417. The note payable is reported in the balance sheet in noncurrent liabilities in due to primary government.

Fourth Mortgage

Eagle Pointe Development III Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on December 17, 2004, in the amount of \$412,785. The loan will bear interest at the Applicable Federal Rate which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all Borrowers' operating expenses and the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in the Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2044. During April 2006, the Partnership received the entire amount of these funds. During December 2006, the Partnership paid \$360,802 on the loan bringing the balance to \$51,983 as of December 31, 2006, including accrued interest in the amount of \$83. The note payable is reported in the balance sheet in current liabilities in due to primary government.

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

Maturities of Long-Term Debt

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2007	\$ 22,264
2008	\$ 23,992
2009	\$ 25,855
2010	\$ 27,862
2011	\$ 30,025
Thereafter	\$2,832,031

9. LONG-TERM OBLIGATIONS

Long-term obligations of the Housing Authority (primary government) consist of compensated absences in the amount of \$55,183 and the note payable to Christus Health in the amount of \$750,000. The following is a summary of the change in long-term obligations for the year ended June 30, 2007:

Balance at July 1, 2006	\$ 479,318
Additions	478,926
Retirements	<u>(66,412)</u>
Balance at June 30, 2007	891,832
Less current portion of long-term obligations	<u>(86,649)</u>
Long-term obligations	<u><u>\$ 805,183</u></u>

**10. DUE FROM COMPONENT UNITS/
DUE TO PRIMARY GOVERNMENT**

During the year ended June 30, 2007, the amount due to the Housing Authority from the four Eagle Pointe partnerships had a net increase of \$277,547. Eagle Pointe was organized by the Housing Authority for the purpose of acquiring and rehabilitating Riverwood Apartments in accordance with the Low-Income Housing Tax Credit program. The funds advanced to Eagle Pointe were derived from non-federal sources and were utilized for the payment of construction and development costs and reimbursable operating costs incurred by Eagle Pointe

The Housing Authority is the managing agent for Eagle Pointes I and III. The Housing Authority receives management fees at a rate of 5.00% of the total monthly income of Eagle Pointes I and III. For the year ended June 30, 2007, management fee income for Eagle Pointe I and Eagle Pointe III totaled

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

\$13,131 and \$21,313, respectively. Accrued management fees receivable at June 30, 2007, totaled \$1,218 and \$1,579 for Eagle Point I and Eagle Point II, respectively.

During the year ended June 30, 2007, the Housing Authority earned developer fees from Eagle Pointe II in the amount of \$108,000. At June 30, 2007, Eagle Point I, Eagle Pointe II, and Eagle Point III owed the Housing Authority \$14,115, \$108,000, and \$700,000, respectively, in developer fees.

The difference in the amounts of the due from component units and the due to primary government, as reflected in the balance sheet, is attributable to reporting the financial position, changes in net assets, and cash flows of Eagle Pointe I and Eagle Pointe III as of and for the year ended December 31, 2006.

11. LITIGATION AND CLAIMS

At June 30, 2007, the Housing Authority is not involved in any known pending or threatened litigation, nor is it aware of any unasserted claims.

12. COMMITMENTS AND CONTINGENCIES

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

The Housing Authority has certain major renovation projects in progress at June 30, 2007, that are funded by HUD. Funds are requested periodically as the costs are incurred.

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

The Housing Authority has entered into a Guaranty of Obligations of Entity General Partners (the "Guaranty") with respect to Eagle Pointe Development I Limited Partnership, Eagle Pointe Development II Limited Partnership, and Eagle Pointe Development III Limited Partnership. Under the terms of each Guaranty, the Housing Authority unconditionally guarantees the due payment, performance, and fulfillment to Eagle Pointe I, Eagle Pointe II, and Eagle Pointe III, their limited partners, and specified affiliates of the limited partners, certain guaranteed obligations of Bossier Housing Corporation. Such obligations shall be the payment and performance of each and every guaranteed obligation of the Bossier Housing Corporation arising under the Amended and Restated Agreement of Limited Partnership and under the General Partner Closing Certificate of each partnership. Each Guaranty includes all the assets of the Housing Authority now owned or hereafter acquired, except for: (i) the property of the Housing Authority located at 805 First Street East, Bossier City, Louisiana,

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

Notes to the Financial Statements
As of and for the Year Ended June 30, 2007

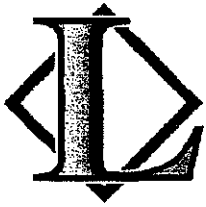
(ii) the property and funds controlled by the Consolidated Annual Contributions Contract No. FW 1144, including amendments, (the "ACC"), and (iii) the funds received by the Housing Authority as proceeds directly pursuant to the ACC. Each Guaranty will remain in force until all of the guaranteed obligations of the Bossier Housing Corporation have expired or been fully performed in accordance with each partnership's Amended and Restated Agreement of Limited Partnership.

13. SUBSEQUENT EVENTS

Effective July 1, 2007, the Housing Authority no longer served as the Contract Administrator for the Section 8, New Construction and Substantial Rehabilitation program at Cloverdale Apartments.

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

The following independent Auditors' report on compliance with laws and regulations and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited the financial statements of the business-type activities, the discretely presented component units, and each major fund of the Housing Authority of the City of Bossier City as of and for the year ended June 30, 2007, and have issued our report thereon dated November 7, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

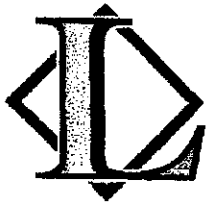
As part of obtaining reasonable assurance about whether the Housing Authority of the City of Bossier City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

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

Little + Associates, LLC

Monroe, Louisiana

November 7, 2007



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

Compliance

We have audited the compliance of the Housing Authority of the City of Bossier City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Housing Authority of the City of Bossier City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of Bossier City's management. Our responsibility is to express an opinion on the Housing Authority of the City of Bossier City's compliance based on our audit.

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

In our opinion, the Housing Authority of the City of Bossier City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Housing Authority of the City of Bossier City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Bossier City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Bossier City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Little & Associates, LLC

Monroe, Louisiana
November 7, 2007

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

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

Financial Statement Audit

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

Audit of Federal Awards

5. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
4. The auditors' report on compliance for the major federal award programs for the Housing Authority of the City of Bossier City, Louisiana expresses an unqualified opinion on all major programs.
5. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
6. The programs tested as major programs included:

CFDA #14.850	Public and Indian Housing
CFDA #14.182	Section 8 New Construction and Substantial Rehabilitation
7. The threshold used for distinguishing Type A and B programs was \$300,000.
8. The Housing Authority of the City of Bossier City, Louisiana qualifies as a low-risk auditee.

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

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

None

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

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2007**

There were no findings for the year ended June 30, 2006.

Supplemental Information Schedules

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

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2007

The members of the Board of Commissioners serve a staggered five-year term without compensation. The Board consists of the following members at June 30, 2007:

Ms. Vita M. Gregorio
414 Highland Drive
Bossier City, LA 71111-2238
(318) 747-0671

Mr. Joseph Littlejohn
Chairperson
100 Robert E. Lee Place
Bossier City, LA 71111-5026
(318) 227-5030

Mr. Charles Maxie
1403 Gibson Circle
Bossier City, LA 71112-3383
(318) 741-3138

Ms. Clara M. Taylor
1785 Southview Drive
Bossier City, LA 71112-2045
(318) 747-9763

Mr. Francisco (Frank) Vela
3635 Green Acres Place, #352
Bossier City, LA 71111-2160
(318) 752-4912

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

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Public and Indian Housing	14.850		\$ 719,312
Section 8 New Construction and Substantial Rehabilitation	14.182		991,289
Public Housing Capital Fund	14.872		794,186
Shelter Plus Care	14.238		<u>153,168</u>
Total U.S. Department of Housing and Urban Development - Direct Programs			<u>2,657,955</u>
Total Expenditures of Federal Awards			<u>\$ 2,657,955</u>

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

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General:	
Operating Subsidy	\$ 719,312
Capital Fund Program	794,186
Shelter Plus Care	153,168
Section 8 - New Construction - Cloverdale	<u>991,289</u>
Total	<u>\$2,657,955</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U. S. generally accepted accounting principles.

4. FEDERAL AWARDS

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

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

Statement of Comprehensive Grant Cost Certificate
For the Year Ended June 30, 2007

PHA OWNED HOUSING (ACC FW 1144)

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

	Grant LA-48-PO42- 501-04
Funds Approved	\$676,704
Funds Expended	<u>676,704</u>
Excess of Funds Approved	<u>NONE</u>
Funds Advanced	\$676,704
Funds Expended	<u>676,704</u>
Excess of Funds Advanced	<u>NONE</u>

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated January 3, 2007, for the above project is in agreement with the Housing Authority's records.

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

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

Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund	New Constr. & Substantial Rehab - Section 8 - Cloverdale	Business Activities - Riverwood	Shelter + Care	Component Units	Totals
ASSETS:								
CURRENT ASSETS:								
Cash:								
111	Cash - unrestricted	\$ 57,889	-	\$ 2,373	\$ 55,875	\$ -	\$ 21,388	\$ 137,525
113	Cash - other restricted	-	-	-	-	-	203,244	203,244
114	Cash - tenant security deposits	57,200	-	-	29,658	-	23,654	110,512
100	Total Cash	115,089	-	2,373	85,533	-	248,286	451,281
Accounts and notes receivable:								
122	Accounts receivable - HUD other projects	-	140,322	14,304	-	17,390	-	172,016
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	1,750	-	-	123	-	-	1,873
126	Accounts receivable - tenants - dwelling rents	14,272	-	-	19,294	-	40,316	73,882
126	Allowance for doubtful accounts - dwelling rents	(3,683)	-	-	(4,000)	-	-	(7,683)
127	Notes, loans, & mortgages receivable - current	51,900	-	-	750,000	-	-	801,900
128	Fraud recovery	1,006	-	-	-	-	-	1,006
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
129	Accrued interest receivable	1,348	-	-	17,813	-	-	19,161
120	Total receivables, net of allowances for doubtful accounts	66,593	140,322	14,304	783,230	17,390	40,316	1,062,155
Current investments:								
131	Investments - unrestricted	776,023	-	91,614	525,643	-	-	1,393,280
132	Investments - restricted	529,070	-	-	-	-	-	529,070
142	Prepaid expenses and other assets	144,154	-	-	43,066	-	46,853	234,073
143	Inventories	43,595	-	-	-	-	-	43,595
144	Interprogram - due from	1,461,282	-	-	650,428	-	2,588	2,114,298
150	TOTAL CURRENT ASSETS	3,135,806	140,322	108,291	2,087,900	17,390	338,043	5,827,752

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

Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund	New Constr. & Substantial Rehab -Section & Cloverdale	Business Activities - Riverview	Shelter + Care	Component Units	Totals
NONCURRENT ASSETS:								
Fixed assets:								
161	Land	723,011	-	-	63,500	-	36,500	823,011
162	Buildings	17,522,876	612,657	-	1,077,490	-	8,069,256	27,282,279
163	Furniture, equipment & machinery - dwellings	220,863	44,486	-	19,484	-	265,865	550,698
164	Furniture, equipment & machinery - administration	295,809	120,211	-	105,629	-	-	521,649
165	Leasehold improvements	1,861,188	27,655	-	-	-	99,595	1,988,438
166	Accumulated depreciation	(14,206,167)	(44,045)	-	(432,673)	-	(396,920)	(15,079,805)
167	Construction in progress	-	98,767	-	-	-	790,752	889,519
168	Total fixed assets, net of accumulated depreciation	6,417,580	859,731	-	833,430	-	8,865,048	16,975,780
Other noncurrent assets:								
171	Notes, loans, & mortgages receivable - noncurrent	365,000	-	-	264,000	-	-	629,000
174	Other assets	52,580	-	-	6,117	-	264,052	322,749
180	TOTAL NONCURRENT ASSETS	6,835,160	859,731	-	1,103,547	-	9,129,100	17,927,538
190	TOTAL ASSETS	\$ 9,970,966	\$ 1,000,033	\$ 108,291	\$ 3,191,447	\$ 17,390	\$ 9,467,143	\$ 23,755,290

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

Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund	New Constr. & Substantial Rehab - Section 8 - Cloverdale	Business Activities - Riverwood	Shelter + Care	Component Units	Totals
LIABILITIES AND NET ASSETS:								
LIABILITIES:								
Current liabilities:								
312	Accounts payable <=90 days	\$ 116,184	\$ -	\$ 5,030	\$ 43,398	\$ -	\$ 617,054	\$ 781,666
321	Accrued wages/payroll taxes payable	11,251	-	-	6,358	-	-	17,609
322	Accrued compensated absences - current portion	59,683	-	-	26,966	-	-	86,649
325	Accrued interest payable	-	-	-	4,121	-	19,518	23,639
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-
333	Accounts payable - other government	42,877	-	-	-	-	-	42,877
341	Tenant security deposits	57,200	-	-	22,602	-	25,501	105,303
342	Deferred revenues	3,258	-	-	12,006	-	3,307	18,571
343	Current portion of long-term debt - capital projects/ mortgage revenue bonds	-	-	-	-	-	-	-
345	Other current liabilities	11,337	-	-	-	-	83,546	83,546
347	Interprogram - due to	105,000	140,322	25,130	451,479	17,390	1,041,962	1,781,283
310	TOTAL CURRENT LIABILITIES	406,790	140,322	30,160	566,930	17,390	1,793,905	2,955,497
Noncurrent liabilities:								
351	Long-term debt, net of current - capital projects/ mortgage revenue bonds	-	-	-	-	-	4,277,601	4,277,601
354	Accrued compensated absences - non-current	41,726	-	-	13,457	-	-	55,183
353	Noncurrent liabilities - other	-	-	-	750,000	-	82,891	832,891
350	TOTAL NONCURRENT LIABILITIES	41,726	-	-	763,457	-	4,360,492	5,163,675
300	TOTAL LIABILITIES	448,516	140,322	30,160	1,330,387	17,390	6,154,397	8,121,172
NET ASSETS:								
508.1	Invested in capital assets, net of related debt	6,417,580	859,731	-	833,430	-	4,503,901	12,614,642
511.1	Restricted net assets	529,070	-	-	-	-	-	529,070
512.1	Unrestricted net assets	2,575,800	-	78,131	1,027,630	-	(1,191,155)	2,490,406
513	TOTAL NET ASSETS	9,522,450	859,731	78,131	1,861,060	-	3,312,746	15,634,118
600	TOTAL LIABILITIES AND NET ASSETS	\$ 9,970,966	\$ 1,000,053	\$ 108,291	\$ 3,191,447	\$ 17,390	\$ 9,467,143	\$ 23,755,290

Schedule 6 (Continued)

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

Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Shelter + Care	Component Units	Totals
REVENUE:								
703	Net tenant rental revenue	\$ 607,212	\$ -	\$ -	\$ 770,009	\$ -	\$ 594,988	\$ 1,972,209
704	Tenant revenue - other	25,909	-	-	29,628	-	55,139	110,676
705	Total tenant revenue	633,121	-	-	799,637	-	650,127	2,082,885
706	HUD PHA operating grants	719,312	371,923	991,289	-	153,168	-	2,235,692
706.1	Capital grants	-	422,263	-	-	-	942,169	1,364,432
708	Other government grants	3,360	-	-	-	-	-	3,360
711	Investment income-unrestricted	48,798	-	7,825	32,185	-	-	88,808
712	Mortgage interest income	19,523	-	-	24,029	-	-	43,552
714	Fraud recovery	-	-	-	-	-	-	-
715	Other revenue	141,172	-	-	414,645	-	-	555,817
716	Gain/loss on sale of fixed assets	28,392	-	-	(186,635)	-	-	(158,243)
720	Investment income - restricted	25,907	-	-	-	-	-	25,907
700	TOTAL REVENUE	1,619,585	794,186	999,114	1,083,861	153,168	1,592,296	6,242,210
EXPENSES:								
Administrative								
911	Administrative salaries	298,747	-	24,600	150,988	2,780	50,375	527,490
912	Auditing fees	13,045	-	10,060	7,345	-	13,154	43,604
913	Outside management fees	-	-	-	15,674	-	31,631	47,305
914	Compensated absences	97,142	-	-	21,377	-	-	118,519
915	Employee benefit contributions - administrative	71,418	-	-	46,733	-	-	118,151
916	Other operating - administrative	254,596	102,188	10,003	105,935	14,242	73,364	560,328
	Subtotal	734,948	102,188	44,663	348,052	17,022	168,524	1,415,397
Tenant services								
921	Tenant services - salaries	636	16,651	-	-	-	-	17,287
922	Relocation costs	-	185	-	-	-	-	185
923	Tenant services - employee benefit contributions	-	6,782	-	-	-	-	6,782
924	Tenant services - other	10,178	-	-	21,110	-	-	31,288
	Subtotal	10,814	23,618	-	21,110	-	-	55,542
Utilities								
931	Water	133,073	-	-	64,900	-	12,277	210,250
932	Electricity	31,286	-	-	26,110	-	12,398	69,794
933	Gas	14,085	-	-	2,197	-	-	16,282
938	Other Utility Expense	-	-	-	559	-	18,763	19,322
	Subtotal	178,444	-	-	93,766	-	43,438	315,648

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

Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Site/ter + Care	Component Units	Totals
	Ordinary maintenance & operation							
941	Ordinary maintenance and operations - labor	196,695	-	-	144,660	-	-	341,355
942	Ordinary maintenance and operations - materials & other	82,919	-	-	109,191	-	5,151	197,261
943	Ordinary maintenance and operations - contract costs	215,604	900	-	168,339	-	105,041	489,884
945	Employee benefit contributions - ordinary maintenance	60,472	-	-	44,469	-	-	104,941
	Subtotal	555,690	900	-	466,659	-	110,192	1,133,441
	Protective services							
952	Protective services - other contract costs	-	24,306	-	56,291	-	-	80,597
	Subtotal	-	24,306	-	56,291	-	-	80,597
	General expenses							
961	Insurance premiums	144,230	-	-	62,447	-	63,407	270,084
962	Other general expenses	-	-	-	-	-	-	-
963	Payments in lieu of taxes	42,876	-	-	-	-	-	42,876
964	Bad debts - tenant units	61,418	-	-	42,674	-	-	104,092
967	Interest expense	-	-	-	12,644	-	322,946	335,590
	Subtotal	248,524	-	-	117,765	-	386,353	752,642
969	TOTAL OPERATING EXPENSES	1,728,420	151,012	44,663	1,103,643	17,022	708,507	3,753,267
		(108,835)	643,174	954,451	(19,782)	136,146	883,789	2,488,943
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES							
972	Casualty losses - non-capitalized	-	-	-	-	-	-	-
973	Housing assistance payments	-	-	939,886	-	136,146	-	1,076,032
974	Depreciation expense	844,194	40,217	-	56,867	-	241,328	1,182,606
975	Fraud losses	-	-	-	-	-	-	-
900	TOTAL EXPENSES	2,572,614	191,229	984,549	1,160,510	153,168	949,835	6,011,905

HOUSING AUTHORITY OF THE CITY OF BOSSIER CITY
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Financial Data Schedule
For the Year Ended June 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Programs	New Constr. & Substantial Rehab -Section 8- Cloverdale	Business Activities - Riverwood	Shelter + Care	Component Units	Totals
	OTHER FINANCING SOURCES (USES)							
1001	Operating transfers in	220,911	-	-	-	-	-	220,911
1002	Operating transfers out	-	(220,911)	-	-	-	-	(220,911)
1010	TOTAL OTHER FINANCING SOURCES (USES)	220,911	(220,911)	-	-	-	-	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (732,118)	\$ 382,046	\$ 14,565	\$ (76,649)	\$ -	\$ 642,461	\$ 230,305
1103	Beginning equity	\$ 9,627,208	\$ 1,105,045	\$ 63,566	\$ 1,937,709	\$ -	\$ 2,670,285	\$ 15,403,813
1104	Prior period adjustments, equity transfers, and correction of errors	\$ 627,360	\$ (627,360)	\$ -	\$ -	\$ -	\$ -	\$ -
1114	Maximum Annual Contributions Commitment (Per Acc)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1115	Contingency reserve, ACC program reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1116	Total annual contributions available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1120	Unit months available	5,138	-	2,160	2,136	444	1,248	11,126
1121	Number of unit months leased	5,088	-	2,043	2,030	393	1,212	10,766