

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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 2/23/11

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**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**



## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the  
Town of Farmerville  
Farmerville, Louisiana 71241

HUD – New Orleans Office  
501 Magazine 9<sup>th</sup> Floor  
New Orleans, Louisiana 70130

We have audited the accompanying financial statements of the Housing Authority of the Town of Farmerville as of and for the year ended September 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Farmerville, as of September 30, 2010, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2010 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Farmerville. The accompanying Financial Data Schedules and Special Reports as required by the U.S. Department of Housing and Urban Development is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion; the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Housing Authority of the Town of Farmerville, the State of Louisiana, HUD and other federal audit agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Schedule 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rector & Reeder, P.C.*  
Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
December 2, 2010

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

The management of Public Housing Authority of Farmerville, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2010. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

#### FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$471,343 at the close of the fiscal year ended 2010.
  - ✓ Of this amount, \$330,465 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
  - ✓ The remainder of \$140,878 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 61% of the total expenses of \$231,294 for the fiscal year 2010, which means the Authority might be able to operate about 7 months using the unrestricted assets alone, which compares less favorably with 9 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$81,417, a 21% change from the prior fiscal year 2009. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by a decrease in cash and investments of \$27,391 from fiscal year 2009, primarily due to spending \$27,083 less for operations than Federal funds received for operations; spending \$55,640 more for capital assets than Federal capital grants received; and transferring \$39,665 of excess cash into investments.
- The Authority spent \$131,149 on capital asset additions during the current fiscal year.
- These changes led to an increase in total assets by \$73,707 and a decrease in total liabilities by \$7,710. As related measure of financial health, there are still over \$11.65 of current assets covering each dollar of total current and long-term liabilities, which compares more favorably with \$8.73 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Housing Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2010?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### **Program Financial Statements**

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

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

## **USING THIS ANNUAL REPORT**

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

- Low Rent Public Housing
- Public Housing Capital Fund Program
- Formula Capital Fund Stimulus Grant

Housing Authority of Farmerville, LA  
Management's Discussion and Analysis (MD&A)  
September 30, 2010

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

**Reporting the Housing Authority's Most Significant Funds**

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

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

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$471,343 as of September 30, 2010. Of this amount, \$330,465 was invested in capital assets, and the remaining \$140,878 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

**COMPARATIVE FINANCIAL STATEMENTS**

**Comparative Statement of Net Assets  
(Excluding Interfund Transfers)  
As of September 30, 2010**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current assets	154,100	182,749
Capital assets, net of depreciation	<u>330,465</u>	<u>228,109</u>
Total assets	<u>484,565</u>	<u>410,858</u>
<b>LIABILITIES</b>		
Current liabilities	<u>13,222</u>	<u>20,932</u>
Total liabilities	<u>13,222</u>	<u>20,932</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of depreciation	330,465	228,109
Unrestricted net assets	<u>140,878</u>	<u>161,817</u>
Total net assets	<u>471,343</u>	<u>389,926</u>
Total liabilities and net assets	<u>484,565</u>	<u>410,858</u>

Housing Authority of Farmerville, LA  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2010

**COMPARATIVE FINANCIAL STATEMENTS (Continued)**

The net assets of these funds increased by \$81,417, or by 21%, from those of fiscal year 2009, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 (Excluding Interfund Transfers)  
 Fiscal Year Ended September 30, 2010**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Tenant rental revenue	90,601	84,732
Federal grants for operations	220,973	84,309
Other non-tenant revenue	0	9,279
Interest Income	1,137	1,678
	312,711	179,998
<b>EXPENSES</b>		
Maintenance and repairs	110,679	97,105
Administration	62,634	68,131
General	26,768	25,473
Depreciation	28,794	25,167
Utilities	2,419	2,302
	231,294	218,178
<b>NET INCREASE/(DECREASE) IN NET ASSETS</b>	81,417	(38,180)
<b>NET ASSETS, beginning of fiscal year</b>	389,926	428,106
<b>NET ASSETS, end of fiscal year</b>	471,343	389,926

**EXPLANATIONS OF FINANCIAL ANALYSIS**

Compared with the prior fiscal year, total revenues increased \$132,713, or by 74%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations increased by \$61,154, or by 73% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, increasing the overall total.

Federal Capital Funds from HUD increased by \$75,510 from that of the prior fiscal year, relating to a newly submitted Formula Capital Fund Stimulus Grant during this 2010 fiscal year.

Housing Authority of Farmerville, LA  
Management's Discussion and Analysis (MD&A)  
September 30, 2010

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- Total other revenue decreased by \$9,279 from that of the prior fiscal year because the Housing Authority did not receive any revenue from other operations.
- Total tenant revenue increased by \$5,869, or by 7% from that of the prior fiscal year, because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Interest income decreased by \$541, or by 32% from that of the prior fiscal year.

Compared with the prior fiscal year, total expenses increased \$13,116, or by 6%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Maintenance and repairs increased by \$13,574, from that of the prior fiscal year. Materials used decreased by \$1,686, whereas contract labor costs increased by \$15,260.
- General Expenses increased by \$1,295, or by 5% from that of the prior fiscal year. Insurance premiums increased by \$1,788, or by 13%, Payments in lieu of taxes (PILOT) decreased by \$167, or by 2%. PILOT is calculated as a percentage of rent (which decreased by 3%) minus utilities (which increased 5%), and therefore changed proportionately to the changes in each of these. Finally, uncollectible rents from vacated units decreased by \$326, or by 9%
- Administrative Expenses decreased by \$5,497, or by 8% from that of the prior fiscal year, due to a combination of offsetting factors. Office expenses increased by \$4,221, or by 9%, legal costs decreased by \$149, and sundry expenses decreased by \$10,199.
- Depreciation expense increased by \$3,627 from that of the prior fiscal year.
- Utilities Expense increased by \$117, or by 5% from that of the prior fiscal year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2010, the Housing Authority had a total cost of \$1,431,805 invested in a broad range of assets and construction in progress from projects funded in 2009 through 2010, listed below. This amount, not including depreciation, represents increases of \$131,149 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
As of September 30, 2010**

	<u>2010</u>	<u>2009</u>
Land	6,430	6,430
Buildings & Improvements	263,610	234,703
Furniture & Equipment	(15,085)	(13,024)
Construction in Progress	75,510	0
Total	330,465	228,109

As of the end of the 2010 fiscal year, the Authority is still in the process of completing HUD grants of \$215,186 obtained during 2009 through 2010 fiscal years. A total remainder of \$215,186 will be received and spent for completing these projects during fiscal year 2011.

**Debt**

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2010 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Woody Whittington, at Public Housing Authority of Farmerville, Louisiana; P.O. Box 446; Farmerville, LA 71241.

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

**ASSETS**

**Current Assets**

Cash & Investments	\$ 143,094
Accounts Receivable	951
Prepaid Insurance & Inventories	10,055
	<hr/>
Total Current Assets	154,100

**Capital Assets**

Land	6,430
Buildings & improvements	1,287,817
Furniture & Equipment	62,048
Construction in progress	75,510
Less: Accumulated depreciation	(1,101,340)
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Total Capital Assets	330,465

**TOTAL ASSETS** **\$ 484,565**

The accompanying notes are an integral part of the financial statements.

**LIABILITIES & NET ASSETS**

**Current Liabilities**

Accounts payable	\$	8,457
Tenant security deposits		4,715
Unearned revenue		<u>50</u>
Total Current Liabilities		<u>13,222</u>

**NET ASSETS**

Invested in capital assets		330,465
Unrestricted net assets		<u>140,878</u>
TOTAL NET ASSETS		<u>471,343</u>

TOTAL LIABILITIES & NET ASSETS	\$	<u><u>484,565</u></u>
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**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Operating Revenues**

Dwelling rent	\$ 90,601
Governmental grants & subsidy	145,463
Total Operating Revenues	<u>236,064</u>

**Operating Expenses**

Administration	62,634
Utilities	2,419
Ordinary maintenance & operations	110,679
General expense	26,768
Depreciation	<u>28,794</u>
Total Operating Expenses	<u>231,294</u>

NET GAIN/(LOSS) FROM OPERATIONS 4,770

**Nonoperating Revenue/(Expenses)**

Investment income 1,137

Net Nonoperating Revenue/(Expenses) 1,137

Net Income/(Loss) before capital gains 5,907

Capital Grants 75,510

Net Increase/(Decrease) in Net Assets 81,417

Total Net Assets - beginning 389,926

Total Net Assets - ending \$ 471,343

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$	87,835
Governmental grants & subsidy - operations		145,463
Payments to suppliers		<u>(206,186)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		<u>27,112</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received		<u>1,137</u>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES		<u>1,137</u>

**CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES**

Additions to capital assets - Operations		(55,640)
Additions to capital assets - Capital Grant		(75,510)
Governmental grant funds received		<u>75,510</u>
NET CASH PROVIDED/(USED) BY CAPITAL & RELATED FINANCING ACTIVITIES		<u>(55,640)</u>

NET INCREASE/(DECREASE) IN CASH & INVESTMENTS		(27,391)
CASH & INVESTMENTS AT BEGINNING OF PERIOD		<u>170,485</u>

CASH & INVESTMENTS AT END OF PERIOD	\$	<u><u>143,094</u></u>
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**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Operating Income/(Loss)	\$	4,770
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		28,794
Decrease (Increase) in accounts receivable		258
Decrease (Increase) in prepaid expenses/inventories		1,000
Increase (Decrease) in accounts payable		(7,896)
Increase (Decrease) in security/trust deposits		175
Increase (Decrease) in deferred revenue		<u>11</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$	<u><u>27,112</u></u>

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:**

**1. Introduction:**

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP). As permitted by GAAP, the Authority has elected pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Accounting*, to apply all relevant Government Accounting Standards Board (GASB) pronouncements and only applicable Financial Accounting Standards Board (FASB) pronouncements opinions issued on or after November 30, 1989 that do not contradict GASB pronouncements in the preparation of the financial statements. The more significant of the government's accounting policies are described below:

**2. Organization:**

The Housing Authority of the Town of Farmerville ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Louisiana for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board for but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

**3. Reporting Entity:**

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 of the Government Accounting Standards Board, the Financial Reporting Entity*.

**Financial Accountability** - The Authority is responsible for its debts, does not impose a financial burden on the Town of Farmerville and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

**Appointment of a Voting Majority** - The Authority is governed by a Board of Commissioners appointed by the CEO of Town of Farmerville and has governance responsibilities over all activities related to all housing activities within Town of Farmerville. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Town; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

**Imposition of Will** - The Town has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**3. Reporting Entity: (Cont'd)**

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in Town of Farmerville financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

1. Low Income Public Housing – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.
2. Capital Fund Program – The objective of this program is to improve the physical condition of the Low Income Public Housing units and upgrade the management of the program.
3. Formula Capital Fund Stimulus Grant - The American Recovery and Reinvestment Act (ARRA) of 2009 provided stimulus funds to public housing agencies under the Capital Fund Program to further the Capital Fund Program's objectives.

**4. Basis of Presentation, Basis of Accounting and Measurement Focus:**

**Basis of Accounting** - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

**Basis of Presentation** - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on its statement of net assets. Proprietary fund equity is segregated into three broad components: Invested in Capital Assets – net of related debt, Restricted Net Assets and Unrestricted Net Assets. The Authority uses the following fund:

**Proprietary fund:**

**Enterprise fund** - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**5. Revenues and Expenses:**

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

**6. Encumbrances:**

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

**7. Budgets:**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

**8. Inventories:**

Inventories are recorded at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

**9. Capital Assets and Depreciation:**

Capital assets are stated at historical cost. Donated capital assets are stated at their fair market value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the Town of Farmerville for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Assets.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-30 years
Furniture, fixtures & equipment	3-10 years
Vehicles	5- 7 years
Specialized use equipment	2-10 years

**10. Collection Losses:**

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**11. Insurance:**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

**12. Cash and Investments:**

1. The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/(decreases) in gains made.

**13. Compensated Absences:**

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Because the Housing Authority is managed by the Housing Authority of the Town of Ruston, there are no employees and consequently no amounts recorded as a liability or an expense.

**14. Operating Revenue:**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net assets below the nonoperating revenue and expense.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**15. The terms of the Board are as follows:**

Charles Sawyer	09/30/2014
Tommy Johnson	09/30/2012
Linda Austin	09/30/2012
Verdell Ventroy	09/30/2011
Thomas Carr	09/30/2015

In addition to the above Commissioners, the Administrator of the Housing Authority is Woody Whittington, who serves on the Board as Secretary and is the Executive Director. Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units that have been excluded from this report.

**NOTE B - CASH AND CASH EQUIVALENTS:**

All the deposits of the Housing Authority of the Town of Farmerville are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Housing Authority of the Town of Farmerville has no policy regarding custodial credit risk for deposits.

At September 30, 2010, the Authority's cash deposits had a carrying amount of \$143,094 and bank balances of \$200,623. Of the bank balances held in one financial institution, the full amount was covered by federal depository insurance.

**Investments** - At September 30, 2010, the Authority's investment balances were as follows:

Investment Type	Fair Value	Maturity	Rating
Certificates of Deposit	39,665	Various	N/A

**Interest rate risk**- As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

**Credit risk** - The Authority has no policy regarding credit risk.

**Custodial credit risk** - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority had no funds held as investments as of September 30, 2010. The Authority has no policy on custodial credit risk.

**Concentration of credit risk** - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

Checking accounts	\$ 103,429
Certificate of deposit	<u>39,665</u>
Totals	<u>\$ 143,094</u>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE B - CASH AND CASH EQUIVALENTS: (Cont'd)**

**Collateralization:**

As of September 30, 2010, the Authority's deposits necessitated no additional funds to be pledged in a government secured investment.

**NOTE C - ACCOUNTS RECEIVABLE:**

Accounts receivable at September 30, 2010, consisted of the following:

Tenants (net of allowance for doubtful accounts of \$1,028)	\$	938
Accrued interest		<u>13</u>
	\$	<u>951</u>

**NOTE D - DEFERRED CHARGES:**

Deferred charges consisted of the following at September 30, 2010:

Prepaid insurance	\$	7,695
Inventory - materials		<u>2,360</u>
	\$	<u>10,055</u>

**NOTE E - CAPITAL ASSETS:**

The following is a summary of changes in the net capital assets during the fiscal year ended September 30, 2010:

	Beginning Balances	Increases	Adjustments/ Decreases	Ending Balances
<b>Enterprise Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 6,430	\$ -	\$ -	\$ 6,430
Construction in progress	-	75,510	-	75,510
<b>Total capital assets not being depreciated</b>	<u>6,430</u>	<u>75,510</u>	<u>-</u>	<u>81,940</u>
Buildings & improvements	1,232,177	55,640	-	1,287,817
Furniture & equipment	62,049	-	(1)	62,048
<b>Total capital assets being depreciated</b>	<u>1,294,226</u>	<u>55,640</u>	<u>(1)</u>	<u>1,349,865</u>
Less accumulated depreciation for:				
Buildings & improvements	997,474	26,733	-	1,024,207
Furniture & equipment	75,073	2,060	-	77,133
<b>Total accumulated depreciation</b>	<u>1,072,547</u>	<u>28,793</u>	<u>-</u>	<u>1,101,340</u>
<b>Total capital assets being depreciated</b>	<u>221,679</u>			<u>248,525</u>
<b>Enterprise activity capital assets, net</b>	<u>\$ 228,109</u>			<u>\$ 330,465</u>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE F - ACCOUNTS PAYABLE AND UNEARNED REVENUE:**

Accounts payable at September 30, 2010, consisted of the following:

Vendors & contractors	\$ 379
Payment in lieu of taxes	8,078
Tenant security deposits	4,715
Unearned revenue	<u>50</u>
	<u>\$ 13,222</u>

**NOTE G - COMMITMENTS & CONTINGENCIES:**

**Legal:**

The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

**Grants and contracts:**

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2010.

**Capital fund:**

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

**NOTE H - RELATED PARTY TRANSACTIONS:**

There were no related party transactions to be reported for the fiscal year ended September 30, 2010. The Housing Authority of the Town of Farmerville is managed by the Housing Authority of Ruston, which is considered to be an affiliate, but does not qualify as a component unit or as a related party. The Housing Authority reimburses the Housing Authority of Town of Ruston, for all applicable direct and indirect costs of operations.

**NOTE I - PENSION PLAN:**

The Authority does not have full-time employees and therefore does not provide a defined pension plan because the employees that provide work for the Housing Authority of the Town of Farmerville work for Housing Authority of the Town of Ruston and the pension plan is provided by Housing Authority of the Town of Ruston.

**NOTE J - RISK MANAGEMENT:**

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, causality, employee dishonesty and public official's liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
(Continued)

**NOTE K - ECONOMIC DEPENDENCY:**

The PHA Owned Housing is economically dependent on annual contributions grants from the Federal government. The program operates at a loss prior to receiving the contributions and grants.

**NOTE L - IMPAIRMENT OF CAPITAL ASSETS:**

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended September 30, 2010, the Housing Authority of the Town of Farmerville experienced no impairments during the year.

**NOTE M - SUPPLEMENTAL INFORMATION:**

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**



**ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Housing Authority of the  
Town of Farmerville  
Farmerville, Louisiana 71241

HUD – New Orleans Office  
501 Magazine 9<sup>th</sup> Floor  
New Orleans, Louisiana 70130

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of the Town of Farmerville, as of and for the year ended September 30, 2010, which collectively comprise the Housing Authority of the City of Jefferson's basic financial statements and have issued our report thereon dated December 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Town of Farmerville'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 the 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 Housing Authority of the Town of Farmerville, the State of Louisiana, HUD and other federal audit agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Schedule 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rector & Reeder, P.C.*  
Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
December 2, 2010

## STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended September 30, 2009, contained no formal audit findings.

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

#### Section I – Summary of Auditor’s Results:

##### *Financial Statements*

Type of report issued on the financial statements:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

##### *Federal Awards*

Internal controls over major programs:	
Material weakness(es) identified?	N/A
Significant deficiency(ies) identified not considered to be material weaknesses?	N/A
Type of report issued on the compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in Accordance with Circular A-133, Section .510(a)?	N/A

Identification of major programs:

*(None)*

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Did the Authority qualify as a low-risk auditee?	Yes

#### Section II – Financial Statement Findings

*Findings related to financial statements in accordance with GAGAS:*

NONE REPORTED

#### Section III – Federal Award Findings and Questioned Costs

*Findings and questioned costs for Federal Awards as defined in Section .510:*

N/A

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET ASSET ACCOUNTS**  
**SEPTEMBER 30, 2010**

<u>Account Description</u>	<u>Low-Rent</u> 14.850	<u>Capital Fund</u> 14.872	<u>ARRA</u> 14.885	<u>TOTAL</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash:				
Cash - unrestricted	\$ 98,714	\$ 0	\$ 0	\$ 98,714
Cash-Tenant Security Deposits	4,715	0	0	4,715
Total Cash	<u>103,429</u>	<u>0</u>	<u>0</u>	<u>103,429</u>
Accounts and notes receivables:				
Accounts receivable - tenants - dwelling rents	1,966	0	0	1,966
Allowance for doubtful accounts	(1,028)	0	0	(1,028)
Accrued interest receivable	13	0	0	13
Total receivables, net of allowances for uncollectibles	<u>951</u>	<u>0</u>	<u>0</u>	<u>951</u>
Current investments				
Investments - unrestricted	39,665	0	0	39,665
Prepaid expenses and other assets	7,695	0	0	7,695
Inventory - materials	2,360	0	0	2,360
Interprogram due from	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<u>154,100</u>	<u>0</u>	<u>0</u>	<u>154,100</u>
<b>NONCURRENT ASSETS:</b>				
Capital Assets				
Land	6,430	0	0	6,430
Buildings	1,183,860	0	0	1,183,860
Furniture, equipment & mach. - dwellings	16,976	0	0	16,976
Furniture, equipment & mach. - admin.	45,072	0	0	45,072
Leasehold improvements	103,957	0	0	103,957
Accumulated depreciation	(1,101,340)	0	0	(1,101,340)
Construction in progress	0	75,510	0	75,510
Total capital assets, net of accumulated depreciation	<u>254,955</u>	<u>75,510</u>	<u>0</u>	<u>330,465</u>
<b>TOTAL ASSETS</b>	<u>\$ 409,055</u>	<u>\$ 75,510</u>	<u>\$ 0</u>	<u>\$ 484,565</u>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET ASSET ACCOUNTS**  
**SEPTEMBER 30, 2010**

<u>Account Description</u>	Low-Rent 14.850	Capital Fund 14.872	ARRA 14.885	TOTAL
<b>LIABILITIES AND NET ASSETS:</b>				
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable <= 90 days	\$ 379	\$ 0	\$ 0	\$ 379
Accrued wage/payroll taxes payable	0	0	0	0
Accrued compensated absences - current portion	0	0	0	0
Accrued interest payable	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0
Accounts payable - other gov.	8,078	0	0	8,078
Tenant security deposits	4,715	0	0	4,715
Deferred revenue	50	0	0	50
Interprogram (due to)	0	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<u>13,222</u>	<u>0</u>	<u>0</u>	<u>13,222</u>
<b>TOTAL LIABILITIES</b>	<u>13,222</u>	<u>0</u>	<u>0</u>	<u>13,222</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets	254,955	75,510	0	330,465
Net Assets - Unrestricted	140,878	0	0	140,878
<b>TOTAL NET ASSETS</b>	<u>395,833</u>	<u>75,510</u>	<u>0</u>	<u>471,343</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 409,055</u>	<u>\$ 75,510</u>	<u>\$ 0</u>	<u>\$ 484,565</u>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>Account Description</u>	<u>Low-Rent</u> <u>14.850</u>	<u>Capital Fund</u> <u>14.872</u>	<u>ARRA</u> <u>14.885</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
Net tenant rental revenue	\$ 82,559	\$ 0	\$ 0	\$ 82,559
Tenant revenue - other	8,042	0	0	8,042
Total tenant revenue	<u>90,601</u>	<u>0</u>	<u>0</u>	<u>90,601</u>
HUD PHA grants	96,100	49,363	0	145,463
HUD Capital grants	0	0	75,510	75,510
Investment income - unrestricted	1,137	0	0	1,137
Other revenue	0	0	0	0
<b>TOTAL REVENUES</b>	<u>\$ 187,838</u>	<u>\$ 49,363</u>	<u>\$ 75,510</u>	<u>\$ 312,711</u>
<b>EXPENSES:</b>				
<b>Administrative</b>				
Auditing fees	\$ 4,430	\$ 0	\$ 0	\$ 4,430
Outside management fees	0	0	0	0
Advertising & marketing	114	0	0	114
Office expenses	50,443	0	0	50,443
Legal Expense	76	0	0	76
Travel	5,120	0	0	5,120
Other operating - administrative	2,451	0	0	2,451
<b>Total Administrative Expense</b>	<u>62,634</u>	<u>0</u>	<u>0</u>	<u>62,634</u>
<b>Utilities</b>				
Water	210	0	0	210
Electricity	1,253	0	0	1,253
Gas	897	0	0	897
Sewer	59	0	0	59
<b>Total Utilities Expense</b>	<u>2,419</u>	<u>0</u>	<u>0</u>	<u>2,419</u>
<b>Ordinary Maintenance &amp; Operation</b>				
Ordinary maint. and oper. - materials & others	19,011	0	0	19,011
Ordinary maint. and oper. - contract costs	91,668	0	0	91,668
<b>Total Ordinary Maintenance &amp; Operation</b>	<u>110,679</u>	<u>0</u>	<u>0</u>	<u>110,679</u>
<b>General Expenses</b>				
Insurance premiums	15,482	0	0	15,482
Other general expenses	0	0	0	0
Payments in lieu of taxes	8,076	0	0	8,076
Bad debt - tenant rents	3,210	0	0	3,210
Interest expense	0	0	0	0
<b>Total General Expenses</b>	<u>26,768</u>	<u>0</u>	<u>0</u>	<u>26,768</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>202,500</u>	<u>0</u>	<u>0</u>	<u>202,500</u>
<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSE</b>	<u>(14,662)</u>	<u>49,363</u>	<u>75,510</u>	<u>110,211</u>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>Account Description</u>	Low-Rent <u>14.850</u>	Capital Fund <u>14.872</u>	ARRA <u>14.885</u>	TOTAL
Other Expenses				
Depreciation expense	28,794	0	0	28,794
Total Other Expenses	<u>28,794</u>	<u>0</u>	<u>0</u>	<u>28,794</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>231,294</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>231,294</u></b>
Other Financing Sources/(Uses)				
Operating transfers in	49,363	0	0	49,363
Operating transfers out	0	(49,363)	0	(49,363)
Total Other Financing Sources/(Uses)	<u>49,363</u>	<u>(49,363)</u>	<u>0</u>	<u>0</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>5,907</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>75,510</u></b>	<b>\$ <u>81,417</u></b>
Equity transfers	0	75,510	(75,510)	0
Prior period adjustments	0	0	0	0
Beginning Net Assets	<u>389,926</u>	<u>0</u>	<u>0</u>	<u>389,926</u>
Ending Net Assets	<b>\$ <u>395,833</u></b>	<b>\$ <u>75,510</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>471,343</u></b>
Units months available	468	0	0	468
Units months leased	461	0	0	461

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**SUPPLEMENTAL INFORMATION  
SPECIAL REPORTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Annual Contributions Contract FW-1218**

**PHASE LA48PO52501-07**

1. The Actual Modernization Costs of Phase 501-07 were:

Funds Approved	\$ 62,731
Funds Expended	<u>62,731</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 62,731
Funds Expended	<u>62,731</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 All audit period additions were incurred in the prior audit period and accordingly were not reaudited by Rector & Reeder, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated August 3, 2010, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All modernization costs have been paid and all related liabilities have been discharged through payment.