

**HOUSING AUTHORITY OF  
JEFFERSON PARISH  
Marrero, Louisiana**

**Annual Financial Report  
September 30, 2004**

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 5/11/05

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the accompanying financial statements of the enterprise activities, the aggregate discretely presented component units each major fund, and the aggregate remaining fund information of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2004, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the enterprise activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority as of September 30, 2004 and the respective 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 30, 2004, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on 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 accessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 are not a required part of the basic financial statements but are 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 accompanying Supplemental HUD Financial Data Schedules are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements. Also, the accompanying Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Rebowe & Company*

December 30, 2004

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**September 30, 2004**

Our discussion and analysis of the Housing Authority of Jefferson Parish financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2004.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required in the MD&A.

**FINANCIAL HIGHLIGHTS**

Total spending for all programs was \$17.9 million for the year ended September 30, 2004. Rentals and interest funded \$483 thousand of this amount, with Housing and Urban Development ("HUD") grants and subsidies funding the balance. The public housing subsidy, listed in the conventional program, provided by HUD for the year ended September 30, 2004 was increased from \$538,486 to \$552,726 (2.6%) over the prior year.

The largest public housing expense for the Housing Authority was the utility cost of \$331,000, which represented approximately 24.8% of the total expenditures for public housing included in the conventional program. The utility expense also increased \$13,948, 4.3% from the prior year.

Our Capital Funds Program (CFP) Grant 2000 was expended within compliance period of 48 months. A cost certification was issued to HUD in a timely manner. The CFP FYE 2001 & 2002 was obligated within 24 month obligation period.

The Section 8 Housing Choice Voucher (HCV) Program was revised in accordance with funding provisions resulting from the Consolidated Appropriations Act, FY 2005 (PL 108-447), as signed into law on December 8, 2004. The new budget allocations should not have an affect on FYE 9/30/04.

PHAs 2005 annual budgets are determined based on mandated procedures that serve to determine every PHAs total and final funding amount for vouchers and administrative fees in 2005. The budget is based on a calendar year.

Residential Housing Development Corporation (RHDC) is a non-profit entity established by resolution of the Housing Authority of Jefferson Parish. It presently has two Housing Authority Board members serving as officers. RHDC entered a contract dated April 20, 2004 with Jefferson Parish Department of Community Development. The contract referred to as the Home Investment Partnership Program (HOME) is an agreement to construct ten (10) homes utilizing block grant funds.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)**  
**September 30, 2004**

**USING THIS ANNUAL FINANCIAL REPORT**

The Housing Authority's annual financial report consists of financial statements that reports information about the Housing Authority's most significant enterprise funds, such as the Housing Authority's Public Housing, Capital Fund Program, and Housing Choice Vouchers Program.

An outline of the Annual Financial Report's contents is as follows:

- I. Independent Auditor's Report
- II. Required Supplemental Information
  - A. Management's Discussion & Analysis (MD&A)
- III. Basic Financial Statements
- IV. Notes to Basic Financial Statements
- V. Supplemental Information
  - A. Financial Data Schedule
  - B. Schedule of Compensation Paid Board Members
- VI. Single Audit Section.

Our auditor has provided assurance in their independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial 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 oversee and demonstrate adequate management of money for particular purposes or to show that it is meeting legal responsibilities for using grants and other monies required by regulatory agencies. All Housing Authority funds are enterprise funds.

Enterprise 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. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication. The operating results are presented in the Statement of Revenues, Expenses, and Changes in Net Assets; changes in cash are reflected in the Statement of Cash Flows.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)**  
**September 30, 2004**

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$2.9 million at September 30, 2004.

As we noted earlier, the Housing Authority uses funds to help it oversee and demonstrate adequate management of money for particular purposes. Separate funds are established to account for Public Housing Capital Expenditures and Section 8 Housing Choice Vouchers Program. The following analysis focuses on the net assets and the change in net assets of the Housing Authority as a whole.

**Table 1**  
**Net Assets**  
**September 30**

	<u>2003</u>	<u>2004</u>
Current assets	\$1,597,134	\$1,446,147
Capital assets, net	<u>2,308,652</u>	<u>2,135,923</u>
Total assets	<u>3,905,786</u>	<u>3,582,070</u>
Current liabilities	532,382	327,478
Noncurrent liabilities	<u>212,510</u>	<u>360,527</u>
Total liabilities	<u>744,892</u>	<u>688,005</u>
Net Assets		
Invested in capital assets, net of related debt	2,308,652	2,135,923
Restricted	288	609
Unrestricted	<u>851,954</u>	<u>757,533</u>
Total net assets	<u>\$3,160,894</u>	<u>\$2,894,065</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)**  
**September 30, 2004**

**Table 2**  
**Changes in Net Assets**  
**Year Ended September 30**

	<u>2003</u>	<u>2004</u>
<b>Revenues/capital contributions:</b>		
Operating revenues		
Rental and other	\$ 455,229	\$ 473,635
Non-Operating revenues		
Interest earnings	10,324	10,111
Federal grants and subsidies	16,432,600	17,180,746
Portability income	19,935	828
FSS forfeiture	92,241	-
Other receipts - non-tenant	50,827	11,183
Gain on sale of fixed assets	<u>1,462</u>	<u>750</u>
Total revenues	<u>\$ 17,062,618</u>	<u>\$ 17,677,253</u>
Expenses:		
Operating Expenses		
Administration	\$ 2,047,491	\$2,337,243
Tenant services	5,013	11,542
Utilities	317,052	331,000
Ordinary maintenance and operations	213,827	214,203
General expenses	153,464	122,530
Housing assistance payments	14,198,508	14,587,523
Depreciation	<u>209,075</u>	<u>340,041</u>
Total expenses	<u>\$ 17,144,430</u>	<u>\$17,944,082</u>
Increase (decrease) in net assets	<u>\$ (81,812)</u>	<u>\$ (266,829)</u>

Total revenues increased by approximately \$600,000 (3.5%) due primarily to an increase in HUD Federal Grants. Dwelling Income increased by approximately \$18,406 or 4%. Funding for the Section 8 Housing Choice Vouchers program remained relatively stable for FYE 9/30/04 even though regulatory announcements created uncertainty for the industry.

Operating expenses (net of depreciation) increased by 4% from the prior year primarily as a result of an increase in HAP Assistance payments and administrative expenses mostly related to the HAP Program.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (CONTINUED)**  
**September 30, 2004**

**CAPITAL ASSETS**

At September 30, 2004, the Housing Authority had \$2.1 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$172,729, or 7.5 % from last year.

Capital Assets at September 30

	<u>2003</u>	<u>2004</u>
Land	\$1,633,374	\$1,633,374
Buildings	366,031	366,031
Building Improvements	478,239	613,840
Furniture and equipment	<u>51,770</u>	<u>83,481</u>
Subtotal	2,529,414	2,696,726
Less Accumulated Depreciation	<u>(220,762)</u>	<u>(560,803)</u>
Fixed Assets, Net	<u>\$2,308,652</u>	<u>\$2,135,923</u>

**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 via appropriations rather than by local economic conditions.

<u>Management Program</u>	<u>Number of Units</u>
PHA Owned Housing	200
Capital Fund	Annual
Housing Choice Vouchers Program	2742

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF NET ASSETS**  
**September 30, 2004**

	<b>Major Funds</b>	
	<b>Conventional Program</b>	<b>Housing Vouchers</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 192,093	\$ 608,153
Accounts Receivable from Tenants, Net of Allowance of (\$1,023)	3,184	-
Restricted Cash	106,958	115,888
Other Receivables	-	32,377
Advances to Other Funds	1,667	12,340
Prepaid Insurance	60,023	-
Total Current Assets	363,925	768,758
<b>CAPITAL ASSETS</b>		
Land, Structures and Equipment (Net of Accumulated Depreciation)	1,834,813	-
Total Capital Assets, Net	1,834,813	-
Total Assets	\$ 2,198,738	\$ 768,758

(Continued)

<b>Non Major Funds</b>		<b>Component Unit</b>	
<b>Other Enterprise</b>	<b>Total</b>	<b>Residential Housing Development Corporation</b>	
\$ 175,579	\$ 975,825	\$ 136,537	
-	3,184	-	
1,328	224,174	-	
-	32,377	-	
20	14,027	-	
-	60,023	-	
<u>176,927</u>	<u>1,309,610</u>	<u>136,537</u>	
<u>214,030</u>	<u>2,048,843</u>	<u>87,080</u>	
<u>214,030</u>	<u>2,048,843</u>	<u>87,080</u>	
<u>\$ 390,957</u>	<u>\$ 3,358,453</u>	<u>\$ 223,617</u>	

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF NET ASSETS (CONTINUED)**  
**September 30, 2004**

	<u>Major Funds</u>		<u>Non Major Funds</u>
	<u>Conventional Program</u>	<u>Housing Vouchers</u>	<u>Other Enterprise</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 58,595	\$ 125,113	\$ 9,501
Advances from Other Funds	7,020	359	6,648
Due to HUD	-	61,981	32,806
Compensated Absences Payable	10,810	320	-
Tenant Deposits Held in Trust	14,325	-	-
Other Liabilities	-	-	-
Total Current Liabilities	<u>90,750</u>	<u>187,773</u>	<u>48,955</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred Revenue	-	-	-
FSS Escrow Liability	<u>97,092</u>	<u>109,335</u>	<u>-</u>
Total Non current Liabilities	<u>97,092</u>	<u>109,335</u>	<u>-</u>
Total Liabilities	<u>187,842</u>	<u>297,108</u>	<u>48,955</u>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	1,834,813	-	214,030
Restricted	609	-	-
Unrestricted	<u>175,474</u>	<u>471,650</u>	<u>127,972</u>
Total Net Assets	<u>2,010,896</u>	<u>471,650</u>	<u>342,002</u>
Total Liabilities and Fund Equity	<u>\$ 2,198,738</u>	<u>\$ 768,758</u>	<u>\$ 390,957</u>

The accompanying notes are an integral part of this statement.

<b>Total</b>	<b>Component Unit Residential Housing Development Corporation</b>
\$ 193,209	\$ -
14,027	-
94,787	-
11,130	-
14,325	-
-	-
<u>327,478</u>	<u>-</u>
-	154,100
<u>206,427</u>	<u>-</u>
<u>206,427</u>	<u>154,100</u>
<u>533,905</u>	<u>154,100</u>
2,048,843	87,080
609	-
<u>775,096</u>	<u>(17,563)</u>
<u>2,824,548</u>	<u>69,517</u>
<u>\$ 3,358,453</u>	<u>\$ 223,617</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended September 30, 2004**

	<b>Major Funds</b>	
	<b>Conventional Program</b>	<b>Housing Vouchers</b>
<b>OPERATING REVENUES</b>		
Dwelling Rental	\$ 392,168	\$ -
Excess Utilities	81,467	-
Total Operating Revenues	473,635	-
<b>OPERATING EXPENSES</b>		
Administration	363,589	1,433,468
Tenant Services	11,542	-
Utilities	331,000	-
Maintenance	214,203	-
General Expense	97,438	25,092
Housing Assistance Payments	-	13,541,942
Depreciation Expense	316,704	-
Total Operating Expenses	1,334,476	15,000,502
Loss From Operations	(860,841)	(15,000,502)

(Continued)

<u>Non Major Funds</u>		<u>Component Unit</u>
<u>Other Enterprise</u>	<u>Total</u>	<u>Residential Housing Development Corporation</u>
\$ -	\$ 392,168	\$ -
-	81,467	-
-	473,635	-
512,314	2,309,371	27,872
-	11,542	-
-	331,000	-
-	214,203	-
-	122,530	-
1,045,581	14,587,523	-
23,337	340,041	-
1,581,232	17,916,210	27,872
(1,581,232)	(17,442,575)	(27,872)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended September 30, 2004**

	<b>Major Funds</b>	
	<b>Conventional Program</b>	<b>Housing Vouchers</b>
<b>NON OPERATING REVENUES</b>		
Federal Grants and Subsidies	\$ 552,769	\$ 14,911,524
Gain on Sale of Capital Assets	750	-
Other Non Operating Receipts	874	-
Income Portability	-	828
FSS Forfeiture	-	-
Interest Income	1,516	7,395
	555,909	14,919,747
Total Non Operating Revenues		
Change in Net Assets Before Transfers	(304,932)	(80,755)
Transfers In (Component Unit)	-	-
Transfer Out (Component Unit)	(87,080)	-
	(392,012)	(80,755)
Change in Net Assets		
Net Assets, Beginning of Year	2,402,908	552,405
	\$ 2,010,896	\$ 471,650
Net Assets, End of Year		

The accompanying notes are an integral part of this statement.

<u>Non Major Funds</u>		<u>Component Unit</u>
<u>Other Enterprise</u>	<u>Total</u>	<u>Residential Housing Development Corporation</u>
\$ 1,716,453	\$ 17,180,746	\$ -
-	750	-
-	874	10,309
-	828	-
-	-	-
1,200	10,111	-
<u>1,717,653</u>	<u>17,193,309</u>	<u>10,309</u>
136,421	(249,266)	(17,563)
-	-	87,080
-	(87,080)	-
<u>136,421</u>	<u>(336,346)</u>	<u>69,517</u>
205,581	3,160,894	-
<u>\$ 342,002</u>	<u>\$ 2,824,548</u>	<u>\$ 69,517</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended September 30, 2004**

	<u>Major Funds</u>	
	<u>Conventional Program</u>	<u>Housing Vouchers</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rental Receipts	\$ 388,984	\$ -
Other Receipts	81,467	-
Payments to Vendors	(838,653)	(1,387,042)
Payments to Employees	(157,322)	(4,121)
Housing Assistance Payments	-	(13,541,942)
	<u>                    </u>	<u>                    </u>
Net Cash Used By Operating Activities	<u>(525,524)</u>	<u>(14,933,105)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Federal Grant Income	552,769	14,748,902
Decrease in Due From HUD	-	-
Non Operating Revenues (Expenses)	17,939	(33,953)
Increase in Due to HUD	-	-
Non-operating cash transfer	-	-
	<u>                    </u>	<u>                    </u>
Net Cash Provided by Non-Capital Financing Activities	<u>570,708</u>	<u>14,714,949</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Sale of Capital Assets	750	-
Purchases of Capital Assets	6,225	-
	<u>                    </u>	<u>                    </u>
Net Cash Used In Capital and Related Financing Activities	<u>6,975</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	1,516	7,395
	<u>                    </u>	<u>                    </u>
Net Cash Provided by Investing Activities	<u>1,516</u>	<u>7,395</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>53,675</u>	<u>(210,761)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>245,376</u>	<u>934,802</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 299,051</u>	<u>\$ 724,041</u>

(Continued)

<b>Non Major Funds</b>		<b>Component Unit</b>
<b>Other Enterprise</b>	<b>Total</b>	<b>Residential Housing Development Corporation</b>
\$ -	\$ 388,984	\$ -
-	81,467	154,100
(496,127)	(2,721,822)	(27,872)
(17,774)	(179,217)	-
(1,045,581)	(14,587,523)	-
<u>(1,559,482)</u>	<u>(17,018,111)</u>	<u>126,228</u>
1,538,304	16,839,975	-
-	-	-
-	(16,014)	10,309
-	-	-
-	-	-
<u>1,538,304</u>	<u>16,823,961</u>	<u>10,309</u>
-	750	-
-	6,225	-
-	6,975	-
<u>1,199</u>	<u>10,110</u>	<u>-</u>
<u>1,199</u>	<u>10,110</u>	<u>-</u>
<u>(19,979)</u>	<u>(177,065)</u>	<u>136,537</u>
<u>196,886</u>	<u>1,377,064</u>	<u>-</u>
<u>\$ 176,907</u>	<u>\$ 1,199,999</u>	<u>\$ 136,537</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the Year Ended September 30, 2004**

	<u>Major Funds</u>	
	<u>Conventional Program</u>	<u>Housing Vouchers</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating Loss	\$ (860,841)	\$ (15,000,502)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	316,704	-
Gain on disposal of capital assets	(750)	-
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(3,552)	-
Decrease (Increase) in Other Receivables	-	80,491
Decrease (Increase) in Advances to Other Funds	26,719	4,970
Increase (Decrease) in Advances from Other Funds	(9,807)	(18,026)
Increase (Decrease) in Prepaid Insurance	(8,348)	-
Increase (Decrease) in Other Liabilities	(411)	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	14,394	22
Increase (Decrease) in Compensated Absences	368	(60)
	<u>368</u>	<u>(60)</u>
Net Cash Used In Operating Activities	<u>\$ (525,524)</u>	<u>\$ (14,933,105)</u>

The accompanying notes are an integral part of this statement.

<b>Non Major Funds</b>		<b>Component</b>
<b>Other Enterprise</b>	<b>Total</b>	<b>Residential Housing Development Corporation</b>
\$ (1,581,232)	\$ (17,442,575)	\$ (27,872)
23,337	340,041	-
-	(750)	-
-	(3,552)	-
-	80,491	-
9,810	41,499	-
(13,666)	(41,499)	-
-	(8,348)	-
-	(411)	154,100
2,364	16,780	-
(95)	213	-
<u>\$ (1,559,482)</u>	<u>\$ (17,018,111)</u>	<u>\$ 126,228</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Housing Authority of Jefferson Parish conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The following is a summary of significant policies:

**1. REPORTING ENTITY**

The Housing Authority of Jefferson Parish was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish and is chartered as a public corporation under the laws of the State of Louisiana (LSA-R.S. 40:391). The Housing Authority of Jefferson Parish (The "Housing Authority") was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Housing Authority has a nine-member appointed Board of Commissioners and is headed by an Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Housing Authority.

As of September 30, 2004, the Housing Authority had the following number of units under its programs:

<u>Management Program</u>	<u>Grant ID No.</u>	<u>Number of Units</u>
PHA Owned Housing	FW-1331	200
CIAP		-
Capital Fund		-
Section 8 Programs	FW-2054	
Rental Certificates		50
Housing Choice Vouchers		2,692
New Construction -		
Concordia Apartments		130
Special Allocations -		
Jefferson Place Apartments		77

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under the provisions of GASB Statement No. 14 the Housing Authority is considered a primary government. The Housing Authority has a component unit, Residential Housing Development Corporation ("RHDC"), which is presented as a discretely presented component unit.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Codification of Government Accounting and Financial Reporting Standards and GASB Statement No. 14. These criteria include manifestation of oversight responsibility; including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

RHDC is included in the reporting entity because the Housing Authority appoints the voting majority of its ruling Board of Commissioners. The purpose of RHDC is to acquire, develop, and foster the improvement of dwelling units for the benefit of certain qualified recipients.

Any evidences of indebtedness are solely the obligations of the Housing Authority and are not obligations of the Parish of Jefferson or the State of Louisiana.

**2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary enterprise funds and use the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. The funds use the economic resources measurement focus. The accounting objectives are determination of change in net assets, net assets and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its Statement of Net Assets.

The Housing Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. BUDGETS**

The Housing Authority adopted budgets for all funds. The budget for the Capital Fund Program is a multiple-year budget. HUD approves all budgets for HUD funded programs.

**4. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short-term investments with maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in interest-bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks that have their principal offices in Louisiana.

**5. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments for financial reporting purposes, if the original maturities are 90 days or less, they are classified as cash equivalents.

**6. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES**

Transactions between individual funds occur during the course of operations. The receivables and payables resulting from these transactions are classified as "advances to other funds" and "advances from other funds" on the Statement of Net Assets.

**7. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Housing Authority's Statement of Net Assets.

**8. CAPITAL ASSETS AND DEPRECIATION**

Fixed assets are recorded at historical cost and are depreciated over their estimated useful lives. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Structures and Improvements	40
Automotive Equipment	5
Furniture, Fixtures, and Other Equipment	3-7

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**9. ACCOUNTS RECEIVABLE FROM TENANTS**

Accounts receivable from tenants are stated at net realizable value as required by generally accepted accounting principles. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2004, the amount of \$1,023 was recorded to the allowance for doubtful accounts from tenants.

**10. COMPENSATED ABSENCES**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his retirement or termination date.

**11. NET ASSETS**

Restrictions, when appropriate, represent those portions of net assets that are not appropriate for expenses and are legally segregated for a specific future use. There were restrictions of net assets in the amount of \$609 as of September 30, 2004 for Capital Fund Project purposes.

**12. USE OF ESTIMATES**

The preparation of financial statements in conformity with 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 results could differ from those estimates.

**NOTE B - CASH AND CASH EQUIVALENTS**

The Housing Authority maintains deposit accounts in a national bank. At September 30, the carrying amount of the Housing Authority's bank deposits was \$1,199,999, and the bank balance was \$1,143,306. The difference was primarily due to outstanding checks. Of the bank balance, \$100,000 was covered by federal depository insurance. In compliance with State laws, the remaining balance of \$1,043,306 was secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)**

Housing Authority and the depository bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

State statutes authorize the Housing Authority to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U.S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Housing Authority's short-term investments are stated at cost, which approximates market and have been classified as cash equivalents in accordance with the Housing Authority's policy discussed in Note A. These investments consist principally of money market funds. These investments collectively totaling \$232,823 were held in a brokerage account for the benefit of the Housing Authority. This account was insured by the S.I.P.C. in the amount of \$500,000 and the balance, when applicable, is insured by a commercial insurance company selected by the broker.

Interest income on cash and cash equivalents totaled \$10,111 for the year ended September 30, 2004.

**NOTE C - RESTRICTED CASH**

The Housing Authority maintains restricted cash for the Family Self-Sufficiency Program (FSS Escrow) in a bank account. The National Affordable Housing Act of 1990 created the Family Self-Sufficiency Program. This program mobilizes HUD housing assistance to leverage public and private sector resources that can help residents of public and assisted housing achieve economic independence. In addition, it offers financial incentives to families through the establishment of an escrow account, which becomes available to the family upon successful completion of their Contract of Participation or certain interim goals. At year-end, restricted cash totaled \$224,174.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE D - CAPITAL ASSETS**

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	Balance Oct. 1, 2003	Transfers/ Additions	Transfers/ Deletions	Balance Sept. 30, 2004
Land	\$ 1,633,374	\$ -	\$ (87,080)	\$ 1,546,294
Buildings	366,031	-	-	366,031
Building Improvements	478,239	135,601	-	613,840
Furniture and Equipment	51,770	12,564	-	64,334
Vehicles	-	19,147	-	19,147
Total	<u>2,529,414</u>	<u>167,312</u>	<u>(87,080)</u>	<u>2,609,646</u>
Less Accumulated Depreciation	<u>220,762</u>	<u>340,041</u>	<u>-</u>	<u>560,803</u>
Total	<u>220,762</u>	<u>340,041</u>	<u>-</u>	<u>560,803</u>
Capital Assets, Net	<u>\$ 2,308,652</u>	<u>\$ (172,729)</u>	<u>\$ (87,080)</u>	<u>\$ 2,048,843</u>

During the year ended September 30, 2004, the Housing Authority had no fully depreciated assets.

**NOTE E - RETIREMENT PLAN**

The Housing Authority has adopted "The Housing-Renewal and Local Agency Retirement Plan" as a participating employer and as a qualified retirement plan under Section 401 (a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

- a. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and completing 12 months of continuous and uninterrupted *employment with the Housing Authority*.
- b. Employee contributions are four percent (4%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.
- c. Employer contributions are ten percent (10%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Housing Authority.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE E - RETIREMENT PLAN (CONTINUED)**

- d. The normal retirement date shall be the first day of the month following the participating employee's 60th birthday.
- e. This defined contribution plan is administered by the Housing-Renewal & Local Agency Retirement Plan with the Bank of Louisville and Trust Company, a national investment banking firm; and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan.

The Housing Authority's covered employees' and employer's contributions to this plan totaled \$9,459, and \$23,634, respectively, for the year ended September 30, 2004.

**NOTE F - COMPENSATED ABSENCES**

As of September 30, 2004, employees of the Housing Authority had accumulated \$11,130 of employee leave benefits. These amounts are recorded in the funds from which payment will be made.

**NOTE G - PAYMENT IN LIEU OF PROPERTY TAXES**

In accordance with a cooperative agreement with the Parish of Jefferson, the Housing Authority is not required to pay property taxes. Instead, the Housing Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2004.

**NOTE H - BOARD OF COMMISSIONERS' COMPENSATION**

The members of the Board of Commissioners of the Housing Authority are compensated for serving on the Board as follows: The Chairman and the Vice-Chairman each receive \$300 per month and all other Commissioners receive \$150 per month.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

**Commitments**

The Housing Authority has entered into an administrative contract with the Louisiana Housing Development Corporation (LHDC). LHDC furnishes all materials and services to develop and implement a plan to carryout the ongoing programs under its various HUD Section 8 programs and certain aspects of the Housing Authority owned housing program. The administrative contract expires on September 30, 2008. However, if HUD elects to discontinue the programs, the Housing Authority has the right to terminate the contract.

**NOTE I - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

As compensation for the administrative services rendered, the Housing Authority will pay LHDC eighty-five percent (85%) for the months October 1, 2003 through December 31, 2003 and ninety percent (90%) for the months January 1, 2004 through September 30, 2004 of the administration income allocated to the Housing Authority as agreed upon in the HUD approved budget as well as 100% of FSS coordinator fees and hard to house fees. Compensation paid under the administrative contract for the year ended September 30, 2004 follows:

Low Rent Public Housing	\$ 42,000
Section 8 Housing Choice Voucher Program	1,160,197
Section 8 New Construction Program	26,483
Section 8 H.A.P. Program - Special Allocations	<u>14,938</u>
Total	<u>\$1,243,618</u>

**Contingencies**

The Housing Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2004.

**NOTE J - INTERFUND RECEIVABLES/PAYABLES**

The following is a summary of interfund receivables and payables included in the Housing Authority's combined Statement of Net Assets under the captions "Advances to Other Funds" and "Advances from Other Funds" as of September 30, 2004:

	<u>Advances to</u>	<u>Advances From</u>
Low Rent Public Housing	\$ 7,020	\$ 1,667
Capital Fund Program 2001	1,328	-
Section 8 Housing Choice Voucher Program	359	12,340
Section 8 New Construction - Concordia Apartments	3,000	-
Section 8 H.A.P. Program - Special Allocations - Jefferson Place	<u>2,320</u>	<u>20</u>
Total	<u>\$ 14,027</u>	<u>\$ 14,027</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE K - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Housing Authority maintains commercial insurance to mitigate these risks.

**NOTE L – COMPONENT UNIT DISCLOSURES**

During the year ending September 30, 2004, the Housing Authority transferred ownership of certain tracts of land to RHDC, a discretely presented component unit, at its carrying value. The transaction is being reported as an operating transfer. Additional subsidies were obtained for the purpose of developing these tracts of land to benefit certain qualified recipients. The subsidies are reflected as deferred revenue on the Statement of Net Assets. As these funds are used for its intended purpose, revenue will be recognized in that period.

**Cash**

The Housing Authority maintains deposit accounts in a national bank. At September 30, the carrying amount of the Housing Authority's bank deposits was \$136,537, and the bank balance was \$143,160. The difference was primarily due to outstanding checks. Of the bank balance, \$100,000 was covered by federal depository insurance. In compliance with State laws, the remaining balance of \$43,160 was secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the Housing Authority and the depository bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

**Capital Assets**

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	<u>Balance Oct. 1, 2003</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance Sept. 30, 2004</u>
Land	\$ -	\$ 87,080	\$ -	\$ 87,080
Total	<u>87,080</u>	<u>87,080</u>	<u>-</u>	<u>87,080</u>
Less Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, Net	<u>\$ 87,080</u>	<u>\$ 87,080</u>	<u>\$ -</u>	<u>\$ 87,080</u>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2004**

**NOTE M - SEGMENT INFORMATION**

The Housing Authority maintains seven (7) HUD funds for the purpose of providing safe and decent housing for low income families and the maintenance of related assets. Selected financial information for business segments of the enterprise fund is presented as follows:

	Low Rent Public Housing 14.850	Housing Choice Voucher Program 14.871	N/CS/R Section 8 Program 14.182	Section 8 Housing Assistance Payment Program Spec. Allocations 14.195	Capital Fund Program 14.872	RHDC	Total
Operating Revenues	\$ 473,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,635
Federal Grant Income (HUD)	552,769	14,911,524	698,674	394,413	623,366	-	17,180,746
Operating Expenses, Excluding Depreciation	1,314,117	15,000,502	700,822	394,793	462,280	27,781	17,900,295
Depreciation	316,704	-	-	-	23,337	-	340,041
Non-Operating Revenues	212,405	8,223	1,020	180	-	306,654	528,482
Net Income (Loss)	(392,012)	(80,755)	(1,128)	(200)	137,749	278,783	(57,563)
Fixed Assets Additions	3,157	-	-	-	149,071	142,246	294,474
Net Working Capital	2,010,896	471,650	115,804	12,168	214,030	278,783	3,103,331
Total Assets	2,198,738	768,758	156,434	19,165	215,358	278,783	3,637,236
Total Fund Equity	2,010,896	471,650	115,804	12,168	214,030	278,783	3,103,331

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds			Jefferson Place	RHDC	TOTAL
		Conventional Program	Housing Vouchers	CPP 2000	CPP 2001	CPP 2002	New Construction Concordia	Component Unit				
	<b>ASSETS:</b>											
	<b>CURRENT ASSETS:</b>											
	<b>Cash:</b>											
111	Cash - unrestricted	\$ 192,093	\$ 470,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,856	\$ 19,145	\$ 136,537	\$ 879,538
112	Cash - restricted - modernization and development	609	-	-	1,328	-	-	-	-	-	-	1,937
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-
114	Cash - tenant security deposits	14,325	-	-	-	-	-	-	-	-	-	14,325
115	Cash - restricted for payment of current liability	92,024	115,888	-	-	-	-	-	-	-	-	207,912
<b>100</b>	<b>Total Cash</b>	<b>299,051</b>	<b>586,795</b>	<b>-</b>	<b>1,328</b>	<b>-</b>	<b>-</b>	<b>60,856</b>	<b>19,145</b>	<b>136,537</b>	<b>1,103,712</b>	
	<b>Accounts and notes receivables:</b>											
121	Accounts receivable - PHA projects	-	29,227	-	-	-	-	-	-	-	-	29,227
122	Accounts receivable - HUD	-	-	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	3,150	-	-	-	-	-	-	-	-	3,150
126	Accounts receivable - dwelling rents	4,207	-	-	-	-	-	-	-	-	-	4,207
126 1	Allowance for doubtful accounts - dwelling rents	(1,023)	-	-	-	-	-	-	-	-	-	(1,023)
126 2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
128 1	Allowance for doubtful accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-
<b>120</b>	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>3,184</b>	<b>32,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,561</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds				Non-Major Funds			Jefferson Place	RHDC	TOTAL
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Component Unit			
	<b>Current investments</b>										
131	Investments - unrestricted	-	137,246	-	-	-	95,578	-	-	232,824	
132	Investments - restricted	-	-	-	-	-	-	-	-	-	
142	Prepaid expenses and other assets	60,023	-	-	-	-	-	-	-	60,023	
143	Inventories	-	-	-	-	-	-	-	-	-	
143 1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	
144	Interprogram - due from	1,667	12,340	-	-	-	-	20	-	14,027	
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	
150	<b>TOTAL CURRENT ASSETS</b>	<b>363,925</b>	<b>768,758</b>	<b>-</b>	<b>1,328</b>	<b>-</b>	<b>156,434</b>	<b>19,165</b>	<b>136,537</b>	<b>1,446,147</b>	
	<b>NONCURRENT ASSETS</b>										
	<b>Fixed Assets</b>										
161	Land	1,546,294	-	-	-	-	-	-	87,080	1,633,374	
162	Buildings	366,031	-	-	-	-	-	-	-	366,031	
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-	-	-	
164	Furniture, equipment & machinery - administration	39,251	-	18,744	25,484	-	-	-	-	83,479	
165	Leasehold improvements	391,772	-	86,468	123,587	12,014	-	-	-	613,841	
166	Accumulated depreciation	(508,535)	-	(44,306)	(7,715)	(246)	-	-	-	(560,802)	
160	<b>Total fixed assets, net of accumulated depreciation</b>	<b>1,834,813</b>	<b>-</b>	<b>60,906</b>	<b>141,356</b>	<b>11,768</b>	<b>-</b>	<b>-</b>	<b>87,080</b>	<b>2,135,923</b>	

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds			Component Unit		
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC		TOTAL	
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable - past due	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-
175	Undistributed debts	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>1,834,813</b>	<b>-</b>	<b>60,906</b>	<b>141,356</b>	<b>11,768</b>	<b>-</b>	<b>87,080</b>	<b>-</b>	<b>2,135,923</b>	<b>-</b>	<b>-</b>
190	<b>TOTAL ASSETS</b>	<b>\$ 2,198,738</b>	<b>\$ 768,758</b>	<b>\$ 60,906</b>	<b>\$ 142,684</b>	<b>\$ 11,768</b>	<b>\$ 156,434</b>	<b>\$ 19,165</b>	<b>\$ 223,617</b>	<b>\$ 3,582,070</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND EQUITY:</b>												
<b>LIABILITIES:</b>												
<b>CURRENT LIABILITIES:</b>												
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	54,260	124,982	-	-	-	8,483	1,018	-	188,743	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	4,335	66	-	-	-	-	-	-	4,401	-	-
322	Accrued compensated absences - current portion	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	61,981	-	-	-	29,147	3,659	-	94,787	-	-
332	Accounts payable - PHA projects	-	65	-	-	-	-	-	-	65	-	-
341	Tenant security deposits	14,325	-	-	-	-	-	-	-	14,325	-	-
342	Deferred revenues	-	-	-	-	-	-	-	-	-	-	-
343	Current portion of Long-Term debt - capital projects	-	-	-	-	-	-	-	-	-	-	-

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds			Component Unit	
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	TOTAL	
344	Current portion of Long-Term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	97,092	109,335	-	-	-	-	-	-	-	206,427
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-
347	Inter-program - due to	7,020	359	-	1,328	-	3,000	2,320	-	-	14,027
<b>310</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>177,032</b>	<b>296,788</b>	<b>-</b>	<b>1,328</b>	<b>-</b>	<b>40,630</b>	<b>6,997</b>	<b>-</b>	<b>-</b>	<b>522,775</b>
<b>NONCURRENT LIABILITIES</b>											
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-	154,100	154,100
354	Accrued compensated absences - non current	10,810	320	-	-	-	-	-	-	-	11,130
<b>350</b>	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>10,810</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,100</b>	<b>165,230</b>
<b>300</b>	<b>TOTAL LIABILITIES</b>	<b>187,842</b>	<b>297,108</b>	<b>-</b>	<b>1,328</b>	<b>-</b>	<b>40,630</b>	<b>6,997</b>	<b>-</b>	<b>154,100</b>	<b>688,005</b>
<b>EQUITY:</b>											
<b>Contributed Capital:</b>											
508 I	Invested in capital assets, net of related debt	1,834,813	-	60,906	141,356	11,768	-	-	-	87,080	2,135,923
<b>508</b>	<b>Total contributed capital</b>	<b>1,834,813</b>	<b>-</b>	<b>60,906</b>	<b>141,356</b>	<b>11,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,080</b>	<b>2,135,923</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds				Non-Major Funds				Component Unit
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	
	Reserved fund balance:									
511	Restricted net assets	609	-	-	-	-	-	-	-	609
512	Unrestricted net assets	175,474	471,650	-	-	-	115,804	12,168	(17,563)	757,533
<b>513</b>	<b>TOTAL EQUITY</b>	<b>2,010,896</b>	<b>471,650</b>	<b>60,906</b>	<b>141,356</b>	<b>11,768</b>	<b>115,804</b>	<b>12,168</b>	<b>69,517</b>	<b>2,894,065</b>
<b>600</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,198,738</b>	<b>\$ 768,758</b>	<b>\$ 60,906</b>	<b>\$ 142,684</b>	<b>\$ 11,768</b>	<b>\$ 156,434</b>	<b>\$ 19,165</b>	<b>\$ 223,617</b>	<b>\$ 3,582,070</b>

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - REVENUES**  
**AND EXPENSES DATA**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds				Component Unit		
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	RHDC	TOTAL		
<b>REVENUE:</b>													
703	Net tenant rental revenue	\$ 392,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,168
704	Tenant revenue - other	81,467	-	-	-	-	-	-	-	-	-	-	81,467
705	<b>Total tenant revenue</b>	<b>473,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>473,635</b>
706	HUD PHA grants	552,769	14,911,524	26,757	235,934	199,590	698,674	394,413	-	-	-	-	17,019,661
706.1	Capital revenues	-	-	-	149,071	12,014	-	-	-	-	-	-	161,085
708	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-
711	Investment income - unrestricted	1,516	7,395	-	-	-	1,020	179	-	-	-	-	10,110
712	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-
713	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
714	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
715	Other revenue	874	828	-	-	-	-	-	-	-	10,309	-	12,011
716	Gain or loss on the sale of fixed assets	750	-	-	-	-	-	-	-	-	-	-	750
720	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-
700	<b>TOTAL REVENUE</b>	<b>1,029,544</b>	<b>14,919,747</b>	<b>26,757</b>	<b>385,005</b>	<b>211,604</b>	<b>699,694</b>	<b>394,592</b>	<b>10,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,677,252</b>

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - REVENUES**  
**AND EXPENSES DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds			Component Unit	
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	TOTAL	
<b>EXPENSES:</b>											
<b>Administrative</b>											
911	Administrative salaries	157,690	4,061	-	17,792	-	(90)	(23)	-	179,430	
912	Auditing fees	17,250	16,923	-	-	-	802	475	-	35,450	
913	Outside management fees	42,000	1,291,427	-	-	-	26,483	14,938	-	1,376,848	
914	Compensated absences	10,810	320	-	-	-	-	-	-	11,130	
915	Employee benefit contributions - administrative	53,136	(5)	-	-	-	(7)	(2)	-	53,122	
916	Other operating - administrative	82,703	118,742	26,757	218,141	199,590	5,837	2,881	27,872	682,523	
<b>Tenant Services</b>											
921	Tenant services - salaries	-	-	-	-	-	-	-	-	-	
922	Relocation costs	-	-	-	-	-	-	-	-	-	
923	Employee benefits contributions - tenant services	-	-	-	-	-	-	-	-	-	
924	Tenant services - other	11,542	-	-	-	-	-	-	-	11,542	
<b>Utilities</b>											
931	Water	71,649	-	-	-	-	-	-	-	71,649	
932	Electricity	159,242	-	-	-	-	-	-	-	159,242	
933	Gas	100,109	-	-	-	-	-	-	-	100,109	
934	Fuel	-	-	-	-	-	-	-	-	-	
935	Labor	-	-	-	-	-	-	-	-	-	
937	Employee benefits contributions - utilities	-	-	-	-	-	-	-	-	-	
938	Other utilities expense	-	-	-	-	-	-	-	-	-	

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - REVENUES**  
**AND EXPENSES DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds				Component Unit		
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	TOTAL			
	<b>Ordinary maintenance &amp; operation</b>												
941	Ordinary maintenance and operations - labor	101,012	-	-	-	-	-	-	-	-	-	-	101,012
942	Ordinary maintenance and operations - materials & other	42,914	-	-	-	-	-	-	-	-	-	-	42,914
943	Ordinary maintenance and operations - contract costs	39,109	-	-	-	-	-	-	-	-	-	-	39,109
945	Employee benefit contributions - ordinary maintenance	31,168	-	-	-	-	-	-	-	-	-	-	31,168
	<b>Protective services</b>												
951	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-
952	Protective services - other contract costs	-	-	-	-	-	-	-	-	-	-	-	-
953	Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-
955	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-
	<b>General expenses</b>												
961	Insurance premiums	96,803	-	-	-	-	-	-	-	-	-	-	96,803
962	Other general expenses	2,288	25,092	-	-	-	-	-	-	-	-	-	27,380
963	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-
964	Bad debt - tenant rents	(1,653)	-	-	-	-	-	-	-	-	-	-	(1,653)
965	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-
966	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-
967	Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
968	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-
969	<b>TOTAL OPERATING EXPENSES</b>	<b>1,017,772</b>	<b>1,458,560</b>	<b>26,757</b>	<b>235,933</b>	<b>199,590</b>	<b>33,025</b>	<b>18,269</b>	<b>27,872</b>	<b>3,017,778</b>			
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>11,772</b>	<b>13,461,187</b>	<b>-</b>	<b>149,072</b>	<b>12,014</b>	<b>666,669</b>	<b>376,323</b>	<b>(17,563)</b>	<b>14,659,474</b>			

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - REVENUES**  
**AND EXPENSES DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds					Non-Major Funds				Component		
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	TOTAL			
971	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-
972	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
973	Housing assistance payments	-	13,541,942	-	-	-	668,378	-	377,203	-	-	-	14,587,523
974	Depreciation expense	316,704	-	15,376	7,715	246	-	-	-	-	-	-	340,041
975	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-
976	Capital outlays - governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-
900	TOTAL EXPENSES	1,334,476	15,000,502	42,133	243,648	199,836	701,403	395,472	27,872	-	-	-	17,945,342
	OTHER FINANCING SOURCES												
1001	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
1002	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
1003	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-
1004	Operating transfers from/to component unit	(87,080)	-	-	-	-	-	-	-	-	87,080	-	-
1005	Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-
1006	Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	(87,080)	-	-	-	-	-	-	-	-	87,080	-	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	\$ (392,012)	\$ (80,755)	\$ (15,376)	\$ 141,357	\$ 11,768	\$ (1,709)	\$ (880)	\$ 69,517				(268,090)

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**HUD FINANCIAL DATA SCHEDULE - REVENUES**  
**AND EXPENSES DATA (CONTINUED)**  
**For the Year Ended September 30, 2004**

Line Item #	Account Description	Major Funds				Non-Major Funds			Component	
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2002	New Construction Concordia	Jefferson Place	RHDC	TOTAL
MEMO account information										
1101	Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
1102	Debt principal payments - enterprise funds	-	-	-	-	-	-	-	-	-
1103	Beginning equity	2,402,908	552,405	76,281	-	-	116,932	12,368	-	3,160,894
1104	Prior period adjustments and equity transfers	-	-	-	-	-	581	680	-	1,261
1105	Changes in compensated absences liability balance (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1106	Changes in contingent liability balance (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1107	Changes in unrecognized pension transition liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1108	Changes in special terms/severance benefits liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-
1109	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-
1110	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-
1112	Depreciation "add back"	-	-	-	-	-	-	-	-	-
1113	Maximum annual contributions commitment (per ACC)	-	-	-	-	-	-	-	-	-
1114	Prorate maximum annual contributions applicable to a period of less than twelve months	-	-	-	-	-	-	-	-	-
1115	Contingency reserve - ACC program reserve	-	683,275	-	-	-	1,734,901	7,117,320	-	9,535,496
1116	Total annual contributions available	-	-	-	-	-	-	-	-	-
1120	Unit months available	2,400	32,904	-	-	-	1,572	924	-	37,800
1121	Number of unit months leased	2,236	31,623	-	-	-	1,516	855	-	36,330

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
Marrero, Louisiana  
COMPENSATION PAID TO BOARD MEMBERS  
For the Year Ended September 30, 2004**

The members of the Board of Commissioners are as follows:

<u>Present Commissioners</u>		<u>Annual Compensation</u>
Richard Chiasson	Chairman	\$ 2,775
Joyce Austin	Vice Chairman	\$ 2,700
David D. Duplantis		\$ 1,800
Joseph E. Francois		\$ 1,800
Forrest Lanning		\$ 1,800
Simone Scanio		\$ 1,050
Melvin Simon		\$ 1,800
Arletta Terrell		\$ 1,500
Craig Trahan		\$ 1,350
 <u>Past Commissioners</u>		
George Carter		\$ 450
Cynthia Henderson		\$ 1,200

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATEMENT OF CERTIFICATION OF ACTUAL**  
**MODERNIZATION COSTS COMPLETED**  
**For the Year Ended September 30, 2004**

	Capital Fund Program 2000 <u>14.872</u>
Funds Approved	\$ 409,952
Funds Expended (1)	<u>(409,952)</u>
Excess of Funds Approved	<u><u>\$ -</u></u>
Funds Advanced (2)	\$ 409,952
Funds Expended	<u>\$ (409,952)</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>

(1) Cumulative accrued expenditures

(2) Cash received in bank depository

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the financial statements of the enterprise activities, and the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2004, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated December 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal over financial reporting that we have reported to management of the Housing Authority in a separate letter dated December 30, 2004.

## Compliance

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

December 30, 2004

# REBOWE & COMPANY

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

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the compliance of the Housing Authority Of Jefferson Parish (the "Housing Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 04-1.

#### Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

December 30, 2004

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2004**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The Independent Auditor's Report expresses an unqualified opinion on the basic financial statements of the Housing Authority.
2. No material weaknesses or reportable conditions in internal control over financial reporting relating to the audit of the basic financial statements are reported in the *Independent Auditor's 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*.
3. No instances of noncompliance material to the basic financial statements of the Housing Authority are reported in the *Independent Auditor's 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*.
4. No material weaknesses or reportable conditions in internal control relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The Independent Auditor's Report on compliance for the major federal award programs for the Housing Authority expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs are as follows:

<u>PROGRAM</u>	<u>CFDA or Other No.</u>
Section 8 Housing Choice Program - Voucher	14.871
Section 8 HAP - Housing Assistance Payments - Jefferson Place	14.195
Public Housing Capital Fund Program	14.872

(Continued)

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended September 30, 2004**

**A. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

8. The threshold for distinguishing Type A and B programs was \$515,422.
9. The Housing Authority qualified as a low-risk auditee.
10. A management letter dated December 30, 2004 was issued for the year ended September 30, 2004.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings related to the financial statements for the year ended September 30, 2004.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

*Public Housing Capital Fund Program - CFDA No. 14.872*

04-1 Grant ID No. FW-1331 - Year ended September 30, 2004

*Conditions:* We observed one instance of a construction contract exceeding \$2,000 entered into with contractors and subcontractors that was not in compliance with the requirements of the Davis-Bacon Act, by not stipulating the requirements of the Act in the contract with contractors and by not monitoring the contractors compliance.

*Criteria:* The Davis Bacon Act requires all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project by the Department of Labor. The Housing Authority has a responsibility to stipulating these requirements in the contracts and monitor the contractors compliance.

*Effect:* For this one instance the Housing Authority is not in compliance with the Davis Bacon Act.

*Cause:* The cause appears to be an isolated error.

*Recommendation:* We recommend that management reemphasis the need to comply with the requirements of the Davis-Bacon Act and the DOL regulations.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2004**

<u>Federal Grantor</u> <u>Program Title</u>	<u>CDEA No.</u>	<u>Grant ID No.</u>	<u>Program</u> <u>Expenditures</u>
<b>U.S. Department of Housing And Urban Development</b>			
<b>Direct Programs:</b>			
Low-Income Housing			
Operating Subsidy	14.850	FW-1331	\$ 552,769
Capital Fund Program	14.872 *	FW-1331	623,366
Section 8 Housing Choice Voucher	14.871 *	FW-2054	14,911,524
Section 8 New Construction	14.182	FW-2054	698,674
Section 8 HAP Program - Special Allocations - Jefferson Place	14.195 *	FW-2054	<u>394,413</u>
Total			<u>\$17,180,746</u>

\* - Major program

See notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF JEFFERSON PARISH**  
**Marrero, Louisiana**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2004**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal awards of the Housing Authority reporting entity as defined in Note A to the Housing Authority's financial statements. All federal awards were received directly from HUD.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority and is presented on the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

	<u>Revenues</u>
Low Rent Public Housing	\$ 552,769
Capital Fund Program	623,366
Section 8 New Construction Program	698,674
Section 8 HAP Program	394,413
Section 8 Housing Choice Voucher Program	<u>14,911,524</u>
Total	<u>\$17,180,746</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - FEDERAL AWARDS**

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or income from 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 JEFFERSON PARISH**  
**Marrero, Louisiana**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS**  
**For the Year Ended September 30, 2004**

There were no audit findings for the fiscal year ended September 30, 2004.

**SECTION I FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT**

None

**SECTION II FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

None

**SECTION III OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER**

OBSERVATION 03-1: SUB RECIPIENT MONITORING Unresolved. See Observation 04-2.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
Marrero, Louisiana  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended September 30, 2004**

Finding 04-1 Davis Bacon

*Recommendation:*

We recommend the Housing Authority reemphasize the need to follow the requirements for Davis-Bacon set by the Department of Labor.

*Contact:*

Jeff Trahan, Executive Director, (504-347-4381)

*Corrective Action:*

Management will reemphasize the need to follow the requirements of Davis-Bacon set by the Department of Labor.

*Anticipated Completion Date:*

Immediately.

**HOUSING AUTHORITY OF  
JEFFERSON PARISH  
Marrero, Louisiana**

**Memorandum of Advisory Comments**

**September 30, 2004**

**REBOWE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**CONSULTANTS**  
**A PROFESSIONAL CORPORATION**

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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December 30, 2004

Board of Commissioners  
**Housing Authority of Jefferson Parish**  
1718 Betty Street  
Marrero, Louisiana 70072

We have audited the financial statements of the Housing Authority of Jefferson Parish, Louisiana (the "Housing Authority") for the year ended September 30, 2004 and have issued our report thereon dated December 30, 2004. As part of our audit, we considered the Housing Authority's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the Housing Authority's internal control in a separately issued report entitled *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* dated December 30, 2004.

We will review the status of these matters during our next audit engagement. We have discussed our recommendations with management of the Housing Authority and have included their Corrective Action Plan. We will be pleased to discuss our recommendations with you in further detail at your convenience, perform any additional analysis, or assist you in implementing our recommendations.

Sincerely,

*Rebowe & Company*

**OBSERVATION 04-1: GASB Statement No. 40**

Effective for the fiscal year ending September 30, 2005, the Governmental Accounting Standards Board (GASB) has issued Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. This Statement addresses deposit and investment risks related to credit risks, concentration of credit risks and interest rate risks. The Statement requires the following new footnote disclosures:

- Investments that have fair values that are highly sensitive to changes in interest rates.
- Deposit and investment policies related to the risks identified.
- Eliminates the disclosures generally referred to as Category 1 and 2 deposits and investments. Instead it focuses on Category 3 investments, deposits and investment securities that are uninsured or uncollateralized and not in the government's name.
- Modifies the level-of-detail disclosure requirements of GASB Statement 3.

**RECOMMENDATION**

The Housing Authority should become familiar with this new accounting standard so that it can plan to implement it next fiscal year.

**CORRECTIVE ACTION PLAN**

Person Responsible - Jeff Trahan, Executive Director, (504) 347-4381.

Action Planned – Management will investigate the possible reporting effects of the new GASB.

**OBSERVATION 04-2: SUBRECIPIENT MONITORING - JEFFERSON PLACE**

The Housing Authority's subrecipient, Jefferson Place Apartments, received a disclaimer of opinion on its financial statements for the year ended December 31, 2002. This was due to inadequate records supporting beginning partner's equity, accounts receivable from HUD, and the cost basis of the building and the related accumulated and current year depreciation. The Audit Report also identified material weaknesses in Jefferson Place Apartments internal controls. During the current fiscal year, we attempted to obtain the most recent audit report from the management of Jefferson Place and were denied our request. The Independent Auditor's for Jefferson Place have yet to release the audit report due to reasons imposed by the management of Jefferson Place. The Executive Director of the Housing Authority has contacted HUD to inform them of our observation concerning this entity. As of this date, HUD has not responded to management's concerns.

**RECOMMENDATION**

We acknowledged that the Housing Authority has little control over the operations of Jefferson Place Apartments and that the Executive Director acted appropriately by notifying HUD. However, we recommend that the Housing Authority emphasize the need for Jefferson Place to strengthen internal controls and accounting practices, and obtain an unqualified opinion on its financial statements.

**CORRECTIVE ACTION PLAN**

Person Responsible - Jeff Trahan, Executive Director, (504) 347-4381.

Action Planned - We concur with the observation and recommendation. We will emphasize to Jefferson Place Apartments the importance of having an unqualified audit opinion. We will also communicate the results of Jefferson Place Apartments to HUD.

**HOUSING AUTHORITY OF JEFFERSON PARISH  
STATUS OF PRIOR YEAR'S RECOMMENDATIONS  
September 30, 2004**

**03-01**

Jefferson Place Disclaimer of  
Independent Auditor's Opinion on the  
2002 Financial Statements.

Unresolved, see observation 04-02