

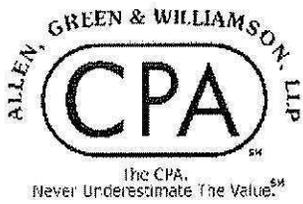
HOUSING AUTHORITY OF THE
TOWN OF DELHI
Delhi, Louisiana

Basic Financial Statements
With Accountants' Compilation Report
As of and for the Year Ended December 31, 2010

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page No</u>
Accountants' Compilation Report	1	
Basic Financial Statements:		
Balance Sheet – Enterprise Funds	A	2
Statement of Revenues, Expenses and Changes in Net Assets – Enterprise Funds	B	3
Statement of Cash Flows – Enterprise Funds	C	4
Notes to the Financial Statements		5
Supplemental Information Schedule		
Schedule of Compensation Paid to Board Members		13



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jaunicia Mercia, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Accountants' Compilation Report

Board of Commissioners
Housing Authority of the
Town of Delhi
Delhi, Louisiana

We have compiled the accompanying balance sheet of the Housing Authority of the Town of Delhi as of December 31, 2010 and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended, and the accompanying supplementary information as identified in the table of contents, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or supplementary schedules.

The Housing Authority of the Town of Delhi is a special purpose government engaged in enterprise fund operations only. In accordance with Government Accounting Standard Board Statement No. 34, the Housing Authority is not required to present government wide Financial Statements.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana

June 30, 2011

HOUSING AUTHORITY OF THE TOWN OF DELHI

ENTERPRISE FUNDS

Balance Sheet

December 31, 2010

Statement A

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 64,403
Accounts receivable - other	173
Prepaid items	375

Total current assets 64,951

CAPITAL ASSETS

Property, plant and equipment (net of accumulated depreciation)	-
---	---

Total noncurrent assets -

TOTAL ASSETS

64,951

LIABILITIES

CURRENT LIABILITIES

Accounts payable	101
Payroll taxes payable	427
Total current liabilities	528

TOTAL LIABILITIES

528

NET ASSETS

Restricted	24,139
Unrestricted	40,284
Total Net Assets	64,423

TOTAL LIABILITIES AND NET ASSETS

\$ 64,951

HOUSING AUTHORITY OF THE TOWN OF DELHI

ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

Statement B

OPERATING REVENUES	
Federal grants - operating	\$ 111,566
Other	<u>2,101</u>
Total operating revenues	<u>113,667</u>
OPERATING EXPENSES	
Administration	20,489
General expenses	1,198
Housing assistance payments	106,675
Depreciation Expense	<u>1,470</u>
Total operating expenses	<u>129,832</u>
Operating income (loss) from operations	<u>(16,165)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>36</u>
Total nonoperating revenues (expenses)	<u>36</u>
Changes in net assets	(16,129)
NET ASSETS AT BEGINNING OF YEAR	<u>80,552</u>
NET ASSETS AT END OF YEAR	<u>\$ 64,423</u>

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

HOUSING AUTHORITY OF THE TOWN OF DELHI

ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES	
Federal grants	\$ 109,046
Other receipts	2,101
Payments to vendors	(10,862)
Payments to employees	(9,600)
Payments to private landlords	<u>(106,675)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(15,790)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchased fixed assets	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>36</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>36</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,754)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>80,157</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 64,403</u>
RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (16,165)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,470
Changes in assets and liabilities	
(Increase) decrease receivables net	(9)
(Increase) decrease prepaid items	1,324
Increase (decrease) accounts payable	101
Increase (decrease) deferred revenue	<u>(2,511)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (15,790)</u>

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

INDEX

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6
A. REPORTING ENTITY	6
B. FUNDS	7
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	7
D. BUDGETS	8
General Budget Policies	8
Encumbrances	8
E. CASH AND CASH EQUIVALENTS	8
F. INVESTMENTS	9
G. PREPAID ITEMS	9
H. FIXED ASSETS	9
I. RESTRICTED NET ASSETS	9
J. USE OF ESTIMATES	10
NOTE 2 - DEPOSITS AND INVESTMENTS	10
NOTE 3 - FIXED ASSETS	10
NOTE 4 - COMMITMENTS AND CONTINGENCIES	11
NOTE 5 - RISK MANAGEMENT	11
NOTE 6 - ECONOMIC DEPENDENCY	11
NOTE 7 - SUBSEQUENT EVENTS	11

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Delhi Housing Authority (the Housing Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Governmental Accounting and Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* was issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing and analysis of the Assessor’s overall financial position and results of operations;

The accompanying financial statements of the Delhi Housing Authority are not presented in conformity with GASB Statement No. 34. A Management Discussion and Analysis does not supplement the financial statements.

A. REPORTING ENTITY

Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Delhi, serve a staggered term of five years without benefit of compensation.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of allowing the Housing Authority to assist very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market.

The Housing Authority has the following units:

	Number <u>of Units</u>
Section 8	40

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity. As defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

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

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

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

B. FUNDS

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

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and providing goods in connection with a propriety funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are government grants. Operating expenses for propriety funds include the administrative costs of providing service and the housing assistance payments made on

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

behalf of the residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. BUDGETS

General Budget Policies The following summarizes the budget activities of the Housing Authority during the year ended December 31, 2010:

The Housing Authority adopted a budget for its HUD-funded program. The budget is controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners. All appropriations lapse at year end and must be reappropriated for the following year to be expended. Formal budgetary integration is employed as a management device during the year.

Encumbrances Encumbrances are not recognized within the accounting records for budgetary control purposes.

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

E. CASH AND CASH EQUIVALENTS

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

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of market or cost.

F. INVESTMENTS

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

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

G. PREPAID ITEMS

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

H. FIXED ASSETS

Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Furniture and fixtures	5 to 7 years
------------------------	--------------

I. RESTRICTED NET ASSETS

Net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At December 31, 2010, the Housing Authority has demand deposits totaling \$53,482. Their deposits are stated at cost, which approximated fair value.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

Custodial Credit Risk:

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the Housing Authority's bank balance of deposits was \$53,482. The entire balance was covered by federal depository insurance (GASB Category 1) and pledged securities and are not subject to custodial credit risk.

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

NOTE 3 - FIXED ASSETS

The changes in fixed assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	\$4,760	\$ -	\$ -	\$4,760
Total	4,760	-	-	4,760
Less: accumulated depreciation				
Furniture and equipment	3,290	1,470	-	4,760
Total	<u>3,290</u>	<u>1,470</u>	<u>-</u>	<u>4,760</u>
Fixed assets, net	<u>\$1,470</u>	<u>(\$1,470)</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - COMMITMENTS AND CONTINGENCIES

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

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

Litigation The Housing Authority is not presently involved in any litigation.

NOTE 5 - RISK MANAGEMENT

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

**HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2010**

NOTE 6 - ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$111,566 to the Housing Authority, which represents approximately 98% of the Housing Authority's total revenue for the year.

NOTE 7 - SUBSEQUENT EVENTS

Management has considered subsequent events through June 30, 2011.

Housing Authority of the City of Delhi

SUPPLEMENTAL INFORMATION SCHEDULE

**HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2010**

The members of the Board of Commissioners serve a staggered five-year term and receive no compensation for meeting attendance. The Board consists of the following members at December 31, 2010:

Rev. Danny Pearson

Marvin Dale Hamilton

Lynn Lewis

Gloria King

W. B. Sumner

See Accountant's compilation report.