

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

**Basic Financial Statements
With Independent Accountants' Reports
As of and for the Year Ended
December 31, 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.

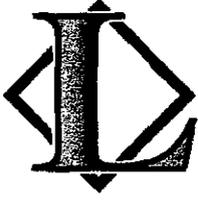
Release Date 7-13-05

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Basic Financial Statements
With Independent Accountants' Report
As of and for the Year Ended
December 31, 2004
With Supplemental Information Schedules

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying basic financial statements of the funds of the Housing Authority of the Town of Delhi, and the accompanying supplementary information as of, and for the year ended December 31, 2004, as listed in the table of contents, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accompanying supplementary information and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

As explained in Note 1 to the financial statements, management has not presented its financial statements in accordance with the financial reporting model required by the provisions of GASB No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* ("GASB No. 34"). GASB No. 34 requires that the basic financial statements utilize a net asset presentation for reporting equity. GASB No. 34 also requires that the financial statements be supplemented by Management's Discussion and Analysis. The effect of this departure on the financial statements has not been determined.

Monroe, Louisiana
May 4, 2005

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Balance Sheet - Enterprise Funds
December 31, 2004

ASSETS

Current assets:

Cash and cash equivalents	\$51,136
Accounts receivable	4,137
Total current assets	55,273

Fixed assets:

Property, plant and equipment (net of accumulated depreciation)	-
TOTAL ASSETS	\$55,273

LIABILITIES AND FUND EQUITY

Liabilities	\$ -
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Fund Equity:

Retained earnings:

Unreserved	55,273
Total fund equity	55,273

TOTAL LIABILITIES AND FUND EQUITY	\$55,273
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See accountants' compilation report and accompanying notes to the financial statements.

Schedule B

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Statement of Revenues, Expenses, and
Changes in Fund Equity - Enterprise Funds
For the Year Ended December 31, 2004

Operating expenses:	
Administration	\$18,188
Housing Assistance Payments	<u>79,990</u>
Total operating expenses	<u>98,178</u>
Operating loss	<u>(98,178)</u>
Non-operating revenues (expenses):	
Federal grants	98,653
Interest earned on deposits	<u>363</u>
Total non-operating revenues (expenses)	<u>99,016</u>
Net income	838
Retained earnings balance at beginning of year	<u>54,435</u>
Retained earnings at end of year	<u>\$55,273</u>
Fund equity at end of year	<u>\$55,273</u>

See accountants' compilation report and accompanying notes to the financial statements.

Statement C

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Statement of Cash Flows - Enterprise Funds
For the Year Ended December 31, 2004

Cash flows from operating activities:	
Operating loss	(\$98,178)
Adjustments to reconcile operating loss to net cash provided by operating activities	<u> -</u>
Net cash provided by (used by) operating activities	<u>(98,178)</u>
Cash flows from financing activities:	
Federal Grants	<u>102,079</u>
Net cash provided by financing activities	<u>102,079</u>
Cash flows from investing activities:	
Interest earnings	<u>363</u>
Net cash provided by investing activities	<u>363</u>
Net decrease in cash and cash equivalents	4,264
Cash and cash equivalents at beginning of year	<u>46,872</u>
Cash and cash equivalents at end of year	<u><u>\$51,136</u></u>

See accountants' compilation report and accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The Housing Authority has the following units:

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

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

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the Town of Delhi, Louisiana since the Town appoints a voting majority of the Housing Authority's governing board. The Town 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 Town of Delhi, Louisiana.

The accompanying financial statements present information only on the funds maintained by the Housing Authority and do not present information on other units of local government, such as the school board, the police jury, parish police jury, other independently elected parish officials, and municipalities within the parish. Such governmental units are considered separate reporting entities and issue financial statements separate from those of the Housing Authority.

B. FUND ACCOUNTING

The accounts of the Housing Authority are organized and operated on a fund basis whereby a self-balancing set of accounts, which comprise the Housing Authority's assets, liabilities, fund equity, revenues, and expenses, is maintained. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

(expenses, including depreciation) of providing services on a continuing basis are financed or recovered primarily through user charges.

All funds of the housing authority are classified as proprietary (enterprise funds).

C. BASIS OF PRESENTATION AND ACCOUNTING

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement 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 an analysis of the Assessor's overall financial position and results of operations;
- Utilization of a net asset presentation for reporting equity.

The accompanying financial statements of the Delhi Housing Authority are not presented in conformity with GASB Statement 34. The financial statements do not present equity as net assets and a Management Discussion and Analysis does not supplement the financial statements.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary funds are reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

D. BUDGET PRACTICES

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

E. CASH AND CASH EQUIVALENTS

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

HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

These deposits are stated at cost, which approximates fair value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities held in the name of the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposit balances (bank balances) at December 31, 2004 total \$58,455 are fully covered by federal deposit insurance.

F. INVESTMENTS

Financial instruments having original maturities exceeding ninety days are classified as investments. Investments are reported at either fair value or amortized cost.

G. FIXED ASSETS

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

Furniture, fixtures, and appliances	5-7 years
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H. FUND EQUITY

Reservations represent those portions of fund equity that are not appropriable for expenses or legally segregated for a specific future use.

I. RISK MANAGEMENT

The Housing Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Housing Authority maintains commercial insurance policies covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2004.

J. USE OF ESTIMATES

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

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

2. RECEIVABLES

The following is a summary of receivables, net of allowance for doubtful accounts, at December 31, 2004:

	HUD Section 8
Federal Grants	\$4,137
Total	4,137
Less allowance for doubtful accounts	NONE
	\$4,137

3. FIXED ASSETS

The following presents the changes in fixed assets for the year ended December 31, 2004:

	Balance at January 1, 2004	Additions	Deletions	Balance at December 31, 2004
Furniture and equipment	\$350			\$350
Total	\$350	NONE	NONE	\$350
Less accumulated depreciation:				
Furniture & equipment	\$350			\$350
Total	\$350	NONE	NONE	\$350
Fixed assets, net	NONE	NONE	NONE	NONE

4. LITIGATION AND CLAIMS

At December 31, 2004 the Housing Authority is not involved in any known pending or threatened litigation, nor is it aware of any unasserted claims.

5. COMMITMENTS AND CONTINGENCIES

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.

SUPPLEMENTAL INFORMATION SCHEDULES

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana
Supplemental Information Schedules
For the Year Ended December 31, 2004

PROPRIETARY FUNDS

ANNUAL CONTRIBUTIONS CONTRACT

Rental Voucher Program

The Section 8 Rental Voucher Program provides housing assistance payments to participating owners on behalf of eligible tenants to provide safe, decent and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due the owner for the unit and the occupant family's required contribution toward the rent.

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

**Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2004**

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, 2004:

Rev. Donny Pearson

Ed Coward

Lynn Lewis

Gloria King

W.B. Sumner

Carolyn Tisdale