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NEW ORLEANS REDEVELOPMENT AUTHORITY

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Release Date 03-10-00

FINANCIAL AND COMPLIANCE AUDIT

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 1999

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

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FOR THE YEAR ENDED (DECEMBER 31, 1999):**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements as listed in the Table of Contents of the New Orleans Redevelopment Authority (NORA) as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of NORA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements as listed in the Table of Contents present fairly, in all material respects, the financial position of the New Orleans Redevelopment Authority as of December 31, 1999 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana
Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated June 16, 2000 on our consideration of NORA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grants.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2000

NEW BRIDGE BANK REQUIRING ADJUSTMENTS
 (COMPENSATION SCHEDULE)
 ALL FUND TYPES AND ACCOUNT CATEGORIES
 SCHEDULE 11.144
 FIVE COMPENSATION PERIODS FOR 1995

ACCOUNT CATEGORIES	DOCUMENTAL CATEGORIES		SUBCATEGORIES		ACCOUNT CATEGORIES		Total Compensation \$M
	General Fund	Special Revenue Funds	Executive Fund	Other Funds	Fund Balances	Long-Term Debt	
ADMINISTRATIVE:							
Cash and deposits with	\$ 411,041	\$ 25,482	\$ 111,287	\$ -	\$ -	\$ -	\$ 548,810
Business (FOOTED) and (F)	\$ -	\$ 19,484	2,422	\$ -	\$ -	\$ -	21,906
Investment assets	\$ -	\$ -	10,911	\$ -	\$ -	\$ -	10,911
Investment liabilities (L)	\$ -	\$ -	11	\$ -	\$ -	\$ -	11
Special Interest Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investments (net of advances for investments)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	49,000	\$ -	\$ -	\$ -	\$ -	\$ -	49,000
Prepaid taxes	\$ -	\$ 14,000	\$ -	\$ -	\$ -	\$ -	14,000
State investments (FOOTED)	\$ -	\$ 19,750	2,490	\$ -	\$ -	\$ -	22,240
Due from other funds, net (FOOTED)	\$ 60,773	\$ 1,250,001	1,443,237	\$ -	\$ -	\$ -	2,304,011
Land and equipment (FOOTED)	\$ -	\$ -	\$ -	\$ -	\$ 40,011	\$ -	40,011
Accounts to be provided for retirement of obligations (FOOTED)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Administrative	\$ 460,814	\$ 1,565,613	\$ 1,566,954	\$ -	\$ 40,011	\$ -	\$ 3,632,382
MARKETING AND SALES:							
Cash	\$ 218,248	\$ 11,024	\$ 10,000	\$ -	\$ -	\$ -	\$ 239,272
Accounts and other receivables	8,000	\$ -	\$ -	\$ -	\$ -	\$ -	8,000
Advances City of New Orleans	1,050,175	\$ 1,010,141	1,010,111	\$ -	\$ -	\$ -	2,070,427
Due to other funds (FOOTED)	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	18,000
Due to City of New Orleans	\$ -	\$ -	\$ 88,004	\$ -	\$ -	\$ -	88,004
Accounts payable (FOOTED)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income	\$ -	\$ 241,000	\$ -	\$ -	\$ -	\$ -	241,000
Compensation advances payable (FOOTED)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Marketing	\$ 1,076,423	\$ 1,290,165	\$ 1,208,115	\$ -	\$ -	\$ -	\$ 2,574,603

The accompanying schedule is a supplement to the financial statements.

NEW ORLEANS DEVELOPMENT AUTHORITY
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT CATEGORIES
 CONTINUOUS
 DECEMBER 31, 2009
 PERIOD COMPARATIVE PERIOD FOR 2008

	CONSERVATIONAL FUND TYPES		REGULATORY FUND		ACCOUNT CATEGORIES		Total Administration Costs 2009
	General Fund	State Revenue Fund	Interest Fund	General Fund	Long Term Investment		
Equity	\$ 0	\$ 0	\$ 0	\$ 0,817	\$ 0	\$ 0,817	\$ 0,817
Investment in general fund assets	0	0	0	0	0	0	0
Reserve savings	0	0	0	0	0	0	0
Total fund equity	0	0	0	0,817	0	0,817	0,817
Fund liabilities	\$ 0,01	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0,01	\$ 0,01
Reserve (FOOTER 4 used)	0,01	0	0	0	0	0,01	0,01
Total fund liabilities	0,01	0	0	0	0	0,01	0,01
Total fund equity and liabilities	\$ 0,01	\$ 0	\$ 0	\$ 0,817	\$ 0	\$ 0,817	\$ 0,817
Total liabilities and fund equity and reserves	\$ 0,01	\$ 0	\$ 0	\$ 0,817	\$ 0	\$ 0,817	\$ 0,817

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND

CHANGES IN FUND BALANCE EQUITY
 GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (WITH COMPARATIVE TOTALS FOR 1998)

	GOVERNMENTAL FUND TYPES			ACCOUNT GROUPS			Totals	
	General Fund	Special Revenue Funds	Other Long-Term Capital	General Fund	Other Long-Term Capital	Manufacturing Subs	1999	1998
REVENUES								
Grants and subsidies	\$ -	\$129,296	14	14			\$129,310	\$191,009
Interest income	11,441	467	-	-	-		11,908	4,987
Other income	22,492	28,262	-	-	-		50,754	-
Total revenues	34,033	258,025	14	14	-		292,072	196,996
EXPENDITURES								
Salaries and employee benefits	-	191,827	-	-	-		191,827	184,977
Repairs and maintenance	-	1,898	-	-	-		1,898	-
Contractual services	-	314,110	-	-	-		314,110	271,808
Equipment and supplies	-	35,202	-	-	-		35,202	3,856
Page Total	-	543,037	-	-	-		543,037	460,641

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND

CHANGES IN FUND BALANCES BY
 FUNDAL ACCOUNT BALANCE SHEET
 CATEGORIES AND ACCOUNT GROUPS
 (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999
 (WITH COMPARATIVE TOTALS FOR 1998)

EXPENDITURES - CONTINUED	GOVERNMENTAL FUND TYPES			ACCOUNT GROUPS			Totals Chronic Diseases (Debt) 1998
	General Fund	Special Revenue Funds	General Fund Assets	General Fund Assets	Long-Term Debt	Chronic Diseases (Debt) 1998	
Contribution and travel	\$ 4	\$ 1,266	14	14	14	\$ 3,119	\$ 4,214
Automobile expenses	4	1,029	4	4	4	5,028	4
Postage and printing	4	1,084	4	4	4	2,040	482
Other expenditures	4	4	4	4	4	4	1,000
Casualty	4	4,522	4	4	4	4,522	4
Total expenditures	4	10,101	4	4	4	22,207	21,613
Exam of revenues over expenditures	34,024	482	4	4	4	34,024	4,473
Fund balance/liquidity, beginning of year	51,121	181,887	4	4	4	244,128	228,388
Fund balance/liquidity, end of year	85,145	818,074	4	4	4	497,942	494,434

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS (DEFICIT)—PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999
(With Comparative Totals for 1998)

	<u>1999</u>	<u>1998</u>
Revenues:		
Grants and subsidies	\$857,284	\$4,286,299
Interest income	4,297	6,356
Other income	<u>343</u>	<u>-0-</u>
Total revenues	<u>\$861,884</u>	<u>\$4,292,655</u>
Expenses:		
Salaries and employee benefits	23,207	234,099
Repairs and maintenance	36	156
Contractual services	40,705	66,985
Equipment and supplies	918	6,482
Housing assistance payments	808,588	3,937,761
Conveyance and travel	851	1,734
Postage and printing	110	3,792
Other expenditures	-0-	4,571
General	<u>1,721</u>	<u>-0-</u>
Total expenses	<u>\$85,126</u>	<u>\$4,256,680</u>
Net income (loss)	<u>(23,242)</u>	<u>\$6,175</u>
Retained earnings (deficit), beginning of year	18,811	(7,022)
Adjustment to beginning, retained earnings (deficit)	<u>12,853</u>	<u>(10,341)</u>
Beginning retained earnings (deficit) as restated	<u>31,664</u>	<u>(13,367)</u>
Retained earnings, end of year	<u>\$ 8,422</u>	<u>\$ 18,811</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS-PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999
(With Comparative Totals for 1998)

	1999	1998
Net income (loss)	\$ <u>(23,282)</u>	\$ <u>36,173</u>
Adjustments to reconcile net income (loss) to net cash provided by (used) in operating activities:		
Decrease in amounts receivable	62,628	232,569
(Increase) decrease in grants receivable	19,946	(23,588)
(Increase) in accrued interest receivable	-0-	(13)
Decrease in interfund receivable	2,127,618	(1,679,895)
(Decrease) in amounts and other payables	(91,907)	(157,434)
Increase (decrease) in interfund payable	(2,446,150)	1,596,708
Total adjustments	<u>(321,965)</u>	<u>368,078</u>
Net cash provided by (used) in operating activities	(351,197)	396,243
Cash and temporary cash investments, beginning of year	<u>482,764</u>	<u>86,518</u>
Cash and temporary cash investments, end of year	\$ <u>131,567</u>	\$ <u>482,764</u>
Interest paid during 1999	\$ <u>0</u>	\$ <u>0</u>

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

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

The New Orleans Redevelopment Authority (NORCA) exists under the authority contained in Act No. 170, as amended, as passed by the Louisiana Legislature in 1968. The Authority was formulated as a program by the City of New Orleans for the utilization of appropriate private and public resources to eliminate and prevent the development or spread of slums; to provide decent, safe and sanitary dwellings for families of low income; to allow the creation and organization of a community improvement agency; to allow the rehabilitation, clearance and redevelopment of slums and blighted areas in the City of New Orleans in accordance with community improvement plans or projects approved by the governing body of the City of New Orleans; to define the duties, liabilities, exceptions, authority and functions of such community improvement agency, including the acquisition of property by negotiation, gift or expropriation, the disposition of property by sale or lease, the issuance of bonds, borrowing of money and giving of security therefore and to allow bonds issued to be legal investments for banks and fiduciaries; to provide for notice and hearing; to authorize entering into agreements to secure Federal aid; to authorize public bodies to furnish funds, services facilities and property in aid of community improvement projects and related activities hereunder; and to provide that securities issued and properties while held by the New Orleans Redevelopment Authority shall be exempt from taxation.

On July 7, 1994, the Louisiana Legislature passed Act No. 65 which amended Act No. 170 that created the New Orleans Redevelopment Authority. Act No. 65 effectively changed the name of the Community Improvement Agency to New Orleans Redevelopment Authority. In addition, the Board of Commissioners also adopted a resolution approving the same change.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General

As of December 31, 1999, NOHA was primarily engaged in the following programs:

- Habitual Property Removal Program
- Shelter Plus Care Program

New Orleans Redevelopment Authority provides housing assistance payments on behalf of eligible families leasing safe, decent, and sanitary units from the owners of the property. In addition, NOHA provides technical assistance under a contract with the City of New Orleans to provide rehabilitation and/or demolition and removal of building and other improvements whose physical conditions render them detrimental to the safety and welfare of the public at large.

The Housing Assistance Payment Contract (Southwood Patio Homes) was originally entered into between the Housing Authority of New Orleans (HANO) and HUD in March 1983; however, effective May 1992, HANO transferred the administration of the contract to NOHA. The general purpose financial statements reflect only the activities undertaken by NOHA, effective on the date of the transfer of the Southwood Patio Homes Contract. Effective October 1, 1999, the Administration of the Southwood Patio Homes contract has been transferred back to HANO.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General, Continued

A brief description of each program follows:

• **Blighted Property Removal Program**

The blighted property removal program is designed to provide for the rehabilitation and/or demolition and removal of buildings and other improvements whose physical conditions render them detrimental to the safety and welfare of the public at large, and whose existence directly threatens the physical, social and economic stability of the surrounding neighborhood facilities and jeopardizes the well-being of the entire community.

The program provides for technical assistance and/or financial assistance for rehabilitation, as may be available, to the existing property owner.

The program is administered by NODRA under contract with the City of New Orleans.

• **Housing Assistance Payment Program - Section 8(a) Plan**

Under this program, NODRA provided an oversight of the administration of the activities of the owner in the provision of rental units to eligible program participants.

• **Shelter Plus Care Program**

The Shelter Plus Care Program is designed to develop viable urban communities including decent housing and suitable living environments and expanding economic opportunities, principally for persons of low and moderate income.

The program is administered by NODRA under contract with the City of New Orleans.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies:

Financial Statement Presentation

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

Financial Reporting Entity

NOIRA exists under the Authority contained in Act No. 170, as amended, as passed by the Louisiana Legislature in 1968 and subsequently amended by Act No. 65, passed in 1994. NOIRA has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of New Orleans.

Government Accounting Standards Board (GASB) Statement No. 14, "the Financial Reporting Entity established standards for defining and reporting on the financial entity. GASB 14 indicates that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

NOIRA was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that NOIRA is a financial reporting entity within the meaning of the provisions of GASB 14.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued

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, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Basis of Presentation

The accounts of NOBRA are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

Governmental Funds

Governmental funds are those through which most governmental functions of NOBRA are financed. The acquisition, use and balances of NOBRA's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are NOBRA's governmental funds:

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Fund - Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. NORA applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. NORA's fund include the following type:

Enterprise Fund - Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Account Groups - Account groups are used to establish accounting control and accountability for NOHA's general fixed assets and outstanding obligations, respectively. They are self-balancing group of accounts that are concerned only with the measurement of financial position, not with the measurement of results of operations. The following are NOHA's account groups:

General Fixed Assets Account Group - This group of accounts is established to account for fixed assets of NOHA (primary government only). The fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized or reported in the general fixed assets account group.

General Long-Term Obligations Account Group - This group of accounts is established to account for long-term obligations of NOHA.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued

Basis of Accounting - All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next twelve months. Revenues not considered available are recorded as deferred revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for vacation and sick leave and claims and judgments which are recognized when paid. Prepaid insurance and similar items are not normally recorded as assets.

Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or project before any amounts will be reimbursed to NOHA; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed/compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "susceptible to accrual" criteria are met.

Fund Accounting

The accounts of NOHA are organized into funds. A description of those funds and the accounts contained therein follows:

- o **General Fund** - The General Fund is used to account for all financial resources that are not required to be accounted for in another fund. These funds are used to pay the costs of certain expenditures that are not budgeted for in other programs and/or funds.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2- Summary of Significant Accounting Policies, Continued

- o **Special Revenue - City of New Orleans - Division of Housing and Neighborhood Development** - These funds are used to account for Community Development Block Grant (CDBG) funds received from the City of New Orleans. CDBG funds are provided under contracts between the City of New Orleans and NORRA for administrative costs, land acquisition and development expenditures, shelter plus care and highest property removal programs.

Statement of Cash flows

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash equivalents.

Net Receivable

Net receivable are stated at net realizable value as required by generally accepted accounting principles. At December 31, 1999, the allowance for uncollectible accounts was \$48,000.

Land and Equipment

Land and equipment are recorded at cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. In addition, costs associated with certain property acquired with CDBG funds received from the City of New Orleans are reflected as program costs to the respective programs. The property inventory is accounted for by the City of New Orleans.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - *Summary of Significant Accounting Policies, Continued*

Land and Equipment, Continued

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not included in the general fixed assets account group or capitalized in the proprietary fund. Equipment in the proprietary fund of NORA is recorded at cost.

Equipment is depreciated in the proprietary and general fixed assets account group funds of NORA using the straight-line method over a five (5) year estimated useful life. As December 31, 1999 equipment is fully depreciated.

Compensated Absences

NORA follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under these regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges computed in accordance with GASB Codification Section 600, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued

Budgetary Data

NORA does not formally adopt or utilize a budget for its General Fund. Budgetary data for its Special Revenue Funds, Blighted Properties and Shelter Plus care programs are submitted and approved annually by the applicable funding sources of NORA.

Because the budgets in the Special Revenue Funds are prepared on an accrual basis, no differences in budget basis and GAAP basis occur for those funds.

Total Columns on Combined Statements

The total columns on the combined statements are captioned "Miscellaneous Only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Inland of eliminations have not been made in the aggregation of this data.

NOTE 3 - Post-retirement Benefits

NORA provides certain continuing health care and life insurance benefits for its retired employees as provided by LSA-R.A. 17:1223. Substantially all of NORA's employees become eligible for these benefits if they reach normal retirement age while working for NORA. These benefits for retirees and similar benefits for active employees are provided through a private insurer, whose monthly premiums are paid jointly by the employee and NORA. NORA recognizes the cost of providing these benefits (NORA's portion of premiums) as an expenditure when the monthly healthcare benefit premiums are due. In 1999, NORA's portion of healthcare benefit premiums totaled \$-0.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Cash and Temporary Cash Investments:

As of December 31, 1999, NOIRA's cash balances totaled \$1,362,022. These deposits and financial instruments are stated at cost, which approximates market.

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of NOIRA.

As of December 31, 1999, the carrying amount of NOIRA's deposits was \$1,362,022 and the cumulative bank balance was \$1,510,856. The bank balances are covered by federal depositary insurance and collateral held by the pledging institution's agent in NOIRA's name.

Cash and the temporary cash investments are categorized as Category 2.

Category 2 represents cash issued or collateralized with securities held by the pledging financial institution's trust department or agent in NOIRA's name.

NOTE 5 - Land and Equipment:

As of December 31, 1999, land and equipment consisted of the following:

	Balance January 1, 1999	Additions	Retirements	Other	Balance December 31, 1999
Land	\$42,217	\$ -	\$ 0	\$ -	\$ 42,217
Equipment	36,511	5,589	0	(10,456)	31,654
	<u>\$78,728</u>	<u>\$5,589</u>	<u>\$ 0</u>	<u>\$(10,456)</u>	<u>\$ 73,861</u>
Less accumulated depreciation					(21,510)
Total					<u>\$ 52,351</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Reserved Fund Balance:

The reserved fund balance represents residual funds from completed projects. The fund primarily consists of deposits on hand for Project A-2; retainage for contract work; relocation funds and annual leave accrued for employees under the Comprehensive Employment Training Act. At December 31, 1999, no final determination has been made regarding the disposition of the funds. Also, see Note 9.

NOTE 7 - Due To/From Other Funds:

As of December 31, 1999, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 893,775	\$1,321,835
HUD Annual Contribution -Contracts Fund	1,516,481	1,884,586
Highway Proportion/ Administrative Fund/NHEF	888,742	1,852,267
Community Development -Rehabilitation Program Fund	193,800	159,217
Land Acquisition and Development Funds	182,328	34,880
Shelter Plus Care Program	6,856	53,585
Devine Square Fund	19,321	26,781
Total	\$3,213,203	\$3,213,203

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Grants Receivable:

At December 31, 1999 grants receivable consist of amounts due from the City of New Orleans to reimburse MOHA for cost incurred on behalf of the Righted Properties/Removal and Shelter Plus Care programs.

NOTE 9 - Restricted Cash - Land Acquisition and Development Funds :

The Board of Commissioners of MOHA restricted the use of cash proceeds received from the sale of property accounted for in the Housing Development Coordination and Production Fund. The use of the funds is limited to the purchase of additional properties to be sold to qualified purchasers. At December 31, 1999 the amount of cash restricted was \$192,074. Also, see Note 6.

NOTE 10 - Leases:

MOHA leased vehicles and equipment under operating leases. Total cost of such leases was \$12,287 for the year ended December 31, 1999. The future minimum lease payments for leases are as follows:

Year Ending December 31,	<u>Amount</u>
2000	\$23,647
2001	23,647
2002	23,499
2003	9,162
2004 and thereafter	<u>7,686</u>
	<u>\$87,641</u>

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Retirement System:

Plan Description

NORA participates in a qualified defined benefit pension and retirement plan under Section 400(a) of the Internal Revenue Code operated by the Louisiana State Employees' Retirement System (LASERS). Membership in LASERS is mandatory for all State employees whose agency is a LASERS participant except those excluded by law.

LASERS is a public trust fund created by Act of Louisiana Legislature in 1946 to provide retirement allowances and other benefits to State officers and employees and their beneficiaries.

Plan Funding

Funding for the system comes from three sources: employee's contribution which is currently 7.5% of earned compensation, employer's contribution which is currently 12.10%, and earnings from investments. For the year ended December 31, 1999, NORA's pension cost was \$20,283.

Information on the plan can be obtained at the following address:

Louisiana State Employees Retirement System
8400 United Plaza Blvd.
P. O. Box 44213
Baton Rouge, LA 70804-4213

Most recent historical trend information showing the plans progress in accumulating sufficient assets to pay benefits when due is presented in the plan's annual financial report. This report is subject to an audit by independent auditors who issue separate reports thereon.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Retirement System, Continued

The following summarizes such:

Fiscal Year Ending_____	Annual Pension Con.(APC)_____	Percentage of APC Contributed	Net Pension Obligation
1997	\$214,971,990	97.3	\$ 1,923,284
1998	221,250,489	105.2	(9,870,401)
1999	228,233,262	101.2	(12,480,844)

NOTE 12 - Risk Management

NORA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets for which NORA carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 13 - Deficits

The Annual Contribution Contracts FW 2147 Projects 001, and 002 have deficits at December 31, 1999 totaling \$371,278. On January 1, 1999 except for Southwood Patio Homes which was transferred on October 1, 1999, all of the Section 8 programs were transferred to the Housing Authority of New Orleans.

NOTE 14 - Concentration of Credit Risk

NORA receives primarily all of its revenues from the City of New Orleans as pass-through grant and U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from both the City of New Orleans and HUD fall below contract levels, NORA's operating results could be adversely affected.

NEW ORLEANS REDEVELOPMENT AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 15 - Contingencies:

NORA has been named as a defendant in a claim by approximately four hundred (400) tenants of Southwood Patio Homes. The claim seeks damages for alleged exposure due to the failure of Southwood Patio to timely repair plumbing problems or evacuate residents. NORA provides oversight of the activities of the owner of Southwood Patio Homes. It is legal counsel's opinion that the results of this litigation cannot be determined at this time.

NOTE 16 - Changes in General Long-Term Obligations:

Changes in compensated absences during the year ended December 31, 1999 is as follows:

	<u>January 1,</u> <u>1999</u>	<u>Net</u> <u>Additions</u>	<u>December 31, 1999</u>
Compensated absences	\$22,851	\$700	\$23,549

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Our report on our audit of the general purpose financial statements of the New Orleans Redevelopment Authority (NORA) appears on page 1. That audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations" and is not a required part of the general purpose financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The supplementary information (Exhibits) which are prepared in accordance with generally accepted accounting principles, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2000

EXHIBIT A

**NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINED BALANCE SHEET—GENERAL FUND
DECEMBER 31, 1999
(WITH COMPARATIVE TOTALS FOR 1998)**

	General Fund	Revolving Fund	Totals (Nonmonetary Data)	
			1999	1998
ASSETS				
Cash and temporary cash investments	\$ -0-	\$ 833,373	\$ 833,373	\$ 568,389
Accounts receivable	-0-	-0-	-0-	118,687
Advances	48,800	-0-	48,800	48,800
Due from other funds	86,936	807,382	894,318	626,527
Total assets	\$126,406	\$1,644,642	\$1,771,048	\$1,296,803
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -0-	\$ 218,240	\$ 218,240	\$ 164,906
Advances-				
City of New Orleans	9,783	-0-	9,783	9,783
Due to other funds	29,434	1,292,437	1,321,871	733,811
Due to City of New Orleans	-0-	133,968	133,968	244,653
Total liabilities	39,217	1,644,642	1,683,862	1,152,853
Fund balances				
Unreserved	74,475	-0-	74,475	48,443
Reserved	12,709	-0-	12,718	82,718
Total fund balances	87,184	-0-	87,183	131,161
Total liabilities and fund balances	\$126,406	\$1,644,642	\$1,771,048	\$1,296,803

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE—GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (WITH COMPARATIVE TOTALS FOR 1998)

	General Fund	Revolving Fund	Totals (Microseconds Only)	
			1999	1998
Operating Revenues				
Interest income	\$11,442	\$ -0-	\$11,442	\$ -0-
Other income	22,882	-0-	22,882	-0-
Total revenues	34,324	-0-	34,324	-0-
Expenditures				
Total expenditures	-0-	-0-	-0-	-0-
Excess of revenues over expenditures	34,324	-0-	34,324	-0-
Fund balance, beginning of year	53,151	-0-	53,151	53,151
Fund balance, end of year	\$87,475	\$ -0-	\$87,475	\$53,151

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE--GENERAL FUND--
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Grants and subsidies	\$ -0-	\$ -0-	\$ -0-
Interest income	-0-	11,442	11,442
Other income	-0-	22,592	22,592
Total revenues	-0-	34,034	34,034
Expenditures:			
Total expenditures	-0-	-0-	-0-
Excess of revenues over expenditures	\$ -0-	34,034	\$34,034
Fund balance, beginning of year		23,151	
Fund balance, end of year		\$57,185	

See Independent Auditors' Report and Supplemental Information.

NEW ORLEANS SUPERIORITY ANTECHAMBER OF COMMERCE
 300 Maple St., New Orleans, Louisiana 70119
 www.commercechamber.com

STATEMENT OF REVENUES AND EXPENSES—CONTINUED
 JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Budget/	COMMERCE DEVELOPMENT PROGRAMS—						Total	Year's
	Program	State	Federal	Private	Grants	Other		
Actual	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Change	
1	10,000	1	1	1	1	1	\$ 10,000	
2	10,000	1	1	1	1	1	10,000	
3	10,000	1	1	1	1	1	10,000	
4	10,000	1	1	1	1	1	10,000	
5	10,000	1	1	1	1	1	10,000	
6	10,000	1	1	1	1	1	10,000	
7	10,000	1	1	1	1	1	10,000	
8	10,000	1	1	1	1	1	10,000	
9	10,000	1	1	1	1	1	10,000	
10	10,000	1	1	1	1	1	10,000	
11	10,000	1	1	1	1	1	10,000	
12	10,000	1	1	1	1	1	10,000	
13	10,000	1	1	1	1	1	10,000	
14	10,000	1	1	1	1	1	10,000	
15	10,000	1	1	1	1	1	10,000	
16	10,000	1	1	1	1	1	10,000	
17	10,000	1	1	1	1	1	10,000	
18	10,000	1	1	1	1	1	10,000	
19	10,000	1	1	1	1	1	10,000	
20	10,000	1	1	1	1	1	10,000	
21	10,000	1	1	1	1	1	10,000	
22	10,000	1	1	1	1	1	10,000	
23	10,000	1	1	1	1	1	10,000	
24	10,000	1	1	1	1	1	10,000	
25	10,000	1	1	1	1	1	10,000	
26	10,000	1	1	1	1	1	10,000	
27	10,000	1	1	1	1	1	10,000	
28	10,000	1	1	1	1	1	10,000	
29	10,000	1	1	1	1	1	10,000	
30	10,000	1	1	1	1	1	10,000	
31	10,000	1	1	1	1	1	10,000	
32	10,000	1	1	1	1	1	10,000	
33	10,000	1	1	1	1	1	10,000	
34	10,000	1	1	1	1	1	10,000	
35	10,000	1	1	1	1	1	10,000	
36	10,000	1	1	1	1	1	10,000	
37	10,000	1	1	1	1	1	10,000	
38	10,000	1	1	1	1	1	10,000	
39	10,000	1	1	1	1	1	10,000	
40	10,000	1	1	1	1	1	10,000	
41	10,000	1	1	1	1	1	10,000	
42	10,000	1	1	1	1	1	10,000	
43	10,000	1	1	1	1	1	10,000	
44	10,000	1	1	1	1	1	10,000	
45	10,000	1	1	1	1	1	10,000	
46	10,000	1	1	1	1	1	10,000	
47	10,000	1	1	1	1	1	10,000	
48	10,000	1	1	1	1	1	10,000	
49	10,000	1	1	1	1	1	10,000	
50	10,000	1	1	1	1	1	10,000	
51	10,000	1	1	1	1	1	10,000	
52	10,000	1	1	1	1	1	10,000	
53	10,000	1	1	1	1	1	10,000	
54	10,000	1	1	1	1	1	10,000	
55	10,000	1	1	1	1	1	10,000	
56	10,000	1	1	1	1	1	10,000	
57	10,000	1	1	1	1	1	10,000	
58	10,000	1	1	1	1	1	10,000	
59	10,000	1	1	1	1	1	10,000	
60	10,000	1	1	1	1	1	10,000	
61	10,000	1	1	1	1	1	10,000	
62	10,000	1	1	1	1	1	10,000	
63	10,000	1	1	1	1	1	10,000	
64	10,000	1	1	1	1	1	10,000	
65	10,000	1	1	1	1	1	10,000	
66	10,000	1	1	1	1	1	10,000	
67	10,000	1	1	1	1	1	10,000	
68	10,000	1	1	1	1	1	10,000	
69	10,000	1	1	1	1	1	10,000	
70	10,000	1	1	1	1	1	10,000	
71	10,000	1	1	1	1	1	10,000	
72	10,000	1	1	1	1	1	10,000	
73	10,000	1	1	1	1	1	10,000	
74	10,000	1	1	1	1	1	10,000	
75	10,000	1	1	1	1	1	10,000	
76	10,000	1	1	1	1	1	10,000	
77	10,000	1	1	1	1	1	10,000	
78	10,000	1	1	1	1	1	10,000	
79	10,000	1	1	1	1	1	10,000	
80	10,000	1	1	1	1	1	10,000	
81	10,000	1	1	1	1	1	10,000	
82	10,000	1	1	1	1	1	10,000	
83	10,000	1	1	1	1	1	10,000	
84	10,000	1	1	1	1	1	10,000	
85	10,000	1	1	1	1	1	10,000	
86	10,000	1	1	1	1	1	10,000	
87	10,000	1	1	1	1	1	10,000	
88	10,000	1	1	1	1	1	10,000	
89	10,000	1	1	1	1	1	10,000	
90	10,000	1	1	1	1	1	10,000	
91	10,000	1	1	1	1	1	10,000	
92	10,000	1	1	1	1	1	10,000	
93	10,000	1	1	1	1	1	10,000	
94	10,000	1	1	1	1	1	10,000	
95	10,000	1	1	1	1	1	10,000	
96	10,000	1	1	1	1	1	10,000	
97	10,000	1	1	1	1	1	10,000	
98	10,000	1	1	1	1	1	10,000	
99	10,000	1	1	1	1	1	10,000	
100	10,000	1	1	1	1	1	10,000	

The Independent Auditor Report in Supplementary Information

NON-CURRENT DEFERRED LIABILITY ATTRIBUTED TO
COMBINED STATEMENT OF MEMBERS, EMPLOYEES AND COURSE IN FIVE SALES
PERSONS, INCORPORATED
FOR THE YEAR ENDED DECEMBER 31, 1999
(continued from page 10)

	STATEMENT OF DEFERRED LIABILITY ATTRIBUTED TO MEMBERS, EMPLOYEES AND COURSE IN FIVE SALES PERSONS, INCORPORATED										Total Attributable Liability
	Original Program Balance	Program Sales	Year End	Year End	Program Sales	Year End	Year End	Program Sales	Year End	Year End	
Balance	101,250	0	0	0	0	0	0	0	0	0	101,250
Interest Income	0	0	0	0	0	0	0	0	0	0	0
Other Income	24,500	0	0	0	0	0	0	0	0	0	24,500
	125,750	0	0	0	0	0	0	0	0	0	125,750
Expenses											
Medical and employee benefits	11,000	0	0	0	0	0	0	0	0	0	11,000
Repairs and maintenance	14,000	0	0	0	0	0	0	0	0	0	14,000
Contractual services	11,750	0	0	0	0	0	0	0	0	0	11,750
Equipment and supplies	2,000	0	0	0	0	0	0	0	0	0	2,000
Commissions and entry	1,000	0	0	0	0	0	0	0	0	0	1,000
Insurance expenses	1,000	0	0	0	0	0	0	0	0	0	1,000
Printing and mailing	1,000	0	0	0	0	0	0	0	0	0	1,000
Other expenditures	0	0	0	0	0	0	0	0	0	0	0
Goodwill	4,000	0	0	0	0	0	0	0	0	0	4,000
	45,750	0	0	0	0	0	0	0	0	0	45,750
Total expenditures	11,000	0	0	0	0	0	0	0	0	0	11,000
	114,750	0	0	0	0	0	0	0	0	0	114,750
Goodwill impairment reversal and non-reversible	0	0	0	0	0	0	0	0	0	0	0
Goodwill impairment reversal and non-reversible	0	0	0	0	0	0	0	0	0	0	0
Total balance, end of year	114,750	0	0	0	0	0	0	0	0	0	114,750

See Independent Auditor's Report Supplemental Information

EXHIBIT F

NEW ORLEANS REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
BLIGHTED PROPERTIES ADMINISTRATIVE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Grants	\$400,000	\$403,335	\$ 3,335
Other income	29,367	29,367	—0-
Total revenues	429,367	432,702	3,335
Expenditures			
Salaries and employee benefits	184,954	188,789	(3,835)
Repairs and maintenance	1,500	1,500	—0-
Contractual services	266,103	269,483	(3,380)
Equipment and supplies	35,300	35,716	416
Convention and travel	3,500	3,356	144
Postage and printing	2,000	2,884	884
General	5,253	4,797	456
Total expenditures	429,760	432,702	(3,042)
Excess (deficiency) of revenues over expenditures	\$—0-	—0-	\$—0-
Fund balance, beginning of year		—0-	
Fund balance, end of year		\$—0-	

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
COMBINED BALANCE SHEET—PROPRIETARY FUNDS TYPE
DECEMBER 31, 1999
(With Comparative Figures for 1998)

SOURCES	DEPARTMENT OF REVENUE AND FINANCIAL DEVELOPMENT										Total 1999	Total 1998
	ANNUAL COLLECTIONS FROM TAXES											
	1999 Proprietary Fund LA 438.000	1998 Proprietary Fund LA 438.000	1999 Proprietary Fund LA 438.000	1998 Proprietary Fund LA 438.000	1999 Proprietary Fund LA 438.000	1998 Proprietary Fund LA 438.000	1999 Proprietary Fund LA 438.000	1998 Proprietary Fund LA 438.000	1999 Proprietary Fund LA 438.000	1998 Proprietary Fund LA 438.000		
Cash and temporary cash investments	207,111	\$ 14,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,187	\$ 481,760
Accounts receivable, net	-	-	-	-	-	-	1,423	-	-	-	2,422	47,710
Accounts payable, net	-	-	-	-	28,490	14,297	-	-	-	-	72,591	48,227
Accrued interest receivable	11	-	-	-	-	-	-	-	-	-	12	12
Other receivables	2,041	-	-	-	-	-	-	-	-	-	2,042	21,088
Due from other funds	4,104	21,432	21,432	11,428	21,428	21,428	21,428	245,722	245,722	245,722	2,481,202	
Total assets	214,266	35,821	21,432	11,428	28,490	14,297	-	-	-	-	11,151,899	94,514,023
LIABILITIES AND DEFERRED LONG-TERM BENEFITS												
Liabilities:												
Accounts and other payable	\$ 1,128	\$ 1,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Due to other funds	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	11,090	1,108,118	5,184,374
Accounts payable—R.F.D.	-	-	46,211	26,800	46,211	26,800	46,211	46,211	46,211	46,211	289,643	1,030,248
Total liabilities	12,218	12,108	57,511	37,890	93,511	93,511	93,511	93,511	93,511	93,511	1,516,751	6,213,622

See Independent Auditors' Report for Supplementary Information

NEW HELLERS BOND DEVELOPMENTAL INTERESTS
 CUMULATIVE BALANCE SHEET - PROJECTS TO BE FINANCED BY
 BOND SALES TO BE ISSUED
 WITH CONTRACTED TERMS FOR 1999

DEPARTMENT OF
 REVENUE AND
 SERVICES FOR
 DEVELOPMENT

Project LA 00000000	Project LA 00001000	Project LA 00002000	Project LA 00003000	Project LA 00004000	Project LA 00005000	TOTAL		Total (All Accounts Only)
						1999	2000	
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

DEPARTMENT OF REVENUE AND SERVICES FOR DEVELOPMENT

Initial Funding (Initial)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Initial Funding (Initial)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Initial and Interest Savings (Initial)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

See Independent Auditor's Report for Supplementary Information.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
CALIFORNIA HIGHWAYS AND TRAILS DISTRICTS
REGULATORY ROAD TRUST
FOR THE YEAR ENDED DECEMBER 31, 1999
PARTS COMPARATIVE TOTALS FOR YEAR

Division/Account	Total Per Categories	STATEMENT OF REVENUES AND FINANCIAL STATEMENTS						Total Departmental Total
		Per 101 LAUREL	Per 102 LAUREL	Per 103 LAUREL	Per 104 LAUREL	Per 105 LAUREL	Per 106 LAUREL	
Excise taxes	504,000	504,000	0	0	0	0	0	504,000
Gas and vehicle	400	400	0	0	0	0	0	400
License in programs	1,800	1,800	0	0	0	0	0	1,800
Other income	1,796	1,796	0	0	0	0	0	1,796
Total revenues	507,896	507,896	0	0	0	0	0	507,896
Expenses	11,100	0	0	0	0	0	0	11,100
Salaries and benefits	75	0	0	0	0	0	0	75
Contract services	4,020	1,961	1,158	902	0	0	0	4,020
Supplies and supplies	807	0	0	0	0	0	0	807
Printing	200	199	100	0	0	0	0	399
Construction and travel	60	0	0	0	0	0	0	60
Average monthly	10	0	0	0	0	0	0	10
Other operations	1,208	11	0	0	0	0	0	1,219
Total expenses	11,100	2,171	1,258	902	0	0	0	11,100

See Independent Auditor's Report on Engineering Information

NEW YORK STATE ENERGY ASSISTANCE PROGRAM
 (Combined Summary of Proposed Changes and Changes to Administrative Provisions)
 FISCAL YEAR 2016 FUNDING PROVISIONS
 FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016
 WITH COMPARATIVE 2015 FUNDING

STATEMENT OF
 PROPOSED AND
 SIGNIFICANT
 CHANGES

	DETAILED STATEMENT OF REVENUES AND EXPENSES										
	2015-2016 Proposed	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual	2015-2016 Actual
General Fund Revenue	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
11-20	10-05	10-105	10,000	1,78	1,000	1,000	1,000	1,000	1,000	1,000	1,000
0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Exact dollar amount
 in 2016

Revised funding table
 beginning in year

Adjusted to
 reporting period
 ending 12/31/16

Expanding annual
 funding period
 to 12/31/16

Revised funding
 table for 2016

In Alternative Budget Report Supplemental Information

EXHIBIT J

NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
DECEMBER 31, 1999
(WITH COMPARATIVE TOTALS FOR 1998)

	<u>1999</u>	<u>1998</u>
ASSETS		
Land	\$42,217	\$42,217
Equipment	<u>4,895</u>	<u>36,911</u>
Total assets	<u>\$47,112</u>	<u>\$79,128</u>
 EQUITY		
Investment in general fixed assets- special revenue funds:		
-- Housing Development Coordination and Production Fund	\$42,217	\$42,217
-- FW2147 LA 48-K218-001	-0-	1,900
-- FW2147 LA 48-K218-002	-0-	13,495
-- FW2147 LA 47-K218-005	-0-	661
-- FW2147 LA 48-K218-006	-0-	10,055
-- Blighted Properties Administrative Program	4,400	10,456
-- Other Programs	<u>-0-</u>	<u>319</u>
Total fund equity	<u>\$47,112</u>	<u>\$79,128</u>

See Independent Auditors' Report on Supplementary Information.

EXHIBIT A

**NEW ORLEANS REDEVELOPMENT AUTHORITY
GENERAL LONG-TERM OBLIGATIONS
DECEMBER 31, 1999
(WITH COMPARATIVE TOTALS FOR 1998)**

	<u>1999</u>	<u>1998</u>
ASSETS		
Amounts to be provided for retirement of obligations	\$23,340	\$22,831
Total assets	<u>\$23,340</u>	<u>\$22,831</u>
LIABILITIES		
Compensated absences payable	\$23,340	\$22,831
Total liabilities	<u>\$23,340</u>	<u>\$22,831</u>

See Independent Auditors' Report on Supplementary Information.

NEW ORLEANS REDEVELOPMENT AUTHORITY
 SCHEDULE OF FEDERAL FUNDS OF FEDERAL AGENCIES
 For the Year Ended December 31, 1999

Program/Agency/Title	CFDA Number	Fiscal Year	Direct Expenses	Other Income	Federal Expenses and Authorized Reimbursements
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT... Subject to Annual Compliance Contract					
Housing Assistance Program Southwood Park	14-004	1999-2000	1,386,283	1,461	1,387,744
Total annual local-fund-financed contracts			1,386,283	1,461	1,387,744
Fees Through CFDA Funds or Subgrantee of the City of New Orleans					
Senior Plus Care Program	14-208	1998	284,139	41	284,180
Highway Program for Reentry-Administrators and Neighborhood Housing Investment Funds	14-218	1998	403,182	28,182	431,364
Total passed through funds			687,321	28,182	715,503
Total all programs			2,073,604	29,643	2,103,247

* Operation Major Program as defined by OMB A-111

(4)(1) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes all Federal awards of FEMA and is presented on a modified accrual basis of accounting. The information in this schedule is presented in accordance with other requirements of OMB Circular A-133 "Audit of States, Local Governments, and Non-Profit Organizations."

See Independent Auditor's Report on Supplementary Information.

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

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

We have audited the general purpose financial statements of the New Orleans Redevelopment Authority (NORA) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether NORA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance 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 non-compliance that are required to be reported under *Government Auditing Standards*.

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

 (CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered NORA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements 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 control over financial reporting, which we have reported to the management of NORA in a separate letter dated June 16, 2000.

This report is intended solely for the information of the Board of Commissioners, NORA's management, the Legislative Auditor, and its regulatory agencies and is not intended to, and should not be used by anyone other than these specified parties.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2000

INTERIMMENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-135

Board of Commissioners
New Orleans Redevelopment Authority
New Orleans, Louisiana

Compliance

We have audited the compliance of the New Orleans Redevelopment Authority (NORA) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and *PIH Notice 96-32 Compliance Supplement for Annual Audits of Public Housing Agencies and Indian Housing Authorities by Independent Auditors* that are applicable to each of its major federal programs for the year ended December 31, 1999. NORA's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Summary 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 NORA's management. Our responsibility is to express an opinion on NORA's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-135, Audit of State, Local Governments, and Non-Profit Organizations*, and *PIH Notice 96-32 Compliance Supplement for Annual Audits of Public Housing Agencies and Indian Housing*

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Authorities by Independent Auditors. Those standards, OMB Circular A-133 and HUD Notice 96-32, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements previously referred to that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NORA's compliance with these 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 on NORA's compliance with these requirements.

In our opinion, NORA 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 December 31, 1999.

Internal Control Over Compliance

The management of NORA 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 NORA'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 internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

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 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 of the Board of Commissioners, NORA's management, the Legislative Auditor, and its regulatory agencies and is not intended to, and should not be used by anyone other than these specified parties.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 2000

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Section II - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition (s) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(c) of Circular A-133? No

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:

<u>CITA Number</u>	<u>Name of Federal Program or Cluster</u>
14.836	Southwood Park Housing Assistance Program
14.218	Blighted Properties Removal Program (CBRG)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditor qualified as low-risk auditor?	No

Section II - Financial Statement Findings

No financial statement audit findings were noted for the year ended December 31, 1999.

Section III - Federal Award Findings and Questioned Costs

No federal award findings were noted for the year ended December 31, 1999.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

98-1

Condition

Our review of the Blighted Properties Renewal Program revealed the lack of a formal policy and procedure to ensure the timely deposit and accounting of funds received from third parties (potential buyers) for the appraisal and acquisition of blighted properties.

Based on discussion with management, we noted that the current staff mix has not afforded MONRA the ability to delegate custodial and recordation functions without hampering its current internal controls.

Current Status

A system has been established to ensure the adequacy of the control system regarding the acquisition and appraisal funds received from third parties. The necessary reconciliations will be completed by November 30, 2000.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1989

Reference Number

98-2

Condition

Currently, **NOHA** is unable to reconcile the Section 8 and Moderate Rehabilitation Programs "leased-up" units by "TIAI" contract. The previously described condition, is the result of the expiration of Moderate Rehabilitation contracts over the years coupled with the issuance of replacement certificates by HUD. In addition, the lack of written procedures in place to timely identify and transfer the replacement certificates from the Moderate Rehabilitation registers, as applicable, has compounded the condition.

NOHA has "TIAI" registers and other supporting records to support all units leased-up by contract number as well as the total units leased.

Current Status

Management of **NOHA** is currently working with both HUD and ILAND to resolve the above condition. **NOHA** has secured the services of a consultant to assist in the process.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

98-3

Condition

NORA currently maintains a primary operating account through which a significant amount of its receipts and disbursements are handled. In addition, it has been the practice to receive all wisely transferred funds in a designated account for the Section 8 and Moderate Rehabilitation Program. As such, a significant amount of transactions undertaken by NORA results in the reconciliation of interfund activities.

The above processes does not facilitate the accurate reconciliation of cash activity in the respective Moderate Rehabilitation Program.

Current Status

Effective with the transfer of the Section 8 and Moderate Rehabilitation programs to HANO, the use of interfund activities is not necessary. Also, as of September 30, 1999, the necessary reconciliation has been performed to properly record the transactions.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-4

Condition

Our review of twenty-four (24) tenant files revealed five (5) instances where there was no certified and documented cost reasonableness in the tenant's file.

Current Status

Resolved.

The Section 8 and Moderate Rehabilitation Programs were transferred to HANO, effective January 1, 1998, and October 1, 1999 for the Southwood Patio Program.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

98-5

Condition

Our review of twenty-four (24) tenant files revealed twenty (20) instances where re-executed housing assistance payment contract with an owner was on file.

It is our understanding through discussion with management that several of the contracts with owners were executed in previous years (some as far back as fifteen (15) years) and might be temporarily misplaced in the transfer of files.

Current Status

Resolved.

The Section 8 and Moderate Rehabilitation Programs were transferred to HANO effective January 1, 1999, and October 1, 1999 for the Southwood Patio Program.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

98-6

Condition

Our review of Section 8 tenant files revealed instances where monthly "HAF" registers did not contain the required information (i.e. address of family, name and address of owner, unit size, and monthly rent to owner).

Current Status

Resolved.

The Section 8 and Moderate Rehabilitation Programs were transferred to HANO effective January 1, 1999, and October 1, 1999 for the Southwood Patio Program.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

98-7

Condition

Our review of twenty-four (24) tenant files revealed two (2) instances where there was no inspection report applicable to the audit period in the tenant's file.

Current Status

Resolved.

The Section 8 and Moderate Rehabilitation Programs were transferred to HANO effective January 1, 1998, and October 1, 1999 for the Southwood Patio Program.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED (DECEMBER 31, 1999)

Reference Number

98-8

Condition

Questioned Cost

3704

A Section 8 tenant file could not be located.

Current Status

Resolved.

The Section 8 and Moderate Rehabilitation Programs were transferred to HAND effective January 1, 1999, and October 1, 1999 for the Southwood Patio Program.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-1

Questioned Costs

\$-0-

Condition

Interfund advances are not reimbursed by the borrowing fund on a timely basis nor are interfund advances reconciled on a monthly basis. At December 31, 1999 the total interfund balance was approximately \$2,700,000.

Current Status

A draft Accounting and Procedural Manual has been completed. In addition, NORA has reconciled interfund activity as of December 31, 1999 and plans to reconcile the interfund activity on a quarterly basis effective June 30, 2000.

Currently, NORA is reviewing all bank accounts with an aim toward liquidation of interfund advances based on available funds.

Reference Number

97-2

Questioned Costs

\$-0-

Condition

Untimely preparation of monthly financial statements.

Current Status

Resolved.

NORA has completed the computerization of its accounting system. Financial statements are prepared and submitted to the Board of Commissioners on a monthly basis.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-3

Questioned Costs

\$-0-

Condition

The year-end settlement statements for the Section 8 programs were not submitted within the required forty-five day requirement dictated by HUD regulations. In addition, we noted that the reports submitted were incomplete and/or contained errors and incorrect account balances in comparison to the respective general ledger amounts at December 31, 1997.

Current Status

Resolved.

Effective January 1, 1999 all Section 8 and Moderate Rehabilitation Programs have been transferred to HANO. As such, no reporting is required of NORA.

The Southwood Patio Program was transferred on October 1, 1999 to HANO. The Settlement Statement was submitted to HUD as required for the year ended September 30, 1999.

Reference Number

97-4

Questioned Cost

\$-0-

Condition

As of December 31, 1997, NORA had repositioned funds in excess of its needs for its Section 8 and Moderate Rehabilitation Programs.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-4

Questioned Cost

3-0-

Current Status

Resolved.

Consistent with HUD practice, subsidies to **NORA** in subsequent periods were withheld to offset the over requisition.

Under its new management, **NORA** did not over requisition during 1999 for the Southwood Patio Program.

Reference Number

97-5

Questioned Costs

3-0-

Condition

- Subsidiary ledgers are not maintained and/or reconciled to the applicable general ledger control accounts.
- There are several balance sheet accounts in the general ledger for which management was unaware of the detail composition or purpose (i.e. acquisition payable). Additionally, several accounts in the general ledger reflected balances at December 31, 1997 which were contrary to the description of the account (i.e. revenue bonds payable, community loans, and accounts payable-other).

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number
97-5

Questioned Costs
\$-0-

Current Status

NORA has initiated a review of the referenced general ledger accounts, and also completed a draft Procedural manual to address the above condition. NORA anticipates resolution of all outstanding reconciliations by no later than November 30, 2000.

Reference Number
97-6

Questioned Costs
\$-0-

Condition

Our review of Federal and State payroll tax deposits, filing, and reporting requirements revealed the following conditions:

- Timely filing of tax reports; and
- Timely deposit of taxes withheld.

The above conditions resulted in the payment of penalties and interest totaling approximately \$3,400.

Current Status

Resolved.

NORA has developed and established a payroll tax payment and reporting system to ensure the timely payment and reporting of payroll taxes. During 1999, all reports and payments were undertaken in a timely and accurate manner.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

93-7

Questioned Costs

\$-0-

Condition

The operation of the internal control system over financial reporting exhibited the following deficiencies:

- Lack of an adequate control system to ensure the timely and accurate recording of all financial transactions; and
- The absence of adequate supervisory oversight over the recording and processing of financial transactions.

The above conditions are evidenced by the untimely preparation of financial statements, numerous audit and client adjustments (approximately 138), the year-end closing for all Moderate Rehabilitation Programs not being performed, assessment of penalties and interest by Federal and State agencies, and operating deficits in the Moderate Rehabilitation Programs.

Current Status

Resolved.

Under its current Executive Director, NORA has instituted the necessary procedures to ensure the effective operation of its internal control system that includes the implementation of new procedures as well as an enhanced management oversight process. Currently, the Board receives monthly financial statements and program status reports.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-8

Questioned Costs

\$-0-

Condition

The December 31, 1997 audit report for **NORA** was not submitted within the timeframe established by Louisiana Revised Statute 24:313.

Current Status

Resolved.

Reference Number

97-9

Questioned Costs

\$-0-

Condition

The Highlighted Properties Program's monthly cost reports for January through November 1997 were not submitted on a timely basis by **NORA**. The December 1997 cost report was not submitted at all. We further noted revised costs reports for the entire year which have not been submitted to the City of New Orleans for approval and processing. The revised reports reflect changes from the previously submitted reports.

Current Status

Resolved.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number:
93-10

Questioned Costs:
\$-0-

Condition:

The monthly or periodic reconciliation of all significant general ledger accounts to their respective subsidiary ledgers.

Current Status:

See referenced Number 93-5 for current status.

Reference Number:
93-11

Questioned Costs:
\$-0-

Condition:

Our review of ten (10) tenant files revealed one (1) instance where there was no certified and documented rent reasonableness in the tenant's file.

Current Status:

Resolved.

Effective January 1, 1999, MOHA has transferred the Section 8 Program to HANO.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number
97-12

Questioned Costs
\$-0-

Condition

Our review of ten (10) tenant files revealed four (4) instances where no executed housing assistance payment contract with an owner was on file.

Current Status

Resolved.

Effective January 1, 1999, NOHA has transferred the Section 8 Program to HANO.

Reference Number
97-13

Questioned Costs
\$-0-

Condition

Our review of Section 8 tenant files revealed instances where monthly HAP registers did not contain the required information (i.e. address of family, name and address of owner, unit size, and monthly rent to owner).

Current Status

Resolved.

As of January 1, 1999, NOHA has transferred the Section 8 Program to HANO.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-14

Questioned Costs

\$-0-

Condition

Our review of ten (10) tenant files revealed two (2) instances where units with failed inspections continued to receive housing assistance payments without the timely correction by the owner of the deficiencies noted in the initial inspection.

Current Status

Resolved.

Effective January 1, 1999, NORA has transferred the Section 8 Program to HAND.

Reference Number

97-15

Questioned Costs

\$130

Condition

We noted payment of dental insurance coverage for two (2) employees (for a period of six months and four months, respectively) whose employment had been terminated. For our discussion with management, no payment arrangements and/or reimbursements had been made to satisfy the continued coverage.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

93-15

Questioned Costs

\$130

Current Status

In a May 23, 2000 letter to NODRA, FAND (prior managing agent of NODRA) offered to settle all outstanding issues. The Board of Commissioners of NODRA has accepted a settlement offer conditioned upon receipt of funds.

Reference Number

97-16

Questioned Costs

\$-0-

Condition

The Annual Contribution Contracts Program F/W-2147-Projects 001, 002 and 005 have fund deficits totaling \$183,756 as of December 31, 1997.

Current Status

Effective January 1, 1999 the Section 8 and Moderate Rehabilitation Programs have been transferred to FAND.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number	Questioned Costs
97-17	\$9,980.24

Condition

We noted several instances where NORA's procurement process was not properly followed by FANC (formerly NOEMA the prior managing agent of NORA) in the purchase of various products and services, etc. NORA's procurement policy, as well as those dictated by Federal and State regulations requiring the use of a competitive bid system in the acquisition of goods and services within an established dollar threshold and type of service were not followed.

Current Status

NORA's Board of Commissioners has accepted a settlement offer from FANC to resolve all outstanding issues.

Reference Number	Questioned Costs
97-18	\$329.27

Condition

NORA paid for fifty (50%) percent of FANC's Chief Financial Officer's cellular telephone bills during 1997. This expenditure was not in accordance with the contractual arrangement for the management of NORA.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued
97-18

Questioned Costs
\$329.27

Current Status

The Board of Commissioners of **NOHA** has accepted a settlement offer from **FANO** to resolve all outstanding issues.

Reference Number
97-19

Questioned Costs
\$1,444.29

Condition

NOHA paid travel expenses for **FANO's** Chief Financial Officer which exceeded the maximum federal per-diem rate. In addition, **FANO** was unable to provide documents (such as receipts, invoices, etc.) to support the expenditures. The Chief Financial Officer for **FANO** indicated that he was unaware of the federal register listing the maximum rates per locality. Based on our review of **FANO's** policy, we also noted that **NOHA's** disbursement exceeded **FANO's** policy amount.

Current Status

The Board of Commissioners of **NOHA** has accepted a settlement offer from **FANO** to resolve all outstanding issues.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1989

Reference Number
97-20

Questioned Costs
\$240.85

Condition

We noted several misallocation of disbursements between programs.

Current Status

Resolved.

NORA has implemented procedures to minimize, if not eliminate, the above condition.

Reference Number
97-21

Questioned Costs
\$30,080.75

Condition

Our review of the various checks disbursed to the Mitus Group, (the vendor of the general ledger system used by FANO) revealed the absence of invoices to support the disbursements. In addition, we noted variances in quantity ordered and delivered for copies of selected invoices provided. Our discussion with the management of NORA, to ascertain the validity of the services and products charged to NORA, revealed a question as to the allowability and allocability to the Section 8 Program administered by NORA.

Current Status

The Board of Commissioners of NORA has accepted FANO's offer in settlement of all outstanding issues.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-22

Questioned Costs

\$3,339.75

Condition

We noted that NORA paid \$3,339.75 to Haskin Personnel Service and Amicus Legal Staffing for temporary help. Per discussions with management of both FAND and NORA, we were unable to determine the actual beneficiary of the temporary help.

Current Status

NORA's Board of Commissioners has accepted FAND's settlement offer to resolve all outstanding issues.

Reference Number

97-23

Questioned Costs

\$5,357.41

Condition

We noted that Form 941 quarterly reports were not being filed timely. NORA was assessed approximately \$3,400 in penalties and interest during 1997. We also noted IRS correspondence regarding untimely report submission.

Current status

NORA's Board of Commissioners has accepted FAND's settlement offer to resolve all outstanding issues.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-24

Questioned Costs

\$-0-

Condition

We noted that health insurance benefits had been paid through November 1997. Retirement deposits have been made through September 1997. We noted that retirement deposits were not made timely as required by the Louisiana Revised Statute 11:3326(1).

Current Status

Resolved.

Reference Number

97-25

Questioned Costs

\$37,28

Condition

We noted that NDRA paid fifty (50%) percent of an invoice to Deluxe Business Machines for W-2's and Form 1099 carbon less paper. Per discussion with NDRA's management, we noted that NDRA purchased and prepared their own Forms 1099's for calendar year-end 1997. Per further discussion with management of both FAND and NDRA, we were unable to determine the beneficiary of the expense and, therefore, the entire amount is questioned.

Current Status

The Board of Commissioners of NDRA has accepted FAND's settlement offer to resolve all outstanding issues.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

97-26

Questioned Costs

\$14,218.11

Condition

We noted the absence of documentation to support the procurement for legal services obtained in addition to existing legal counsel in accordance with NORA's procurement policy.

Current Status

The Board of Commissioners of NORA has accepted FAND's settlement offer to resolve all outstanding issues.

Reference Number

97-27

Questioned Costs

\$66.48

Condition

We noted continued payment, by FAND, for pager service for an employee whose employment was terminated during the first quarter of 1997.

Current Status

The Board of Commissioners of NORA has accepted FAND's settlement offer to resolve all outstanding issues.

NEW ORLEANS REDEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COST
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

PRIOR YEAR FINDING NO.	DESCRIPTION	FULLY CORRECTED	PARTIALLY CORRECTED	NOT CORRECTED
96-2	Accounting for Interfund Balances		X	
96-5	Completeness of Housing Assistance Payments (HAP) Registers	X		
96-7	Outstanding Overpayments	X		
96-9	Cash Disbursement Procedures	X		
96-11	Development and Implementation of a Procedures Manual	X		
96-12	Staff Training	X		
96-13	System Compliance with Year 2000	X		
96-15	Cash Management	X		
96-20	Rent Reconciliations	X		
96-22	Trusts and "HAP" Registers	X		

NEW ORLEANS REDEVELOPMENT AUTHORITY

EXIT CONFERENCE

Exit conferences were on held Monday, June 26 and Thursday, June 29, 2000 with a representative of NDRA. The contents of this report were discussed and management indicated their concurrence in all material respects. The following were in attendance:

NEW ORLEANS REDEVELOPMENT AUTHORITY

Ms. Lisa Muzique

- Executive Director

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

Ms. Lisa Marique
Executive Director
New Orleans Redevelopment Authority

In planning and performing our audit of the financial statements of New Orleans Redevelopment Authority (NOHA) for the year ended December 31, 1999 we considered NOHA's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

As a part of our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes the suggestions regarding these matters:

- **SEGREGATION OF DUTIES**

Considering the size of NOHA, the important elements of internal accounting control and segregation of duties cannot always be achieved to insure adequate protection and safeguarding of NOHA's assets.

Nevertheless, management should continue to recognize the importance of internal control and to actively participate in key activities.

- **BANK ACCOUNT SIGNATURES**

Our audit revealed the listing by NOHA's banks as authorized check signers, previous commissioners and executive director. NOHA's records (board minutes) reflect the authorization of its current check signers. It is our understanding that management is in the process of formally notifying the banks regarding such.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

• **SCHEDULE OF LAND INVENTORY**

Currently, NOHA has unimproved land in its inventory. However, a current listing of all land owned is necessary to ensure that all property owned by NOHA are properly accounted for both by location and cost.

• **CAPITALIZATION POLICY**

NOHA should consider the establishment of a capitalization policy. Such a policy will assist NOHA as it moves toward planning for compliance with the requirements of GASB 34.

This letter does not affect our report dated June 16, 2000 on the financial statements of NOHA.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have the questions and/or require further detail, please do not hesitate to call.



**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

June 16, 2000

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

• **SEGREGATION OF DUTIES**

Considering the size of NORA, the important elements of internal accounting control and segregation of duties cannot always be achieved to insure adequate protection and safeguarding of NORA's assets.

Nevertheless, management should continue to recognize the importance of internal control and to actively participate in key activities.

Management's Response

Management continues to actively participate in key activities in addition to the enhancement of procedures and processes to ensure adequate protection and safeguarding of NORA's assets.

• **BANK ACCOUNT SIGNATURES**

Our audit revealed the listing by NORA's banks as authorized check signers, previous commissioners and executive director. NORA's records (board minutes) reflect the authorization of its current check signers. It is our understanding that management is in the process of formally notifying the banks regarding such.

Management's Response

Management anticipates resolution to the above condition by no later than July 31, 2000.

NEW ORLEANS REDEVELOPMENT AUTHORITY
MANAGEMENT LETTER COMMENTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

• **SCHEDULE OF LAND INVENTORY**

Currently, NOHA has unimproved land in its inventory. However, a current listing of all land owned is necessary to ensure that all property owned by NOHA are properly accounted for both by location and cost.

Management's Response:

Management has initiated resolution and anticipates a completed report by no later than August 30, 2000.

• **CAPITALIZATION POLICY**

NOHA should consider the establishment of a capitalization policy. Such a policy will assist NOHA as it moves toward planning for compliance with the requirements of GASB 34.

Management's Response:

The current accounting manual will be revised to incorporate a capitalization policy. In addition, NOHA expects to coordinate with the City of New Orleans in its GASB 34 conversion planning efforts.