

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

GENERAL

COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation.

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

In accordance with Office of Management and Budget (OMB) Circular A-128, a schedule of federal financial assistance is presented.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended March 31, 1996

Statement C

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Dwelling rental	\$ 294,130	\$ 289,135	\$ (4,995)
Interest earnings	16,130	13,361	(2,769)
Other	13,000	11,521	(1,479)
Federal sources:			
Operating subsidy	201,941	191,504	(10,437)
Annual Contributions Contract	0	0	0
Grants	0	0	0
Total revenues	\$ 525,201	\$ 505,521	\$ (19,680)
EXPENDITURES			
Current:			
Administration	\$ 109,870	\$ 98,664	\$ 11,206
Utilities	177,070	190,847	(13,777)
Tenant services	33,470	29,252	4,218
Ordinary maintenance	163,850	130,976	32,874
Protective services	25,000	20,050	4,950
General expenditures	113,819	110,036	3,783
Extraordinary maintenance	13,500	10,488	3,012
Facilities acquisition and construction	63,860	38,631	25,229
Total expenditures	\$ 700,439	\$ 628,945	\$ 71,494
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (175,238)	\$ (123,424)	\$ 51,814
FUND BALANCES AT BEGINNING OF YEAR	391,251	425,241	33,990
FUND BALANCES AT END OF YEAR	\$ 216,013	\$ 301,817	\$ 85,804

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

1. CIAP Reimbursements Requested Twice

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

CONDITION: A 1995 CIAP expenditure of \$1,500 was reimbursed in February 1996 and also in March 1996.

REASON IMPROVEMENT NEEDED: To ensure expenditures are reimbursed only once.

CAUSE OF CONDITION: All HUD grant receipts (CIAP, FIC and PHDEP) are coded to the same account making a reconciliation of funds received to funds expended difficult.

EFFECT OF CONDITION: Matching of expenditures to receipts by program is difficult to do using the general ledger. A schedule must be maintained apart from the general ledger.

RECOMMENDATION: We recommend the receipts and disbursements be accounted for by program so a reconciliation can be done each month.

MANAGEMENT'S RESPONSE: We will keep a folder with all requests for payment on one side, and a ledger listed numerically of all drawdowns and payouts on the other.

2. Error on PHMAP Assessment

(Public and Indian Housing - CFDA #14.850)

CONDITION: The Housing Authority certified on the March 31, 1996 Form 50072 that policies had been adopted and procedures implemented for homeownership opportunities. The worksheet for indicator #11 reflected a 'No' answer to this question.

REASON IMPROVEMENT NEEDED: To ensure accurate information on PHMAP certification.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Inaccurate information on PHMAP certification.

RECOMMENDATION: We recommend the Housing Authority have an administrative employee independent of the PHMAP certification preparation review the final copy of the form and verify that the final form agrees to the indicator worksheets.

MANAGEMENT'S RESPONSE: This was a typo. Sorry for misleading.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

3. Problems Noted in Test of Tenant Files
(Public and Indian Housing- CFDA #14.850)

CONDITION: In testing ten tenant files the following was noted:

Two files contained no verification of income;
Two files contained no annual inspection;

Correction of errors noted by MTCS could not be verified as the Housing Authority files these in a box and does not make a copy for the tenant files.

REASON IMPROVEMENT NEEDED: To ensure tenant files contain all the documentation required by HUD.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Tenant files do not contain all required documents.

RECOMMENDATION: We recommend the Housing Authority use a checklist to ensure all required documents are in the tenant's file.

MANAGEMENT'S RESPONSE: The Housing Authority keeps two separate drawers for tenant files. One set is for completed files and the other is for files that are incomplete. We normally send letters for tenants to come in to complete the files with the information that is needed. We will request that they come in with the information. After second request and no response from the tenant, we will move for eviction.

The collected MTCS will be made a part of tenant files.

We have had a change in all three positions in the Administrative Office in the last fiscal year with changing over to computers and additional responsibility has caused some glitches.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

4. No Documentation For Compliance With Public Bid Law
(Public and Indian Housing - Family Investment Centers Program - CFDA #14.861)

CONDITION: The Housing Authority purchased office equipment and furniture on May 15, 1995 for \$11,038.25. The minutes discuss advertising for bids and also discuss the bids received. Per the April 11, 1995 minutes only one bid was received, and the furniture and equipment were purchased from this vendor. The Housing Authority could not produce documentation for the bid advertisement or for the bid received.

REASON IMPROVEMENT NEEDED: To ensure compliance with the state public bid law.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Noncompliance with state public bid law.

RECOMMENDATION: We recommend the Housing Authority keep records to document compliance with the state public bid law.

MANAGEMENT'S RESPONSE: The new Executive Director came on after the bid was taken and request for purchase. He came aboard on April 17, 1995. These things will not happen again. The previous Executive Director, was trying to get the Family Investment Center opened before he left so he purchased those items before the open-house on April 14, 1995 to be reimbursed out of the year ended March 31, 1995 budget.

4072

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**HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 OCT 16 1996

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
HOUSING AUTHORITY OF THE
CITY OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of New Iberia, as of March 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents including the Schedule of Federal Financial Assistance are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Housing Authority of the City of New Iberia. The accompanying supplemental information identified as:

A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis 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.

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

B. Supplemental Information Schedules - HUD Prescribed Format, which is an Other Comprehensive Basis of Accounting, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the following differences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole:

FINANCIAL STATEMENT PRESENTATION	<u>GAAP Basis</u>	<u>HUD Prescribed Format</u>
Fund accounting	Used	Not used
Facilities acquisition and construction	Expenditure	Capitalized
Prior year adjustments	Beginning fund balance adjusted	Current expenditure or receipt
Principal payments on notes and bonds	Expenditure	Reduction of the liability
Receipts from federal source	Revenue	Credited to surplus
BASIS OF ACCOUNTING		
Federal Grants for Capital Projects	Modified Accrual	Cash
Expenditures	Modified Accrual	Accrual

In accordance with Government Auditing Standards, we have also issued a report dated July 11, 1996 on our consideration of the Housing Authority's internal control structure and a report dated July 11, 1996 on its compliance with laws and regulations.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
March 31, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS
ASSETS AND OTHER DEBITS			
Assets			
Cash and cash equivalents	\$ 27,993	\$ 67,320	\$ 1,500
Investments, at cost	231,227	0	0
Receivables	9,953	424	18,375
Interfund receivable	8,616	0	0
Prepaid items	45,935	0	0
Land, buildings, and equipment			
Other debits			
Amount available in debt service funds			
Amount to be provided for retirement of general Long-term obligations			
TOTAL ASSETS AND OTHER DEBITS	\$ 323,723	\$ 67,744	\$ 19,875
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts, salaries and other payables	\$ 18,081	\$ 65,050	\$ 0
Contracts payable	0	0	18,375
Interfund payable	0	8,616	0
Intergovernmental payable	0	0	0
Deposits due others	0	0	0
Deferred revenues	3,825	0	1,500
Compensated absences payable			
Notes and certificates of indebtedness payable			
Total Liabilities	\$ 21,906	\$ 73,666	\$ 19,875
Equity and Other Credits			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
Fund balances:			
Reserved for prepaid items	45,935	0	0
Unreserved and undesignated	255,882	(5,922)	0
Total equity and other credits	\$ 301,817	\$ (5,922)	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 323,723	\$ 67,744	\$ 19,875

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

FIDUCIARY FUNDS- AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
\$ 15,920	\$ 0	\$ 0	112,733
			231,227
			28,751
			8,616
			45,935
0	8,393,077		8,393,077
			0
		0	0
			0
0	0	3,591,556	3,591,556
<u>\$ 15,920</u>	<u>\$ 8,393,077</u>	<u>\$ 3,591,556</u>	<u>\$ 12,411,895</u>
\$ 0	\$ 0	\$ 0	83,131
0			18,375
0			8,616
0			0
15,920			15,920
0			5,325
		8,172	8,172
0		3,583,384	3,583,384
<u>\$ 15,920</u>	<u>\$ 0</u>	<u>\$ 3,591,556</u>	<u>\$ 3,722,923</u>
\$ 0	8,393,077	\$ 0	8,393,077
			45,935
0	0	0	249,960
<u>\$ 0</u>	<u>\$ 8,393,077</u>	<u>\$ 0</u>	<u>\$ 8,688,972</u>
<u>\$ 15,920</u>	<u>\$ 8,393,077</u>	<u>\$ 3,591,556</u>	<u>\$ 12,411,895</u>

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

AGENCY FUNDS

TENANTS' SECURITY DEPOSITS AGENCY FUND

The activities of the various tenant security deposits accounts are accounted for in the Tenants' Security Deposit Agency Fund. While the accounts are under the supervision of the Housing Authority, they belong to the tenants and are not available for use by the Housing Authority.

Statement B

TOTAL
(MEMORANDUM
ONLY)

\$ 289,135
13,361
11,521

191,504
0

433,191

\$ 938,712

\$ 148,938
190,847
29,252
130,976
53,694
110,036
10,488

393,827

\$ 1,068,058

\$ (129,346)

425,241

\$ 295,895

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

3. CIAP Reimbursements Requested Twice

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

CONDITION: A 1995 CIAP expenditure of \$1,500 was reimbursed in February 1996 and also in March 1996.

REASON IMPROVEMENT NEEDED: To ensure expenditures are reimbursed only once.

CAUSE OF CONDITION: All HUD grant receipts (CIAP, FIC and PHIDEP) are coded to the same account making a reconciliation of funds received to funds expended difficult.

EFFECT OF CONDITION: Matching of expenditures to receipts by program is difficult to do using the general ledger. A schedule must be maintained apart from the general ledger.

RECOMMENDATION: We recommend the receipts and disbursements be accounted for by program so a reconciliation can be done each month.

MANAGEMENT'S RESPONSE: We will keep a folder with all requests for payment on one side, and a ledger listed numerically of all drawdowns and payouts on the other.

4. Inadequate Segregation of Duties

(Public and Indian Housing - CFDA #14.850)

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

(Public and Indian Housing - Drug Elimination Program - CFDA #14.854)

(Public and Indian Housing - Family Investment Centers Program - CFDA #14.861)

CONDITION: Due to the small size of the Housing Authority, segregation of duties is not adequate to provide effective internal control. The functions of opening the mail, collecting rent, recording the receipt in the rent register, preparing the deposit, making the deposit and check preparation are all performed by two administrative employees. The Housing Authority does have some compensating controls for the inadequate segregation of duties. The deposit is prepared and made by an employee not collecting rent on that day. Receipts from HUD are wire-transferred to the bank account. All checks require two signatures, the Executive Director and a Board member. Recording of cash receipts and disbursements and preparation of bank reconciliations are performed by the fee accountant for the Housing Authority.

CAUSE OF CONDITION: Due to the small size of the Housing Authority.

RECOMMENDATION: It would not be cost beneficial for the Housing Authority to hire the additional personnel required for adequate segregation of duties.

MANAGEMENT'S RESPONSE: We don't think it cost effective to hire more personnel in order to improve the internal control situation.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

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HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of New Iberia, serve a staggered term of four years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 200 units in management at projects LA 27-1/3.

PIA owned housing	FW 1264	200
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Housing Authority of the City of New Iberia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the City of New Iberia since the City of New Iberia appoints a voting majority of the Housing Authority's governing board. The City of New Iberia 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 City of New Iberia. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of New Iberia.

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

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

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS

The accounts of the Housing Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Funds of the Housing Authority are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds — Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. **General fund** — the primary operating fund of the Housing Authority. It accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low rent housing assistance programs.
2. **Special revenue funds** — accounts for revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the Drug Elimination and Family Investment Center programs administered by the Housing Authority.
3. **Capital projects funds** — account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

Fiduciary Funds — Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority.

Agency Funds — Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

1. **Tenant's Security Deposits Agency Fund** — accounts for assets held by the Housing Authority as an agent for the individual tenants.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Operating subsidies received from HUD are recorded when available and measurable.

Other receipts become measurable and available when cash is received by the Housing Authority and are recognized as revenue at that time.

Expenditures

Salaries are recorded as expenditures when incurred.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Fiduciary Funds

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Housing Authority holds for others in an agency capacity.

D. BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended March 31, 1996:

1. *The Housing Authority adopted budgets for the general fund, the special revenue funds and the capital project funds. The special revenue and capital project funds budget to actual comparison have not been included since the special revenue and capital projects are multiple-year endeavors.*
2. *The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.*
3. *Encumbrances are not recognized within the accounting records for budgetary control purposes.*
4. *Formal budget integration (within the accounting records) is employed as a management control device.*
5. *The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.*
6. *HUD approves the original budget adopted by the Housing Authority. Any budget amendments approved by the Board do not have to be approved by HUD since the Housing Authority is a high-performer according to the PIIMAP score.*

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ENCUMBRANCES

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

F. CASH AND CASH EQUIVALENTS

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

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

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not included in the general fixed asset account group.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred 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 Housing Authority's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - FUND DEFICITS

The following individual fund had a deficit in unreserved fund balance at March 31, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds FIC	\$5,922

The deficit in the above fund will be cleared by federal grants.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 3 - DEPOSITS AND INVESTMENTS

At March 31, 1996, the Housing Authority has cash and cash equivalents totaling \$343,960 as follows:

Cash on hand	\$ 175
Demand deposits	67,320
Interest-bearing demand deposits	45,238
Time deposits	<u>231,227</u>
	<u>\$343,960</u>
Cash and cash equivalents	\$328,040
Cash and cash equivalents - restricted	<u>15,920</u>
	<u>\$343,960</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 1996, the Housing Authority has \$370,411 in deposits (collected bank balances). These deposits are secured from risk by \$364,370 of federal deposit insurance and \$292,232 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Investments during the year were either in demand or money market deposits at banks.

NOTE 4 - RECEIVABLES

The receivables of \$28,751 at March 31, 1996, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Local sources:				
Tenants	\$9,953	\$ -	\$ -	\$ 9,952
Federal sources:				
Due from HUD	<u>-</u>	<u>424</u>	<u>18,375</u>	<u>18,799</u>
Total	<u>\$9,953</u>	<u>\$ 424</u>	<u>\$18,375</u>	<u>\$28,751</u>

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance April 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance March 31, <u>1996</u>
Land and buildings	\$7,999,250	\$ -	\$ -	\$7,999,250
Furniture and equipment	-	114,962	-	114,962
Construction in progress	<u>-</u>	<u>278,865</u>	<u>-</u>	<u>278,865</u>
Total	<u>\$7,999,250</u>	<u>\$393,827</u>	<u>\$ -</u>	<u>\$8,393,077</u>

NOTE 6 - RETIREMENT SYSTEM

The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5.5 percent of his effective compensation. The employer is required to make monthly contributions equal to 7.5 percent of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended March 31, 1996 was \$182,950. The Housing Authority's contributions were calculated using the base salary amount of \$114,139. The Housing Authority made the required contributions of \$6,238 for the year ended March 31, 1996 and \$8,060 was paid out of the forfeiture account.

NOTE 7 - ACCOUNTS PAYABLES

The payables of \$101,506 at March 31, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Vendors	\$16,668	\$65,050	\$ -	\$ 81,718
Contract Retentions	-	-	18,375	18,375
Other	<u>1,413</u>	<u>-</u>	<u>-</u>	<u>1,413</u>
Total	<u>\$18,081</u>	<u>\$65,050</u>	<u>\$18,375</u>	<u>\$101,506</u>

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 8 - DEFERRED REVENUE

Deferred revenue consists of the following as of March 31, 1996:

General Fund	\$3,825
Capital Project Fund:	
LA 27 - 906	<u>1,500</u>
 Total	 <u>\$5,325</u>

NOTE 9 - COMPENSATED ABSENCES

At March 31, 1996, employees of the Housing Authority have accumulated and vested \$8,172 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$8,172 is recorded within the general long-term obligations account group.

NOTE 10 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

	Balance March 31, <u>1995</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>1996</u>
Agency funds:				
Tenants Security Deposit	<u>\$15,680</u>	<u>\$2,320</u>	<u>\$2,080</u>	<u>\$15,920</u>

NOTE 11 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended March 31, 1996:

	Interest Payable - <u>Long-Term</u>	<u>Compensated Absences</u>	<u>Notes and Bonds (A)</u>	<u>Total</u>
Balance, April 1, 1995	\$623,109	\$10,012	\$2,960,275	\$3,593,396
Additions	-	-	-	-
Deductions	<u>-</u>	<u>1,840</u>	<u>-</u>	<u>1,840</u>
 Balance, March 31, 1996	 <u>\$623,109</u>	 <u>\$8,172</u>	 <u>\$2,960,275</u>	 <u>\$3,591,556</u>

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. The timing of the official cancellation of the remaining notes is unknown. The Housing Authority has not accrued interest on Project Notes - Non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project Notes - Non HUD.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

NOTE 12 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

Fund	Receivable Amount	Payable Amount
General	\$8,616	\$ -
Special Revenue Funds		
PHIDEP	-	3,498
FIC	-	<u>5,118</u>
 Total	 <u>\$8,616</u>	 <u>\$8,616</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Certain major construction projects are in progress at March 31, 1996. These include modernizing rental units at all of the three projects. As approved by HUD, these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects and estimated cost to complete these projects totaled \$826,439 and \$279,642, respectively, as of March 31, 1996.

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act of 1984 through March 31, 1996, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 14 - FUND EQUITY

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The reservation of fund balances in the General Fund is for prepaid items.

NOTE 15 - REPORT PRESENTATION

Prior to this year the audit report for the Housing Authority were prepared on the traditional HUD prescribed format. This year's report is prepared on a generally accepted accounting principles (GAAP) basis in order to comply with the recently enforced statute requiring GAAP basis financial statements.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended March 31, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS
REVENUES			
Local sources:			
Dwelling rental	\$ 289,135	\$ 0	\$ 0
Interest earnings	13,361	0	0
Other	11,521	0	0
Federal sources:			
Operating subsidy	191,504	0	0
Annual Contributions Contract	0	0	0
Grants	0	154,326	278,865
Total revenues	\$ 505,521	\$ 154,326	\$ 278,865
EXPENDITURES			
Current:			
Administration	\$ 98,664	\$ 50,274	\$ 0
Utilities	190,847	0	0
Tenant services	29,252	0	0
Ordinary maintenance	130,976	0	0
Protective services	20,050	33,644	0
General expenditures	110,036	0	0
Extraordinary maintenance	10,488	0	0
Facilities acquisition and construction	38,631	76,330	278,865
Total expenditures	\$ 628,945	\$ 160,248	\$ 278,865
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (123,424)	\$ (5,922)	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	425,241	0	0
FUND BALANCES AT END OF YEAR	\$ 301,817	\$ (5,922)	\$ 0

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that none of the reportable conditions described in the accompanying Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

SPECIAL REVENUE FUNDS

SPECIAL PROGRAMS

DRUG ELIMINATION YEAR 1

(Public and Indian Housing Drug Elimination Program, CFDA #14,854)

The purposes of the Public Housing Drug Elimination Program are to: (a) eliminate drug-related crime in and around the real property comprising public housing projects; (b) encourage Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to develop a plan that includes initiatives that can be sustained over a period of several years for addressing the problem of drug-related crime in and around the premises of the Public and Indian housing projects proposed for funding under this part, and; (c) make available federal grants to help PHAs and IHAs carry out their plans.

Grant funds may be used for the following activities designed to reduce drug-related crime: (1) employment of security personnel; (2) reimbursement of local law enforcement agencies for additional security and protective services; (3) physical improvements designed to enhance security; (4) the employment of one or more individuals to investigate drug-related crime; (5) training, communications equipment, and other related equipment; (6) programs designed to reduce use of drugs in and around Public and Indian housing projects, including drug prevention, intervention, referral, and treatment programs, and; (7) providing funding to develop security and drug abuse prevention programs involving site residents.

FAMILY INVESTMENT CENTERS

(Public and Indian Housing Family Investment Centers Program - CFDA #84.861)

The Family Investment Program is designed to provide families living in public and Indian housing with better access to educational and employment opportunities by: developing facilities in or near public housing for training and support services; mobilizing public and private resources to expand and improve the delivery of such services; providing funding for essential training and support services that cannot otherwise be funded; and improving the capacity of management to access the training and service needs of families, coordinate the provision of training and services that meet such needs, and ensure the long-term provision of such training and services.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
March 31, 1996

Schedule 1

	PHDEP	FIC	TOTAL
ASSETS			
Cash and cash equivalents	\$ 3,074	\$ 64,246	\$ 67,320
Investments, at cost	0	0	0
Receivables	424	0	424
Interfund receivable	0	0	0
Prepaid items	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 3,498</u>	<u>\$ 64,246</u>	<u>\$ 67,744</u>
LIABILITIES, AND FUND EQUITY			
Liabilities			
Accounts, salaries and other payables	\$ 0	\$ 65,050	\$ 65,050
Interfund payable	3,498	5,118	8,616
Intergovernmental payable	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 3,498</u>	<u>\$ 70,168</u>	<u>\$ 73,666</u>
Fund equity			
Fund balances:			
Unreserved and undesignated	0	(5,922)	(5,922)
	<u>0</u>	<u>(5,922)</u>	<u>(5,922)</u>
Total equity	<u>\$ 0</u>	<u>\$ (5,922)</u>	<u>\$ (5,922)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,498</u>	<u>\$ 64,246</u>	<u>\$ 67,744</u>

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended March 31, 1996

Schedule 2

	PHDEP	FIC	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Other	0	0	0
Federal sources:			
Annual Contributions Contract Grants	0	0	0
	34,459	119,867	154,326
 Total revenues	\$ 34,459	\$ 119,867	\$ 154,326
 EXPENDITURES			
Current:			
Administration	\$ 1,048	\$ 49,226	\$ 50,274
Tenant services	0	0	0
Protective services	33,411	233	33,644
General expenditures	0	0	0
Facilities acquisition and construction	0	76,330	76,330
	0	76,330	76,330
 Total expenditures	\$ 34,459	\$ 125,789	\$ 160,248
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (5,922)	\$ (5,922)
 FUND BALANCES AT BEGINNING OF YEAR	0	0	0
 FUND BALANCES AT END OF YEAR	\$ 0	\$ (5,922)	\$ (5,922)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

CAPITAL PROJECT FUNDS

PROJECT LA 27-904

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 27-904 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 27 - 1/2/3.

PROJECT LA 27-905

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 27-905 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 27 - 1/2/3.

PROJECT LA 27-906

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 27-906 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 27 - 1/2/3.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

CAPITAL PROJECT FUNDS
Combining Balance Sheet
March 31, 1996

Schedule 3

	LA 27-904	LA 27-905	LA 27-906	TOTAL
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 1,500	\$ 1,500
Investments, at cost	0	0	0	0
Receivables	0	18,375	0	18,375
Interfund receivable	0	0	0	0
Prepaid items	0	0	0	0
TOTAL ASSETS	\$ 0	\$ 18,375	\$ 1,500	\$ 19,875
LIABILITIES, AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 0	0
Contracts payable	0	18,375	0	18,375
Interfund payable	0	0	0	0
Intergovernmental payable	0	0	0	0
Deferred revenues	0	0	1,500	1,500
Total Liabilities	\$ 0	\$ 18,375	\$ 1,500	\$ 19,875
Fund equity				
Fund balances:				
Unreserved and undesignated	0	0	0	0
Total equity	\$ 0	\$ 0	\$ 0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 0	\$ 18,375	\$ 1,500	\$ 19,875

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended March 31, 1996

Schedule 4

	LA 27-904	LA 27-905	LA 27-906	TOTAL
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	0	0	0
Federal sources:				
Annual Contributions Contract	0	0	0	0
Grants	64,530	212,481	1,854	278,865
 Total revenues	\$ 64,530	\$ 212,481	\$ 1,854	\$ 278,865
 EXPENDITURES				
Current:				
General expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Facilities acquisition and construction	64,530	212,481	1,854	278,865
 Total expenditures	\$ 64,530	\$ 212,481	\$ 1,854	\$ 278,865
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 0
 FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
 FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

Schedule 5

TENANT'S SECURITY DEPOSITS AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended March 31, 1996

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 27 - 1	\$ 5,840	\$ 1,280	\$ 1,120	\$ 6,000
LA 27 - 2	7,440	960	880	7,520
LA 27 - 3	<u>2,400</u>	<u>80</u>	<u>80</u>	<u>2,400</u>
	<u>\$ 15,680</u>	<u>\$ 2,320</u>	<u>\$ 2,080</u>	<u>\$ 15,920</u>

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended March 31, 1996**

Schedule 6

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS			
Public and Indian Housing Operating Subsidy (1)	14.850 *	FW 1264	\$ 191,504
Drug Elimination Program Year 1 (1995)	14.854	FW 1264	34,459
Comprehensive Improvement Assistance Programs	14.852	FW 1264	278,865
Family Investment Centers Program	14.861	FW 1264	<u>119,867</u>
TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 624,695</u>
TOTAL PROGRAM			<u>\$ 433,191</u>

(1) The Housing Authority is indebted to the U. S. Department of Housing & Urban Development for project notes of \$2,960,275 at year end plus accrued interest of \$623,109.

* Indicates Major Program

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES -
HUD PRESCRIBED FORMAT

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

Exhibit A

ANALYSIS OF SURPLUS
STATUTORY BASIS

PHA OWNED HOUSING (ACC FW 1264)

UNRESERVED SURPLUS

BALANCE PER PRIOR AUDIT	\$ (3,314,864)
Prior Audit Adjustments	<u> </u>
BALANCE PER BOOKS, BEGINNING	\$ (3,314,864)
Net Loss	(310,755)
(Provision for) Reduction of operating reserve	<u>128,784</u>
BALANCE, ENDING	<u>\$ (3,496,836)</u>

OPERATING RESERVE

BALANCE, BEGINNING	\$ 391,252
Provision for (Reduction of) operating reserve	<u>(128,784)</u>
BALANCE, ENDING	<u>\$ 262,469</u>

CUMULATIVE HUD CONTRIBUTION

BALANCE, BEGINNING	\$ 5,256,960
PHDEP Grant	34,035
FIC Grant	119,867
Operating Subsidy	<u>191,504</u>
BALANCE, ENDING	<u>\$ 5,602,366</u>

CUMULATIVE HUD GRANTS

BALANCE, BEGINNING	\$ 2,434,482
Comprehensive Improvement Assistance Grant	<u>280,365</u>
BALANCE, ENDING	<u>\$ 2,714,847</u>
TOTAL SURPLUS	<u>\$ 5,082,846</u>

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

Exhibit B

STATEMENT AND CERTIFICATION OF ACTUAL
MODERNIZATION COSTS
COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM
March 31, 1996

1. The actual Comprehensive Improvement Assistance Program costs is as follows:

	<u>PROJECT</u> <u>CIAP-904</u>
Funds Approved	\$ 621,081
Funds Expended	<u>621,081</u>
Excess of Funds Approved	\$ <u>0</u>
Funds Advanced	\$ 621,081
Funds Expended	<u>621,081</u>
Excess of Funds Advanced	\$ <u>0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Improvement Assistance Program expenditures dated January 22, 1996, accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Improvement Assistance Programs costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

6. **Deposits Not Made Daily**
(Public and Indian Housing - CFDA #14.850)

CONDITION: In testing controls over cash collections several instances were noted of delays between receipt of rent and deposit in the bank:

<u>Amount</u>	<u>Dates Collected</u>	<u>Date Deposited</u>
\$3,270.48	March 15 through 25, 1996	March 25, 1996
2,971.38	June 28 through 30, 1995	July 3, 1995
782.96	July 14 through 17, 1995	July 18, 1995
442.60	July 26 through 27, 1995	July 28, 1995

REASON IMPROVEMENT NEEDED: State law requires all deposits to be made on a daily basis, if practical.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Noncompliance with state law and weak internal controls over cash.

RECOMMENDATION: Daily deposits are practical because the bank is also located in New Iberia. We recommend deposits be made daily.

MANAGEMENT'S RESPONSE: The office manager usually makes those deposits. If she worked late, she would put the money in the office safe. The Executive Director will make sure that the New Iberia Housing Authority makes daily deposits.

7. **No Board Authorization For New Checking Accounts**
(Public and Indian Housing - Drug Elimination Program - CFDA #14.854)
(Public and Indian Housing - Family Investment Centers Program - CFDA #14.861)

CONDITION: Two checking accounts were opened during the year ended March 31, 1996 without Board approval in the minutes. Two Board members signed the signature cards.

REASON IMPROVEMENT NEEDED: To ensure proper controls over cash disbursements.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Depository accounts opened without Board approval.

RECOMMENDATION: We recommend the Board approve the opening of any new depository accounts.

MANAGEMENT'S RESPONSE: We will get Board approval.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 1996, and have issued our report thereon dated July 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Housing Authority of the City of New Iberia is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the City of New Iberia for the year ended March 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as listed in the accompanying

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

5. Inadequate Controls Over Cash Collections

(Public and Indian Housing - CFDA #14.850)

CONDITION: The Housing Authority uses a manual system to record the receipt of rent. The tenant's ledger card is updated at the same time a receipt is written. A count of cash was made on July 9, 1996. The total cash in the drawer, \$3,651, did not agree to the total cash collected per the rent receipts, \$2,965.34, a difference of \$685.66. Upon inquiry it was determined the Housing Authority was not following the established procedure for reconciling cash collections to written receipts. Physical security over the cash kept in the drawer was also inadequate. The Housing Authority office has two entrances, one through the foyer which is kept locked and the second entrance from the maintenance garage which is not locked during the day. The drawer where the cash collections are kept during the day also is unlocked.

REASON IMPROVEMENT NEEDED: To ensure all cash collected is posted to the proper account and provide adequate physical safeguards over cash.

CAUSE OF CONDITION: The Housing Authority has experienced a turnover in office personnel. A long-time administrative employee left during the year ended March 31, 1996 and the Housing Authority did not have anyone trained to assume her duties.

EFFECT OF CONDITION: Inadequate controls over cash collections and physical safeguarding of cash.

RECOMMENDATION: We recommend the Housing Authority follow the established procedure for cash collections. The amount of cash collected during the day should be reconciled back to the total of receipts written by someone independent of cash collections. The drawer containing the bank bag should be kept locked at all times.

MANAGEMENT'S RESPONSE: The Housing Authority will secure the drawer where cash collection is saved with a lock. With three personnel in the office the cash will be reconciled at the end of the day by someone independent of cash collection.

A mistake was made in July because we had just got on computer. We were still using the card and logging on the computer. A couple of mistakes were made where the payment was logged on computer and not on the card. We now print two receipts and give the tenant one and keep one for our daily record.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 1996, and have issued our report thereon dated July 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Housing Authority is the responsibility of the Housing Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. However, we noted one immaterial instance of noncompliance which is included as finding #4 on the Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128

The following pages contain information on internal control and compliance required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The report on compliance is, likewise, related to tests of compliance relating to federal financial assistance programs.



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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 1996, and have issued our report thereon dated July 11, 1996. We have also audited the compliance of the Housing Authority of the City of New Iberia with requirements applicable to major federal financial assistance programs and have issued our report thereon dated July 11, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Housing Authority of the City of New Iberia, Louisiana complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended March 31, 1996, we considered the internal control structure of the Housing Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana and on the compliance of the Housing Authority of the City of New Iberia, Louisiana with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated July 11, 1996.

The management of the Housing Authority of the City of New Iberia, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting controls:

1. Cash
2. Expenditures for goods and accounts payable
3. Payroll and related liabilities
4. Property, equipment and capital expenditures
5. Single audit and similar grant programs

Administrative controls:

- | | |
|------------------------------------|--|
| 1. Political activity | 8. Administrative requirements |
| 2. Davis-Bacon Act compliance | 9. Eligibility |
| 3. Civil rights | 10. Types of services |
| 4. Cash management | 11. Reporting |
| 5. Federal financial reports | 12. Special provisions |
| 6. Allowable costs/cost principles | 13. Claims for advances and reimbursements |
| 7. Drug-Free Workplace Act | |

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended March 31, 1996, the Housing Authority of the City of New Iberia, Louisiana expended 75% of its total federal financial assistance under major federal financial assistance programs and the following nonmajor federal financial assistance programs: Public and Indian Housing - Comprehensive Improvement Assistance Programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the Housing Authority of the City of New Iberia, Louisiana's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, and the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. See findings #1 through #7 on the Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority of the City of New Iberia, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the accompanying Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 1996 and have issued our report thereon dated July 11, 1996.

We have applied procedures to test the Housing Authority of the City of New Iberia, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended March 31, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/ cost principles, Drug-free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "*Compliance Supplement for Single Audits of State and Local Governments*." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of New Iberia, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of New Iberia, Louisiana had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is described in finding #1 of the Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 1996, and have issued our report thereon dated July 11, 1996.

We have also audited the Housing Authority of the City of New Iberia, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended March 31, 1996. The management of the Housing Authority of the City of New Iberia, Louisiana, is responsible for the Housing Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of New Iberia, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in findings #2 and #3 of the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Housing Authority of the City of New Iberia, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions; and claims for advances and reimbursements that are applicable to its major federal financial assistance program for the year ended March 31, 1996.

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF NEW IBERIA
New Iberia, Louisiana

U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Housing Management Division
1661 Canal Street
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 1996, and have issued our report thereon dated July 11, 1996.

In connection with our audit of the general purpose financial statements of the Housing Authority of the City of New Iberia, Louisiana, and with our consideration of the Housing Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended March 31, 1996. As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, special reporting requirements, and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of New Iberia, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of New Iberia, Louisiana, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is described in finding #1 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

July 11, 1996

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

STATUS OF PRIOR AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

FINDINGS FROM THE PRIOR YEAR SCHEDULE OF REPORTABLE CONDITIONS

1. **Inadequate Segregation of Duties**

See current year finding #4.

FINDINGS FROM THE PRIOR YEAR SCHEDULE OF FINDINGS AND QUESTIONED COSTS

1. **Test of Tenant Files**

See current year finding #3.

2. **Actual Modernization Cost Certification**

Entries were made to record the expenditures with the proper CIAP program. This finding is considered resolved.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
New Iberia, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED MARCH 31, 1996

1. **Detail of Accounts Receivable Not Maintained**
(Public and Indian Housing - CFDA #14.850)

CONDITION: The Housing Authority arrives at an accounts receivable amount by using the difference between rental charges and rental collections to adjust the beginning balance. This accounts receivable amount is compared to the accounts receivable per the tenants' ledger cards. The ledger cards were not kept intact as of March 31, 1996 and no listing was made of accounts receivable at March 31, 1996.

REASON IMPROVEMENT NEEDED: To ensure that the balance of the control account is accurate.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: No detailed listing of tenants' accounts receivable at March 31, 1996.

RECOMMENDATION: We recommend the Housing Authority maintain a listing of tenants' accounts receivable at month end.

MANAGEMENT'S RESPONSE: We are now keeping a rental register.

2. **Invoices not Canceled**
(Public and Indian Housing - CFDA #14.850)
(Public and Indian Housing - Drug Elimination Program - CFDA #14.854)
(Public and Indian Housing - Family Investment Centers Program - CFDA #14.861)

CONDITION: Invoices are not consistently defaced.

REASON IMPROVEMENT NEEDED: To prevent an invoice from being paid twice.

CAUSE OF CONDITION: Documentation is not consistently canceled after payment.

EFFECT OF CONDITION: An invoice may appear to be unpaid when in fact it has been paid.

RECOMMENDATION: All documents supporting payment should be stamped 'Paid.'

MANAGEMENT'S RESPONSE: We have created a file drawer for vendors only where each invoice will be matched with a copy of the check.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
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SUPPLEMENTAL INFORMATION SCHEDULES -
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS

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New Iberia, Louisiana

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance is, likewise, based solely on the audit of the basic financial statements and presents, where applicable, compliance matters that would be material to the basic financial statements.