

BUSINESS ACTIVITIES OF THE CITY OF ALABAMA
ANALYSIS OF CURRENT FUND CASH BALANCE--END YEAR
ALL ANNUAL CONTRIBUTION CONTRACTS
 For the Year Ended March 31, 1991

	Annual Contribution Contracts			Total Operations Only
	FHA Owned Program FY-1991	Issuing Annuity Certificate Program FY-1991	Issuing Annuity Voucher Program FY-1991	
Compositions before adjustments				
Net operating receipts included:				
operating reserves (deficits)	\$114,404	\$ 19,897	\$111,380	\$145,681
Security deposit	10,126	-----	-----	10,126
	124,530	19,897	111,380	155,807
Adjustments				
Accounts payable	1,741	1,478	1,478	4,687
Other	10,114	14,461	155,333	179,918
Account liabilities	(1,711)	-----	-----	(1,711)
	120,164	15,939	166,811	192,794
Less losses not received:				
Accounts receivable	120,164	15,939	-----	136,103
	120,164	15,939	-----	136,103
Interest charges and prepaid costs	11,161	-----	-----	11,161
Other	11,161	-----	-----	11,161
Interest revenue	-----	12,438	16,171	28,609
General fund cash	5,46,126	5,76,021	586,641	1,708,888

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
COMBINED ANALYSIS OF SURPLUS--BY BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1997

	Annual Contribution Contracts			Total (Memorandum Only)
	WPA Owned Program 29-2128	Housing Assistance Certificate Program 29-2121	Housing Assistance Voucher Program 29-2124	
Cumulative 1997 Contribution balance per prior audit March 31, 1996	\$ 3,784,348	\$ 4,320,488	\$ 3,820,428	\$11,925,264
Operating subsidy for year ended March 31, 1997	186,342	-0-	-0-	186,342
Annual contribution earned for the year ended March 31, 1997	-0-	515,828	488,348	1,014,176
Balance, March 31, 1997	3,970,690	4,836,316	4,318,776	13,045,782
Cumulative 1997 Development and modernization grants balance per prior audit March 31, 1996	1,835,145	-0-	-0-	1,835,145
Grants earned for the year ended March 31, 1997	88,822	-0-	-0-	88,822
Balance, March 31, 1997	1,923,967	-0-	-0-	1,923,967
Total surplus	\$ 5,894,657	\$ 4,836,316	\$ 4,318,776	\$ 15,059,749

The accompanying notes are an integral part of this schedule.

REVENUE ACTIVITY OF THE CITY OF ALBANY
COMBINED ANALYSIS OF SURPLUS--FED BASIS, CONTINUED

ALL-STATE CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1997

	Annual Contribution Contracts		Total (Memorandum Only)
	WAS Cured Program PS-1133	Wooling Assistance Certificate Program PS-2131	
Accrued Surplus/Operating Reserve			
balance per prior audit			
March 31, 1994	\$ 288,170	\$ -0-	\$ 288,170
Prior year adjustments			
reversed in current year	(113,163)	0-	(113,163)
Provision for (reduction of)			
operating reserve for the			
year ended March 31,			
1997	45,807	0-	45,807
Balance, March 31, 1997	220,814	0-	220,814
Accrued Surplus/Defect Account			
balance per prior audit			
March 31, 1994	0-	1,674,438	1,674,438
Provision for (reduction			
of) project account			
for year ended			
March 31, 1997	0-	(1,124,622)	(1,124,622)
Balance, March 31, 1997	0-	549,816	549,816

The accompanying notes are an integral part of this schedule.

BOILING AUTHORITY OF THE CITY OF SUDBURY
CONSOLIDATED FINANCIAL STATEMENTS--AUDIT BASIS

ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1997

	Annual Contribution Contracts			Total (Demand Only)
	Gas Owned Program PM-3138	Boiling Assistance Certificate Program PM-3138	Boiling Assistance Voucher Program PM-3134	
Unrecovered Surplus Balance per prior audit March 31, 1996	\$12,488,882	\$16,408,482	\$16,753,006	\$45,649,370
Deficit for year ended March 31, 1997 (Provision for) reduction of operating reserve for year ended March 31, 1997	(184,888)	(507,434)	(477,579)	(1,169,899)
(Provision for) reduction of project account for year ended March 31, 1997	(85,807)	-0-	-0-	(85,807)
	-0-	138,422	128,811	267,233
Balance, March 31, 1997	\$12,218,187	\$15,798,868	\$17,273,227	\$45,290,282

The accompanying notes are an integral part of this schedule.

BOYS' ACADEMY OF THE CITY OF BIRMINGHAM
COMBINED STATEMENT OF INCOME AND EXPENSES--FUND BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

FOR THE YEAR ENDED MARCH 31, 1997

Other charges and (credits):							
Gain on disposition of nonexpendable equipment	\$	10	\$	-0-	\$	-0-	\$
Replacement on nonexpendable equipment		(19,081)		-0-		-0-	(19,081)
Pror period adjustment		25,028		-0-		-0-	25,028
Total other charges		(4,053)		-0-		-0-	(4,053)
Other income:							
Interest on general fund investments		879		999		218	1,096
Grants and subsidies		348,251		215,238		498,282	1,061,771
Total other income		349,130		216,237		498,500	1,063,867
Excess revenue over expenditures		199,989		7,873		30,662	187,524
Surplus--beginning of year		2,255,885		(13,963)		(30,183)	2,211,860
Other charges		(91,282)		332		-0-	(88,950)
Surplus--end of year		\$2,164,607		\$16,142		\$12,221	\$2,202,870

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF KENILWORTH
COMBINED STATEMENT OF INCOME AND EXPENSES--BY BASIS

ALL SOCIAL CONTRIBUTION CONTRACTS

FOR THE YEAR ENDED MARCH 31, 1997

Operating Income:					
Dwelling rentals	5,116,639	5	0	0	5,116,639
Total operating income	116,639	0	0	0	116,639
Operating expenses:					
Administration	113,286	43,373	33,536	168,192	
Resident services	941	0	0	941	
Utilities	48,824	0	0	48,824	
Ordinary maintenance	79,738	0	0	79,738	
Protective services	888	0	0	888	
General expense	63,881	1,635	3,815	79,331	
Housing assistance payments	0	662,862	662,862	662,862	
Total operating expenses	303,252	662,862	672,862	1,288,172	
Net operating deficit before other income, charge and credits	(186,613)	(662,862)	(672,862)	(1,288,172)	

The accompanying notes are an integral part of this schedule.

ISSUING AUTHORITY OF THE CITY OF RISEWELL
COMBINED BALANCE SHEET--RID BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

MARCH 31, 1997

LIABILITIES AND SURPLUS

Due to other annual Contributions Contracts					
Accounts payable		\$ 98,801		\$ 98,801	\$ 204,173
Accrued liabilities	3,591	3,638		3,638	19,851
Tenant security deposits	3,737	-0-		-0-	7,737
Prepaid rents	19,228	-0-		-0-	19,228
Prepaid annual contribution	114	-0-		-0-	114
Other payable	93,938	43,636		55,171	97,807
Fixed liabilities	2,316,928	-0-		427,992	921,888
Total liabilities	3,313,932	149,173		894,028	4,071,720
Surplus	2,393,089	(16,189)		(9,521)	2,307,409
Total liabilities and surplus	\$ 5,707,021	\$ 132,984		\$ 884,507	\$ 6,379,129

The accompanying notes are an integral part of this schedule.

FINANCIAL STATEMENTS OF THE CITY OF ALBANY
COMBINING BALANCE SHEET--FUND BASIS

ALL ASSETS, CONTRIBUTIONS, CONTRACTS

MARCH 31, 1997

ASSETS

<p>Cash</p> <p>Accounts receivable</p> <p>Due from other Annual</p> <p>Contributions</p> <p>Deferred charges</p> <p>Land, structures and equipment</p> <p>Total assets</p>	<p>\$ 46,109</p> <p>13,337</p> <p>380,844</p> <p>17,988</p> <p>5,387,811</p> <p><u>93,653,601</u></p>	<p>Bonding Assistance Certificate Program 29-3193</p> <p>Bonding Assistance Certificate Program 29-3194</p>	<p>\$ 74,817</p> <p>31,650</p> <p>25,829</p> <p>0</p> <p>3,738</p> <p><u>912,811</u></p>	<p>Bonding Assistance Certificate Program 29-3193</p> <p>Bonding Assistance Certificate Program 29-3194</p>	<p>\$997,813</p> <p>0</p> <p>0</p> <p>0</p> <p>3,688</p> <p><u>994,501</u></p>	<p>Total (Memorandum 2002)</p> <p>\$ 704,898</p> <p>48,988</p> <p>328,173</p> <p>17,988</p> <p>5,621,549</p> <p><u>94,379,129</u></p>
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The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL.

CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN EQUITY--BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 1997
 PW-2128
 LA 48710790495

	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
REVENUE			
Grant	\$18,668	\$18,668	\$____-0-
Total revenue	18,668	18,668	____=0-
EXPENDITURES			
Management improvements	17,168	17,168	-0-
Fees and costs	6,000	6,000	-0-
Administration	18,500	18,500	____-0-
Total expenditures	28,668	28,668	____=0-
Excess (deficiency) of revenue over expenditures	-0-	-0-	-0-
Equity, beginning of year	____-0-	____-0-	____=0-
Equity, end of year	\$____-0-	\$____-0-	\$____-0-

The accompanying notes are an integral part of these exhibits.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN EQUITY--BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 1997
 PW-1128
 LA 88P10380098

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE			
Grant	582,162	582,162	\$____-0-
Total revenue	582,162	582,162	____-0-
EXPENDITURES			
Management Improvements	4,171	4,171	-0-
Operations	22,998	22,998	____-0-
Total expenditures	582,162	582,162	____-0-
Excess (deficiency) of revenue over expenditures	-0-	-0-	-0-
Equity, beginning of year	____-0-	____-0-	____-0-
Equity, end of year	\$____-0-	\$____-0-	\$____-0-

The accompanying notes are an integral part of these exhibits.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN EQUITY (DEFICIT)--BUDGET AND ACTUAL, CONTINUED
FOR THE YEAR ENDED MARCH 31, 1997
 PW-2234

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE			
Interest on investments	\$ 248	\$ 248	\$ -0-
Total revenue	248	248	-0-
EXPENDITURES			
Administration	31,530	31,530	-0-
General expense	1,035	1,035	-0-
Housing assistance payments	489,862	489,862	-12,866
Total expenditures	522,427	522,427	-12,866
Net operating deficit before other income	(473,445)	(473,429)	-12,866
OTHER INCOME			
Grants	518,209	498,344	(19,865)
Total other income	518,209	498,344	(19,865)
Excess of revenue over expenditures	19,864	20,462	608
Deficit, beginning of year	(112,061)	(121,878)	(9,817)
Equity (deficit), end of year	\$ (92,197)	\$ (101,416)	\$ (9,219)

The accompanying notes are an integral part of these exhibits.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN EQUITY (DEFICIT)--BUDGET AND ACTUAL
FOR THE YEAR ENDING MARCH 31, 1997
 PW-2191

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Interest on Investments	\$ 850	\$ 850	\$ -0-
Total revenues	850	850	-0-
EXPENDITURES			
Administration	41,373	41,373	-0-
General expense	3,635	3,635	-0-
Housing assistance payments	459,328	463,642	(4,314)
Total expenditures	499,325	508,650	(9,325)
Net operating deficit before other income	(437,345)	(387,662)	(49,683)
OTHER INCOME			
grants	519,232	515,232	-4,000
Total other income	519,232	515,232	-4,000
Excess of revenues over expenditures	(17,754)	(7,572)	(10,182)
Deficit, beginning of year	(15,935)	(17,941)	(1,766)
Other changes	-0-	232	232
Deficit, end of year	\$(1,181)	\$(9,987)	\$ (8,806)

The accompanying notes are an integral part of these exhibits.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN EQUITY (DEFICIT)
FOR THE YEAR ENDED MARCH 31, 1997

	HOUSING ASSISTANCE CERTIFICATE PROGRAM FM-2131	HOUSING ASSISTANCE VOUCHER PROGRAM FM-2138	TOTAL (MEMORANDUM ONLY)
REVENUES			
Interest on investments	\$ 330	\$ 268	\$ 1,238
Total revenues	330	268	1,238
EXPENDITURES			
Administration	41,373	13,930	74,902
General expenses	3,828	3,828	7,278
Housing assistance payments	463,648	440,662	924,310
Total expenditures	508,849	457,422	966,271
Net operating deficit before other income	(187,888)	(187,579)	(188,245)
OTHER INCOME			
Grants	325,238	498,241	1,313,479
Total other income	325,238	498,241	1,313,479
Excess of revenues over expenditures	137,350	310,662	28,238
Deficit, beginning of year	(17,794)	(11,878)	(49,579)
other changes	232	-0-	232
Deficit, end of year	\$ (18,002)	\$ (11,816)	\$ (18,347)

The accompanying notes are an integral part of these exhibits.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 1997

	HOUSING ASSISTANCE CERTIFICATE PROGRAM FR-2191	HOUSING ASSISTANCE VOUCHER PROGRAM FR-2258	TOTAL (NON-DEBTOR OWB)
ASSETS			
Cash	\$ 76,607	\$682,813	\$759,420
Accounts receivable	33,609	-0-	33,609
Due from other annual contribution contracts	25,629	-0-	25,629
	\$135,845	\$682,813	\$818,657
LIABILITIES AND EQUITY (DEFICIT)			
Due to other annual contribution contracts	\$ 98,501	\$107,272	\$205,773
Accounts payable	3,635	3,635	7,270
Deferred revenues	42,836	55,171	97,997
Other payables	-----0-	422,850	422,850
Total liabilities	185,972	688,928	874,900
Deficit	(49,897)	(11,216)	(21,113)
Total liabilities and deficit	\$135,845	\$682,813	\$818,657

The accompanying notes are an integral part of these exhibits.

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BRUNO & TERVALON, CPAs

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Commissioners
Housing Authority of the City of Slidell
New Orleans, Louisiana 70136

Our report on our audit of the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority) 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 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.

The supplementary information (Schedules-HUD basis) which are prepared on a Comprehensive Basis of Accounting other than generally accepted accounting principles, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for differences in fund accounting, facilities acquisition and/or construction, prior year adjustment and receipt of Federal funds presentation in accordance with HUD prescribed practices, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

SUPPLEMENTARY INFORMATION--EXHIBITS

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Deferred Revenues:

Deferred revenues of \$87,607 at March 31, 1987, represent resources received by the Authority before it has a legal claim to them.

NOTE 13 - Deficit Fund Balance:

The special revenue funds has a fund deficit of \$21,113 at March 31, 1987. It is management's intent to develop a plan of action to address the deficit through improvement in the number of leased-up units and cost containment.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTE TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Employees Retirement Plan, Continued:

The Authority also has a retirement plan through a private insurer in which the Authority may contribute up to a maximum of fifteen (15) percent (15%) of the salaries paid to eligible employees. The total contribution for the year-ended March 31, 1997 amounted to \$3,144.

NOTE 10 - Risk Management:

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

NOTE 11 - Due from/to Other Annual Contribution Contracts:

	Due from Other Funds	Due to Other Funds
Housing Assistance Voucher Program PW-2234	\$107,271	\$104,533
Housing Assistance Certificate Program PW-2191	-0-	-0-
Housing Assistance Certificate Program PW-2191	98,802	-0-
PHA Owned Program PW-1128	-0-	\$1,642
Total	\$206,073	\$106,173

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Accrued Absences Payable:

The Authority has established a policy (in accordance with State Civil Service) to pay each employee their accrued annual leave upon termination up to a maximum of 300 hours. The cost of current leave privileges reported in accordance with GASB codification Section 002, is recognized as a current year expenditure in the governmental fund 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 resources is recorded in the general long-term obligations account group.

NOTE 8 - Other Payables:

Other payables at March 31, 1997 consist of the following:

	Annual Contribution Contracts		
	FHA Dated Program FN-1128	Housing Assistance Certificate Program FN-2234	Total
HUD	\$ -0-	\$427,950	\$427,950
Insurance proceeds	22,836	-0-	22,836
	\$23,836	\$427,950	\$451,786

NOTE 9 - Employee Retirement Plan:

The Authority has two (2) retirement plans which cover all full-time employees after one (1) year of service.

The Authority has a deferred compensation plan through a private insurer in which employees may elect to contribute toward the purchase of a non-forfeitable annuity.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Accrued Liabilities:

Accrued liabilities as of March 31, 1987 of \$7,727 consist of accrued taxes payable and other withholding accounts for credit union, etc.

NOTE 6 - Notes Payable:

In September 1984 HUD suspended the sale of project notes pending an Internal Revenue Service ruling on the tax-exempt status of the notes. Project notes which matured were accordingly converted to permanent notes. Debt service is provided by HUD in accordance with the annual contribution contract with the Authority. However, debt service annual contributions ceased as of April 1, 1984.

Under the provisions of the Housing and Community Development Reconciliation Amendments of 1985 (P.L. 99-272) enacted April 7, 1986, the Secretary of Housing and Urban Development was authorized to forgive the outstanding principal and interest on loans made by the Secretary to Public Housing Agencies. The amount of forgiveness is limited to loans held by HUD which were to be repaid using annual contributions.

The amendment requires the forgiveness of project debt to HUD after a debt forgiveness amendment to the consolidated annual contribution contract has been executed by HUD and the PIA/SHA, and after the Actual Development Cost Certificate or Actual Modernization Cost Certificate has been included in an audit and approved.

An amendment to the annual contribution contract has been executed in accordance with the requirements of P.L. 99-272.

The Authority's fixed liabilities consist of the following:

Permanent notes payable to HUD--these notes have an indefinite maturity and are payable by HUD through the PIA's annual contribution contract.

\$3,218,928

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Accounts Receivable:

Accounts receivable as of March 31, 1987 consist of the following:

	<u>Annual Contribution Contracts</u>		
	PHA Owned Program PH-1128	Housing Assistance Certificate Program PH-2122	Total
Tenant accounts receivable	\$ 2,253	\$ -0-	\$ 2,253
HUD	-0-	13,689	13,689
Other	11,184	-0-	11,184
Total accounts receivable	\$13,237	\$13,689	\$26,926

NOTE 3 - Deferred Charges:

Amount recorded as deferred charges as of March 31, 1987 represent prepaid insurance of \$17,888.

NOTE 4 - Accounts Payable:

Accounts payable at March 31, 1987 consist of the following obligations:

	<u>Annual Contribution Contracts</u>			Total
	PHA Owned Program PH-1128	Housing Assistance Certificate Program PH-2122	Housing Assistance Certificate Program PH-2224	
Orders, contractors and other	\$1,881	\$1,885	\$1,885	\$5,651
Total accounts payable	\$1,881	\$1,885	\$1,885	\$5,611

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Organization and Summary of Significant Accounting Policies, continued:

Fund Balance

Fund balance is reported in the applicable annual contribution contract to indicate the amount established for a specific purpose.

Total Columns on Financial Statements

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

Cash

The Authority's cash is considered to be cash on-hand and demand deposits. The Authority may invest in primarily U.S. obligations as directed by HUD.

Budgetary Information

Annual budgets for the special revenue funds and the general fund are adopted on an annual basis consistent with generally accepted accounting principles. The capital fund budgets are adopted on a "project-length" basis.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Due to/from

Amounts due from and due to the Annual Contribution Contracts are recorded on the books of the applicable Annual Contribution Contracts, respectively as due to/from other Annual Contribution Contracts.

Land, Structures, and Equipment

Land, structures, 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. Maintenance and repair costs are charged against income as they are incurred. Significant renewals and betterments are capitalized. The records of the Authority do not allow for a disclosure of the major composition of land, structure and equipment. Depreciation expense has not been provided on general fixed assets.

Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" in accordance with generally accepted accounting principles is effective for 1989. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized at March 31, 1989. Management has not estimated the effect of adoption.

Notes Payable

Major capital improvement projects were financed by issuing a series of short-term notes. HUD and the Authority retired these notes through Annual Contribution Contracts as if the financing were long-term. Amounts are not segregated between current and noncurrent portions as required by generally accepted accounting principles.

In September 1984, HUD suspended the sale of project notes pending an Internal Revenue Service ruling on the tax-exempt status of the notes.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Description And Summary of Significant Accounting Policies, Continued:

Fund Accounting

The accounts of the Authority are organized into three basic funds. A description of these funds and the accounts contained therein follows:

- o General Fund - The General Fund is used to account for all financial resources that are received and used in the provision and administering of the Low Income Housing program.

- o Special Revenue Funds - This fund is used to account for the activities of the Section 8 Certificate and Voucher Program. Monies are received from the Department of Housing and Urban Development (HUD) related to housing assistance payments and certain administrative costs incurred by the Authority in administering the HUD projects.

- o Capital Projects Fund - This fund accounts for financial resources used for the acquisition, construction or improvement of capital facilities.

Accounts Receivable

Accounts receivable are stated at net realizable value as required by generally accepted accounting principles. It is the practice of the Authority to expense uncollectible receivables only upon approval by the Board of Commissioners under the HUD basis of accounting. As March 31, 1987 the allowance for doubtful accounts is \$-0-.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Organization and Summary of Significant Accounting Policies, continued:

General Fixed Assets Account Group - This group of accounts is established to account for fixed assets of the Authority. The fixed assets of the governmental fund 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 the Authority.

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.

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 the Authority; 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.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTE TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Governmental Funds

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

General Fund - The general fund is used to account for the financial resources of the low income housing program administered by the Authority.

Special Revenue Funds - Special revenue funds are used by the Authority to account for the proceeds of specific revenue sources for the Section 8 Certificate and voucher programs that are legally restricted to expenditures for specified purposes.

Capital Projects Fund

This fund accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds. Capital funds contain transactions relating to the active modernization and development programs.

Account Groups

The account group is used to establish accounting control and accountability for the Authority's general fixed assets and outstanding obligations, respectively. It is a 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 is the Authority's account group:

HOUSING AUTHORITY OF THE CITY OF SLIDELL
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1 - Organization and Summary of Significant Accounting Policies

General

The Housing Authority of the City of Slidell (the Authority) was created on March 11, 1967, and is governed by a five (5) member Board of Commissioners all appointed by the Mayor of the City of Slidell and headed by an Executive Director. The Board and Executive Director are responsible for all activities of the Authority. The Authority 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 City of Slidell.

As of March 31, 1997, the Authority had the following number of units under its management:

Contract	Program	No. of Units
FW-1128	FHA Owned-country Gardens	54
FW-1128	FHA Owned-Washington Heights	76
FW-2191	Section 8 Housing Certificate Program	125
FW-2234	Section 8 Housing Voucher Program	143
		398

Basis of Presentation

The accounts of the Authority 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, equity, revenues and expenditures. The accompanying combined financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

ANNUAL BUDGET OF THE CITY OF BIRMINGHAM
 COMMUNITY DEVELOPMENT
 FINANCIAL STATEMENT OF REVENUES, EXPENSES AND
 BALANCE SHEET—BUDGET AND ACTUAL, CONTINUED
 FOR THE YEAR ENDED MARCH 31, 1991

	COMMUNITY DEVELOPMENT		TOTAL COMMUNITY DEVELOPMENT	
	Budget	Actual	Budget	Actual
Net operating (deficit) before other revenues, charges and credits	(975,190)	(1,045,291)	(1,050,000)	(1,140,000)
Other Revenues				
Grants and reimbursements	28,500	28,211	28,500	28,479
Other	—	—	—	—
Total other revenues	28,500	28,211	28,500	28,479
Other credits and charges— Other credits and charges, net	—	(4,802)	—	—
Income (deductions) of investment and expenditures	(11,000)	9,100	20,000	(4,201)
Expenses, beginning of year	86,018	179,258	86,018	(89,300)
Reimbursements, net	—	(22,261)	—	(22,261)
Expenses, end of year	1,441,116	1,376,257	1,441,116	(1,376,257)

The accompanying notes are an integral part of these audited financial statements.

FINANCIAL STATEMENT OF THE CITY OF SEATTLE
 COMPARISON FOR 1988
 COMPARISON OF BUDGET, AMENDMENTS
 AND CHANGES IN BUDGET-BASED AND ACTUAL
 FOR THE FISCAL YEAR ENDING 12, 1989

	GENERAL FUND		SPECIAL FUND REVENUE		
	BUDGET	ACTUAL	BUDGET	ACTUAL	PERCENTAGE DIFFERENCE
Operating Revenues:					
Interest on Investments	\$ 1,400	\$ 50	\$ 1,275	\$ 1,275	+
Building rental	24,200	24,200	—	—	—
Total revenues	25,600	24,250	1,275	1,275	—
Operating Expenses:					
Administration	18,200	17,200	78,000	11,000	+
Street services	2,200	50	—	—	+
Public works	4,200	15,100	—	—	+
Utilities	10,200	40,200	—	—	+
Production services	—	60	—	—	+
General expense	14,200	40,200	1,275	1,275	+
Building business expenses	—	—	201,000	201,000	—
Total expenditures	44,800	112,800	202,275	202,275	—

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

HOUSING AUTHORITY OF THE CITY OF SLIDELL
 GOVERNMENT FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN EQUITY, CONTINUED
 FOR THE YEAR ENDED MARCH 31, 1987

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	TOTAL COMBINATION (ONLY)
OTHER INCOME				
grants and subsidies	\$ 250,128	\$1,613,479	\$ 81,831	\$1,945,438
Other	—	—	—	—
Total other income	250,128	1,613,479	81,831	1,945,438
OTHER CREDITS AND CHANGES				
Other credits and charges, net	(14,563)	—	—	(14,563)
Excess of revenues over expenditures	60,807	16,234	—	89,841
Equity, beginning of year	175,158	(49,579)	—	125,579
Adjustments, net	(27,861)	—	—	(27,861)
Equity, end of year	\$ 142,404	\$ (33,345)	\$ —	\$ 109,059

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

BOARDING AUTHORITY OF THE CITY OF SCIDELL
CONVENTIONAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 1997

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL REVENUES
REVENUE				
Dwelling rental	\$ 114,400	\$ -	\$ -	\$ 114,400
Interest on investments	303	1,238	-0-	1,541
Total revenues	<u>114,703</u>	<u>1,238</u>	<u>-0-</u>	<u>115,941</u>
EXPENDITURES				
Administration	117,200	74,802	-0-	192,002
Sanitary services	941	-0-	-0-	941
Utilities	49,834	-0-	-0-	49,834
Ordinary maintenance	79,718	-0-	-0-	79,718
Protective services	918	-0-	-0-	918
General expense	62,881	7,270	-0-	70,151
Housing assistance payments	-0-	904,111	-0-	904,111
Facilities acquisition, improvements and construction	-0-	-0-	81,811	81,811
Total expenditures	<u>362,282</u>	<u>866,983</u>	<u>81,811</u>	<u>1,311,076</u>
Net operating deficit before other income, charges and credits	<u>(147,579)</u>	<u>(865,745)</u>	<u>(81,811)</u>	<u>(1,095,135)</u>

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

BOOKS RECEIVED BY THE CITY OF ALBANY
 COMPONENTS FOR THE YEAR END BUDGET CHECKS
 EXPENSE BUDGET SHEET, CONTINUED
 MARCH 31, 1987

LIABILITIES AND NETS

Due to other annual contributions

containing (NYS 11)
 Accounts payable (NYS 4)
 Accounts (Additions) (NYS 3)
 Deposits for claims and property rents
 Component accounts payable (NYS 1)
 Trust payable (NYS 4)
 Accrued revenues (NYS 2)
 Other payable (NYS 4)

Total liabilities

Investment in general fund assets

Fixed Income (Activities) (NYS 10)

Total equity

Total (NYS 11) less net
 equity

EXPENSE	GENERAL FUND	GENERAL FUND	GENERAL FUND	ACCOUNTS RECEIVABLE		TOTAL
				GENERAL FUND	GENERAL FUND	
+	208,175	+	+	+	+	208,175
1,082	1,279	+	+	+	+	1,084
1,728	+	+	+	+	+	1,728
21,348	+	+	+	+	+	21,348
+	+	+	+	1,119	+	1,119
+	9,494	+	+	3,214,044	+	3,223,538
31,136	31,136	+	+	+	+	31,136
208,208	15,208	+	+	3,223,208	+	3,446,624
+	+	+	+	3,446,624	+	3,446,624
282,024	15,111	+	+	+	+	297,135
282,024	15,111	+	+	+	+	297,135
282,024	15,111	+	+	+	+	297,135
282,024	15,111	+	+	+	+	297,135

The accompanying notes are an integral part of these certified financial statements.

FINANCIAL STATEMENTS OF THE CITY OF BIRMINGHAM
 GENERAL FUND FUND BALANCE SHEET
 DECEMBER 31, 1997

NOTE NO. 00001 0011

Gift
 Avonlea Investments, Inc. (NET) 1
 for from other mutual contributions
 contracts (NET) 11
 additional charges (NET) 1
 land, structures and equipment
 appropriations to construction
 results to be recorded for
 retirement of obligations

TOTAL assets and other 5610

GENERAL FUND	SOCIAL SECURITY FUND	CAPITAL RESERVED FUND	ACCOUNT GROUPS			TOTAL FUNDING (NET)
			GENERAL FUND	DEVELOP- MENT	DEVELOP- MENT	
5 46,174	560,000	1 0	1 0	1 0	1 786,174	
11,817	10,000	0	0	0	21,817	
187,744	25,000	0	0	0	212,744	
11,000	0	0	0	0	11,000	
0	0	0	1,971,000	0	1,971,000	
0	0	0	24,000	0	24,000	
0	0	0	0	1,000,000	1,000,000	
5610	5610	1 0	1,000,000	1,000,000	3,364,924	

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

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

With respect to the items tested, the results of these 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 Authority had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

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

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1997, and have issued our report thereon dated August 8, 1997.

We have applied procedures to test the Authority'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, 1997:

- | | |
|---|-------------------------------|
| o Political Activity | o Federal Financial Reports |
| o Davis-Bacon Activity | o Allocable Costs/Coast |
| o Civil Rights | Principles |
| o Cash Management | o Drug-Free Workplace Act |
| o Relocation Assistance
and Real Property
Acquisition | o Administrative Requirements |

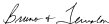
Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

The results of our tests disclosed instances of non-compliance (See Schedule of Findings, Recommendations and Management's Responses) which are required to be reported herein under Government Auditing Standards. In addition, the results of our procedures also disclosed immaterial instances of noncompliance, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses.

We considered these instances of noncompliance in forming our opinion on whether the Authority's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and this report does not affect our report dated August 6, 1997 on these combined financial statements.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority) as of and for the year ended March 31, 1997 and have issued our report thereon dated August 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and provisions of the Office of Management and Budget (OMB), Circular A-118 Audits of State and Local Governments and OMB's compliance supplement for Single Audits of State and Local Governments. 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.

Compliance with laws, regulations, contracts, and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the 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.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACT

o YEAR 2000

Condition

The approach of the year 2000 presents significant issues for many financial, information, and operational systems. Many systems in use today may not be able to interpret dates after December 31, 1999 approximately. Because such systems allow only two digits to indicate the year in a date. As a result, such systems are unable to distinguish January 1, 2000, which could have adverse consequences on the operations of the entity and the integrity of information processing, causing safety, operational, and financial issues.

Our audit of the Authority's financial statements for the year ended March 31, 1997, does not provide any assurance that the Authority's systems are year 2000 compliant. In addition, we were not engaged to perform, nor did we perform, any procedures to test the Authority's systems are year 2000 compliant or whether the plans and activities of the Authority are sufficient to address and correct system or any other problems that might arise because of the year 2000. Accordingly, we do not express any opinion or provide any other assurances regarding the year 2000.

Recommendation

We recommend that management insure that the Authority's system are year 2000 compliant.

Management's Response

We will perform a review of all of the Authority's systems and contact our software vendors to insure that our systems are year 2000 compliant.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

o **FORMALIZED ACCOUNTING AND PROCEDURES MANUAL**

Condition

Currently, the Authority is in the process of computerizing its accounting processes and procedures.

To that extent, the development and implementation of a formalized accounting and procedures manual that incorporate the changes should be developed during the computerization process.

Recommendation

We recommend that management develop and implement a formalized accounting and procedures manual.

Management's Response

The Authority is in the process of finalizing its computerization of the Authority's accounting system. Part of our agreement with our technical assistance trainer will be to assist staff in developing and implementing a procedures manual.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

OUT OF SEQUENCE DISBURSEMENTS

Condition

Our review of the Authority's check population for the current year revealed gaps in its use of checks. It is our understanding based on discussion with management that the condition is the result of the use of checks out of sequence.

Recommendation

We recommend that all checks be sequentially used. Such a practice will help minimize, if not eliminate, the possibility of misappropriation of funds resulting from checks being unaccounted for and/or used out of sequence. Furthermore, all circumstances resulting in the unsequential use of checks should be properly documented.

Management's Response

Beginning October 1, 1997, a separate checklog will be used for each program. The individuals dispensing and receiving the checks will also initial the log for receipt and accuracy of the sequence.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF REPORTABLE CONDITIONS

ALL ANNUAL CONTRIBUTION CONTRACTS

o ACCOUNTING FOR VOIDED CHECKS

Condition

Our review of the bank account reconciliations at March 31, 1997 prepared by the Authority's fee accountant reflects the inclusion of checks outstanding in excess of one year. In addition, we noted that voided checks are not being properly accounted for.

It is our understanding through discussion with management that all documentation for the proper preparation of the reconciliations are submitted to the fee accountant on a monthly basis.

Recommendation

Continued review of the fee accountant's work for completeness and accuracy by management.

Such a review should be evidenced via an initialing.

Management's Response

Management will continue to review the financial statements and make certain that our records are properly documented from the fee accountant. Beginning October 1, 1997, the Authority will be posting its our records and the Director will make certain that all checks are accounted for and posted.

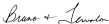
INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)

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 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 Authority'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 of 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 programs 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 Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1987

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

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:

GENERAL REQUIREMENTS

- | | |
|---|-----------------------------------|
| o Political Activity | o Federal Financial Reports |
| o Davis-Bacon Act | o Allowable Costs/Cost Principles |
| o Civil Rights | o Drug-free Workplace Act |
| o Cash Management | o Administrative Requirements |
| o Relocation Assistance and Real Property Acquisition | |

SPECIFIC REQUIREMENTS

- | | |
|--|---------------|
| o Types of Services Allowed or not Allowed | o Eligibility |
| | o Reporting |

For all of 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, 1997 the Authority expended 100% of its total federal financial assistance under major federal financial 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 and amounts claimed or used for matching that are applicable to each of the Authority's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. 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.

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

In planning and performing our audit for the year ended March 30, 1987, we considered the internal control structure of the Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements and on compliance by the Authority with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-129. 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 combined financial statements in a separate report dated August 6, 1987.

The management of the Authority 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 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 financial statements in accordance with generally accepted accounting principles and that federal 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.

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

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1997, and have issued our report thereon dated August 8, 1997. We have also audited compliance by the Authority with requirements applicable to major federal financial assistance programs and have issued our report thereon dated August 8, 1997.

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 the Office of Management and Budget (OMB) Circular A-126, Audits of State and Local Governments and OMB's Compliance Supplement for Single Audits of State and Local Governments. Those 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 and about whether the Authority complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

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

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 previously defined. However, we believe none of the reportable conditions described in the schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALÓN
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

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

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 Authority for the year ended March 31, 1987, 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. 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 (See Schedule of Reportable Conditions).

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.

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

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1997, and have issued our report thereon dated August 6, 1997.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget (OMB) Circular A-128 Audits of State and Local Governments and OMB's Compliance Supplement for Single Audits of State and Local Governments. 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.

The management of the Authority 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 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 the 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

SCHEDULE IX

HOUSING ACTIVITY OF THE CITY OF SLEDELL
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

ALL FUNDS EXPENSED-NO BASIS

FOR THE YEAR ENDED MARCH 31, 1997

CFDA Number	Grant Number	Grant Amount	Expenses Incurred and Authorized
14-080	FW-1128	\$ 280,118	\$ 331,363
14-087	FW-2193	515,238	505,098
14-055	FW-2234	486,241	477,027
14-080	FW-1128	<u>88,822</u>	<u>88,822</u>
		94,363,822	94,416,072

Programs funded by the U.S. Department of Housing and Urban Development (HUD):

- *Subject to Annual Contribution Contracts
- *PHA Owned Housing Program
- *Outlying Housing Assistance Program
- *Voucher Program
- *Modernization and Development Program

Total annual contribution
 - contracts

*Denotes major program as defined by HUD A-128

The accompanying notes are an integral part of this schedule.

SCHEDULE VIII

HOUSING AUTHORITY OF THE CITY OF SLIDELL

RECONCILIATION OF MODERNIZATION FUNDS ADVANCED WITH COSTS--(INCOMPLETE)

ANNUAL CONTRIBUTION CONTRACT FN-1120

For the Year Ended March 31, 1997

	LA-048102903	LA-048102904	Total
Funds approved	\$ 379,940	\$145,000	\$ 544,940
Funds expended	_305,756	_39,664	_345,420
Excess (deficiency) of funds approved	\$ 74,184	\$105,336	\$ 189,520
Funds advanced:			
Grant Funding	\$ 305,756	\$ 39,664	\$ 345,420
Total funds advanced	305,756	39,664	345,420
Funds expended	(305,756)	(39,664)	(345,420)
Excess (deficiency) of funds available	\$ _____	\$ _____	\$ _____

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--FED BASIS, CONTINUED

HOUSING ASSISTANCE VOUCHER PROGRAM

ANNUAL CONTRIBUTION CONTRACT #H-2024

For the Year Ended March 31, 1989

Operating Reserve Change

Operating receipts

Other income	\$ 348
Annual contribution earned	438,242
Total operating receipts	438,590

Operating expenditures

Operating expenses	427,822
Total operating expenditures	427,822

Net operating receipts available 70,668

Deficit at beginning of year 112,928

Deficit at end of year \$ 112,316

Reduction of (provision for) operating
reserves \$ 0

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--RUD BASIS

HOUSING ASSISTANCE VOUCHER PROGRAM

ANNUAL CONTRIBUTION CONTRACT PW-2214

For the Year Ended March 31, 1997

Maximum Contribution Available

Maximum annual contribution	\$ 757,282
Project account balance at beginning of fiscal year	2,888,384
TOTAL annual contribution available	\$3,645,666

Annual Contribution Required

Administrative fee	53,817
housing assistance payments	440,952
Hard to house fees	575
Project receipts other than annual contribution	(348)
Audit fees	2,425
total annual contribution required	\$ 898,241

Project Account Change

Provision for project account	\$ 288,341
-------------------------------	------------

Annual Contribution Earned--lesser of
contribution available or contribution
required

\$ 288,341

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--FUND BASIS, CONTINUED

HOUSING ASSISTANCE CERTIFICATE PROGRAM

ANNUAL CONTRIBUTION CONTRACT FM-2181

For the Year Ended March 31, 1997

Operating Reserve Change

<u>Operating receipts</u>	
Other income	\$ 150
Annual contribution earned	515,128
Total operating receipts	515,128
<u>Operating expenditures</u>	
Operating expenses	508,156
Total operating expenditures	508,156
Net operating receipts available	7,572
Cash donations to operating reserve	100
Deficit at beginning of year	(12,781)
Deficit at end of year	\$ (12,882)
Reduction of (provision for) operating reserve	\$ _____

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND
PROJECT ACCOUNT--OPERATING EXPENSE CHARGES--HEAD BASIS

HOUSING ASSISTANCE CERTIFICATE PROGRAM

ANNUAL CONTRIBUTION CONTRACT FH-2201

For the Year Ended March 31, 1997

Maximum Contribution Available

Maximum annual contribution	\$ 380,000
Project account balance at beginning of fiscal year	1,074,000
Total annual contribution available	\$1,454,000

Annual Contribution Required

Administrative fee	\$ 88,719
Housing assistance payments	483,049
Project receipts other than annual contribution	(990)
Hard to house fees	305
Audit fees	1,035
Total annual contribution required	\$ 573,099

Project Account Change

Provision for project account	\$ 134,600
-------------------------------	------------

Annual Contribution Earned--lesser of
contribution available or contribution
required

\$ 573,099

The accompanying notes are an integral part of this schedule.

SCHEDULE V

HOUSING AUTHORITY OF THE CITY OF SLIDELL

COMPUTATION OF RESIDUAL RECEIPTS--BLD BLDG
FHA OWNED PROGRAM

ANNUAL CONTRIBUTION CONTRACT FM-1118

For the Year Ended March 31, 1997

Computation of Residual Receipts

Operating receipts	
Operating income	\$126,458
Other income	64,393
Contribution earned--operating subsidy	186,342
Total operating receipts	377,193
Operating and capital expenditures	
Operating expenses	302,292
Replacement of non-expendable equipment, net	28,072
Prior period adjustment	(20,228)
Total operating and capital expenditures	310,136
Residual receipts from operation	\$67,057
Residual receipts per audit	\$ 60,897
Less audit adjustments affecting residual receipts	____(1,000)
Residual receipts before provision for reserve per FHA	60,897
Provision for operating reserve per FHA	(60,897)
Residual receipts per FHA	\$ _____

The accompanying notes are an integral part of this schedule.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated August 4, 1997 on our consideration of the Authority's internal control structure and a report dated August 4, 1997 on its compliance with laws, regulations, contracts and grants.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the accompanying general purpose financial statements as listed in the Table of Contents of the Housing Authority of the City of Slidell (the Authority) as of March 31, 1997 and for the year then ended. These general purpose financial statements are the responsibility of the 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 and Government Auditing Standards, issued by the Comptroller General of the United States; provisions of the Office of Management and Budget (OMB), Circular A-133 Audits of State and Local Governments and OMB's Compliance Supplement for Single Audits of State and Local Governments. Those 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 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 presents fairly, in all material respects, the financial position of the Housing Authority of the City of Slidell as of March 31, 1997 and the results of its operations and changes in its equity for the year then ended in conformity with generally accepted accounting principles.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

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HOUSING AUTHORITY OF THE CITY OF SLIDELL

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HOUSING AUTHORITY OF THE CITY OF SLIDELL.

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HOUSING AUTHORITY OF THE CITY OF SLIDELL

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HOUSING AUTHORITY OF THE CITY OF SLIDELL

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**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE FISCAL YEAR ENDED MARCH 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the House Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

**Bruno
& Tervalon**

COPIED PUBLIC ACCOUNTANTS

Release Date **OCT 29 1997**

HOUSING AUTHORITY OF THE CITY OF SLIDELL

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED**

ANNUAL CONTRIBUTION CONTRACT

FINDING VII - **UTILITY ALLOWANCE
WORKSHEET** **QUESTIONED COST**

6-0-

Condition

Of the ten (10) files selected for review, we noted in seven (7) instances the lack of documentation to support the amount of utility allowances afforded to the tenants.

Recommendation

We recommend that all utility allowances afforded to tenants should be documented in the respective files via the use of a utility worksheet or similar document.

Management's Response

Management is going to incorporate the utility worksheet into the software system, which will automatically document the calculation for each case.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED**

ANNUAL CONTRIBUTION CONTRACT

FINDING VIII - **GROSS RENT IN EXCESS OF
THE MARKET RENT _____** **QUESTIONED COST**

\$-0-

Condition

In three (3) of ten (10) files reviewed, we noted that the gross rent amounts exceeded the fair market rent.

Recommendation

The Authority should comply with the specific requirements of 24 CFR Part 812, 813, 832, and 897 relating to payments in excess of fair market rent.

Management's Response

Although we are below our 10% ceiling, we agree that we have not documented our file appropriately. In all cases, the documentation will be in each file to justify any increase beyond the fair market rent.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED

ANNUAL CONTRIBUTION CONTRACTS

FINDING X - "CIAP" REPORT QUESTIONED COST

\$28

Condition

Our review of the March 31, 1997 Comprehensive Improvement Assistance Program (CIAP) report submitted to HUD revealed an error in the amount reflected as total funds advanced.

Recommendation

We recommend that staff charged with responsibility for the preparation of the CIAP report reconcile the report to the respective documents as part of the report preparation process to ensure agreement.

Management's Response

Management has reconciled the respective reports and expect that all future reports will bear the corrected information.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

STATUS OF PRIOR AUDIT FINDINGS AND REPORTABLE CONDITIONS MARCH 31, 1997

The prior audit report for the period ended March 31, 1996 contained seventeen (17) findings and five (5) reportable conditions. The following represents a status:

PRIOR FINDING NUMBER	DESCRIPTION	RESOLVED	UNRESOLVED	IN PROGRESS
N/A	Unassigned Minutes	X		
N/A	Petty Cash Count			X
N/A	Out-of-sequence disbursements			X*
N/A	Validity of Accounts receivable			X
N/A	Maintenance of Payroll Register			X
N/A	Segregation of duties			X
N/A	Formal Procurement Policy			X*
N/A	Use of Receiving Reports	X		
N/A	Accounting and Computerization Capacity			X*

*Repeated

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATUS OF PRIOR AUDIT FINDINGS
AND REPORTABLE CONDITIONS, CONTINUED
MARCH 22, 1987

PRIOR FINDING NUMBER	DESCRIPTION	RESOLVED	UNRESOLVED	IN PROGRESS
N/A	Support for Notes Payable to HMD	X		
N/A	Computation of Interest Earned on Operating Reserve			X*
N/A	Disaster Recovery Plan			X*
N/A	Policy and Procedural Manual			X*
N/A	Cash Management and Forecasting			X*
N/A	Reconciliation of Rental Register Security Deposit Ledger to the General Ledger	X		
N/A	Unidentified Accounts Receivable	X		
N/A	Unlocated Cash Disbursement Document	X		
N/A	Tagging and Accounting for Property and Equipment	X		
I	No Documentation Regarding Unit Inspection			X*

*Repeated

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATUS OF PRIOR AUDIT FINDINGS
AND REPORTABLE CONDITIONS, CONTINUED
MARCH 31, 1997

PRIOR FINDING NUMBER	DESCRIPTION	RESOLVED	UNRESOLVED	IN PROGRESS
II	Font Readability Test		X*	
III	Owner Contract		X*	
IV	Unsupported Rent Increase			X*
V	Federal Financial Reports	X		
VI	Unsigned Lease	X		
VII	Verification of Income		X*	
VIII	Timely submission of Audit Report	X		
IX	Budget overruns			X*
X	Authority Behind in its Leasing Schedule			X*
XI	Modernization Costs	X		
XII	Depository Agreement	X		
XIII	Modernization Cost Record Retention	X		
XIV	Land, Structures and Equipment Record Retention	X		

*Repeated

HOUSING AUTHORITY OF THE CITY OF SLIDELL.

STATUS OF PRICE ADJUST FINDINGS
AND REPORTABLE CONDITIONS, CONTINUED
MARCH 31, 1987

PRICING FINDING NUMBER	DESCRIPTION	RESOLVED	UNRESOLVED	IN PROGRESS
XV	Employee Notification of Civil Rights and Political Activity Requirements			X*
XVI	Timely Filing of HUD Form 38004		X*	
XVII	Alleged Misappropriation of Funds	X		

*Repeated

HOUSING AUTHORITY OF THE CITY OF SLIDELL
STATUS OF SECTION 8 MANAGEMENT REVIEW CONDUCTED BY HUD
March 11, 1997

The following represents a status of the review findings based on a management review conducted by HUD on September 12, 13 and 14, 1996.

The review report also had four (4) observations.

<u>COMMENT NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>IN PROGRESS</u>
I	Conduct new Reasonableness Survey		X
II	Tenant file documentation		X
III	Unit inspections	X	
IV	Quality Control Inspections	X	
V	Certificate/oucher Program Holders Packet	X	
VI	PHA Utilization Form-HUD 5240	X	
VII	HAP Register	X	
VIII	Lead-Based Paint Certification		X

HOUSING AUTHORITY OF THE CITY OF SLIDELL.

EXIT CONFERENCE

March 11, 1997

The findings and recommendations as well as the reportable conditions mentioned in this report were discussed at an exit conference held on September 30, 1997 and attended by:

HOUSING AUTHORITY OF THE CITY OF SLIDELL

Ms. Shellie J. Dansey -- Executive Director
Ms. Leslie Smith -- Manager

BRUSO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA -- Partner
Mr. Paul K. Ardoh, Sr., CPA -- Senior Manager

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 1987

ACCOUNT NUMBER FOR AUDIT REPORT	DESCRIPTION	DEBIT	CREDIT
	<u>Annual Contribution Contract FM-2224</u>		
2820	Unreserved Surplus	\$484,798	
2826	Cumulative HUD Contributions		\$484,798

To properly state reserves
account balances at
March 31, 1987.

& Tervalon

SUITE 100, SUITE 100
400 PINE STREET, SUITE 100
NEW ORLEANS, LOUISIANA 70119

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

Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1997, and have issued our report thereon dated August 6, 1997.

We have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort or worksharing, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended March 31, 1997. The management of the Authority is responsible for the Authority's compliance with these 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-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 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 Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

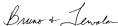
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

(CONTINUED)

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of Findings, Recommendations and Management's Responses. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph:

In our opinion, the Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort or earmarking, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major Federal financial assistance programs for the year ended March 31, 1997.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 1997

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES

ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191

FINDING 1 -	NO DOCUMENTATION REGARDING <u>UNIT INSPECTION</u>	QUESTIONED COST \$-0-
-------------	--	------------------------------

Condition

Of the two (2) tenant files tested for the various Section 8 programs, we noted that in all instances there were no documentation of unit inspections performed by the Authority on file.

Recommendation

We recommend that the Authority review its current procedures with an aim toward ensuring the timely inspection and documentation of unit inspections accordingly.

Management's Response

Findings 1, 2, 3 are correct in its conditions, our recordkeeping needs continued improvement. Every effort will be made to make certain that the back-up hard copies are in the files, even with computerization.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSE, CONTINUED

ANNUAL CONTRIBUTION CONTRACT #W-388

FINDING 11 - RENT REASONABLENESS TEST QUESTIONED COST

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted seven (7) instances in which there was no documentation of rent reasonableness performed.

Recommendation

We recommend that rent reasonableness determination be ascertained and documented in each tenant file.

Management's Response

Findings 1, 2, 3 are correct in its conditions, our recordkeeping needs continued improvement. Every effort will be made to make certain that the back-up hard copies are in the files, even with computerization.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED

ANNUAL CONTRIBUTION CONTRACTS FW-3234 AND FW-3235

FINDING III - VERIFICATION OF INCOME **QUESTIONED COST**

\$=0=

Condition

Of the two (2) tenant files tested for the various Section 8 programs, we noted four (4) instances in which there was no independent verification of the tenant's income.

Recommendation

We recommend that all tenant income be independently verified.

Management's Response

Findings 1, 2, 3 are correct in its conditions, our recordkeeping needs continued improvement. Every effort will be made to make certain that the back-up hard copies are in the files, even with computerization.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES, CONTINUED

ANNUAL CONTRIBUTION CONTRACTS FW-2131 AND FW-2236

FINDING BY -	AUTHORITY ARISING IN ITS LEASING SCHEDULE	QUESTIONED COST
--------------	--	-----------------

Dollars

Condition

The Authority has been allocated 105 certificates under the Section 8 Certificate Program and 157 vouchers under the Section 8 Voucher Program. However, as of March 31, 1997 only 101 and 126 units were under lease, respectively.

Recommendation

We recommend that the Authority continue in its outreach program to attract more property owners and tenants into the Section 8 programs.

Management's Response

The Authority is continuing its efforts to lease-up both programs. It is difficult to find market rate rental housing in Slidell let alone affordable housing for families in need of assistance. We will continue to attempt to lease by making every effort to highlight the positive aspects of the program.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED

ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191

FINDING # -	ORIGIN CONTRACT	QUESTIONED COST
		\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted in all instances that the contracts on file with the owner were not current.

Recommendation

We recommend that a current contract with all landlords participating in the Section 8 programs be maintained in the respective files.

Management's Response

Findings 1, 2, 3 are correct in its conditions, our recordkeeping needs continued improvement. Every effort will be made to make certain that the back-up hard copies are in the files, even with computerization.

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES, CONTINUED

ANNUAL CONTRIBUTION CONTRACTS FW-2391 AND 2394

FINDING VI - UNTIMELY FILING OF
HRG FORM 50058 _____ QUESTIONED COST

\$-0-

Condition

The Authority has not complied with the filing requirements of HRG Form 50058 (Family Report) as dictated by HUD.

Recommendation

We recommend the institution of the necessary procedures to ensure the timely filing of the Family Report HRG Form 50058.

Management's Response

Management is acutely aware of this finding and staff have been instructed that the input of information takes priority over all other matters. Again, our new HRG system allows for us to input and determine our percentage of input. It is our intent to make certain that we are 100% inputted by November 30, 1987.