

## NINTH WARD HOUSING DEVELOPMENT CORPORATION

---

### o MINUTES

Our review of the minutes of the Board of Directors revealed a lack of sufficient detail to adequately ascertain the proceedings and actions taken by the Board in addition to there being no evidence of ratification of the Board's actions.

#### Recommendation

We recommend that the minutes of the meetings of the Board of Directors adequately reflect the proceedings and actions taken by the Board of Directors and its ratifications.

### o DAY-CARE PROGRAM INCOME

As a result of our testing of the Day-care program income, it was noted that the controls over the receipt of cash by the day-care employees were considerably weak.

#### Recommendation

We recommend that the Corporation's management reevaluate its existing cash receipt procedures employed by the Day-care Program. We also recommend that these new procedures are designed in such a manner to insure that assets of the Day-care Program are safeguarded from unauthorized disposition.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various corporation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

December 28, 1996

## NINTH WARD HOUSING DEVELOPMENT CORPORATION

---

### **e BANK ACCOUNT RECONCILIATIONS**

As a result of our testing of the cash bank account reconciliations at June 30, 1996, we noted that several of the bank reconciliations were erroneously reconciled to the general ledger. It was also noted that the reconciliations were not performed in a timely manner or reviewed by management.

#### **Recommendation**

We recommend that all bank accounts be reconciled to the general ledger on a monthly basis and reviewed by the Corporation's management for completeness and accuracy. We also recommend that the Chief Fiscal Officer sign and date the reconciliations as evidence of review and approval.

### **f COST ALLOCATION**

During the course of our audit, we noted that the Corporation does not have a cost allocation plan. Expenditures and indirect cost appear to have been charged to various grants and programs operated by the Corporation in a non-systematic manner.

#### **Recommendation**

We recommend that the Corporation prepare and formally adopt a cost allocation plan to be utilized to allocate various general and administrative expenses to the benefiting grants and programs. Furthermore, all documentation supporting the assumptions utilized in the cost allocation plan be retained by the Corporation.

### **g VALUATION OF CONTRIBUTED FACILITIES**

We noted that the Corporation had not recorded the value of contributed office space and utilities. Generally accepted accounting principles require that the fair market value of services or facilities be recorded as revenue and expense on the non-profit organization's Statement of Revenues, Support, Expenses, and changes in Fund Balance.

#### **Recommendation**

We recommend that the Corporation develop procedures to value contributions of office space, utilities, and services at a rate which realistically measures the value of the contribution.

JUL 17 11:04:52

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

To the Board of Directors  
Ninth Ward Housing Development Corporation

In planning and performing our audit of the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) for the year ended June 30, 1996, we consider the Corporation's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. We previously reported on the Corporation's internal control structure in our report dated December 20, 1996. This letter does not affect our report dated December 20, 1996 on the financial statements of Ninth Ward Housing Development Corporation. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. Our comments are summarized as follows:

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

**EXIT CONFERENCE**

---

The financial statements and all related reports and schedules were discussed at an exit conference and attended by:

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

Ms. Janice Smith	--	Program Coordinator
Ms. Rosalinda Brown	--	Accounting Manager

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Edward Tourisc, CPA	--	Manager

*Bruno & Tervalon*

**BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS**

December 30, 1996

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**

---

**ALL PROGRAMS**

<b>FINDING III -</b>	<b>TIMELY FILING OF THE FORM 990 TAX RETURN</b>	<b>QUESTIONED COST</b>
		N/A
<b>OBSERVATION:</b>	There was no evidence that the Ninth Ward Housing Development has filed or requested an extension to file the Corporation's June 30, 1996, Form 990 Tax Return.	
<b>CRIME:</b>	The Corporation inadvertently failed to file its June 30, 1996, Form 990 Tax Return on a timely basis.	
<b>EFFECT:</b>	The Corporation is not in compliance with the Internal Revenue Service Code.	
<b>CRITERIA:</b>	The Internal Revenue Service requires the Form 990 to be filed by the 15 day of the 5th month subsequent to the close of a corporation's fiscal year and or request an extension for filing.	
<b>RECOMMENDATION:</b>	We recommend that the Ninth Ward Housing Development Corporation file the June 30, 1996 Form 990 immediately and implement procedures to insure that future tax returns are filed in a timely manner.	

NINTH WARD HOUSING DEVELOPMENT CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

---

GENERAL FUND

FINDING B - TIMELY COMPLETION OF THE AUDIT  
OF THE FINANCIAL STATEMENTS \_\_\_\_\_ QUESTIONED COST

N/A

OBSERVATION: We noted during our audit that management did not adhere to established procedures with regard to the timely issuance of audited financial statements as stipulated by the Louisiana Revised Statutes.

CAUSE: The Corporation failed to provide certain accounting records on a timely basis.

EFFECT: The Corporation was not in compliance with the Louisiana Revised Statutes regarding the timely submission of audited financial statements.

CRITERIA: According to Louisiana Revised Statutes an entity should issue audited financial statements within six (6) months of the close of their fiscal year.

RECOMMENDATION: We recommend that the management of the Corporation adhere to the Louisiana Revised Statutes regarding the issuance of audited financial statement within six (6) months of the close of their fiscal year.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**ALL PROGRAMS**

FINDING 1-	<u>NO FIXED ASSET SUBLEDGER</u>	<u>QUESTIONED COST</u>
------------	---------------------------------	------------------------

N/A

**DESCRIPTION:** As a result of our testing of fixed assets it was noted that the Ninth Ward Housing Development Corporation (the Corporation) did not maintain a fixed asset subledger during fiscal year 1990 that was reconciled to the general ledger.

**CAUSE:** The Corporation inadvertently failed to maintain a fixed assets subledger during fiscal year 1990.

**EFFECT:** The Corporation was not in compliance with the Louisiana Revised Statutes regarding asset management.

**CRITERIA:** According to Louisiana Revised Statutes 24:808(B)(1) and 29:154 records of all land, buildings, improvements, equipment, and any other general fixed assets which were purchased or otherwise acquired, shall be maintained by the entity.

**RECOMMENDATION:** We recommend that the Ninth Ward Housing Development Corporation maintain a fixed asset subledger that is reconciled to the general ledger.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
NONMAJOR FEDERAL AGENCY PROGRAM TRANSACTIONS  
(CONTINUED)

With respect to the items tested, the results of our 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 Ninth Ward Housing Development Cooperative had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1994



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
NONMAJOR FEDERAL AWARD PROGRAM TRANSACTIONS**

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 28, 1996.

In connection with our audit of the financial statements of the Ninth Ward Housing Development Corporation and with our consideration of the Corporation's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal award programs for the year ended June 30, 1996.

As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special tests and provisions (if any) 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 Ninth Ward Housing Development Corporation's compliance with these requirements. Accordingly, we do not express such an opinion.

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

---

(CONTINUED)

With respect to the items tested, the results of our 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 Ninth Ward Housing Development Corporation had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1994

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

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 20, 1996.

We have applied procedures to test the compliance of the Ninth Ward Housing Development Corporation with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| o Political Activity        | o Allowable Costs and Cost Principles |
| o Civil Rights              | o Administrative Requirements         |
| o Cash Management           | o Drug-Free Workplace                 |
| o Federal Financial Reports |                                       |

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Ninth Ward Housing Development Corporation's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 30, 1988.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1988

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

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1994, and have issued our report thereon dated December 10, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, as 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 Ninth Ward Housing Development Corporation is the responsibility of the Corporation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH DMR CIRCULAR A-118  
(CONTINUED)

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. 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 award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 30, 1996.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1996

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

Specific Requirements

- o Types of Services Allowed or Disallowed
- o Eligibility

For all of the internal control structure categories listed in the preceding paragraph, 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 June 30, 1986, Ninth Ward Housing Development Corporation had no major federal award programs and expended 100% of its total federal awards under the following nonmajor programs:

- o City of New Orleans - Division of Housing and Neighborhood Development  
U.S. Department of Housing and Urban Development  
Day-care Program CPDA #14,213
  
- o Louisiana Department of Education  
U.S. Department of Agriculture child and adult care  
Food Program CPDA #10,508

We performed tests of controls, as required by OMB Circular A-133, 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 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.

The management of Ninth Ward Housing Development Corporation 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 award 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 award programs in the following categories:

**Accounting Controls**

- o Cash Receipts
- o Cash Disbursements
- o Payroll
- o Property Management

**General Requirements**

- o Political Activity
- o Civil Rights
- o Cash Management
- o Federal Financial Reporting
- o Allowable Costs/Cost Principles
- o Drug Free Workplace Act
- o Administration Requirements



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1998 and have issued our report thereon dated December 30, 1998.

We conducted our audit 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 Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit for the year ended June 30, 1998, we considered the internal control structure of the Ninth Ward Housing Development Corporation in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of the Ninth Ward Housing Development Corporation and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated December 30, 1998.

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

This report is intended for the information of the Board of Directors, management and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1996

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

In planning and performing our audit of the financial statements of the Ninth Ward Housing Development Corporation for the year ended June 30, 1990, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 20, 1990.

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

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1996 and have issued our report thereon dated December 20, 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 Ninth Ward Housing Development Corporation 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 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 basic 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.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

SCHEDULE OF FEDERAL AWARDS

JUNE 30, 1976

GRANTOR/ PROGRAM TITLE	CFDA NUMBER	GRANT CONTRACT NUMBER	PROGRAM EXPENDITURES JUNE 30, 1976
<b>STATE OF LOUISIANA-</b>			
Office of Urban Affairs & Development:			
Community Assistance Program	8/A	100-4002	\$223,000
Employment Preparation Program	8/A	100-4021	164,010
Louisiana Department of Education:			
U.S. Department of Agriculture Child and Adult care Food Program	18-558	93-285	29,343
<b>CITY OF NEW ORLEANS-</b>			
Division of Housing & Neighborhood Development:			
U.S. Department of Housing and Urban Development	14-219	59-0310	136,922
<b>TOTAL</b>			<b>\$683,298</b>

See Independent Auditors' Report on Schedule of Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FINANCIAL AWARD**

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the financial statements of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of and for the year ended June 30, 1996 and have issued our report thereon dated December 20, 1996. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these basic 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-133, "Standards of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Ninth Ward Housing Development Corporation taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1996

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

---

**NOTE 4 - Questioned Costs:**

Our audit disclosed certain items and/or transactions as questioned costs. The accompanying financial statements have not been adjusted for those questioned cost items. The ultimate resolution or determination as to whether the costs will be allowable or unallowable under the affected grants will be made by the various funding sources and cannot be determined at this time.

**NOTE 5 - Contingency:**

The Ninth Ward Housing Development Corporation is a recipient of numerous grants and awards of Federal and State funds. These grants and awards are governed by various Federal and State guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants and awards is under the control of the Ninth Ward Housing Development Corporation and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found to be not properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION****NOTE TO THE FINANCIAL STATEMENTS, CONTINUED**

---

NOTE 1 - Background and Significant Accounting Policies.  
Continued:

Total Columns

Total columns are presented to facilitate financial analysis. Data in the columns does not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - Property and Equipment:

Property and equipment consist of the following at June 30, 1995:

Land	\$ 294,200
Buildings	757,900
Furniture and equipment	40,817
Vehicles	22,025
	1,115,942
Accumulated depreciation	(33,225)
Total	\$1,112,717

NOTE 3 - Prior Period Adjustments:

Fund balance at the beginning of fiscal year 1994 has been adjusted to correct the following errors made in fiscal year 1993 financial statements:

- o The improper valuation of property and the non-recording of equipment;
- o The non-recording of the rent receivable and the related rental revenue; and
- o The non-recording of payroll taxes, payable and the related payroll tax expense.

Had the aforementioned errors not been made the fund balance for 1993 would have been increased by \$187,093.



**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

---

**NOTE 1 - Background and Significant Accounting Policies.**  
Continued:

**Day-Care Center Program** - This program, funded through a Community Development Block Grant between the City of New Orleans and a nonprofit organization, provides day-care services to approximately 80 children between the age of two and five years old.

**Weatherization and Loan Rehabilitation Program** were programs that were funded in previous years; however, no activity was noted for fiscal year ended June 30, 1996. However, the Corporation's management transferred \$20,000 from the Loan Rehabilitation Program to the General Fund in an effort to close-out this fund in fiscal year 1996.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the following estimated useful lives:

	Years
Buildings	30
Furniture and equipment	5
Vehicles	5

**Income Taxes**

The Corporation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1 - Background and Significant Accounting Policies:**

**General**

Ninth Ward Housing Development Corporation (the Corporation) is a not-for-profit corporation formed on July 21, 1984 formerly called the Lower Ninth Ward Housing Development Corporation which was incorporated on December 4, 1983. The Corporation was organized and operates on a non-stock basis with one class of membership which consist of members of the Board of Directors. As a non-profit corporation, the Ninth Ward Housing Development Corporation engages in the purchase, construction, demolition, rehabilitation, improvement, re-building and resale of substandard housing and real property in the City of New Orleans. The Corporation also provides day-care, employment preparation/home-work assistance and community assistance programs.

**Description of Programs**

**Child and Adult Care Food Program** - This program is funded through the Louisiana State Department of Education - Child and Adult Care Food Program and provides free meals to approximately 40 children who participate in the nonprofit organization's day-care program.

**Community Assistance Program** - This program, funded through the Louisiana State Governor's Office of Urban Affairs and Development, serves as an information clearing house by disseminating information to community residents regarding health care, housing and other community related needs.

**Homework Assistance Program (Also, referred to as the Employment Preparation Program)** - This program, funded through the Louisiana State Governor's Office of Urban Affairs and Development, provides homework assistance to approximately 22 students in grades kindergarten through sixth, who have difficulty completing homework assignments due to reduce parental assistance, distractions, or lack of student motivation. The Homework Assistance Program is conducted daily at two New Orleans Public Schools for two hours.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1966**

---

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Deficiency of support and revenues over expenses	\$ (8,527)
Adjustments to reconcile net cash provided by operating activities:	
Depreciation expense	21,884
Changes in operating assets and liabilities:	
Grant receivable	8,389
Rent receivable	(85,008)
Accounts payable	(34,777)
Payroll taxes payable	41,212
Accrued expenses and other payable	13,987
Other changes, net	-28,603
Net cash used in operating activities	(11,112)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment	(12,000)
Net cash used in investing activities	(12,000)
Net decrease in cash	(23,112)
Cash, beginning of period	127,642
Cash, end of period	\$ 99,534

See Accompanying Notes to the Financial Statements.

1989-1990 FEDERAL FINANCIAL STATEMENTS  
 DIVISION OF FINANCIAL SERVICES  
 FOR THE YEAR ENDING 30.06.1990

	REVENUE EST.	EXPENSE EST.	NET REVENUE EST.	PERCENT REVENUE CONTR.	CONTRACT REVENUE EST.	PER CONTRACT REVENUE CONTR.	NUMBER OF CONTRACTS	PER CONTRACT REVENUE CONTR.	TOTAL REVENUE EST.
Salaries and wages	2,400	20,000	(17,600)	16.400	200,000	1	200,000	200,000	
Supplies	1,170	10	1,160	1.070	6,000	6	1,000	6,000	
Subsidiary services	10,000	10	9,990	9.990	5,700	57	100	5,700	
Contractual services	4,200	10	4,190	3.810	10	10	1	4,190	
Interest	2,200	10	2,190	2.010	10	10	1	2,010	
Depreciation and maintenance	8,500	1,000	7,500	6.930	1,000	10	100	1,000	
Depreciation	5,700	1,000	4,700	4.360	1,000	10	100	1,000	
Gas	10	10	0	0.09	1,000	10	100	1,000	
Advertising	1,000	20	980	0.91	1,000	10	100	1,000	
Printing	1,000	10	990	0.91	1,000	10	100	1,000	
Office and building supplies	6,000	1,000	5,000	4.63	1,000	10	100	1,000	
Post supplies	10	10	0	0.09	1,000	10	100	1,000	
Telephone	1,000	10	990	0.91	1,000	10	100	1,000	
Transportation	1,000	10	990	0.91	1,000	10	100	1,000	
Travel	2,000	10	1,990	1.83	1,000	10	100	1,990	
Utilities	1,000	10	990	0.91	1,000	10	100	1,000	
Commodities	5,000	10	4,990	4.60	1,000	10	100	4,990	
Printing	10	10	0	0.09	1,000	10	100	1,000	
Gas and water/sewerage	1,000	10	990	0.91	1,000	10	100	1,000	
Electricity	1,000	10	990	0.91	1,000	10	100	1,000	
Other, Post & Transportation	1,000	10	990	0.91	1,000	10	100	1,000	
Telephone	1,000	10	990	0.91	1,000	10	100	1,000	
Transportation	10	10	0	0.09	1,000	10	100	1,000	
Total	20,000	20,000	0	0.00	200,000	1,000	200,000	200,000	

See accompanying notes to the financial statements.

**2020 AND 2019S FINANCIAL STATEMENTS**  
**STATEMENT OF SUPPORT, REVENUE, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 2020 AND 2019**

	GENERAL FUNDS	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND	2019-20 FUND
		REVENUE	EXPENSES	NET ASSETS	NET ASSETS	NET ASSETS	NET ASSETS	NET ASSETS	NET ASSETS	NET ASSETS
<b>REVENUE AND EXPENSES</b>										
Grants	+	19,427	19,427	19,427	19,427	19,427	19,427	19,427	19,427	19,427
Net of Income	+	+	+	+	+	+	+	+	+	+
Private Income	+	24,120	24,120	24,120	24,120	24,120	24,120	24,120	24,120	24,120
Unrestricted Income	+	+	+	+	+	+	+	+	+	+
Other Income	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>		<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>	<b>24,120</b>
<b>EXPENSES</b>										
Support activities	+	14,884	14,884	14,884	14,884	14,884	14,884	14,884	14,884	14,884
Support activities	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>		<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>	<b>14,884</b>
Change (decrease) in support and revenue net expense before quantity variance		9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236
Quantity variance in fund		-	-	-	-	-	-	-	-	-
Change (decrease) in support and revenue net expense after quantity variance		9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236
Net balance, beginning		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Net balance, beginning		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Net balance, ending		10,236	10,236	10,236	10,236	10,236	10,236	10,236	10,236	10,236

See accompanying notes to the financial statements.

STATE OF MISSISSIPPI  
 STATE DEPT  
 FEB 25, 1958

	STATE DEPT	HS-ONE ROOM	HS SCHOOL ROOM	WORKING OFFICE ROOM	WORKING SCHOOL ROOM	HS SCHOOL OFFICE	WORKING OFFICE ROOM	TOTAL REPAIRS REQD
<b>REPAIRS</b>								
Forest Service								
Two	1 2.75	24.00	14.00	21.00	21.00	1+	2+	1 21.00
State penitentiary	+	2.00	+	+	+	+	+	2.00
State penitentiary	6.00	+	+	+	+	+	+	6.00
See also other reports	2.00	2.00	2.00	2.00	2.00	2	2	2.00
<b>Total repairs - 1957</b>	10.75	28.00	16.00	23.00	23.00	+	+	31.00
Repairs of previous yr (from 1957)	2,025.25	2,220	1,120	1,120	1,120	2	16	1,121.21
<b>Total</b>	2,036.00	2,248.00	1,236.00	1,343.00	1,343.00	2	16	2,252.21
<b>REPAIRS - 1958 (ESTIMATED)</b>								
Forest Service								
State penitentiary	1 2.00	1 2	1 2	1 2.00	1 2.00	1+	1+	1 2.00
State penitentiary	6.00	+	+	+	+	+	+	6.00
State penitentiary	1.00	20	20	20.00	20.00	2	2	20.00
See also other reports	2.00	2.00	2.00	2.00	2.00	2	2	2.00
<b>Total repairs - 1958 (est)</b>	11.00	24.00	42.00	44.00	44.00	+	+	46.00
<b>Total</b>	2,047.00	2,272.00	1,278.00	1,387.00	1,387.00	2	18	2,298.21

An Itemizing list to the financial statements.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
Ninth Ward Housing Development Corporation  
Page 2

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ninth Ward Housing Development Corporation as of June 30, 1996 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards we have also issued a report dated December 29, 1996 on our consideration of the Corporation's internal control structure and a report dated December 20, 1996 on its compliance with laws and regulations.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1996

**Bruno**

CERTIFIED PUBLIC ACCOUNTANTS

**& Tervalon**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Ninth Ward Housing Development Corporation

We have audited the accompanying balance sheet of the Ninth Ward Housing Development Corporation (the Corporation) (a non-profit corporation) as of June 30, 1990, and the related statements of support, revenues, expenses, and charges in fund balance, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of GAG Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. These standards and the provisions of GAG Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the 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.



TABLE OF CONTENTS, CONTINUED

---

	PAGE
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	20
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS .....	22
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL AWARD PROGRAM TRANSACTIONS .....	24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	26
EXIT CONFERENCE .....	29

## TABLE OF CONTENTS

---

	PAGE
INDEPENDENT AUDITORS' REPORT .....	3
BALANCE SHEET .....	3
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE .....	4
STATEMENT OF FUNCTIONAL EXPENSES .....	5
STATEMENT OF CASH FLOWS .....	6
NOTES TO THE FINANCIAL STATEMENTS .....	7
INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL AWARDS .....	11
SCHEDULE OF FEDERAL AWARDS .....	12
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN ASSESS OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	13
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH OMB CIRCULAR A-133 .....	14

RECEIVED  
LEGISLATIVE COUNCIL  
93 FEB 12 AM 9:52

OFFICIAL  
FILE COPY  

---

**DO NOT SEND OUT**

These documents  
exist here in  
copy and PART  
PAGE 01/01

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

Under provisions of state law, this report is a public document. A copy of this report for those persons who are entitled to receive it may be obtained from the public clerk of court at the office of the public clerk of court for the judicial circuit in which the corporation is located. The fee for this report is \$10.00 per copy. The fee for this report is \$10.00 per copy. The fee for this report is \$10.00 per copy. The fee for this report is \$10.00 per copy.

Release Date: MAY 26 1997

**FINANCIAL AND COMPLIANCE AUDIT**  
  
**TOGETHER WITH**  
  
**INDEPENDENT AUDITORS' REPORT**  
  
  
**FOR THE YEAR ENDED JUNE 30, 1996**