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HOUSING AUTHORITY OF THE CITY OF DENVER

BUDGET NOS. LA000001,002,003; 0000000; LA01000;  
LA040-0012-006; LA040-0012-0040-04; LA040-0012-005-05

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 1996

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

Release Date: FEB 19 1997

STATE OF COLORADO  
LEGISLATIVE AUDITOR  
1000 EAST COLLEGE AVENUE  
DENVER, CO 80202

**ARCHIE B. SANCHEZ, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

To the Department of Housing  
and Urban Development:

Attached is the financial report of the Housing Authority of the  
City of Kenner (HUD Project Nos. LA812081,002,003; LA81208;  
LA81270; LA848-F012-004; LA848-F012-8842-94; LA848-F012-885-95) for  
the year ended June 30, 1996.

*Archie B. Sanchez, Jr.*  
Archie B. Sanchez, Jr.  
New Orleans, Louisiana

Employer Identification No.: 437-31-2158

Engagement Partner: Archie B. Sanchez, Jr.  
1826 Gordon Street  
(504) 944-8293

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**ARCHIE B. SANCHEZ, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of  
Housing Authority of the City of Kenner  
1013 31st Street  
Kenner, Louisiana 70065

I have audited the accompanying balance sheets of the Housing Authority of the City of Kenner, HUD Project Nos. LA012001,503,503; LA012002; LA012003; LA048-P012-088; LA048-P012-088-94 and LA048-P012-088-95, as of June 30, 1996, and the related statements of income, expense and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the public housing authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

The public housing authority did not perform a physical inventory of fixed asset balances stated at \$ 6,021,565 at June 30, 1996; nor was I able to satisfy myself regarding the fixed asset balances by other auditing procedures.

As described in Note A, these financial statements were prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to examine evidence regarding fixed assets, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Kenner, as of June 30, 1996, and the results of its operations, and the changes in its surplus, and its cash flows for the year then ended, on the basis of accounting described in Note A.

In accordance with Government Auditing Standards and the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, I have also issued a report dated January 27, 1987, on my consideration of the Housing Authority of the City of New Orleans' internal control structure, and reports dated January 27, 1987 on its compliance with specific requirements applicable to major HUD programs, specific requirements applicable to Affirmative Fair Housing, and specific requirements applicable to all major HUD program transactions.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on pages 18 to 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the public housing authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Archie B. Seaborn, Jr.*  
Archie B. Seaborn, Jr.  
New Orleans, Louisiana  
January 27, 1987

HOUSING AUTHORITY OF THE CITY OF SEASIDE  
 HUD FOT. NOS. LA819881,000,000; LA819306; LA819307; LA819308; LA819309;  
 LA8448-F012-9048-94; LA8448-F012-905-95  
 BALANCE SHEETS  
 June 30, 1986

## ASSETS

## CURRENT ASSETS

1111.1	Cash	\$ 1,325,208
1117	Petty cash fund	58
1122	Tenant accounts receivable	7,151
1129	Other receivable	1,074
1171	Debt service funds	476
1178	HUD annual contribution receivable	58,128
1177	Deposits with HUD	72,819
1211	Prepaid insurance	27,000
1290	Other deferred charges	341
	TOTAL CURRENT ASSETS	<u>1,886,555</u>

## LAND, STRUCTURES AND EQUIPMENT

1400.3	Development Cost	1,728,459
1400.4	Land, Structures & Equipment	<u>4,283,188</u>
		6,011,647

1600	Undistributed debts-ineeligible expenditures	<u>58</u>
		<u>\$ 7,431,201</u>

## LIABILITIES AND SURPLUS

## CURRENT LIABILITIES

2111	Vendors & contractors payable	\$ 12,624
2114	Tenant security deposits	10,427
2118	HUD accounts payable	248,584
2119	Accrued payroll taxes	4,479
2208	Other deferred credits	9,951
	TOTAL CURRENT LIABILITIES	<u>346,065</u>

## FIXED LIABILITIES

2301	Permanent notes (HUD)	149,367
2302	Notes payable (F.F.B.)	133,324
2341	New housing agency bonds issued	870,800
2342	New housing agency bonds retired	<u>1438,351</u>
		713,341

## SURPLUS

	Surplus	<u>8,371,821</u>
		<u>\$ 7,431,201</u>

Note: Accrued annual leave of employees at the end of the fiscal year is \$ 39,811.

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BOSTON  
 HUD FTE. NOS. 84812081,002,003; LA01208; LA01298; LA048-P012-000;  
 LA048-P012-008-04; LA048-P012-000-05  
 STATEMENTS OF INCOME, EXPENSE, AND SURPLUS  
 Year Ended June 30, 1996

INCOME	
Rent	\$ 89,189
Interest	31,966
Other	<u>7,347</u>
	128,502
EXPENSES	
Administrative	203,288
Tenant services	49
Utilities	46,986
Ordinary maintenance and operation	84,189
General	109,882
Housing assistance payments	1,607,315
Interest	<u>30,368</u>
	2,481,977
(DEFICIENCY) OF INCOME OVER EXPENSES	(1,353,475)
AND ANNUAL CONTRIBUTIONS	2,793,000
DEFICITARY SURPLUS	<u>1,439,525</u>
ENDING SURPLUS	<u>6,371,021</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF KENNES  
 HUD ICF, NOS. LA012801,002,003; LA01208; LA01290; LA048-F012-006;  
 LA048-F012-0048-04; LA048-F012-005-05

STATEMENTS OF CASH FLOWS  
 Years Ended June 30, 1994

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Excess (Deficiency) of Income, Credits  
 Over Expenses \$ (2,042,953)

Adjustments to reconcile deficiency of income,  
 credits over expenses to net cash provided by  
 operating activities:

Changes in current assets and liabilities:

Increase in tenant accounts receivable	13,626
Increase in other receivable	11,674
Decrease in debt service funds	298
Decrease in prepaid insurance	979
Increase in other assets	(153)
Increase in vendors and contractors payable	72,634
Increase in tenant security deposits	555
Increase in payroll withholdings	250
Increase in HUD accounts payable	109,400
Decrease in prepaid annual contributions	(130,399)
Increase in other liabilities	8,681
Total adjustments	<u>57,215</u>

Net cash used by operating activities (1,985,234)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of fixed assets (499,932)

Net cash used in investing activities (499,932)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Principal payments on permanent notes (42,469)

Principal payments on F.F.M. loans (17,667)

Principal payments on new housing authority bonds (27,388)

Cumulative HUD annual contributions 243,088

Cumulative HUD donations (5,821)

Cumulative HUD annual contributions - Voucher 543,398

Cumulative HUD annual contributions - Existing 1,366,618

Cumulative HUD grants - development/modernization 427,348

Net cash provided by financing activities 2,796,495

**NET INCREASE IN CASH AND CASH EQUIVALENTS 31,316**

Cash and cash equivalents at beginning of year 1,250,826

Cash and cash equivalents at end of year 1,282,256

See accompanying notes to financial statements.



HOUSING AUTHORITY OF THE CITY OF KENNER  
 HUD R.F. NOS. LA012801,912,913; LA01306; LA01320; LA01370; LA040-FO12-000;  
 LA040-FO12-0002-04; LA040-FO12-003-05  
 NOTES TO FINANCIAL STATEMENTS

## NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Organization and Operations

The Housing Authority of the City of Kenner is a PI-unit apartment project for low income residents located in Kenner, Louisiana. The housing authority is subject to Section 8 Housing Assistance Payment agreement's with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of rental income is received from HUD. The Housing Authority of the City of Kenner major programs include the Section 8 Existing Housing Certificate Program and the Section 8 Voucher Program.

### Principles of Accounting

The financial statements of the Housing Authority of the City of Kenner (the public housing authority) are prepared on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development (HUD) which is other than generally accepted accounting principles. These practices differ in some respects from generally accepted accounting principles. The accounting practices of the Housing Authority of the City of Kenner which depart from those required by generally accepted accounting principles are identified below.

### Accounts Receivable

The receivables from tenants are not stated at net realizable value as required by generally accepted accounting principles. The balances are presented on a basis consistent with the preceding period and in accordance with HUD prescribed practices.

### Public Service Funds

The public housing authority bond debt is administered by HUD. The debt service fund represent amounts on deposit with fiscal agents or due from HUD to pay principal and interest on the obligations of the public housing authority and for such other purposes as may be provided for in the annual contribution contract.

### Land, Structures, and Equipment

In accordance with HUD prescribed accounting practices, land, structures and equipment are recorded at cost with no provision for depreciation. When assets are retired or disposed of, any resulting gain or loss is reflected in income for the period. Maintenance and repair costs are charged against income as incurred. Significant renewals and betterments are capitalized.

HOUSING AUTHORITY OF THE CITY OF KANSAS  
 HUD PPT. NOS. LA812081,002,003; LA81208; LA81278; LA848-8812-086;  
 LA888-8812-9881-98; LA848-8812-918-98  
 NOTES TO FINANCIAL STATEMENTS

**NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Notes Payable**

Major capital improvement projects were financed by issuing a series of 10 year public housing authority notes. HUD and the Housing Authority of the City of Kansas retire these notes through annual contribution contract payments. The notes payable amount is not segregated between current and noncurrent portions as required by generally accepted accounting principles; however, the notes payable amount is recorded as noncurrent as required by HUD prescribed accounting practices.

**Fixed Liabilities**

The public housing authority's financing process is administered by HUD. Bonds and permanent notes are not segregated between current and noncurrent portions as required by generally accepted accounting principles; but are presented in accordance with HUD prescribed practices.

**Income Taxes**

The Housing Authority of the City of Kansas is a nonprofit organization exempt from income tax.

**Estimates**

The preparation of financial statements in conformity with the U.S. Department of Housing and Urban Development (HUD) prescribed basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ISSUING AUTHORITY OF THE CITY OF KENNER  
 HUD PWT. BOND: LA812081,002,003; LA81208; LA81270; LA848-9011-006;  
 LA948-9012-9048; LA948-9013-905-82  
 NOTES TO FINANCIAL STATEMENTS

**NOTE B-NOTES PAYABLE (FEDERAL FINANCING BANK)**

The balance due as of June 30, 1986 is \$ 133,324. The yearly installment of principal and interest is \$ 27,432 with a maturity date of November 1, 2001. Interest is being charged at 4.64.

Maturities of the notes payable in each of the next six years are as follows:

1987	\$18,809
1988	\$21,074
1989	\$21,399
1990	\$21,812
2001	\$24,308
2002	\$21,922

**NOTE C-HOUSING AUTHORITY BONDS PAYABLE**

The bonds are dated on June 1, 1987. The balance due as of June 30, 1986 is \$ 430,450. The yearly installment of principal and interest is \$ 87,691 with a maturity date of June 30, 2028. Interest is being charged at 4.54.

Maturities of the housing authority bonds payable in each of the next five years are as follows:

1987	\$38,275
1988	\$39,383
1989	\$39,450
2000	\$39,525
2001	\$39,625

**NOTE D-REVENUE CONTRIBUTION**

The public housing authority received support and revenue as follows:

	Number of Contributors <u>/Grantors</u>	Amount	Percent of Revenue
Federal grant	1	\$ 3,793,800	100%

#### SUPPLEMENTARY INFORMATION

**ARCHIE B. SANCHEZ, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Commissioners of  
Housing Authority of the City of Kenner  
1813 13th Street  
Kenner, Louisiana 70065

My report on my audit of the basic financial statements of the Housing Authority of the City of Kenner, HUD Project Nos. LA812081,082,083; LA81208; LA81210; LA81210; LA848-F012-800; LA848-F012-8048-84 and LA848-F012-805-85, for June 30, 1986, appears on pages 1 and 2. My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 18 to 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Housing Authority of the City of Kenner. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

*Archie B. Sanchez, Jr.*  
Archie B. Sanchez, Jr.  
New Orleans, Louisiana  
January 27, 1987

HOUSING AUTHORITY OF THE CITY OF MEMPHIS  
 HUD FTV. NOS. LA012601-802,903; LA01262; LA01260; LA048-FO12-006;  
 LA048-FO12-908-90; LA048-FO12-908-90  
 SUPPLEMENTARY DATA REQUIRED BY HUD  
 Year Ended June 30, 1986

### Funds in Financial Institutions

\* Funds in various banks - June 30, 1986

Operating cash account, checking (First American Bank)	\$ 883,913
Checking account, interest-bearing checking, Interest rate 3% (First American Bank)	181,781
Certificate of deposit, 4% interest rate (Hibernia National Bank)	183,393
Certificate of deposit, 5% interest rate (Hibernia National Bank)	50,000
Certificate of deposit, 5% interest rate (Hibernia National Bank)	50,000
Certificate of deposit, 5% interest rate (Whitney National Bank)	50,186
Certificate of deposit, 5% interest rate, (Jefferson Guaranty Bank)	50,000
Certificate of deposit, 5% interest rate, (Jefferson Guaranty Bank)	50,000
	<u>\$1,273,283</u>

### Accounts and Notes Receivable (Other Than Tenants)

Other receivables stated at \$ 1,078 as of June 30, 1986 represent amounts receivable from the Parish of Jefferson Department of Water.

HUD annual contribution receivable stated at \$ 75,128 as of June 30, 1986 represent the total annual contribution due from the U.S. Department of Housing and Urban Development to service outstanding bonds and Federal financing bank notes.

### Tenant Accounts Receivable

See single audit finding #4 in the Schedule of Findings and Questioned Costs.

HOUSING AUTHORITY OF THE CITY OF MONROE  
 HUD DDP, COM. LA012001,003,003; LA01300; LA01200; LA040-0012-000;  
 LA040-0012-0040-04; LA040-0012-000-05  
 SUPPLEMENTARY DATA REQUIRED BY HUD  
 Year Ended June 30, 1996

Changes in Property and Equipment

	<u>Asset Balance</u> <u>July 1, 1995</u>	<u>Current</u> <u>Additions</u>	<u>Asset Balance</u> <u>June 30, 1996</u>
Land, Building and Improvements	\$ 5,103,423	\$ 550,523	\$ 5,653,946
Modernization	19,886	137,863	157,749
Equipment	160,487	4,347	164,834
<b>Totals</b>	<b>\$ 5,283,796</b>	<b>\$ 692,733</b>	<b>\$ 5,976,529</b>

Accounts Payable Other Than Trade Creditors

HUD accounts payable stated at \$ 248,364 as of June 30, 1996 consist of the following:

Year end settlement - Voucher (June 30, 1996)	\$ 16,133
Year end settlement - Existing (June 30, 1996)	83,278
Year end settlement - Voucher (June 30, 1995)	30,131
Year end settlement - Existing (June 30, 1995)	44,821
Year end settlement - Voucher (June 30, 1994)	27,862
Year end settlement - Existing (June 30, 1994)	1
DDP - LA040-0012-003	9,436
Residual receipts - (June 30, 1995)	19,325
<b>Total</b>	<b>\$ 248,364</b>

Accrued Taxes

<u>Description of Tax</u>	<u>Basis of Accrual</u>	<u>Date Due</u>	<u>Amount</u> <u>Accrued</u>
Payroll taxes	Second quarter, 1996	July, 1996	\$ 4,475

Tenant Security Deposits

Tenant security deposits are held in account #0780773 at First American Bank, Vacherie, Louisiana in an account insured by the Federal government that is in the name of the public housing authority. At June 30, 1996, the amounts due to tenants was \$ 10,437. Interest earned on the account does not inure to the tenants and remains in the operating account.

BOUNDS AUTHORITY OF THE CITY OF BEMER  
BID F.Y. NOS. LA013001,002,003; LA11300; LA01300; LA010-0013-006;  
LA010-0013-002-00; LA010-0013-000-00  
SUPPLEMENTARY DATA REQUIRED BY BID  
Year Ended June 30, 1986

Reserve for Replacement and Residual Receipts Account

None

Loans Other Than Permanent Notes and Notes Payable

None

Comments on Balance Sheet Items

None

Identity of Interest Companies

None



**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL  
STRUCTURE (COMMON REPORT APPLICABLE TO FINANCIAL  
STATEMENTS AND HUD-ASSISTED PROGRAMS)**

To the Board of Commissioners of  
Housing Authority of the City of Kenner  
3013 31st Street  
Kenner, Louisiana 70065

I have audited the financial statements of the Housing Authority of the City of Kenner, HUD Project Nos. LA812091,002,003; LA012CE; LA012VO; LA048-P012-006; LA048-P012-9048-84 and LA048-P012-925-93, as of and for the year ended June 30, 1996 and have issued my report thereon dated January 27, 1997. I have also audited the Housing Authority of the City of Kenner's compliance with requirements applicable to major HUD-assisted programs and have issued my report thereon dated January 27, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, in July 1993. Those standards and the Guide require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Housing Authority of the City of Kenner complied with laws and regulations, noncompliance with which would be material to a major HUD-assisted program.

The management of the Housing Authority of the City of Kenner 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 HUD prescribed accounting principles, and that HUD-assisted 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.

In planning and performing my audit, I obtained an understanding of the design of relevant internal control structure policies and procedures and determined whether they had been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the Housing Authority of the City of Kenner's financial statements and on its compliance with specific requirements applicable to its major HUD-assisted programs and to report on the internal control structure in accordance with the provisions of the Guide and not to provide any assurance on the internal control structure.

I performed tests of controls, as required by the Guide, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements applicable to the Housing Authority of the City of Kenner's major HUD-assisted programs. My procedures were less in scope than would be necessary to render an opinion on such internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Housing Authority of the City of Kenner's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements or to administer HUD-assisted programs in accordance with applicable laws and regulations. The reportable conditions noted are described in the accompanying Schedule of Reportable Conditions.

A material weakness is 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 financial statements being audited or that noncompliance with laws and regulations that would be material to a HUD-assisted program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Housing Authority of the City of Kenner and of its compliance with requirements applicable to its major programs for the year ended June 30, 1996, and this report does not affect my reports thereon dated January 27, 1997. The material weaknesses noted are described in the accompanying Schedule of Reportable Conditions.

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

*Archie B. Lambert, Jr.*  
Archie B. Lambert, Jr.  
New Orleans, Louisiana  
January 27, 1997

**ARCHIE B. SANCHEZ, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC  
REQUIREMENTS APPLICABLE TO MAJOR HUD PROGRAMS**

To the Board of Commissioners of  
Housing Authority of the City of Kenner  
1813 East Street  
Kenner, Louisiana 70048

I have audited the financial statements of the Housing Authority of the City of Kenner, HUD Project Nos. LA012881-002-003; LA01338; LA01390; LA048-P013-008; LA048-P013-9048-94 and LA048-P013-903-95, as of and for the year ended June 30, 1996, and have issued my report thereon dated January 27, 1997.

I have also audited the Housing Authority of the City of Kenner's compliance with the specific requirements governing federal financial reports, affirmative fair housing, mortgage status, residual receipts, tenant security deposits, cash receipts and disbursements, tenant application, tenant eligibility, tenant recertification, and management functions that are applicable to each of its major HUD-assisted programs for the year ended June 30, 1996. The management of the Housing Authority of the City of Kenner is responsible for compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my 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 the Consolidated Audit Guide for Audits of HUD Programs (the "Guide") issued by the U.S. Department of Housing and Urban Development, Office of Inspector General, in July 1993. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Kenner's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

The results of my audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. I considered those instances of noncompliance in forming my opinion, which is expressed in the following paragraph.

In my opinion, the Housing Authority of the City of New Orleans complied, in all material respects, with the requirements described above that are applicable to each of its major HUD-assisted programs for the year ended June 30, 1986.

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

*Arthur B. Landry, Jr.*  
Arthur B. Landry, Jr.  
New Orleans, Louisiana  
January 27, 1987

**ARCHIE B. SANCHEZ, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC  
REQUIREMENTS APPLICABLE TO NONMAJOR HUD TRANSACTIONS**

To the Board of Commissioners of  
Housing Authority of the City of Kenner  
1813 31st Street  
Kenner, Louisiana 70065

I have audited the financial statements of the Housing Authority of the City of Kenner, HUD Project Nos. LA812081-002-803; LA812082-001-804; LA812083-001-805; LA8048-F012-806; LA8048-F012-8048-84 and LA8048-F012-805-88, as of and for the year ended June 30, 1996, and have issued my report thereon dated January 31, 1997.

In connection with my audit of the June 30, 1996 financial statements of the Housing Authority of the City of Kenner and with my consideration of the Housing Authority of the City of Kenner's internal control structure used to administer HUD programs, as required by the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of Inspector General, in July 1993, I selected certain transactions applicable to certain nonmajor HUD-assisted programs for the year ended June 30, 1996. As required by the Guide, I performed auditing procedures to test compliance with the requirements governing federal financial reports, affirmative fair housing, mortgage status, residual receipts, tenant security deposits, cash receipts and disbursements, tenant applications, tenant eligibility, tenant recertification, and management functions that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Kenner's compliance with these requirements. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported herein under the Guide.

The results of my tests disclosed immaterial instances of noncompliance with the these requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the board of commissioners, managers, the state and the U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

*Arthur R. Laney, Jr.*

Arthur R. Laney, Jr.  
New Orleans, Louisiana  
January 27, 1967

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC  
REQUIREMENTS APPLICABLE TO AFFIRMATIVE FAIR HOUSING**

To the Board of Commissioners of  
Housing Authority of The City of Kenner  
1613 31st Street  
Kenner, Louisiana 70065

I have audited the financial statements of the Housing Authority of the City of Kenner, HUD Project Nos. LA012981-002-003; LA01298; LA01299; LA048-0015-006; LA048-0015-0048-04 and LA048-0012-008-03, as of and for the year ended June 30, 1996, and have issued my report thereon dated January 27, 1997.

I have also applied procedures to test the Housing Authority of the City of Kenner's compliance with the Affirmative Fair Housing requirements applicable to its HUD-assisted programs for the year ended June 30, 1996.

My procedures were limited to the applicable compliance requirement described by the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of Inspector General, in July 1993. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Kenner's compliance with the Affirmative Fair Housing requirements. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that is required to be reported herein under the Guide.

The results of my test disclosed immaterial instances of noncompliance with the above requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

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

*Archie B. Sanchez, Jr.*  
Archie B. Sanchez, Jr.  
New Orleans, Louisiana  
January 27, 1997



**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

To the Board of Commissioners of  
Housing Authority of City of Kenner  
1033 31st Street  
Kenner, Louisiana 70065

I have audited the financial statements of Housing Authority of the City of Kenner as of and for the year ended June 30, 1996, and have issued my report thereon dated January 27, 1997. These financial statements are the responsibility of the public housing authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Kenner, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

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

  
Archie B. Sanchez, Jr.  
New Orleans, Louisiana  
January 27, 1997

BOARDING AUTHORITY OF THE CITY OF KENNESAW  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 JUNE 30, 1998

FEDERAL GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PROJECT NUMBER	PROGRAM EXPENDITURES JUNE 30, 1998
U.S. Dept. of Housing & Urban Development			
Flexible Subsidy	14.156	LA013801,082,003	\$ 128,491
*Rent Subsidy (Certificate)	14.177	LA81308	1,962,184
*Rent Subsidy (Voucher)	14.177	LA01290	572,813
*Modernization	14.852	LA088-P012-006	888,921
	14.852	LA048-P012-0012-94	138,387
	14.852	LA848-P012-005-95	<u>2,807</u>
Total			<u>\$ 2,756,073</u>

\* denotes major program.

BUSINESS AUTHORITY OF THE CITY OF KENNESAW  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1996

Material Internal Control Weakness

1. Cash

Conditions: During my test of cash and interest bearing deposits with financial institutions, I noted cash balances exceeding the \$100,000 Federal Deposit Insurance Coverage (FDIC) or similar insurance coverage limits.

Criteria: Internal controls should be in place to ensure that cash and interest bearing deposits with financial institutions exceeding \$ 100,000 are properly collateralized with U.S. Government Securities by the respective bank.

Effect of Conditions: Management has not considered the possible effect of the condition.

Recommendation: Procedures should be implemented to monitor cash and interest bearing deposits monthly relative to the Federal Deposit Insurance Coverage limits.

2. Cash

Conditions: During my test of cash and interest bearing deposits, I noted that the organization was unable to ascertain the allocation of the cash balances to respective programs.

Criteria: For public housing authorities that commingle monies of projects in a joint account, cash balances should be properly allocated.

Effect of Condition: Management has not considered the possible effect of the condition.

Recommendation: Procedures should be implemented to ascertain the allocable cash balances to respective programs.

HOUSING AUTHORITY OF THE CITY OF KENNESAW  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1996

Material Internal Control Weakness (Continued)

3. Cash

Conditions: During my test of cash receipts, I noted that the organization does not segregate the following functions: the receipt of cash and recording of cash receipts to the tenant accounts receivable ledger.

Criteria: The organization should separate incompatible job functions.

Effect of Condition: Management has not considered the possible effect of the condition.

Recommendation: Procedures should be implemented to segregate incompatible job functions.

4. Cash

Conditions: During my test of cash balances, I noted that bank reconciliations are not reviewed by a responsible official.

Criteria: The reconciliation procedure should include the following: a comparison of canceled checks with the disbursement journal; account for the sequence of check numbers; examination of canceled checks for irregular endorsement and alterations; a review of voided checks; comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.

Effect of Condition: Management has not considered the possible effect of the condition.

Recommendation: Procedures should be implemented to review bank reconciliations monthly.

HOUSING AUTHORITY OF THE CITY OF KANSAS  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1998

Material Internal Control Weakness (Continued)

5. Cash

Condition: During my test of cash balances, I noted that cash balances were understated by \$ 6,890.

Criteria: Internal controls should be in place to ensure that cash balances are properly stated.

Effect: Management has not considered the possible effect of the condition.

Recommendation: Procedures should be implemented to ensure that cash balances are properly stated monthly.

6. Accounts receivable

Condition: During my test of tenant accounts receivable balances, I noted that the tenant accounts receivable subsidiary ledger balance did not reconcile to the tenant accounts receivable control account balance in the general ledger.

Criteria: Internal controls should be in place to ensure that the tenant accounts receivable subsidiary ledger balance reconcile to the tenant accounts receivable control account balance in the general ledger.

Effect of Condition: Unreconciled differences between the tenant accounts receivable subsidiary ledger balance and the tenant accounts receivable control account balance in the general ledger.

Recommendation: Procedures should be implemented to ensure that tenant accounts receivable subsidiary ledger balance reconcile to the tenant accounts receivable control account balance in the general ledger.

HOUSING AUTHORITY OF THE CITY OF KEENE  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1996

Material Internal Control Weakness (Continued)

7. Prepaid Assets

Conditions: During my test of prepaid balances, I noted that the carrying values of prepaid assets were not periodically reviewed for possible write-downs and other adjustments.

Criteria: Management should review prepaid balances monthly to ensure that accounts are properly recorded.

Effect of Condition: Management has not considered the possible effect of the above conditions.

Recommendations: Procedures should be implemented to monitor prepaid balances monthly.

8. Property and Equipment

Conditions: During my test of property and equipment, I noted that the public housing authority did not maintain an updated property and equipment subsidiary ledger nor did the public housing authority conduct a physical inventory of fixed assets at year end.

Criteria: Procedures should be in place to reconcile the property and equipment subsidiary ledger to the general ledger; also, the public housing authority should conduct interim physical inventories of fixed assets.

Effect of Condition: Management has not considered the possible effect to the condition.

Recommendation: Procedures should be implemented to reconcile property and equipment subsidiary ledgers to the general ledger monthly; also, the public housing authority should conduct a physical inventory not less than yearly.

HOUSING AUTHORITY OF THE CITY OF KENNESAW  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1998

Material Internal Control Weakness (Continued)

9. Debt

Condition: During my test of debt balances, it was confirmed that debt balances were overstated for the following project numbers: 14413903 and 14413902 as of June 30, 1998.

Criteria: Procedures should be in place to ensure that debt balances are properly stated.

Effect of Condition: Debt obligations were overstated by \$ 49,613.

Recommendation: Procedures should be implemented to ensure that debt obligations are properly stated monthly.

10. Debt

Condition: During my test of debt balances, I noted that the Federal Financing Bank (FFB) permanent notes general ledger balances were overstated by \$ 17,667.

Criteria: Procedures should be in place to ensure that debt balances are properly stated.

Effect of Condition: The debt balances are overstated by \$ 17,667.

Recommendation: Procedures should be implemented to ensure that debt obligations are properly stated.

HOUSING AUTHORITY OF THE CITY OF KENNESHA  
SCHEDULE OF REPORTABLE CONDITIONS  
JUNE 30, 1996

Material Internal Control Weakness (Continued)

11. Reporting

Condition: During my test of Federal financial reports, I noted that management does not reconcile reports prepared by the fee accountant to supporting accounting records to ascertain whether amounts reported are complete and accurate.

Criteria: Federal financial reports should be reconciled to the general ledger as required (i.e. monthly or quarterly).

Effect: Management has considered the possible effect of the above condition.

Recommendation: Procedures should be implemented to ensure that Federal financial reports are prepared completely and accurately.



HOUSING AUTHORITY OF THE CITY OF KENNESAW  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1986

CURRENT YEAR FINDING:	Questioned Costs_____
	\$ - 0 -

**W-6. Department of Housing and Urban Development:**

1. Low Rent Housing Program -- CFDA No. 14.156; Project Nos. LA812981,082,083; Year Ended - June 30, 1986.

**Statement of Conditions:** During my test of the public housing authority's procedures for collecting, depositing and refunding security deposits with the requirements of HUD Handbook 4350.3 chapter 4 section 3, I noted that the public housing authority did not properly inform 4 departing tenants by letter of amounts offset against security deposits (for unpaid rent, damages, etc.) and that the public housing authority did not properly advise the tenants of their rights to meet with the public housing authority and discuss the charges; also, it appears that the public housing authority has not properly refunded security deposits to 2 departing tenants.

Low Rent  
Assistance  
Program\_\_\_\_\_

Population of Items:	24
Sample Items Tested:	5
Noncompliance Items Noted:	5

**Criteria:** HUD handbook 4350.3, paragraph 4-9, states that owners must refund the security deposit no later than 30 days after the tenant moves out. The public housing authority is required to send departing tenants a letter that lists amounts offset against the security deposit (for unpaid rent, damages, etc.) and advises the tenants of their right to meet with the public housing authority and discuss the charges. If a tenant chooses not to meet with the public housing authority, that fact should be documented by the public housing authority.

**Effect of Conditions:** Noncompliance with HUD handbook 4350.3 refund requirements.

**Recommendation:** I recommend that the public housing authority comply with HUD handbook 4350.3 by properly informing tenants by letter of offsets made against security deposits and by refunding security deposits no later than 30 days after the tenant moves out.

HOUSING AUTHORITY OF THE CITY OF KENNESAW  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 1996

1. Low Rent Housing Program -- CFDA No. 14.150; Project No.  
LA012001,002,003; Year Ended - June 30, 1996.

Client Response: The public housing authority concurs with the above finding; and as of January, 1997, the public housing authority has assigned the public housing manager to properly inform departing tenants by letter in accordance with HUD Handbook 4350.3 chapter 4 section 3.

HOUSING AUTHORITY OF THE CITY OF KENNER  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1996

CURRENT YEAR FINDING:

Questioned  
 Costs  
 \$ - 0 -

## U.S. Department of Housing and Urban Development:

2. Low Rent Housing Assistance -- CPDA No. 14.094; Project No. LA011801,802,803; Year Ended - June 30, 1996.

Statement of Conditions: During my test of compliance concerning whether that the public housing authority charges initial applicants only the first month's rent and a security deposit, I noted that two tenant files were unavailable for review; thus, I was unable to ascertain whether the public housing authority charged the two initial applicants only the first month's rent and security deposit.

	Low Rent Housing Assistance Program
Population of Items:	25
Sample Size of Items:	5
Noncompliance Items Noted:	2

Criteria: The public housing authority may charge initial applicants only the first month's rent and security deposit.

Effect of Condition: Noncompliance with the low rent housing assistance program's first month's rent and security deposit requirements.

Recommendation: I recommend that the public housing authority maintain records to ensure that the initial applicants is charged for not more than the first month's rent and security deposit.

Client Response: The public housing authority concur with the above comment and has reviewed and refined its record maintenance procedures as of January, 1997 to ensure that the above condition doesn't recur.

FINANCIAL ACTIVITY OF THE CITY OF KENNER  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1998

CURRENT YEAR FINDINGS:

Questioned  
 Costs  
 \$ - 0 -

## U.S. Department of Housing and Urban Development:

3. Low Rent Housing Assistance and Section 8 Programs -- CPDR  
 Nos. 14.154; 14.177; Project Nos. 24813091,003,003; LA012CE;  
 LA012C; Year Ended - June 30, 1998.

Statement of Condition: During my test of HUD specific requirements, I noted that the public housing authority did not submit the following reports timely:

1. HUD Form 52195 - Balance Sheet;
2. HUD Form 52594 - Statement of Income and Expense and Changes in Accumulated Surplus or Deficit From Operations;
3. HUD Form 52190 - Analysis of Nonroutine Expenditures;
4. HUD Form 52599 - Statement of Receipts and Expenditures;

Criteria: All required reports shall be submitted to the office designated not later than the 10th day of the month following the close of the period for which the report is prepared.

Effect of Conditions: Untimely submission of financial reports.

Recommendation: I recommend that the public housing authority submit financial reports timely.

Client Response: The public housing authority concurs with the above comment, and the public housing authority has assigned the executive director to monitor compliance that federal financial reports are submitted timely.

**BOHNING AUTHORITY OF THE CITY OF KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1998**

**CURRENT YEAR FINDING:**

Questioned  
 Costs \_\_\_\_\_  
 \$ - 0 -

U.S. Department of Housing and Urban Development:

4. Low Rent Housing Assistance Program -- CFTA No. 14.154; Project Nos. 2A812081,002,003; Year Ended - June 30, 1998.

Statement of Conditions: During my test of tenant accounts receivable, I noted that the public housing authority did not maintain tenant account receivable summary information in the following four categories: 30 days, 31 to 60 days, 61 to 90 days, and over 91 days.

Criteria: HUD Handbook 2600.84, Consolidated Audit Guide for Audits of HUD Programs, require a summary analysis of delinquent tenant accounts receivable to be presented as supplementary information accompanying the basic financial statements. Receivables should be classified into one of four categories: 30 days, 31 to 60 days, 61 to 90 days, and over 90 days.

Effect of Condition: Noncompliance with HUD Handbook 2600.84, Consolidated Audit Guide for Audits of HUD Programs requirements.

Recommendation: I recommend that the public housing authority maintain a summary analysis of delinquent tenant accounts receivable in the following four categories: 30 days, 31 to 60 days, 61 to 90 days, and over 91 days.

Client Response: The public housing authority concur with the above comment, and as of November, 1998, the public housing authority has reconciled the tenant accounts receivable subsidiary ledger with the control account in the general ledger which will allow us to properly summarize tenant accounts receivable in accordance with HUD Handbook 2600.84, Consolidated Audit Guide for Audits of HUD Programs.

**HOUSING AUTHORITY OF THE CITY OF KENNER  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1996**

**CURRENT YEAR FINDINGS:**

Questioned  
 Costs  
 \$ - 0 -

U.S. Department of Housing and Urban Development:

3. Low Rent Housing Assistance and Section 8 Programs -- CPWA  
 Nos. 14.156; 14.177; Project Nos. LA013001,802,803; LA013004;  
 and LA013005; Year Ended - June 30, 1996.

Statement of Condition: During my test of Low Rent Housing Assistance and Section 8 tenant eligibility, I noted that annual recertification was not performed for 7 out of 25 tenant files selected for testing.

	Low Rent Housing Assistance PROGRAM	Section 8 Certificate /Voucher PROGRAM	Total
Sample Items Tested by Program:	8	17	25
Noncompliance Items Noted by Program:	7	None	7

Criteria: At least annually, the public housing authority must reexamine family income and contribution to rent and utilities.

Effect of Condition: The cost of assistance may be disallowed.

Recommendation: I recommend that the public housing authority conduct annual recertification for lower rent housing assistance and Section 8 tenants.

Client Response: The public housing authority agrees with the above comment. As of October, 1996, the public housing authority hired a new public housing manager to ensure that annual recertifications are performed.

HOUSING AUTHORITY OF THE CITY OF KENNER  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1996

CURRENT YEAR FINDING:

Questioned Costs
\$ - 0 -

U.S. Department of Housing and Urban Development:

6. Low Rent Housing Assistance and Section 8 Programs -- CPDA  
 Nos. 14.156; 14.177; Project Nos. LA012881,082,083;  
 LA01282; LA01290; Year Ended - June 30, 1996.

Statement of Condition: The public housing authority did not comply with State Law (Louisiana Revised Statute 24:514) which requires Louisiana Housing Authorities to prepare its financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria: Louisiana Revised Statute (LSA-RS) 24:514 requires all auditees to report in accordance with generally accepted accounting principles (GAAP).

Effect of Condition: Noncompliance with Louisiana Revised Statute 24:514.

Recommendation: I recommend that the public housing authority comply with Louisiana Revised Statute 24:514.

Client Response: The public housing authority concur with the above comment. The public housing authority will contract with the fee accountant or the external auditor to prepare its financial statements in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF THE CITY OF EBENEZ  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1990

CURRENT YEAR FINDING:

Questioned Costs
\$ - 0 -

U.S. Department of Housing and Urban Development:

7. Low Rent Housing Assistance and Section 8 Programs -- CPDA  
 Nos. 14.156; 14.177; Project Nos. LA012881,002,003;  
 LA0132K; LA0137D; Year Ended - June 30, 1990.

Statement of Condition: The public housing authority did not comply with State law [Louisiana Revised Statute 24:513(A)(5)(A)] which requires audits to be issued within a 6 month period of the close of the fiscal year.

Criteria: Louisiana Revised Statute 24:513(A)(5)(A) requires that the audit be completed and submitted within six months of the close of the entity's fiscal year end.

Effect of Condition: Noncompliance with Louisiana Revised Statute 24:513(A)(5)(A).

Recommendation: I recommend that the public housing authority comply with Louisiana Revised Statute 24:513(A)(5)(A).

Client Response: The public housing authority concur with the above comment. The public housing authority has directed the fee accountant to submit financial statements timely to ensure timely submission of audit reports in accordance with Louisiana Revised Statute 24:513(A)(5)(A).



HEARING AUTHORITY OF THE CITY OF KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 1996

## CURRENT YEAR FINDING:

Questioned  
 Costs  
 \$ - 0 -

W-5. Department of Housing and Urban Development:

B. Low Rent Housing Assistance and Section 8 Programs -- CFDA Nos. 14.184; 14.177; Project Nos. LAS12981,002,003; LA0130E; LAS1298; Year Ended - June 30, 1996.

Statement of Condition: During my test of cash balances, I noted that management was unable to provide the allocation of the cash balance for a joint account used for the Low Rent Housing Assistance and Section 8 programs.

Criteria: Cash balances in a joint account at period end should be properly allocated.

Effect of Condition: Management has considered the possible effect of the condition.

Recommendation: I recommend that the public housing authority determine the allocated cash balance in the joint account at year end.

Client Response: The public housing authority concur with the above comment. In October, 1996, the public housing authority assigned the fee accountant and the executive director to ascertain the allocation of cash balances.

BOARDING AFFIDAVIT OF THE CITY OF BOSSIER  
 STATUS OF PRIOR AUDIT FINDINGS  
 JUNE 30, 1998

	<u>Resolved</u>	<u>Unresolved</u>
1. Affirmative Fair Housing Marketing Plan not available for review.	X	
2. Low Income Housing Assistance Program - annual recertification of low income housing tenants.		X
3. Louisiana Revised Statute 24:513(A)(5)(A) - audits completed within six months of the close of the entity's fiscal year end.		X
4. Low Rent Housing Assistance and Section 8 Programs - cash balances in a joint account at period should be properly allocated.		X