

Schedule of Findings and Recommendations
Internal Accounting and Administrative Controls
and Compliance (Continued)

COMPLIANCE MATTERS (continued)

LOM Real Program - (Continued)

Public Housing Management Assessment Program
(PHMAP) Certification - Continued

The Authority indicated that a PHMAP reporting system would be developed.

Tenant Recertification -

A review of twenty-five tenant files resulted in the following deficiencies:

- 1 file without Form 5005B
- 1 file with no recertification data

The low level of deficiencies indicates that the above exceptions were due to oversight, and no response is deemed necessary.

In planning and performing my audit of the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1993, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have 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 general purpose financial statements and not to provide an opinion on the internal control structure. 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. These findings are listed in the accompanying "Schedule of Findings and Recommendations". 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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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

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 believe the reportable conditions described above are material weaknesses.

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



January 31, 1997

Notes to the Financial Statements (Continued)

7. COMMITMENTS & CONTINGENCIES

There are certain major construction projects in progress at September 30, 1988. These include modernizing rental units at practically 431 projects. These projects are being funded by HUD. Funds are requested periodically as costs are incurred. Costs incurred on these projects and estimated cost to complete these projects totalled \$1,728,468 and \$464,810, respectively, at September 30, 1988.

The Housing Authority participates in a number of state and federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act of 1984 through September 30, 1988, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

8. RISK MANAGEMENT

The City is exposed to risks of loss in the areas of general and auto liability, property damage, and workers' compensation. These risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three year period ended September 30, 1988.

Notes to the Financial Statements (Continued)

F. TOTAL COLUMNS ON COMBINED STATEMENTS

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

3. CASH AND CASH EQUIVALENTS

At September 30, 1986, the Authority had cash and cash equivalents (bank balances) totaling \$289,029.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1986, the Authority has \$235,309 in deposits (collected bank balances). These deposits are secured from risk by \$217,998 of federal deposit insurance and \$18,911 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

3. FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance, Beginning	Additions	Retirements	Balance, Ending
Land and buildings	11,819,145	102,894	-	12,742,039
Furniture and equipment	127,573	128,822	149,322	428,023
	12,046,718	1,032,826	149,322	13,169,872

HOUSING AUTHORITY OF THE CITY OF
 MONROE CITY, LOUISIANA
 BID LOW-RENT PROGRAM
 STATEMENT OF MODERNIZATION AND OTHER GRANT COSTS
 Project Inception Through September 30, 1982

UNCOMPLETED PROJECTS AND GRANTS:

	1984 Orig LA48 V&P 8160284	1984 TRAVEL LA48 V&P 826124	1984 Comp LA48P 8261084	1985 Comp LA48P 8261088
Funds approved	89,390	984,350	625,635	595,314
Funds expended	<u>62,346</u>	<u>736,463</u>	<u>623,386</u>	<u>313,813</u>
excess of funds approved	<u>27,044</u>	<u>247,887</u>	<u>22,249</u>	<u>281,501</u>
Funds advanced	33,960	674,226	574,358	186,349
Funds expended	<u>62,346</u>	<u>736,463</u>	<u>623,386</u>	<u>313,813</u>
excess (deficiency) of funds advanced	<u>(28,386)</u>	<u>(162,237)</u>	<u>(149,028)</u>	<u>(127,464)</u>

HOUSING AGENCY OF THE CITY OF
 NORGAN CITY, LOUISIANA
 SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 Year Ended September 30, 1996

U.S. Department of Housing and
 Urban Development -

Direct programs:

Project LA-088-081/806 - Public housing assistance program CFDA #14.850 -	
Annual contributions	187,000*
Operating subsidy	894,328*
Comprehensive grant program CFDA #14.858 -	
Revenue recognized	1,000,872
Expenditures	1,000,872
Drug elimination program CFDA #14.854 -	
Revenue recognized	90,322
Expenditures	90,322
Project LA488-001-081/084 - Section 8 programs CFDA #14.855 & 14.857 -	
Program or award amount	400,000
Revenue recognized	400,000
Expenditures	471,501
Vacancy reduction program Project LA48 WSP 016184 -	
Revenue recognized	485,648
Expenditures	485,648

*All of this federal financial assistance was expended in the year ended September 30, 1996.

Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Operating subsidies and the annual contributions received from users are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Substantially all other revenues are recorded when they become available to the Authority.

Expenditures

Salaries are recorded as expenditures when incurred.

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

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

Principal and interest on general long-term debt are recognized when due.

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



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**HOUSING AUTHORITY OF THE CITY OF
MORGAN CITY, LOUISIANA**

FINANCIAL REPORT

September 30, 1966

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

Release Date APR 02 1997

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Comptroller Public Accounts
Lafayette, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
AND HOUSING AUTHORITY OF THE
CITY OF MORGAN CITY
Morgan City, Louisiana

U. S. DEPARTMENT OF HOUSING
AND DEVELOPMENT
Housing Management Division
1881 Canal Street
New Orleans, Louisiana

I have audited the accompanying general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, as of and for the year ended September 30, 1986, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these general purpose 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." These standards and OMB Circular A-128 require that a CPA and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Morgan City, as of September 30, 1986, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information, as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Housing Authority of the City of Morgan City. The accompanying supplemental information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in relation to the general purpose financial statements except that the analysis of surplus-regulatory funds is presented in HUD Prescribed Format, which is an Other Comprehensive Basis of Accounting.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

This report is intended solely for the use of the Board Members, management, the U. S. Department of Housing and Urban Development and Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

J. J. Donnell

January 31, 1997

REVENUE STATEMENTS BY THE CITY OF BOZEMAN, MONTANA.
 ALL FUND TYPES AND ACCOUNT GROUPS
 Continued Schedule Sheet
 September 30, 1998

ASSETS AND OTHER DEBIT BALANCE	GENERAL FUNDAL TYPE				ACCOUNT GROUPS			
	General Fund	Special Revenue Fund	Capital Projects Fund	Residual Assets	General Fund	Residual Assets	Long-Term Debt	Total Other (Net)
Cash and interest bearing deposits	400	105,418	-	39,138	-	-	-	184,558
Receivables (taxes and other)	813	-	-	-	-	-	-	813
Due from other funds	543,701	-	-	-	-	-	-	543,701
Due from other governments - 872	79,118	-	188,874	188,817	-	-	-	456,809
Unpaid liabilities	62,857	-	-	-	-	-	-	62,857
Land, buildings and equipment	-	-	-	-	13,188,878	-	-	13,188,878
Amount available in debt service funds	-	-	-	-	-	-	188,874	188,874
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-
Total assets and other debits	<u>1,087,929</u>	<u>105,418</u>	<u>188,874</u>	<u>188,817</u>	<u>13,188,878</u>	<u>13,188,878</u>	<u>188,874</u>	<u>2,803,089</u>

LIABILITIES AND FUND EQUITY	GENERAL FUNDAL TYPE				ACCOUNT GROUPS			
	General Fund	Special Revenue Fund	Capital Projects Fund	Residual Assets	General Fund	Residual Assets	Long-Term Debt	Total Other (Net)
Accounts payable and accrued expenditures	132,934	-	-	91,878	-	-	-	224,812
Unpaid payroll	-	-	-	178,174	-	-	-	178,174
Treasury security deposits	28,789	-	-	-	-	-	-	28,789
Due to other funds	-	-	-	89,489	-	-	-	89,489
Deferred revenues	-	98,882	-	-	-	-	-	98,882
Due to other governments - net	-	84,008	-	-	-	-	-	84,008
Committed accounts payable	-	-	-	-	-	-	71,187	71,187
Notes and bonds payable	-	-	-	-	-	-	2,238,088	2,238,088
Long-term debt - net	-	-	-	-	-	-	2,238,088	2,238,088
Total liabilities	<u>161,723</u>	<u>182,890</u>	<u>-</u>	<u>260,541</u>	<u>-</u>	<u>-</u>	<u>2,309,275</u>	<u>2,753,426</u>
Fund equity	-	-	-	-	-	-	-	-
Investment in general fund assets	-	-	-	-	-	-	-	-
Total liabilities -	<u>161,723</u>	<u>182,890</u>	<u>-</u>	<u>260,541</u>	<u>-</u>	<u>-</u>	<u>2,309,275</u>	<u>2,753,426</u>
Committed, unapportioned	-	2,202	-	-	-	-	-	2,202
Total fund equity	<u>161,723</u>	<u>185,092</u>	<u>-</u>	<u>260,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,356</u>
Total liabilities and fund equity	<u>323,446</u>	<u>367,982</u>	<u>-</u>	<u>521,082</u>	<u>-</u>	<u>-</u>	<u>2,309,275</u>	<u>2,753,426</u>

See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF MORNING CITE, LOUISIANA

NONREVENUE FUNDS

consolidated Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended September 30, 1994

NOVEMBER

Charges for services:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Other Items (Only)
Rentals and utilities	363,931	-	-	-	363,931
Other	31,388	-	-	-	31,388
Incarporational revenues:					
Operating subsidy - EEP	694,428	-	-	-	694,428
Annual contribution - ECD	-	489,888	197,881	-	687,769
Federal grants	908,455	-	-	1,028,988	1,937,443
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>1,986,222</u>	<u>489,888</u>	<u>197,881</u>	<u>1,028,988</u>	<u>3,109,879</u>

EXPENDITURES

CURRENT:

Administration	188,288	66,783	-	-	255,071
Utilities	297,823	-	-	-	297,823
Operating maintenance and operations	176,282	-	-	-	176,282
Travel expenses	289,889	-	-	-	289,889
General expenditures	246,882	-	-	-	246,882
Nonvoting maintenance	12,427	-	-	-	12,427
Operating maintenance payments	-	419,884	-	-	419,884
Facilities acquisition and construction	7,872	1,794	-	1,028,988	1,037,654
Debt services	-	-	111,324	-	111,324
Principal retirement	-	-	86,228	-	86,228
Interest and fiscal charges	-	-	197,388	-	197,388
Total expenditures	<u>1,218,682</u>	<u>487,887</u>	<u>394,712</u>	<u>1,028,988</u>	<u>2,919,269</u>
Excess (deficiency) of revenues over expenditures	767,540	0	0	0	118,610
Fund balances, beginning of year	(19,788)	(19,883)	(198,372)	-	(178,043)
Fund balances, end of year	<u>747,752</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118,610</u>

See Notes to Financial Statements.

BOONVILLE AUTHORITY OF THE CITY OF BOONVILLE, MISSOURI
 GENERAL FUND - GENERAL AND SPECIAL REVENUE FUND
 Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Budget (Main Balance) and Actual
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund		Special Revenue	
	Budget	Actual	Budget	Actual
REVENUE				
Charges for services:				
sewage and utilities	100,000	943,931	-	-
other	-	12,399	-	-
Intergovernmental revenues:				
specialty subsidy - 80%	364,338	486,828	362,359	485,885
federal contributions - 80%	-	368,455	-	-
miscellaneous	-	-	-	-
interest	-	6	-	-
other	-	-	-	-
total revenues	464,338	1,809,619	724,719	971,885
EXPENDITURES				
Current:				
Administration:				
Utilities	148,892	286,228	84,804	84,703
Ordinary maintenance and operations	289,389	297,030	-	-
Treas. services	137,820	176,152	-	-
General expenditures	-	285,669	-	-
Intergovernmental	136,860	268,893	-	-
Account assistance payments	-	12,421	-	-
Utilities acquisition and maintenance	-	7,072	648,209	419,864
Total expenditures	612,961	1,372,465	853,013	514,567
Grant (deficiency) of revenues over expenditures	(148,623)	437,154	131,706	457,318
Fund balances, beginning of year	(9,238)	(9,128)	(12,233)	(12,233)
Fund balances, end of year	(10,159)	428,026	(10,527)	445,155

See notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF
MORGAN CITY, LOUISIANA**

**Notes to the Financial Statements
As of and for the Year ended September 30, 1994**

INTRODUCTION

The Housing Authority of the City of Morgan City, Louisiana (Authority) was created by Louisiana Revised Statute (LSA-R.S.) 48:291 to engage in the acquisition, development, and administration of a low rent housing program to provide safe, sanitary, and affordable housing to the citizens of Morgan City, Louisiana.

The authority is administered by a five-member board appointed by the Mayor of the City of Morgan City, Louisiana. Members of the board serve staggered terms.

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

The authority participates in Section 8 housing assistance payment programs. The existing program provides assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under this program, the authority enters into housing assistance payment contracts with landlords. The Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

At September 30, 1994, the authority manages 136 public housing units and provides assistance to 334 Section 8 housing units.

The Authority's mixed (low-rent program) is operated under annual contribution contract number FW-2400 and the Section 8 existing housing certificate and voucher programs are operated under annual contribution contract numbers FW-2153 and FW-22807.

Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

The Authority is a related organization of the City of Morgan City, Louisiana since the Mayor (appointing body) appoints a voting majority of the authority's governing board. The City of Morgan City is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, it (appointing body). Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Morgan City.

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

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

C. FUND ACCOUNTING

The Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Authority are of the governmental type. This fund category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

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

1. **General Fund**--the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low cost housing assistance programs and various grant programs.
2. **Special Revenue Fund**--accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Fund contains transactions of the various Section 8 Housing Assistance programs administered by the Authority.
3. **Debt Service Fund**--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. **Capital projects fund**--accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

In my opinion, the Authority, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; contract costs; utility allowances; rent reasonableness; unit inspections; lead based paint prohibitions; procurement; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1996.

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



January 31, 1997

J. L. SONNIER
CERTIFIED PUBLIC ACCOUNTANT

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ORIG. 13-6108
REV. 12-64-5009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO HOUSING
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of The Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1966, and have issued my report thereon dated January 31, 1967.

In connection with my audit of the general purpose financial statements of the Authority, and with my consideration of the Authority's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain major federal financial assistance programs for the year ended September 30, 1966. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and procedures 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 Authority's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Authority had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying "Schedule of Findings and Recommendations".

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

J. L. Sonnier

January 31, 1967

HOUSING AUTHORITY OF THE CITY OF MORNING CITY, LOUISIANA
Schedule of Findings and Recommendations
Internal Accounting and Administrative Controls
and Compliance

INTERNAL CONTROL AND GENERAL COMPLIANCE MATTERS

Inadequate Segregation of Duties -

Due to the small number of employees necessary to administer the Authority's programs, it is not possible to effectively provide adequate segregation of duties. It is therefore important that management mitigate this control structure weakness through review of all payroll and disbursements as well as regular review of financial statements and budget performance.

COMPLIANCE MATTERS

Section 8 Program -

Section 8 Tenant Files -

A review of twenty-five tenant files resulted in the following deficiencies:

- 7 tenants with no third party income verification
- 1 form 986 not in file or unsigned
- 4 lease agreements not signed by tenant and/or landlord
- 1 file where reevaluation was not performed within 3 months after receiving income verification indicating ineligibility
- 1 no attempt to recover HAP payments made after a tenant became ineligible
- 1 file where medical deductions were not documented
- 4 files where unit size was not in agreement with occupancy standard
- 6 files with errors in computing HAP and/or utility allowances
- 6 files with errors in projecting income
- 1 file that did not contain the HAP contract with the owner
- 1 file where the landlord was erroneously paid for the tenant rent portion by HHA
- 1 file where the utility allowance was paid in the wrong amount or not paid
- 1 file with a missing social security number
- 1 file with no evidence of unit inspection in file
- 1 file with no evidence of rent reasonableness in file
- a) Housing Voucher HAP payments were computed using housing payment standards in excess of HUD established fair market rents.

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

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
For Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana (the Authority) as of and for the year ended September 30, 1997, and have issued my report thereon dated January 31, 1998. These general purpose financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these general purpose 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-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the regulatory basis 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 general purpose financial statements of the Authority, 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 general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



January 31, 1998

Notes to the Financial Statements (Continued)

4. PENSION SYSTEMS

The Authority participates in the Group Retirement Plan of the Louisiana Housing Council which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through the plan, the Authority provides pension benefits for all full-time employees.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. Benefits of the plan are funded by employee and employer contributions. Participants in the plan are required to make a monthly contribution equal to five per cent of their basic compensation. The Authority makes a monthly contribution equal to seven per cent of each participant's basic compensation.

The employer contributions and earnings allocated to each participant's account are fully vested after five years of continuous service.

The Authority's total payroll for the fiscal year ended September 30, 1994 was \$278,494. The Authority's contributions were made based on the total covered payroll of \$214,158. The Authority and the covered employees made the required contributions for the year ended September 30, 1994. The employee contributions totaled \$10,807 while the Authority's contributions totaled \$15,351.

5. COMPENSATED ABSENCES

As September 30, 1994, employees of the Authority have accumulated and vested \$71,187 of employee leave benefits. This amount is not expected to be paid from current available resources; therefore, the liability is recorded in the general long-term obligations account group.

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended September 30, 1994:

	Notes and Bonds	Compensated Absences	Long-Term Interest Payable	TOTAL
Long-term obligations at September 30, 1993	2,159,798	59,800	342,613	2,562,211
additions	-	12,137	-	12,137
Deductions	<u>111,124</u>	-	-	<u>111,124</u>
Long-term obligations at September 30, 1994	<u>2,048,674</u>	<u>71,937</u>	<u>342,613</u>	<u>2,463,224</u>

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

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1996, and have issued my report thereon dated January 31, 1997.

I have 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-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Authority, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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.

Notes to the Financial Statements (Continued)

Other Financing Sources (Used)

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

Deferred Revenues

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

K. BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended September 30, 1994.

1. The Housing Authority adopted budgets for the general fund and the special revenue fund and the capital projects funds. The capital project funds budget to actual comparison has not been included since the capital projects are multiple-year endeavors.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary control purposes.
4. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
5. The Board approved all budgets (and amendments thereto) adopted by the Housing Authority.

Budget data presented in the financial statements are as amended.

Notes to the Financial Statements (Continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. FIXED ASSETS

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

J. ACCOUNTS RECEIVABLE

The District utilizes the direct write-off method for accounts receivable becoming worthless during the year. No allowance for uncollectible accounts receivable was made due to immateriality.

K. DOLLAR SIGNS

All amounts are reported in U. S. dollars. Dollar signs have been eliminated.

Notes to the Financial Statements (Continued)

L. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by him/her retirement or termination date.

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

M. LONG-TERM OBLIGATIONS

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

N. FUND EQUITY

Reserves

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

Designated Fund Balances

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

O. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1998, and have issued my report thereon dated January 30, 1999.

I have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; contract rents; utility allowances; rent reasonableness; unit inspections; lead based paint prohibitions; procurement; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying supplementary Schedule of Federal Financial Assistance for the year ended September 30, 1998. The management of the Authority is responsible for its 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 Office of Management and Budget Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 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 Authority'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 Recommendations". I considered these instances of noncompliance in forming my opinion on compliance, which is expressed in the following paragraph:

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

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1986, and have issued my report thereon dated January 31, 1987.

I have applied procedures to test the Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the supplementary schedule of Federal Financial Assistance for the year ended September 30, 1986: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free Workplace Act, and administrative requirements.

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

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Authority had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying "schedule of Findings and Recommendations."

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



January 31, 1987

These findings are listed in the accompanying "Schedule of Findings and Recommendations".

I considered the instances of noncompliance in forming my opinion on whether the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, are presented fairly in conformity with generally accepted Accounting Principles, in all material respects, and this report does not affect my report dated January 31, 1997, on these general purpose financial statements.

I also noted certain immaterial instances of noncompliance that I have listed in the accompanying "Schedule of Findings and Recommendations."

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



January 31, 1997

HEMINGWAY AUTHORITY OF THE CITY OF MORNING CITY, LOUISIANA
SUPPLEMENTARY INFORMATION
 Analysis of Receipts - Regulatory Basis
 Projects LA-036-811/001 and LA-488-321-811/004
 For the Year Ended September 30, 1968

	Low Fund	Section 8
UNRECORDED SUPPLIES:		
Balance at beginning of period	118,482,737	14,111,653
Net loan for period	2409,511	(448,706)
Noncapitalized comp., drug and other grant expenditures (Provision for) reduction of operating reserve	(288,844)	-
(Provision for) reduction of project account	(148,000)	2,475
	-	138,323
Balance at end of period	<u>117,925,718</u>	<u>14,628,828</u>
RECORDED SUPPLIES - OPERATING RESERVE:		
Balance at beginning of period	2,000	18,345
Provision for (reduction of) operating reserve	- 148,369	(2,435)
Balance (deficit) at end of period	<u>151,198</u>	<u>13,544</u>
PROJECT ACCOUNT - OPERATING:		
Balance at beginning of period	-	260,417
Provision for (reduction of) project account	-	58,842
Balance at end of period	<u>-</u>	<u>201,575</u>
CUMULATIVE NET CONTRIBUTIONS:		
Balance at beginning of period	28,787,987	3,844,328
Annual contributions	187,991	448,824
Operating subsidy	643,514	-
Grant funds earned this period	- 1,327,416	-
Balance at end of period	<u>28,291,076</u>	<u>4,293,152</u>
CUMULATIVE DEBITATIONS		
	<u>4,000</u>	-
Total supplies	<u>117,818,438</u>	<u>20,452</u>

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAW AND REGULATIONS BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the City of Morgan City, Louisiana, (the Authority), as of and for the year ended September 30, 1996, and have issued my report thereon dated January 31, 1997.

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 the 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 general purpose financial statements are free of material misstatement.

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

The results of my tests of compliance disclosed instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Authority's financial statements.

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. These findings are listed in the accompanying "Schedule of Findings and Recommendations". 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 Authority's ability to administer Federal financial assistance programs in accordance with applicable laws and regulations.

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

My consideration of the internal control structure policies and procedures used in administering Federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe the reportable conditions described above are material weaknesses.

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



January 31, 1997

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

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

General Requirements	Specific Requirements
Political Activity	Types of services allowed
Davis-Bacon Act	or not allowed
Civil rights	Eligibility
Cash management	Reporting
Federal financial reports	Cost allocation
Allowable cost/cost principles	Special requirements
Drug-free Workplace Act	
Administrative requirements	

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

During the year ended September 30, 1990, the Authority, expended 87% of the total Federal financial assistance under major federal financial assistance programs.

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

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

To the President and Members of the
Board of Commissioners of the
Housing Authority of the City of
Morgan City, Louisiana
Morgan City, Louisiana

Regional Inspector General
for Audit
Department of Housing and
Urban Development

I have audited the general purpose financial statements of the Housing Authority of the city of Morgan City, Louisiana, (the Authority), for the year ended September 30, 1994, and have issued my report thereon dated January 31, 1997. I have also audited the compliance of the Authority, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated January 31, 1997.

I conducted my audits in accordance with generally accepted auditing standards: Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audit of State of Local Governments. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether the Authority, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audits for the year ended September 30, 1994, I considered the internal control structure of the Authority, in order to determine my auditing procedures for the purpose of expressing my opinions on the general purpose financial statements of the Authority, and on the compliance of the Authority with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated January 31, 1997.

The management of the Authority, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimation 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,

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HOUSING AUTHORITY OF THE CITY OF MONROE CITY, LOUISIANA
Schedule of Findings and Recommendations
Internal Accounting and Administrative Controls
and Compliance (Continued)

COMPLIANCE MATTERS (Continued)

Section 8 Program - (Continued)

Section 8 Tenant Files - (Continued)

Given the large number of discrepancies, I recommend the Authority perform an internal review of Section 8 tenant files in order to locate and rectify any remaining deficiencies. The Authority should also implement ongoing internal quality review procedures for the Section 8 program. The quality review procedures should serve as good training for the Section 8 manager.

The authority concurs with the above recommendation and shall begin internal review promptly.

Family Self-Sufficiency

At September 30, 1994, the Authority had no families placed on the family self-sufficiency program. I recommend the Authority determine what level of participation in the program is required by HUD and proceed to bring itself into compliance.

The Authority shall consult HUD relative to the family self-sufficiency program, and shall work to bring the program into compliance.

Low Rent Program -

Public Housing Management Assessment Program (PHMAP) Certification

Indicator 1 - Vacancies were computed improperly. Form 50072 indicated a vacancy percentage of 13% when the actual percentage was 8.8%.

Indicator 3 - Form 54072 indicated the percentage of rents uncollected to be negative 2% but the actual uncollected rents percentage was .28%.

Indicators 6 and 7 - The Authority has not developed a system for tracking statistics for these indicators throughout the fiscal year. Instead, the Authority attempts to generate these statistics after year end. Such an approach is error prone, and in the fiscal year ended September 30, 1994, resulted in records that did not provide adequate competent evidence to be audited. Consequently indicators 6 and 7 could not be tested in the fiscal year September 30, 1994 audit.

A system should be developed to accumulate all PHMAP required data on an ongoing basis such that at year end, Authority personnel could promptly tally the data for preparing the PHMAP report and, provide adequate documentation for audit purposes.

Notes to the Financial Statements (Continued)

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

The following notes and bonds are outstanding as September 30, 1986. All the notes and bonds are HUD - guaranteed with maturities from 1997 through 2018 and bear interest rates from 4.24 to 5%.

New Housing Authority bonds -
 \$3,575,000 issued August 1, 1966
 bearing interest at 4.24 with
 final maturity in 2007. (Project
 No. LA-34-41) 3,184,787

\$3,650,000 issued August 1, 1969
 bearing interest at 5.24 with
 final maturity in 2010. (Project
 No. LA-34-51) 583,136

Permanent notes - HUD -
 These obligations are due HUD.
 The Debt Forgiveness Act of 1985
 forgave these notes, but the
 timing of the official
 cancellation of the remaining
 notes is unknown. Because the
 principal and interest on these
 notes will eventually be
 forgiven, interest accruals have
 been discontinued. Due to the
 uncertainty of the timing of the
 cancellation of these notes, a
 schedule of their maturities is
 not presented.

Principal	\$18,153
Accrued interest	<u>242,514</u>
	<u>2,428,638</u>

All principal and interest requirements are funded by annual contributions from HUD. As September 30, 1986 the Authority has \$128,978 accumulated in the debt service fund for future debt requirements. Annual debt service requirements for the new housing authority bonds are as follows:

	Principal	Interest	Total
Year ending September 30, 1997	115,384	63,744	179,128
1998	133,580	78,402	211,982
1999	138,488	73,739	212,227
2000	133,439	68,134	201,573
2001	141,853	60,632	202,485
2002 to maturity	1,887,344	332,872	2,220,216
	<u>2,227,938</u>	<u>395,183</u>	<u>2,623,121</u>