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JAN 11 1996

**JEFFERSON HOUSING FOUNDATION**

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

Release Date: 01/09/96

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

**FOR THE YEAR ENDED DECEMBER 31, 1996**

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

SUPPLEMENTAL INFORMATION

**JEFFERSON HOUSING FOUNDATION  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1996**

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FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	DISBURSEMENTS RECORDED
<b>Major Federal Awards</b>		
Department of Housing and Urban Development		
Passed through the Office of the Council-Jefferson Parish:		
Community Development Block Grant	14.310	\$ 30,300
Community Development Block Grant	14.310	100,988
Total major federal awards		131,288
<b>Non-major Federal Award</b>		
Passed through Southern University at Baton Rouge:		
Cooperative Extension Program-Department of Agriculture	NA	20,786
Total non-major federal award		20,786
<b>Total Federal financial assistance</b>		<b>\$152,074</b>

See the Independent Auditors' Report on  
Supplementary Information.

**JEFFERSON HOUSING FOUNDATION**  
**STATEMENT OF CASH FLOW**  
**DECEMBER 31, 1986**

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CASH FLOW FROM OPERATING ACTIVITIES

Changes in net assets	\$ 160,543
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	1,388
Changes in operating assets and liabilities:	
Decrease in grants receivable	13,781
Decrease in prepaid expenses	2,340
Decrease in security deposit	825
Increase in accounts payable	17,091
Increase in due to funding source	4,813
Net cash provided by operating activities	202,680

CASH FLOW FROM INVESTING ACTIVITIES

Leasehold improvements	(5,882)
Investment in real estate for re-sale	(14,914)
Investment in Laplace of Jefferson	(240,861)
Net cash used in investing activities	(261,657)

CASH FLOW FROM FINANCING ACTIVITIES

Notes payable	61,023
Net cash provided by financing activities	61,023

Net increase in cash	\$ 102
Cash at the beginning of year	762
Cash at the end of year	\$ 864

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

**JEFFERSON HOUSING FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(CONTINUED)**

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**NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS:**

The estimated fair value of all significant financial assets have been determined by the Foundation using available market information and appropriate valuation methodologies. The Foundation considers the carrying amounts of cash, accounts receivable, grants receivable, investments and notes payable to be fair values.

**NOTE 8 - INVESTMENT IN REAL ESTATE FOR RE-SALE:**

During the year, the Foundation purchased land in the Lincolnshire Subdivision to construct two (2) homes in connection with the Youth Build program. One home was sold in May 1997 while the second home is in the process of being sold as of the report date.

**NOTE 9 - NOTES PAYABLE:**

Note payable, interest at 8.00, due 03/31/97	\$ 50,000
Note payable, interest at 6.50, due 12/31/97	\$ 11,023
Total	\$ 61,023

The Foundation has a line-of-credit arrangement with a local banking institute totaling \$150,000. At December 31, 1996, \$13,023 of the line-of-credit had been utilized.

**JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 5 - LIABILITIES, CONTINUED**

During the year ended December 31, 1996, the Foundation expended \$349,061 relative to the Jefferson Place Apartment Project. It is management's contention that such funds will be reimbursed to the Foundation by affiliated parties.

Also, as of December 31, 1996, the Laplace of Jefferson Project had incurred \$2,430,000 of unpaid costs that will be required to be funded by a local bank, the Department of Housing and Urban Development, the Foundation, and SRT Development Company.

**NOTE 6 - COMMITMENT AND CONTINGENCY:**

**Commitment**

On November 27, 1995 the Foundation entered into a lease agreement with the Parish of Jefferson for office space. The terms of the lease agreement and the subsequent amendment provide for a lease commencing December 1, 1995 and expiring January 31, 1998 with consideration for the lease to be one dollar (\$1.00) per year.

**Contingency**

In connection with the administration and operation of the federal grants, the Foundation is to expend grant funds, in accordance with the program guidelines and regulations. However, should the Foundation have operated/administered the grants in a manner which would be in noncompliance with the guidelines and regulations, the Foundation may be required by the funding sources to repay some portion or all of the grant awards.

**JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-  
CONTINUED**

**Transfers**

Transfers represent construction related costs of the LePlace of Jefferson Partnership paid by the redevelopment of Jefferson Place grant, and for household improvements at the Foundation and architect services for the purchase of real estate for re-sale paid with Youth Build funds.

**NOTE 3 - CONTRIBUTIONS:**

Contributions consist of unrestricted cash donations made to the Foundation to provide support to the operations of the Foundation as well as to fund specific projects as designated by the donor or the Board of Directors.

**NOTE 4 - INCOME TAXES:**

The Foundation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 5 - INVESTMENTS:**

On October 31, 1985 the Foundation and the Volunteers of America's National Housing Corporation established a limited liability company called LePlace Housing Foundation for the purpose of rehabilitating housing in deteriorated urban neighborhoods. The Foundation has a 50% ownership interest in the LePlace Housing Foundation.

On October 30, 1986, the LePlace Housing Foundation established a Partnership (LePlace of Jefferson) in Commenda with EAT Development Company, a limited liability company for the purpose of renovating a low-to-moderate income housing development in Jefferson Parish. LePlace Housing Foundation has a 14 ownership interest in LePlace of Jefferson.



JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -  
CONTINUED

Inter-Fund Activity

All inter-fund activities have been recorded as due to or due from other programs and represent any loans to or expenses paid by one program on behalf of another.

In-Kind Contributions

The value of contributed goods and services are not reflected in the accompanying financial statements since there is no objective basis for measurement of the value of such goods and services.

Grants Receivable

The Foundation considers grant receivables to be fully collectible since the balances consist principally of payments due under governmental contracts.

Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all investments with original maturities of three months or less to be cash equivalents.

Program Income and Fees

Program income is earned in the Community Development Block Grant program. The Community Development Block Grant program income consists of funds received from participants in obtaining credit reports.

Total (Memorandum Only)

The total column on the supplemental statement of support, revenues and expenses is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

**JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:  
CONTINUED**

**Basis of Reporting, Continued**

• Unrestricted funds-designated represent the unexpended balance of exchange transactions received from the U. S. Government, state, local and private agencies.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 1988, the Foundation did not have any temporarily or permanently restricted net assets.

**Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements of the Foundation are recorded as assets and are stated at historical costs, if purchased, or at fair market value at the date of the gift, if donated. Additions and improvements are capitalized expenditures that significantly extend the useful life of an asset. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Furniture, equipment and leasehold improvements	5 years
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**Fees to Funding Sources**

This amount represents unexpended grant funds that are required to be repaid to the funding sources.

JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-  
CONTINUED

Basis of Reporting, Continued

(pledges) be recorded as receivables and reverses and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e., unrestricted, temporarily restricted and permanently restricted net assets) according to externally (donor) imposed restrictions. In addition, the Foundation is required to present a statement of cash flows.

A description of the three net asset categories is as follows:

Unrestricted net assets include the following:

- c Unrestricted net assets include funds not subject to donor-imposed stipulations. The reverses received and expenses incurred in conducting the mission of the Foundation are included in this category. The Foundation has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Foundation, and therefore, the Foundation's policy is to record these net assets as unrestricted.

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

To the Board of Directors  
Jefferson Housing Foundation

This report is intended for the information of the Board of Directors, Management, the Office of the Council-Jefferson Parish and the U.S. Departments of Housing and Urban Development and Agriculture. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Foundation is a matter of public record.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 28, 1987

**JEFFERSON HOUSING FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

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<b>OPERATING REVENUES</b>	<b>Unrestricted</b>
Grant revenues	\$ 388,088
Contributions	91,109
Program fees	5,541
Other revenues	1,583
Total operating revenues	526,321
 <b>EXPENSES</b>	
Program expenses	341,841
Management and general	88,578
Total operating expenses	430,419
Change in net assets	160,543
Net assets at beginning of year	122,389
Net assets at end of year	\$ 282,932

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

**& Tervalon**

SECURITY BUSINESS CENTER  
SUITE 1000, 1000 P. O. BOX 1000  
NEW ORLEANS, LA 70119

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors,  
Jefferson Housing Foundation.

We have audited the accompanying statement of financial position of Jefferson Housing Foundation (a nonprofit corporation) as of December 31, 1996 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Jefferson Housing Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States and the provisions of GBS Circular A-330. Those standards and the provisions of GBS Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Housing Foundation as of December 31, 1996, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Board of Directors  
Jefferson Housing Foundation  
Page 2

As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Jefferson Housing Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report is presented for the purposes of additional analysis and is not a required part of the financial statements of Jefferson Housing Foundation. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated June 20, 1997 on our consideration of Jefferson Housing Foundation's internal control structure and a report dated June 20, 1997 on its compliance with laws and regulations.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 1997

**JEFFERSON HOUSING FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 1996**

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**ASSETS**

Cash (NOTE 2)	\$ 5,819
grants receivable (NOTE 2)	13,813
Investment in real estate for re-sale (NOTE 3)	14,914
Furniture, equipment, and leasehold improvements net of accumulated depreciation of \$4,434 (NOTE 2)	4,812
Investment in Loblaws of Jefferson (NOTE 4)	268,583
Total assets	<u>\$ 293,939</u>

**LIABILITIES**

Accounts payable	\$ 38,447
due to funding source (NOTE 2)	4,813
Notes payable (NOTE 5)	61,023
Total liabilities	<u>102,483</u>

Commitment and Contingency (NOTE 6)

**NET ASSETS (NOTE 2)**

Unrestricted	148,341
Unrestricted-designated	<u>7,991</u>
Total net assets	156,332
Total liabilities and net assets	<u>\$ 293,939</u>

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



**INDEPENDENT AUDITORS REPORT ON THE INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS**

To the Board of Directors  
Jefferson Housing Foundation

We have audited the financial statements of Jefferson Housing Foundation - (the Foundation-a nonprofit corporation), as of and for the year ended December 31, 1996 and have issued our report thereon dated June 20, 1997. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

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

The management of the Foundation 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

**INDEPENDENT AUDITORS REPORT ON THE INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS  
(CONTINUED)**

To the Board of Directors  
Jefferson Housing Foundation

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.

In planning and performing our audit of the financial statements of the Foundation for the year ended December 31, 1990, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

INDEPENDENT AUDITORS REPORT ON THE INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS  
(CONTINUED)

To the Board of Directors  
Jefferson Housing Foundation

This report is intended for the information of the Board of Directors, Management, the Office of the Council-Jefferson Parish and the U.S. Departments of Housing and Urban Development and Agriculture. However, this report is a matter of public record and its distribution is not limited.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 30, 1997

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors  
Jefferson Housing Foundation

We have audited the financial statements of the Jefferson Housing Foundation (the Foundation - a nonprofit corporation) as of and for the year ended December 31, 1998, and have issued our report thereon dated June 29, 1997. We have also audited the Foundation's compliance with requirements applicable to the major Community Development Block Grant program and have issued our report thereon dated June 29, 1997. As discussed in NOTE 3 to the financial statements, during the year ended December 31, 1998, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133. These standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, and about whether the Foundation complied with laws and regulations, noncompliance with which would be material to a major Federal program.

In planning and performing our audits of the financial statements for the year ended December 31, 1998, we considered the organization's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the organization's financial statements and on its compliance with requirements applicable to the major Community Development Block Grant program and to report on the internal control structure in accordance with OMB Circular A-133.

**SENIORS HOUSING FOUNDATION  
SUPPLEMENTAL BALANCE SHEET  
DECEMBER 31, 1988**

ASSETS	General Fund	Inflation Periods			Inflation Periods Business Expenses Training	Inflation Periods Business Expenses of Inflation	Inflation Periods Business Expenses of Inflation	Total (Monetary) Cash - 3077(2)
		Inflation Periods Community Development	Inflation Periods Competitive Programs	Inflation Periods Business Expenses Training				
Cash (3077(2))	\$ 3,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,912
Quant receivables (3077(2))	-	1,099	1,300	-	-	-	-	2,400
Investment in real estate (3077(4))	14,914	-	-	-	-	-	-	14,914
Due from other programs (3077(2))	297	-	1,405	-	-	-	1,405	1,702
Due from other programs (3077(2))	6,912	-	-	-	-	-	-	6,912
Depreciation of 14,014 (3077(2))	28,580	-	-	-	-	-	-	28,580
Investment in Inflation (3077(3))	128,051	54,051	54,051	54,051	54,051	54,051	54,051	344,306
<b>Total assets</b>	\$ 186,667	\$ 54,051	\$ 54,051	\$ 54,051	\$ 54,051	\$ 54,051	\$ 54,051	\$ 344,306
LIABILITIES								
Accounts payable	-	-	-	-	-	-	-	-
Due to building owners (3077(1))	-	-	4,115	-	-	-	-	4,115
Due to other programs (3077(2))	-	4,000	-	-	-	-	-	4,000
Notes payable (3077(3))	51,000	-	-	-	-	-	-	51,000
<b>Total liabilities</b>	\$ 51,000	\$ 4,000	\$ 4,115	\$ -	\$ -	\$ -	\$ -	\$ 59,115
Commitment and Contingency (3077(4))	135,667	-	-	-	-	-	-	135,667
NET ASSETS (3077(1))	135,667	-	-	-	-	-	-	135,667
Unassigned	-	-	-	-	-	-	-	-
Unrestricted-designated	135,667	-	-	-	-	-	-	135,667
<b>Total net assets</b>	\$ 135,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,667
Total liabilities and net assets	\$ 186,667	\$ 4,000	\$ 4,115	\$ -	\$ -	\$ -	\$ -	\$ 194,782

For the Independent Auditor's Report on Supplementary Information

**JEFFERSON HOUSING FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(CONTINUED)**

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**NOTE 1 - BACKGROUND AND GENERAL DATA, CONTINUED**

General, Continued

- o Youth Build Grant - The grant is used to train the young citizens of Jefferson Parish in the field of construction of homes for the sale to low-to-very low income home buyers.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Accounting

The financial statements of each of the Foundation's funds and the supplementary schedules are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Basis of Reporting

During 1994, the Foundation adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations," and applied these standards on a retroactive basis. SFAS No. 116 requires that unconditional promises to give

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

To the Board of Directors  
Jefferson Housing Foundation

Specific Requirements:

- o Types of Services Allowed or Not Allowed
- o Marketing
- o Application, and Eligibility
- o Claims for Reimbursements

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

During the year ended December 31, 1996, the Foundation expended 83% of its total financial assistance under Department of Housing and Urban Development assisted programs.

We performed tests of controls as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Foundation's major Federal financial assistance program which is identified in the accompanying schedule of Federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering Federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

**JEFFERSON HOUSING FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - BACKGROUND AND GENERAL DATA:**

**Background**

Jefferson Housing Foundation (the Foundation) is a non-profit corporation organized under the laws of the State of Louisiana. The Foundation was established to provide home ownership counseling and training for first-time home buyers and to help low and moderate income families and individuals in obtaining financing and closing cost assistance.

**General**

As of December 31, 1998, the Foundation administered the following activities:

- o General Fund - The General fund is used to account for all unrestricted operations of the Foundation.
- o Community Services Block grant - This grant is used to account for the administration of counseling services provided to potential low-to-moderate income first-time homebuyers. The grant also covers the costs associated with the maintenance of the building such as rent, utilities and supplies.
- o Cooperative Extension grant - The Foundation received this Department of Agriculture grant under the provisions of a subcompact with Southern University to teach prospective and existing entrepreneurs the basics of forming a business and thoroughly reviewing the key elements of a business plan over a prescribed number of sessions.
- o Business Entrepreneur Training grant - The grant is used in conjunction with a Federal grant to expose potential entrepreneurs among the under-represented population of Jefferson Parish with the information necessary to start and successfully maintain a business.
- o Jefferson Place Redevelopment Grant - The grant is used to offset the cost associated with the redevelopment of the blighted Jefferson Place Apartment Complex.



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

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To the Board of Directors of  
Jefferson Housing Foundation

We have audited the financial statements of Jefferson Housing Foundation (the Foundation - a nonprofit corporation) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 20, 1997. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

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

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

To the Board of Directors  
Jefferson Housing Foundation

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

This report is intended for the information of the Board of Directors, Management, the Office of the Council-Jefferson Parish, and the U.S. Departments of Housing and Urban Development and Agriculture. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Foundation is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 1997

**Bruno  
& Tavelon**MEMBERS OF THE AICPA  
LICENSED IN MISSISSIPPI  
OFFICE 2000 2000 2000

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

To the Board of Directors  
Jefferson Housing Foundation

We have audited the financial statements of Jefferson Housing Foundation (the Foundation - a nonprofit organization) as of and for the year ended December 31, 1998 and have issued our report thereon dated June 20, 1999. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We have applied procedures to test the Foundation's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying schedule of federal awards for the year ended December 31, 1998.

General Requirements

- |                             |                                   |
|-----------------------------|-----------------------------------|
| o Political Activity        | o Allowable Costs/Cost Principles |
| o Civil Rights              | o Drug-Free Workplace Act         |
| o Federal Financial Reports | o Administrative Requirements     |

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

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

To the Board of Directors  
Jefferson Housing Foundation

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Foundation had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, Management, the Office of the Council-Jefferson Parish, and the U.S. Departments of Housing and Urban Development and Agriculture. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 30, 1987

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

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To the Board of Directors  
Jefferson Housing Foundation

We have audited the financial statements of Jefferson Housing Foundation (a non-profit corporation-the Foundation) as of and for the year ended December 31, 1996 and have issued our report thereon dated June 20, 1997. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We have also audited the Foundation's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; special tests and provisions; financial reports; and amounts claimed or used for matching that are applicable to its major federal awards program which is identified in the accompanying schedule of federal awards for the year ended December 31, 1996. The management of the Foundation is responsible for the Foundation's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
MANKIE FEDERAL AWARDS PROGRAMS

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(CONTINUED)

To the Board of Directors  
Jefferson Housing Foundation

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements previously referred to.

In our opinion, the Foundation complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; special tests and provisions; financial reports; and accounts claimed or used for matching that are applicable to its major federal program for the year ended December 31, 1956.

This report is intended for the information of the Board of Directors, management, and the Office of the Council-Jefferson Parish, and the U. S. Department of Housing and Urban Development and Agriculture. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Foundation, is a matter of public record.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 28, 1957

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

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To the Board of Directors  
Jefferson Housing Foundation

We have audited the financial statements of the Jefferson Housing Foundation (the Foundation - a nonprofit organization) as of and for the year ended December 31, 1996 and have issued our report thereon dated June 20, 1997. As discussed in NOTE 2 to the financial statements, during the year ended December 31, 1996, the Foundation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

In connection with our audit of the financial statements of the Foundation, and with our consideration of the Foundation's internal control structure used to administer federal award programs, as required by OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions", we selected certain transactions applicable to the nonmajor federal programs for the year ended December 31, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing allowability and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Foundation's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Foundation had not complied, in all material respects with these requirements.

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

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(CONTINUED)

To the Board of Directors  
Jefferson Housing Foundation

This report is intended for the information of the Board of Directors, Management, the Office of the Council-Jefferson Parish, and the U. S. Departments of Housing and Urban Development and Agriculture. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Foundation is a matter of public record.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 1997



JEFFERSON HOUSING FOUNDATION  
EXIT CONFERENCE

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An exit conference was held with the following individuals:

**JEFFERSON HOUSING FOUNDATION**

Ms. Wanda Bergeron -- Executive Director

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Waldo J. Morse, Jr., CPA -- Partner

Mr. Edward J. Phillips, Jr. -- Senior Manager

The audit report was discussed. This report is intended solely for the use of the Board of Directors, Management, the Office of the Council-Jefferson Parish, and the U. S. Department of Housing and Urban Development and should not be used for any other purpose.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 20, 1997

**JEFFERSON HOUSING FOUNDATION  
SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1986**

	General Fund		Jefferson		Jefferson		Jefferson		Jefferson		Total	
	Fund	Fund	Community Development	Public Housing	Business Enterprises	Public Housing	Redevelopment of Jefferson	Public Housing	Public Housing	Public Housing	Reserve	(Miscellaneous) Only - 1985/86
<b>REVENUES</b>												
Grant revenue	\$ -	\$21,300	\$100,000	\$21,300	\$21,300	\$0	\$0	\$0	\$0	\$0	\$0	\$21,300
Contributions	94,000	0	0	0	0	0	0	0	0	0	0	94,000
Program fees	1,041	0	0	0	0	0	0	0	0	0	0	1,041
Other revenue	3,264	0	0	0	0	0	0	0	0	0	0	3,264
	\$28,305	\$21,300	\$100,000	\$21,300	\$21,300	\$0	\$0	\$0	\$0	\$0	\$0	\$170,905
<b>EXPENSES</b>												
Salaries and related benefits	17,947	11,500	84,652	28,419	28,419	15,775	15,700	15,700	0	0	0	200,599
Individual fees and contract services	8,900	6,028	0	0	6,028	0	0	0	0	0	0	14,928
Donor and telephonic	1,216	0	0	0	0	0	0	0	0	0	0	1,216
Equipment rental	3,238	0	0	0	0	0	0	0	0	0	0	3,238
Travel	2,145	0	178	2,064	2,064	0	0	0	0	0	0	4,217
Insurance	4,021	0	0	0	0	0	0	0	0	0	0	4,021
Letters and permits	479	0	0	0	0	0	0	0	0	0	0	479
Office supplies	1,672	625	1,100	308	4,617	0	0	0	0	0	0	16,676
Supplies and maintenance	18,737	0	0	0	0	0	0	0	0	0	0	18,737
Credit reports	258	0	0	0	0	0	0	0	0	0	0	258
Office	2,172	0	0	0	0	0	0	0	0	0	0	2,172
Printing	419	360	0	0	454	0	0	0	0	0	0	1,233
Training and reproduction	0	500	1,500	1,500	2,678	0	0	0	0	0	0	5,678
Rent	958	0	0	0	0	0	0	0	0	0	0	958

(CONTINUED)

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS  
(CONTINUED)**

To the Board of Directors  
Jefferson Housing Foundation

This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to the federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated June 20, 1997.

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

For the purpose of this report, we have classified the significant internal control structure policies and procedures into the following categories:

- |                                   |  |
|-----------------------------------|--|
| o Cash                            | o Political Activity                   |
| o Revenue and Receivables         | o Civil Rights                         |
| o Payroll and Related Liabilities | o Cash Management                      |
| o Property and Equipment          | o Federal Financial Reports            |
| o Cash Receipts                   | o Drug-Free Workplace                  |
| o Administrative Requirements     | o Cash Allocation                      |
| o Cash Disbursements              | o Allowable Costs/<br>Costs Principles |
| o Accounts Payable                |  |

JEFERSON HIGGINS FOUNDATION  
 SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1966

General Fund	Jefferson Parks Community Development			Jefferson Parks Community Development Home Cooperative			Jefferson Parks Business Enterprises			Jefferson Parks Subdevelopment of Jefferson Park			Total Contributions Only - \$0778.00
	Development Reallocations	Home Cooperative	Community Development	Trading	Expenses	Trading	Expenses	Trading	Expenses	Trading	Expenses	Reserve	
1,018	0	0	0	0	0	0	0	0	0	0	0	0	1,018
2,015	0	0	0	0	0	0	0	0	0	0	0	0	18,716
3,443	0	0	0	0	0	0	0	0	0	0	0	0	3,443
48,175	22,222	128,024	26,286	68,663	25,220	25,220	25,220	25,220	25,220	25,220	25,220	25,220	118,111
25,112	0	0	0	0	0	0	0	0	0	0	0	0	25,112
118,220	0	0	0	0	0	0	0	0	0	0	0	0	0
12,712	0	0	0	0	0	0	0	0	0	0	0	0	12,712
92,824	0	0	0	0	0	0	0	0	0	0	0	0	92,824

EXPENSES, CONTINUED

Depreciation  
 Utilities  
 Telephone

Total expenses

Changes in net assets

Other Changes

Transfers (NOTE 2)

Net assets, beginning of year

Net assets, end of year

See the Independent Auditor's Report on Supplementary Information.