

NINTH WARD HOUSING DEVELOPMENT CORPORATIONOFFICIAL
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FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 1997

ASIF GAFUR MHA, MS
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As a result of the provisions of House Bill 424, this report is a public document. A copy of the report has been submitted to the Governor, or lieutenant governor, and to each 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.

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MEMBER

American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Ninth Ward Housing Development Corporation

I have audited the accompanying statement of financial position of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of June 30, 1997, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ninth Ward Housing Development Corporation as of June 30, 1997 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards I have also issued a report dated

INDEPENDENT AUDITOR'S REPORT

December 12, 1997 on my consideration of the Corporation's internal control structure and a report dated December 12, 1997 on its compliance with laws and regulations.



Asif Guber
Certified Public Accountant

December 12, 1997

YOUTH HARBOR SERVICES DEVELOPMENT COMMODAL TRUST
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1997

ASSETS	CASH	DEPOSIT INVESTMENTS	PROPERTY INVESTMENTS	COMMUNITY DEVELOPMENT PROGRAMS	EMPLOYMENT PERFORMANCE PROGRAMS	REMBUR- SEMENTS IN PRO- GRESS	TOTAL ASSETS
Current Assets							
Cash	\$ 687	\$ 4011	\$ 2161	\$ 10,619	\$ 678	\$ 154	\$ 19,310
Investments	10,078	1,146	+	+	+	2,800	14,024
Receivables	17,000	+	+	+	+	+	17,000
Due from other programs	31,000	21,750	4,800	80	1,220	+	57,750
Total current assets	\$ 48,765	\$ 6,307	\$ 26,410	\$ 11,719	\$ 897	\$ 1,954	\$ 85,952
Property and equipment, net (Notes 2 and 3)	1,886,411	7,100	+	34,414	2,689	+	1,928,614
Total	\$ 1,935,180	\$ 13,407	\$ 26,410	\$ 46,133	\$ 1,086	\$ 1,954	\$ 1,983,170
LIABILITIES							
Current Liabilities:							
Accounts payable	\$ 21,800	\$ 140	\$ 897	\$ 8,227	\$ 487	\$ +	\$ 31,551
Accrued compensation payable	1,048	4,144	84	8,086	3,110	+	16,472
Due to other programs	6,671	11,079	1,018	3,887	5,910	+	28,565
Total current liabilities	\$ 29,519	\$ 15,363	\$ 989	\$ 17,200	\$ 11,507	\$ +	\$ 74,578
NET ASSETS							
Unrestricted	1,228,661	+	+	+	+	+	1,228,661
Temporarily restricted	+	6,100	24,421	14,440	7,140	4,144	55,205
Total assets	1,228,661	6,100	24,421	14,440	7,140	4,144	1,305,106
Total liabilities and net assets	\$ 1,228,661	\$ 6,100	\$ 24,421	\$ 31,620	\$ 18,647	\$ 4,144	\$ 1,305,106

NORTH PLAZA BUILDING DEVELOPMENT COMPANY TRUST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

MANAGEMENT FEES

	GENERAL FUND	BAY CLARE PROGRAM	FOOD SERVICES PROGRAM	FOODS WITH ACCESSIBLE PROGRAM	EMPLOYMENT PROBATION PROGRAM	REHABIL- ITATION PROGRAM	TOTAL PROGRAM FUNDS
Grant	\$ 27,652	\$ 51,278	\$ 29,488	\$ 22,500	\$ 29,488	\$ 42,111	\$ 202,617
Board Expense	28,000	-	-	-	-	-	28,000
Professional Expense	22	22,200	-	-	-	-	22,222
Interest Expense	48	-	-	-	-	-	48
Other Income	600	-	-	-	1,172	1,18	1,378
	<u>24,322</u>	<u>73,478</u>	<u>29,488</u>	<u>22,500</u>	<u>30,660</u>	<u>43,289</u>	<u>200,237</u>

Total support and message

EXPENSES

Program services	-	89,884	27,620	22,173	82,428	42,897	245,002
Support services	54,205	-	-	-	-	-	54,205
	<u>54,205</u>	<u>89,884</u>	<u>27,620</u>	<u>22,173</u>	<u>82,428</u>	<u>42,897</u>	<u>300,132</u>

Total expenses

Income in net assets, unrestricted
 Income allocated to net assets,
 restricted

	-	33,551	450	13,500	(1,271)	4,144	50,074
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Net assets unrestricted, beginning
 Net assets temporarily restricted,
 beginning

	1,400,841	-	-	-	-	-	1,400,841
	-	1,628	32,295	22,129	89	-	34,141
	<u>1,400,841</u>	<u>1,628</u>	<u>32,295</u>	<u>22,129</u>	<u>89</u>	<u>-</u>	<u>1,465,922</u>

Net assets, beginning

Net assets unrestricted, ending

	1,228,841	-	-	-	-	-	1,228,841
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Net assets temporarily restricted, ending

	-	4,118	24,887	21,426	(741)	4,144	54,944
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Net assets, ending

	<u>1,228,841</u>	<u>4,118</u>	<u>24,887</u>	<u>21,426</u>	<u>(741)</u>	<u>4,144</u>	<u>1,303,946</u>
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**SOUTH WINDS HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1997**

	GENERAL	DAY-CARE PROGRAM	FOOD SERVICES	COMMENTS ADDITIONAL	EMPLOYMENT	RETAIL	TOTAL
	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE
Salaries and wages	\$ 15,178	\$ 76,764	\$ 52,685	\$ 17,645	\$ 44,760	\$ -	\$ 217,032
Fringe benefits	4,289	8,897	1,714	20,288	3,782	-	49,070
Administrative	77	-	-	2,971	-	-	4,048
Costs of materials	1,078	-	-	-	-	-	1,078
Contributions	88	-	-	-	-	-	88
Depreciation	24,478	2,113	-	8,776	1,569	-	37,936
Over and under expense	2,342	22	22	-	-	-	2,686
Electricity and heating	-	11	49	88	56	18	212
Insurance	-	-	-	-	-	-	-
Lease rent	25,421	-	-	6,652	71	-	32,144
Licenses and permits	23	349	-	-	-	-	372
Materials	33	249	-	-	-	-	282
Other	33	178	-	-	14	-	325
Printing and postage	381	-	-	399	-	-	780
Professional services	1,176	-	-	-	1,896	-	3,072
Printing and postage	682	-	39	77	-	-	898
Rent	4,084	-	-	-	11,666	-	15,750
Supplies and materials	17,178	1,641	85	78	-	42,113	61,807
Travel	-	-	-	18,418	-	-	18,418
Utilities	1,394	-	-	-	-	-	1,394
Building	2,969	1,278	69	-	-	-	4,356
Office	1,263	-	69	1,669	269	-	3,201
Food	1,651	-	16,732	-	1,245	-	19,628
Other	28	64	1,028	24	-	-	1,124
Taxes, fees, assessments	28	24	-	27	-	-	79
Travel fees	-	-	-	-	28,111	-	28,111
Telephone	4,084	81	-	1,959	-	-	6,124
Utilities	571	-	-	14,779	1,266	-	16,616
Total	\$ 144,028	\$ 86,669	\$ 73,662	\$ 314,119	\$ 68,638	\$ 4,252	\$ 636,368

NINTH WARD HOUSING DEVELOPMENT CORPORATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 104,976
Adjustments to reconcile net cash provided	
by operating activities:	
Depreciation expense	52,233
Changes in operating assets and liabilities:	
Grant receivable	(29,198)
Rent receivable	(32,033)
Accounts payable	(7,430)
Payroll taxes payable	(48,332)
Accrued expenses and other payables	<u> 2,420</u>
Net cash provided by operating activities	<u> 47,726</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(37,926)
Net cash used in investing activities	<u> (37,926)</u>
Net increase in cash	 9,800
Cash, beginning of period	<u> 99,524</u>
Cash, end of period	\$ <u>109,324</u>

NINTH WARD HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and Significant Accounting Policies:

General

Ninth Ward Housing Development Corporation is a not-for-profit corporation formed on July 31, 1994 formerly called the Lower Ninth Ward Housing Development Corporation which was incorporated on December 4, 1968. The Corporation was organized and operates on a non-stock basis with one class of membership which consist of members of the Board of Directors. As a non-profit corporation, the **Ninth Ward Housing Development Corporation** engages in the purchase, construction, demolition, rehabilitation, improvement, re-building and resale of substandard housing and real property in the City of New Orleans. The Corporation also provides day-care, employment preparation/home-work assistance and community assistance programs.

Description of Programs

Child and Adult Care Food Program - This program is funded through the Louisiana State Department of Education - Child and Adult Care Food Program and provides free meals to approximately 48 children who participate in the non-profit organization's day-care program.

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

Homework Assistance Program (Also, referred to as the Employment Preparation Program) - This program, funded through the Louisiana State Governor's Office of Urban Affairs and Development, provides homework assistance to approximately 82 students in grades kindergarten through sixth, who have difficulty completing homework assignments due to reduce parental assistance, distractions, or lack of student motivation. The Homework Assistance Program is conducted daily at two New Orleans Public Schools for two hours.

NINTH WARD HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and Significant Accounting Policies

Day-Care Centre Program - This program, funded through a Community Development Block Grant between the City of New Orleans and a nonprofit organization, provides day-care services to approximately 58 children between the age of two and five years old.

Senones Building Renovation Grant - This grant is funded through the City of New Orleans. The fund is restricted to repairs and renovation to the first floor of the Senones Building. The Day-Care is located in the Senones Building.

Rehabilitation Program - This program is funded through the City of New Orleans - Home Investment Partnership Program. These funds are restricted to owner occupied rehabilitation of homes in the Ninth Ward.

Estimates

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

Property and Equipment

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

	Years
Buildings and leasehold improvements	30
Furniture and equipment	5
Vehicles	3

NINTH WARD HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and Significant Accounting Policies

Income Taxes

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

Total Columns

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

NOTE 2 - Property and Equipment

Property and equipment consist of the following at June 30, 1997

Land	\$ 180,851
Buildings and leasehold improvements	822,797
Furniture and equipment	43,187
Vehicles	<u>77,823</u>
	1,224,758
Accumulated Depreciation	<u>(183,598)</u>
Total	\$ <u>1,041,161</u>

NOTE 3 - Contingency:

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

NINTH WARD HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - Contingency:

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

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MEMBER

American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of and for the year ended June 30, 1997 and have issued my report thereon dated December 12, 1997. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these basic 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 Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Aulif Gafar
Certified Public Accountant

December 12, 1997

**NINTH WARD HOUSING DEVELOPMENT CORPORATION
 SCHEDULE OF FEDERAL AWARDS
 JUNE 30, 1997**

GRANTOR/ PROGRAM TITLE	CFDA NUMBER	GRANT CONTRACT NUMBER	PROGRAM EXPENDITURES JUNE 30, 1997
STATE OF LOUISIANA			
Office of Urban Affairs & Development:			
Community Assistance Program	50A	800-4022	\$ 233,770
Employment Preparation Program	50A	800-4021	182,698
Louisiana Department Of Education:			
U.S. Department of Agriculture Child and Adult Care Food Program			
	10.500	90-280	27,620
CITY OF NEW ORLEANS			
Division of Housing & Neighborhood Development:			
U.S. Department of Housing and Urban Development			
	14.210	20-031C	38,804
U. S. Department of Housing and Urban Development			
	14.210	20-080	26,610
U.S. Department of Housing and Urban Development			
	14.210	HOME-94013	42,327
Total			\$ 524,319

See Independent Auditor's Report on Schedule of Federal Awards.

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

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of and for the year ended June 30, 1997 and have issued my report thereon dated December 12, 1997.

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

The management of Ninth Ward Housing Development Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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 my audit of the financial statements of the Ninth Ward Housing Development Corporation for the year ended June 30, 1997, 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.

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

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 financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

However, I noted certain matters involving the internal control structure and its operation that I have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 12, 1997.

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


Asif Gafar
Certified Public Accountant

December 12, 1997

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development (a non-profit corporation) as of and for the year ended June 30, 1997 and have issued my report thereon dated December 12, 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 Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1997, I considered the internal control structure of the Ninth Ward Housing Development Corporation in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements of the Ninth Ward Housing Development Corporation and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated December 12, 1997.

The management of the Ninth Ward Housing Development Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH OMB CIRCULAR A-123**

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, projections 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 use in administering federal award programs in the following categories:

Accounting Controls

- + Cash Receipts
- + Cash Disbursements
- + Payroll
- + Property Management

General Requirements

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

Specific Requirements

- Types of Services Allowed or Unallowed
- Eligibility

For all of the internal control structure categories listed in the preceding paragraph, 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.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH COMPTON CIRCULAR A-133**

During the year ended June 30, 1997, Ninth Ward Housing Development Corporation had no major federal award programs and expended 100% of its total federal awards under the following nonmajor programs:

- City of New Orleans - Division of Housing and Neighborhood Development
 - U. S. Department of Housing and Urban Development
 - Dry-ice Program CFDA #14.219
 - Home Investment Partnership Program CFDA #14.239

- Louisiana Department of Education
 - U. S. Department of Agriculture Child and Adult Care
 - Food Program CFDA #10.358

I 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 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 the aforementioned nonmajor programs. 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.

My 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 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

However, I noted other matters involving the internal control structure and its operation that I have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 12, 1997.

This report is intended for the information of the Board of Directors, management, and

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH OMB CIRCULAR A-111**

the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Aelf G. Far
Certified Public Accountant

December 12, 1993

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

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of and for the year ended June 30, 1997, and have issued my report thereon dated December 12, 1997.

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

Compliance with laws, regulations, contracts, and grants applicable to Ninth Ward Housing Development Corporation is the responsibility of the Corporation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the 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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Ninth Ward Housing Development Corporation in a separate letter dated December 12, 1997.

This report is intended for the information of the Board of Directors, management, and

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

the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



**Asif Gafar
Certified Public Accountant**

December 12, 1997

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

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of and for the year ended June 30, 1997, and have issued my report thereon dated December 12, 1997.

I have applied procedures to test the compliance of the Ninth Ward Housing Development Corporation with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1997:

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL ASGAR PROGRAMS**

With respect to the items tested, the results of my 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 Ninth Ward Housing Development Corporation had not complied, in all material respects, with these requirements.

In the prior audit for the year ended June 30, 1996, the previous auditor disclosed no material instances of noncompliance with these requirements. These matters have been resolved and are not addressed in this report.

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



Aul Galar
Certified Public Accountant

December 12, 1997

ASIF GAFUR, M.B.A., M.S.

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 7081

New Orleans, Louisiana 70114

Phone: (504) 381-8928

MEMBER

American Institute of Certified Public Accountants

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

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of the Ninth Ward Housing Development Corporation (a non-profit corporation) as of and for the year ended June 30, 1997, and have issued my report thereon dated December 12, 1997.

In connection with my audit of the financial statements of the Ninth Ward Housing Development Corporation and with my consideration of the Corporation's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions," I selected certain transactions applicable to certain nonmajor federal award programs for the year ended June 30, 1997.

As required by OMB Circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special tests and provisions (if any) that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Ninth Ward Housing Development Corporation's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of my 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 Ninth Ward Housing Development Corporation had not complied, in all material respects, with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MONMARCH FEDERAL AWARD PROGRAM TRANSACTIONS**

In the prior audit for the year ended June 30, 1996, the previous auditor disclosed immaterial instances of noncompliance with these requirements. Those matters have been resolved and are not addressed in this report.

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



Asif Qader
Certified Public Accountant

December 12, 1997

NINTH WARD HOUSING DEVELOPMENT CORPORATION
NEW ORLEANS, LOUISIANA

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Reason for _____
Date and Authority _____
EACH in _____

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**MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the parish, or reviewed, either in person or by certified 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: _____

ASIF GAFUR MBA, MS
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SIXTH WARD HOUSING DEVELOPMENT CORPORATION
(A Non-Profit Corporation)

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ASIF GAFUR, M.B.A., M.S.

CERTIFIED PUBLIC ACCOUNTANT

CPA No. 2989

New Orleans, Louisiana 70118

Phone: (504) 461-8181

MEMBER

American Institute of Certified Public Accountants

To the Board of Directors
Ninth Ward Housing Development Corporation

In planning and performing my audit of the financial statements of Ninth Ward Housing Development Corporation, (a nonprofit organization), for the year ended June 30, 1997, I considered the Corporation's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. I previously reported on the Corporation's internal control structure in my report dated December 12, 1997. This letter does not affect my report dated December 12, 1997 on the financial statements of Ninth Ward Housing Development Corporation. I will review the status of these comments during my next audit engagement. My comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing my recommendations. My comments are summarized as follows:

I. Bank Account Reconciliations

As a result of my testing of the cash bank account reconciliations at June 30, 1997, I noted an instance of a bank reconciliation not correctly reconciled to the general ledger. I will recommend that bank accounts be reconciled to the general ledger and reviewed by the management for completeness and accuracy. Management stated, this was an isolated instance and in future all bank reconciliations will be reconciled to the general ledger.

2. Cost Allocation:

During the course of my audit, I noted that the corporation does not have a cost allocation plan. Expenses and indirect costs appear to have been charged to various grants and programs operated by the corporation in a non-systematic manner. I recommend that the corporation prepare and formally adopt a cost allocation plan to be utilized to allocate various general and administrative expenses to the benefiting grants and programs. Furthermore, all documentation supporting the assumptions utilized in the cost allocation plan be retained by the corporation. The management indicated that the corporation has adopted a cost allocation plan.

3. Valuation of Contributed Facilities:

I noted that the corporation had not recorded the value of contributed office space and utilities. Generally accepted accounting principles require that the fair market value of facilities be recorded as revenues and expenses on the non-profit organization's statement of activities. I recommend that the corporation develop procedures to value contributions of office space and utilities at a rate which realistically measures the value of the contribution. The management stated that a value has been assigned to the facilities.

4. Cash Disbursements:

While testing cash disbursements, I noted instances where invoices supporting cash disbursements were not stamped paid to prevent duplicate payments, and an instance of incorrect coding. To prevent duplicate payments, invoices should be stamped paid. Moreover, management should conduct periodic review to ensure all transactions are properly coded. Management stated all the above procedures have been implemented and they will be strictly enforced.

5. Account Balances:

For my initial examination of account balances, I noted several instances of incorrect account balances. When this was brought to the attention of the management of **Blind Ward Housing Development Corporation**, measures were taken to correct the balances. I will recommend all balances should be reviewed for accuracy before engaging an auditor to facilitate timely completion of an audit and to prevent unnecessary audit fees. Management stated these were isolated instances and account balances are reviewed in a timely manner for accuracy and completeness.

6. Payroll

In my payroll testing, I noted an instance of withholding per payroll register not agreeing with withholdings per W-4, instances of working, vacation and sick hours not agreeing with payroll register hours, and an instance of gross authorized rate not available in the personnel folder. It will occur once every payroll period, the management should review the payroll to ensure workday, vacation and sick hours on time sheet agree with those reported on the payroll register, withholdings per W-4 agree with those on the payroll register. Additionally, there should be periodic review to ensure that current authorized rate are maintained in the personnel folder. Management stated these procedures are in place and will be strictly enforced to ensure complete adherence.

I wish to thank the staff of Ninth Ward Housing Development Corporation for their support and assistance during my audit.

In the prior audit for the year ended June 30, 1996, the previous auditor noted certain matters involving the internal control structure and other operational matters. These matters have been resolved, except those addressed previously in this report.

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



Asif Chakr
Certified Public Accountant

December 12, 1997