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**Housing Authority of the City  
of New Orleans  
New Orleans, Louisiana**

**Annual Financial Report  
As of and for the Year Ended March 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, audit 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 SEP 16 2002

Received and Acknowledged  
Legislative Auditor

By D. W. [Signature]

Housing Authority of the City of New Iberia  
 New Iberia, Louisiana  
 Annual Financial Report  
 As of and for the Year Ended March 31, 1998

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Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Annual Financial Report  
As of and for the Year Ended March 31, 1998

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Tim Green, CPA

Steph Williamson, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of New Berne  
New Berne, Louisiana

We have audited the accompanying general-purpose financial statements of the Housing Authority of the City of New Berne, Louisiana, as of and for the year ended March 31, 1998, as listed in the foregoing table of contents. These general-purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits in *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. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of New Berne, as of March 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 1998 on our consideration of the Housing Authority's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information 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. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Board of Commissioners  
Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Also, the accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Housing Authority of the City of New Iberia. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

*Allan Green & Company, LLP*

ALLAN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 15, 2018

**HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS**  
**New Orleans, Louisiana**

**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**March 31, 1988**

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 21,080	\$ 5,887	\$ 0
Investments, at cost	280,458	0	0
Receivables	13,280	1,095	0
Interfund receivable	2,847	0	0
Prepaid items	44,128	0	0
Land, buildings, and equipment	0	0	0
Other debts			
Amount to be provided for retirement of general long-term obligations	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 332,883</b>	<b>\$ 6,972</b>	<b>\$ 0</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>Liabilities</b>			
Accounts, salaries and other payable	\$ 18,434	\$ 0	\$ 0
Interfund payable	0	2,847	0
Deposits due others	0	0	0
Compensated absences payable	0	0	0
Notes payable	0	0	0
<b>Total liabilities</b>	<b>\$ 18,434</b>	<b>\$ 2,847</b>	<b>\$ 0</b>
<b>Equity and Other Credits</b>			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
<b>Fund balances</b>			
Reserve for prepaid items	44,128	0	0
Unreserved and undesignated	271,205	4,871	0
<b>Total equity and other credits</b>	<b>\$ 318,948</b>	<b>\$ 4,871</b>	<b>\$ 0</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 332,882</b>	<b>\$ 6,818</b>	<b>\$ 0</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

FIDUCIARY FUNDS- AGENCY FUNDS	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY)
	GENERAL FUNDED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
\$ 16,828 \$	\$ 0 \$	\$ 0 \$	\$ 42,880
\$ 0	\$ 0	\$ 0	208,480
\$ 0	\$ 0	\$ 0	14,376
\$ 0	\$ 0	\$ 0	2,847
\$ 0	\$ 0	\$ 0	48,128
\$ 0	\$ 8,712,921	\$ 0	\$ 8,712,921
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,800,818</u>	<u>\$ 2,800,818</u>
<u>\$ 16,828 \$</u>	<u>\$ 8,712,921 \$</u>	<u>\$ 2,800,818 \$</u>	<u>\$ 11,691,236</u>
\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 16,434
\$ 0	\$ 0	\$ 0	2,847
16,828	\$ 0	\$ 0	16,828
\$ 0	\$ 0	\$ 11,020	11,020
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,800,818</u>	<u>\$ 2,801,598</u>
<u>\$ 16,828 \$</u>	<u>\$ 0 \$</u>	<u>\$ 2,800,818 \$</u>	<u>\$ 2,801,818</u>
\$ 0	\$ 8,712,921	\$ 0	\$ 8,712,921
\$ 0	\$ 0	\$ 0	\$ 48,128
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 275,352</u>
<u>\$ 0 \$</u>	<u>\$ 8,712,921 \$</u>	<u>\$ 0 \$</u>	<u>\$ 8,933,491</u>
<u>\$ 16,828 \$</u>	<u>\$ 8,712,921 \$</u>	<u>\$ 2,800,818 \$</u>	<u>\$ 11,691,236</u>

**HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS**  
New Orleans, Louisiana

**ALL GOVERNMENTAL FUNDS**  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficit)  
For the Year Ended March 31, 1998

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>				
Local sources:				
Dwelling rental	\$ 338,047	\$ 0	\$ 0	\$ 338,047
Interest earnings	12,429	0	0	12,429
Other	8,432	0	0	8,432
Federal sources:				
Operating subsidy	288,255	0	0	288,255
Grants	0	170,345	20,528	190,873
<b>Total revenues</b>	<b>\$ 645,163</b>	<b>\$ 170,345</b>	<b>\$ 20,528</b>	<b>\$ 836,036</b>
<b>EXPENDITURES</b>				
Current:				
Administration	\$ 122,281	\$ 181,314	\$ 0	\$ 303,595
Utilities	221,379	0	0	221,379
Tenant services	5,880	0	0	5,880
Ordinary maintenance	138,454	0	0	138,454
Protective services	18,124	7,498	0	25,622
General expenditures	114,131	45,118	0	159,249
Facilities acquisition and construction	18,085	9,408	20,528	47,821
<b>Total expenditures</b>	<b>\$ 648,094</b>	<b>\$ 171,338</b>	<b>\$ 20,528</b>	<b>\$ 839,960</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 2,469</b>	<b>\$ 6,347</b>	<b>\$ 0</b>	<b>\$ 7,196</b>
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>				
	313,860	(5,292)	0	312,771
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 316,449</b>	<b>\$ 4,055</b>	<b>\$ 0</b>	<b>\$ 320,484</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**HOLDING AUTHORITY OF THE CITY OF NEW ORLEANS**  
New Orleans, Louisiana

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget (GAAP Basis) and Actual**  
**For the Year Ended March 31, 1998**

Statement C

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 313,184	\$ 330,047	\$ 22,863
Interest earnings	13,520	12,425	(895)
Other	28,340	6,432	(21,908)
Federal sources:			
Operating subsidy	<u>279,500</u>	<u>289,258</u>	<u>8,752</u>
Total revenues	<u>\$ 634,544</u>	<u>\$ 667,162</u>	<u>\$ 32,618</u>
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 129,708	\$ 122,281	\$ 6,429
Utilities	185,858	221,379	(35,521)
Tenant services	29,428	5,860	23,568
Ordinary maintenance	180,240	178,494	1,746
Protective services	30,000	18,734	11,266
General expenditures	134,510	154,151	(19,641)
Facilities acquisition and construction	<u>38,820</u>	<u>38,888</u>	<u>(68)</u>
Total expenditures	<u>\$ 708,124</u>	<u>\$ 640,894</u>	<u>\$ 67,230</u>
<b>EXCESS (Deficiency) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	<u>\$ (71,681)</u>	<u>\$ 2,468</u>	<u>\$ 74,079</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>313,980</u>	<u>313,980</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 242,299</u>	<u>\$ 316,448</u>	<u>\$ 74,079</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

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**Housing Authority of the City of New Orleans  
New Orleans, Louisiana**

**Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**INTRODUCTION**

Housing Authorities are chartered as a public corporation under the laws (LSA-R.S. 40:591) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contemplated upon the local governing body of the city deeming a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the city of New Orleans, serve a staggered term of four years.

Under the United States Housing Act of 1957, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-cost housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-cost character.

The Housing Authority had 200 units in management at project LA 25-153.

Program	Contract Number	Number of Units
PHA owned housing	PW 1264	200

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Housing Authority of the City of New Orleans 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.

**A. 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 Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the city of New Orleans since the city of New Orleans appoints a voting majority of the Housing Authority's governing board. The city of New Orleans is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefits to, or impose financial burdens on, the city of New Orleans. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the city of New Orleans.

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

Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Certain units of local government into which the Housing Authority exercises an oversight responsibility, such as the housing authorities, parish police juries, other independently elected parish officials, 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 Housing Authority. In addition, the accompanying financial statements do not include various tenant associations, which are legally separate entities.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the Housing Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used in aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly to these funds.

Funds of the Housing Authority are classified into two categories: governmental and fiduciary. In turn, each category 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 Housing 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 debt. Governmental funds include:

1. **General fund** — the primary operating fund of the Housing Authority. It 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 maintenance programs.
2. **Special revenue funds** — account for revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the Drug Elimination Family Treatment Center, and Alcohol and Substance Abuse programs administered by the Housing Authority.
3. **Capital projects funds** — account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs. The Housing Authority's capital project fund is as follows:

**Issuing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUNDS AND ACCOUNT GROUPS (Continued)**

**1. Capital projects funds (Continued)**

**PROJECT LA 27-986**

(Comprehensive Improvement Assistance Program, CIPAW 34.852)

Project LA 27-986 is a federal (HLEI) funded "Comprehensive Improvement Program" for modernizing project LA 27 - 10/5.

**Fiduciary funds** — Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Issuing Authority.

**Agency funds** — Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

1. **Treasurer's security deposits agency fund** — accounts for assets held by the Issuing Authority as an agent for the individual towns.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to receipt (i.e., when they are "measurable and available)." "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. However, proceeds from an employee fidelity bond were accrued and offset against current expenditures. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the nonforfeitable expenditures have been incurred.

Retail income is recorded in the month earned.

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Operating vehicles received from HUD are recorded when available and measurable.

Other receipts become measurable and available when cash is received by the Housing Authority and are recognized as revenue at that time.

**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.

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

**Other Financing Sources (Uses)**

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

**Deferred Revenues**

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

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

**fiduciary Funds**

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Housing Authority holds for others in an agency capacity.

**D. BUDGETS**

The following summarizes the budget activities of the Housing Authority during the year ended March 31, 1998:

1. The Housing Authority adopted budgets for the general fund, the special revenue funds and the capital project funds. The special revenue and capital project funds budget to actual comparisons have not been included since the special revenue and 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. Formal budget integration (within the accounting records) is employed as a management control device.
5. 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.
6. HUD approves the original budget adopted by the Housing Authority. Any budget amendments approved by the Board do not have to be approved by HUD since the Housing Authority is a high-priorities award according to the PHMAP award.

**E. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing 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.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for 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.

**H. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

**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 domains 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. All fixed assets are valued at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not included in the general fixed asset account group.

**J. 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 his/her retirement or termination date.



**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES (Continued)**

The Housing Authority's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following estimation approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

**K. LONG-TERM OBLIGATIONS**

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

**L. FUND EQUITY**

**Reserves**

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

Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Notes to the General Purpose Financial Statements  
As of and For the Year Ended March 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. FUND EQUITY (Continued)**

**Designated Fund Balances**

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

Quasi-external transactions are accounted for as revenues, expenditures, or expenses.

Transactions that reimburse 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, except quasi-external transactions and reimbursements, are reported as transfers. Non-reversing or non-recurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**M. MEMORANDUM ONLY - TOTAL COLUMNS**

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 cash flow 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.

**N. NEW APPLICABLE GASB PRONOUNCEMENTS**

In November 1994, GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employees" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The Housing Authority participates in a cost-sharing multiple-employer public employee retirement system which is a defined benefit plan. GASB 27 is effective for fiscal years beginning after June 15, 1995. The Housing Authority has not yet determined the effects of adoption.

**O. USE OF ESTIMATES**

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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Housing Authority of the City of New Orleans**  
**New Orleans, Louisiana**

**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended March 31, 1998**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At March 31, 1998, the Housing Authority has deposits and investments totaling \$293,338 as follows:

Cash on hand	\$ 750
Demand deposits	4,870
Interest-bearing demand deposits	30,483
Time deposits	<u>257,235</u>
	<u>\$293,338</u>
Cash and cash equivalents	\$ 26,943
Cash and cash equivalents - restricted	15,000
Investments	<u>251,395</u>
	<u>\$293,338</u>

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 March 31, 1998, the Housing Authority has \$271,395 in deposits (collected bank balances). These deposits are secured from risk by \$113,745 of federal deposit insurance and \$15,654 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAASD Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAASD Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advise the and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Investments during the year were in time deposits at banks.

**NOTE 3 - RECEIVABLES**

The receivables of \$14,376 at March 31, 1998, are as follows:

	General Fund	Special Revenues Funds	Total
<b>Class of Receivables</b>			
<b>Local sources:</b>			
Tenants	\$ 1,360	\$ -	\$ 1,360
Employee liability fund	12,000	-	12,000
<b>Federal sources:</b>			
Grants	-	1,016	1,016
<b>Total</b>	<u>\$13,360</u>	<u>\$1,016</u>	<u>\$14,376</u>

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 4 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	Balance April 1, 1997	Additions	Disposals	Balance March 31, 1998
Land and buildings	\$7,099,250	\$ -	\$ -	\$7,099,250
Furniture and equipment	298,215	27,081	702,721	612,575
Construction in progress	<u>491,832</u>	<u>30,428</u>	<u>(312,752)</u>	<u>209,508</u>
<b>Total</b>	<b><u>\$8,089,297</u></b>	<b><u>\$57,509</u></b>	<b><u>\$89,000</u></b>	<b><u>\$8,212,521</u></b>

**NOTE 5 - RETIREMENT SYSTEM**

The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan 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 this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5.5 percent of his effective compensation. The employer is required to make monthly contributions equal to 7.5 percent of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest earned by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended March 31, 1998 was \$142,506. The Housing Authority's contributions were calculated using the base salary amount of \$107,281. The Housing Authority made the required contributions of \$13,943 for the year ended March 31, 1998, of which \$5,048 was paid by the Housing Authority and \$8,895 was paid by employees. 5-03 was paid out of the deferral account.

**NOTE 6 - ACCOUNTS PAYABLES**

The payables of \$16,034 at March 31, 1998, are as follows:

	Amount Paid
Vendors	\$13,000
Payroll withholdings	1,887
Wages	<u>1,147</u>
<b>Total</b>	<b><u>\$16,034</u></b>

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the General-Purpose Financial Statements  
As of and for the Year Ended March 31, 1998**

**NOTE 7 - COMPENSATED ABSENCES**

At March 31, 1998, employees of the Housing Authority have accumulated and vested \$11,000 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$11,000 is recorded within the general long-term obligations account group.

**NOTE 8 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

	Balance April 30, 1997	Additions	Deductions	Balance March 31, 1998
Agency funds				
Treasury Security Deposit	<u>\$25,600</u>	<u>\$1,600</u>	<u>\$1,600</u>	<u>\$25,600</u>

**NOTE 9 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended March 31, 1998:

	Interest Payable Long-Term (A)	Compensated Absences	Notes and Bonds (A)	Total
Balance, April 1, 1997	\$430,256	\$10,549	\$2,152,342	\$2,693,147
Additions	-	471	-	471
Deductions	-	-	-	-
Balance, March 31, 1998	<u>\$430,256</u>	<u>\$11,020</u>	<u>\$2,152,342</u>	<u>\$2,693,618</u>

(A) Project notes - see HUD, and the related interest are obligations due HUD. The Debt Forgiveness Act of 1985 forgives these notes. Portions of the project notes and the related interest were officially cancelled by HUD in prior years. The timing of the official cancellation of the remaining notes and interest is unknown. The Housing Authority has not accrued interest on project notes - see HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not prepared for the project notes - see HUD.

**NOTE 10 - INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

	Receivable Amount	Payable Amount
Total		
General	\$2,847	-
Special revenue funds		
Allocated and substance abuse	-	\$2,847
Total	<u>\$2,847</u>	<u>\$2,847</u>

**Housing Authority of the City of New Orleans**  
**New Orleans, Louisiana**

**Notes to the General Purpose Financial Statements**  
**As of and for the Year Ended March 31, 1998**

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

One major construction project is in progress at March 31, 1998. This includes modernizing rental units at all of the three projects. As approved by HLED, this project is being funded by HLED. Funds are requested periodically as the cost is incurred. Cost incurred on this project and estimated cost to complete this project totaled \$99,643 and \$104,387, respectively, as of March 31, 1998.

The Housing Authority has filed a legal claim against the contractor on the construction project described above. The claim asserts that the contractor failed to perform certain work as specified in the construction contract. The matter has yet to reach the trial stage. Housing Authority management believes that the outcome of the above matter will not materially affect the financial position of the Housing Authority.

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-123 through March 31, 1998, 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.

The Housing Authority has accepted a settlement offer from a surety company in regards to accuracy of funds under an employee liability bond. Although the settlement offer has been accepted, no funds have been received by the Housing Authority. The Housing Authority reflects a portion of this settlement as an accounts receivable in their general purpose financial statements as of March 31, 1998.

**NOTE 12 - FUND EQUITY**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The reservation of fund balance in the general fund is for prepaid insurance.

**NOTE 13 - NEW FUND AND AGREEMENT OF FUND BALANCE**

The Alcohol and Substance Abuse Program Fund, a special revenue fund of the Housing Authority, was reported in the general fund for the fiscal year ended March 31, 1997. The program was accounted for as a special revenue fund for the year ended March 31, 1998. The fund had a beginning fund balance, therefore the general fund and Alcohol and Substance Abuse Program Fund balances as of April 1, 1997 must be combined to agree to the general fund fund balance at March 31, 1997. A reconciliation is provided below.

General fund fund balance as of April 1, 1997	\$ 313,990
Alcohol and substance abuse fund fund balance as of April 1, 1997	<u>1,210,000</u>
General fund fund balance as of March 31, 1997	<u>\$ 311,000</u>

**SUPPLEMENTAL INFORMATION**

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**SPECIAL REVENUE FUNDS**

**SPECIAL PROGRAMS**

**DRUG ELIMINATION**

(Public and Indian Housing Drug Elimination Program, CFDA #94.854)

The purposes of the Public Housing Drug Elimination Program are to: (a) eliminate drug-related crime in and around the real property comprising public housing projects; (b) encourage Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to develop a plan that includes initiatives that can be sustained over a period of several years for addressing the problem of drug-related crime in and around the premises of the Public and Indian housing projects proposed for funding under this part, and; (c) make available federal grants to help PHAs and IHAs carry out their plans.

Grant funds may be used for the following activities designed to reduce drug-related crime: (1) employment of security personnel; (2) reinforcement of local law enforcement agencies for additional security and protective services; (3) physical improvements designed to enhance security; (4) the employment of one or more individuals to investigate drug-related crime; (5) training, communications equipment, and other related equipment; (6) programs designed to reduce use of drugs in and around Public and Indian housing projects, including drug prevention, intervention, referral, and treatment programs, and; (7) providing funding to develop security and drug abuse prevention programs involving site residents.

**FAMILY INVESTMENT CENTERS**

(Public and Indian Housing Family Investment Centers Program - CFDA #94.860)

The Family Investment Program is designed to provide families living in public and Indian housing with better access to educational and employment opportunities by: developing facilities in or near public housing for training and support services; utilizing public and private resources to expand and improve the delivery of such services; providing funding for essential training and support services that cannot otherwise be funded; and improving the capacity of management to access the training and service needs of families, coordinate the provision of training and services that meet such needs, and ensure the long-term provision of such training and services.

**ALCOHOL AND SUBSTANCE ABUSE**

(Block Grants for Prevention and Treatment of Substance Abuse - CFDA #95.858)

The purpose of the Alcohol and Substance Abuse Program is to provide financial assistance to support projects for the development and implementation of prevention, treatment and rehabilitation activities directed to the disease of alcohol and drug abuse.



**HOUSING AUTHORITY OF THE CITY OF NEW BERNA**  
 New Bern, Louisiana

**SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 March 31, 1995

Exhibit 9

	DELEG ELIMINATION	FAMILY INVESTMENT CENTER	ALCOHOL AND SUBSTANCE ABUSE	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 0 \$	4,031 \$	1,031 \$	5,062
Receivables	0	0	1,030	1,030
<b>TOTAL ASSETS</b>	<u>\$ 0 \$</u>	<u>4,031 \$</u>	<u>2,061 \$</u>	<u>6,092</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Interfund payable	\$ 0 \$	0 \$	2,947 \$	2,947
<b>Total liabilities</b>	<u>\$ 0 \$</u>	<u>0 \$</u>	<u>2,947 \$</u>	<u>2,947</u>
<b>Fund equity</b>				
<b>Fund balances:</b>				
Unreserved and unassigned	0	4,031	0	4,031
<b>Total equity</b>	<u>\$ 0 \$</u>	<u>4,031 \$</u>	<u>0 \$</u>	<u>4,031</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 0 \$</u>	<u>4,031 \$</u>	<u>2,947 \$</u>	<u>6,978</u>

**HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS**  
New Orleans, Louisiana

**SPECIAL REVENUE FUNDS**  
Comparing Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficit)  
For the Year Ended March 31, 1988

Exhibit 2

	FAMILY ELIMINATION	FAMILY ASSISTMENT CENTER	ALCOHOL AND SUBSTANCE ABUSE	TOTAL
<b>REVENUES</b>				
Federal sources:				
Grants	\$ 5,482	\$ 119,114	\$ 92,929	\$ 317,525
<b>Total revenues</b>	<b>\$ 5,482</b>	<b>\$ 119,114</b>	<b>\$ 92,929</b>	<b>\$ 317,525</b>
<b>EXPENDITURES</b>				
Current:				
Administration	\$ 0	\$ 107,314	\$ 0	\$ 107,314
Protective services	\$ 5,482	\$ 774	\$ 0	\$ 6,256
Debt and expenditures	\$ 0	\$ 0	\$ 48,119	\$ 48,119
Facilities acquisition and construction	\$ 0	\$ 8,489	\$ 0	\$ 8,489
<b>Total expenditures</b>	<b>\$ 5,482</b>	<b>\$ 116,584</b>	<b>\$ 48,119</b>	<b>\$ 310,185</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 0</b>	<b>\$ 2,430</b>	<b>\$ 2,810</b>	<b>\$ 5,240</b>
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<b>0</b>	<b>1,811</b>	<b>(2,822)</b>	<b>(1,011)</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>0</b>	<b>4,241</b>	<b>0</b>	<b>4,241</b>

**Housing Authority of the City of New Orleans  
New Orleans, Louisiana**

**AGENCY FUNDS**

**TENANTS' SECURITY DEPOSITS AGENCY FUNDS**

The activities of the various tenants security deposits accounts are accounted for in the tenants' security deposits agency fund. While the accounts are under the supervision of the Housing Authority, they belong to the tenants and are not available for use by the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS  
New Orleans, Louisiana

Exhibit 3

TENANTS' SECURITY DEPOSITS AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended March 31, 1995

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 27 - 1	\$ 6,080	\$ 1,440	\$ 1,360	\$ 6,080
LA 27 - 2	7,520	1,760	1,840	7,440
LA 27 - 3	<u>2,400</u>	<u>400</u>	<u>400</u>	<u>2,400</u>
	<u>\$ 16,000</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 16,000</u>

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Exhibit 4

GENERAL  
FOR THE YEAR ENDED MARCH 31, 1988

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation.

Mr. Ronald J. Davis, Sr.

Mrs. Sholene L. Jones

Mrs. Jennie G. Foreman

Mr. Jack G. George

Mrs. Rita M. Williams

**HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS**  
**New Orleans, Louisiana**

**ANALYSIS OF SURPLUS -**  
**STATUTORY BASIS**  
**For the Year Ended March 31, 1998**

Dollars

**PHA OWNED HOUSING (ACC FW 1284)**

**UNRESERVED SURPLUS**

BALANCE PER PRIOR AUDIT	\$ (3,839,005)
Correction of previous audit balance	<u>208,111</u>

BALANCE PER BOOKS, BEGINNING	\$ (3,630,894)
------------------------------	----------------

Net Loss (Provision for) reduction of operating reserve	(238,694)
	<u>8,535</u>

BALANCE, ENDING	\$ (4,859,053)
-----------------	----------------

**OPERATING RESERVE**

BALANCE, BEGINNING	\$ 268,221
--------------------	------------

Provision for (reduction of) operating reserve	<u>(8,535)</u>
--	----------------

BALANCE, ENDING	\$ 259,686
-----------------	------------

**CUMULATIVE HUD CONTRIBUTION**

BALANCE, BEGINNING	\$ 7,057,629
--------------------	--------------

Drug Elimination	8,460
Family Investment Center	118,114
Operating Subsidy	<u>288,295</u>

BALANCE, ENDING	\$ 7,471,499
-----------------	--------------

**CUMULATIVE HUD GRANTS**

BALANCE, BEGINNING	\$ 2,651,807
--------------------	--------------

Comprehensive Improvement Assistance Grant	<u>20,228</u>
--	---------------

BALANCE, ENDING	\$ 2,672,035
-----------------	--------------

**CUMULATIVE DONATIONS**

BALANCE, BEGINNING	\$ 300
--------------------	--------

Donations	<u>0</u>
-----------	----------

BALANCE, ENDING	\$ 300
-----------------	--------

TOTAL SURPLUS	\$ 8,520,178
---------------	--------------

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The first report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The section of the report on compliance is based solely on the audit of the general-purpose financial statements and programs, where applicable, compliance matters that would be material to the general-purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the general-purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.

**OTHER REPORT REQUIRED BY  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR No. A-133**

The second report following this page contains information on the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular No. A-133. The section of the report on compliance is related to tests of compliance with laws, regulations, contracts and grants relating to federal awards programs. The section of the report on internal control over compliance is, likewise, related to matters that would be significant and/or material to federal awards programs.

# ALLEN, GREEN & COMPANY, LLP

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Edward L. Allen, CPA  
a Fellow of  
Accountancy

Tim Green, CPA

Margie Williamson, CPA

## Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners  
Housing Authority of the City of New Iberia  
New Iberia, Louisiana

We have audited the financial statements of Housing Authority of the City of New Iberia, as of and for the year ended March 31, 1998, and have issued our report thereon dated June 25, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Housing Authority of the City of New Iberia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 95-F1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the City of New Iberia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Housing Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable condition is described in the accompanying schedule of findings and questioned costs as item 95-F2.



Board of Commissioners  
Housing Authority of the City of New Orleans  
New Orleans, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe some of the reportable conditions described above is a material weakness.

**Management Letter Items**

We, however, noted other matters involving the internal control over financial reporting, which we have reported to management of the Housing Authority of the City of New Orleans in a separate letter dated June 25, 1998 included here in this report in the section titled Management Letter Items.

This report is intended for the information of the Board, management and federal awarding agencies and pass through entities. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Company LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 25, 1998

# ALLEN, GREEN & COMPANY, LLP

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Margie Williams, CPA

## Report on Compliance With Requirements Applicable to Each Major Program and an Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board of Commissioners  
Housing Authority of the City of New Iberia  
New Iberia, Louisiana

### Compliance

We have audited the compliance of the Housing Authority of the City of New Iberia, New Iberia, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 1998. Housing Authority of the City of New Iberia's major federal programs are identified in the summary of audited entities section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of New Iberia's management. Our responsibility is to express an opinion on Housing Authority of the City of New Iberia's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audit of State, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of the City of New Iberia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Housing Authority of the City of New Iberia's compliance with those requirements.

In our opinion, Housing Authority of the City of New Iberia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 1998.

### Internal Control Over Compliance

The management of the Housing Authority of the City of New Iberia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Housing Authority of the City of New Iberia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Board of Commissioners  
Housing Authority of the City of New Iberia  
New Iberia, Louisiana

The consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the Housing Authority of the City of New Iberia, New Iberia, Louisiana, as of and for the year ended March 31, 1998, and have issued our report thereon dated June 23, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. 4-103 and is not a required part of the general-purpose financial statements. Each information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 23, 1998

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA**  
New Iberia, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended March 31, 1988

FEDERAL GRANTOR/ PASS THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM EXPENDITURES
<b>U. S. DEPT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>DIRECT PROGRAMS</b>			
Public and Indian Housing Operating Subsidy (1)	14.850	FW 1284	\$ 288,258
Drug Elimination Program Year 3 (7985)	14.854	FW 1284	5,400
Comprehensive Improvement Assistance Programs	14.852	FW 1284	30,528
Family Investment Centers Program	14.881	FW 1284	1,39,114
<b>TOTAL, U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>\$ 463,300</b>
<b>U.S. DEPT OF HEALTH AND HUMAN SERVICES</b>			
Passed through the State of Louisiana, Department of Health and Hospitals:			
Block Grants for Prevention and Treatment of Substance Abuse	93.059	CR600	\$ 50,000
<b>TOTAL U.S. DEPT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 50,000</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 513,300</b>

(7) The Housing Authority is indebted to the U. S. Department of Housing & Urban Development for project notes of \$3,152,342 at year end plus accrued interest of \$438,250.

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards  
As of and for the Year Ended March 31, 1998**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Housing Authority of the City of New Iberia, New Iberia, Louisiana. The Housing Authority of the City of New Iberia (the "Housing Authority") reporting entity is defined in note 1(B) to the Housing Authority's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on this schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1(C) to the Housing Authority's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows:

	<u>Federal Revenues</u>
General fund	\$298,755
Special revenue funds:	
Drug elimination	5,492
Family investment centers	119,134
Alcohol and substance abuse	<u>50,025</u>
Sub-total	174,649
Capital project fund:	
	<u>26,528</u>
<b>Total</b>	<b><u>\$499,936</u></b>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Awards reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - MAJOR FEDERAL AWARD PROGRAMS**

The dollar threshold of \$500,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures was determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, "Federal awards" do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual certification payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or the Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998

**PART I - Summary of the Auditors' Results**

**Financial Statements Audit**

- i. The type of audit report issued was unqualified.
- ii. There was a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.  
  
The reportable condition disclosed was not considered a material weakness as defined by the Government Auditing Standards.
- iii. There was one instance of non-compliance considered material, as defined by the Government Auditing Standards, in the financial statements.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .310(d).
- vii. The major federal programs are:  
  
CFDA# 14.850                      Public and Indian Housing - Low Rent Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .310(e) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .5(d).

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Schedule of Findings and Questioned Costs  
As of and for the Year Ended March 31, 1998

**PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

Reference # and Title:	98-11	Fixed Asset Inventory
1.	<b><u>Entity-wide or program/departement specific:</u></b>	
		This item is applicable entity-wide.
2.	<b><u>Criteria or specific requirement:</u></b>	Louisiana Revised Statute 24:515(B) requires authors to maintain records of fixed assets including certain information as detailed in the statute.
3.	<b><u>Condition found:</u></b>	The Housing Authority does not maintain an inventory in compliance with LSA- R.S. 24:515(B).
4.	<b><u>Proper perspective for judging the prevalence and consequences:</u></b>	The Housing Authority does have an old list which has not been updated yearly with all additions and deletions. In addition, the old list does not have all of the information required by LSA-R.S. 24:515(B).
5.	<b><u>Possible material effect (cause and effect):</u></b>	Cause: The Housing Authority was unaware that the old listing did not meet the requirements of the state statute. Effect: The Housing Authority has not complied with the requirements of LSA-R.S. 24:515(B).
6.	<b><u>Recommendations to prevent future occurrences:</u></b>	The Housing Authority should develop a listing of all fixed assets in accordance with LSA-R.S. 24:515(B). Policies and procedures should be adopted which will assure that the listing is maintained in the future.





**Housing Authority of the City of New Orleans  
New Orleans, Louisiana**

## **Other Information**

The information in this section concerns management's actions or intentions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Housing Authority of the City of New Orleans. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. We have not audited this information except as required by OMB Circular A-133 Section 500(c), and accordingly, no opinion is expressed. Section 500(c) requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

**Finding Reference #:** Finding #1 of the Schedule of Reportable Conditions

**Title:** Canceled and Voided Check Documentation

**Initially occurred:** For condition #1, #2, fiscal year ended March 31, 1997  
For condition #3, fiscal year ended March 31, 1998

**Condition:** During testing of one month's checks, the following were found:

1. Twenty-four checks were voided but the original voided check was not maintained as documentation.
2. Five checks appeared to be voided, but there was no documentation to verify this fact.
3. Also, from a random sample of twenty-five disbursements, ten invoices were not properly defined.

**Corrective Action Taken:** The Executive Director stressed correctly performing administrative job duties concerning documentation when a new secretary began in the latter part of fiscal year 1997. Reviews have also been conducted to ensure that proper documentation is prepared and maintained.

**Person Responsible for Corrective Action:**

Mr. Elton F. Beaumont, Jr., Executive Director  
Housing Authority of the City of New Orleans  
325 North Street  
New Orleans, LA 70268

Telephone: (514) 264-5503  
Fax: (514) 264-6997

**Hearing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Summary Schedule of Prior Audit Findings  
March 31, 1998**

**Finding Reference #:** **Finding #2 of the Schedule of Reportable Conditions**

**Title:** **Inadequate Segregation of Duties**

**Initially occurred:** **Fiscal Year Ended March 31, 1994**

**Condition:** Due to the small size of the Hearing Authority, segregation of duties is not adequate to provide effective internal control. The functions of opening the vault, collecting rent, recording the receipts in the rent register, preparing the deposit, making the deposit and check preparation are all performed by two administrative employees. The Hearing Authority does have some compensating controls for the inadequate segregation of duties. The deposit is prepared and made by an employee not collecting rent on that day as well as reconciled to the daily accounts receivable detail. Receipts from HUD are wire-transmitted to the bank account. All checks require two signatures, the Executive Director and a Board member. Recording of cash receipts and disbursements and preparation of bank reconciliations are performed by the fire accountant for the Hearing Authority.

**Corrective Action Taken:** Due to the small size of the Hearing Authority of the City of New Iberia, it is not cost effective to hire more personnel to improve the internal control situation. However, to improve internal control, the Executive Director has added himself to help the two administrative employees.

**Person Responsible for Corrective Action:**

Mr. Elton J. Beaumont, Jr., Executive Director  
Hearing Authority of the City of New Iberia  
325 North Street  
New Iberia, LA 70560

Telephone: (318) 364-5515  
Fax: (318) 364-6007

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

**Finding Reference #:** Finding #2 of the Schedule of Reportable Conditions

**Title:** Rental Receipts

**Initially occurred:** Fiscal Year Ended March 31, 1997

**Conditions:** Rental receipts totaling \$16,379 from the Housing Authority rental units were never deposited into the Housing Authority's bank account. The receipts represented a portion of two separate months' receipts.

**Corrective Action Taken:** Management improved internal controls by changing several policies of the Housing Authority. Rental payments are no longer accepted in cash, only money orders or personal checks. In addition, daily deposits are made and reconciled to the accounts receivable detail for each day.

**Person Responsible for Corrective Action:**

Ms. Elton J. Hrusanek, Jr., Executive Director

Housing Authority of the City of New Iberia

325 North Street

New Iberia, LA 70560

Telephone: (337) 364-5515

Fax: (337) 364-6937

Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

**Finding Reference #:** **Finding #1 of the Schedule of Findings and Questioned Costs**

**Title:** **Emulation Versus Independent Contractors**

**Initially occurred:** Fiscal Year Ended March 31, 1997

**Conditions:** It was noted in a test of a random sample of twenty-five vendor disbursements that the Housing Authority employed three tenants during the year to perform lawn maintenance duties. Payments on these three tenants in the total of \$471.50 were noted in the sample. The tenants were paid as contract labor instead of being paid as employees through regular payroll even though they were under full control of management, used the equipment of the Housing Authority to perform their duties, and did not perform similar services for anyone else.

**Corrective Action Taken:** Management began treating the lawn maintenance personnel as employees for the fiscal year ended March 31, 1998.

**Person Responsible for Corrective Action:**  
Mr. Milton S. Beaumont, Jr., Executive Director  
Housing Authority of the City of New Orleans  
125 North Street  
New Orleans, LA 70068

Telephone: (510) 364-5505  
Fax: (510) 364-8907

Housing Authority of the City of New Orleans  
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings  
March 31, 1998

Finding Reference #: Finding #2 of the Schedule of Findings and Questioned Costs

Title: Tenant Files

Initially occurred: Fiscal Year Ended March 31, 1998

Conditions: Out of ten tenant files tested, the following exceptions existed:

- Five instances of no proof of birth date or social security number in the file.
- Three instances where income had not been verified for the current year.
- One instance where a dependent had moved out but was not removed from Form 50058.
- One instance of no annual inspection in the file.
- One instance of new dependent not included on Form 50058.

For all files, no "Release of Information - HUD 9805" forms were found.

**Corrective Action Taken:** Policies and procedures were put into place to improve both the accuracy and completeness of the tenant files over the last year. These policies and procedures include using a checklist to improve completeness and having reviews performed by supervisors to improve both accuracy and completeness.

**Person Responsible for Corrective Action:**

Ms. Ellen J. Hennessey, Jr., Executive Director  
Housing Authority of the City of New Orleans  
525 North Street  
New Orleans, LA 70560

Telephone: (504) 866-5515  
Fax: (504) 384-6037



Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Corrective Action Plan for Current-Year Findings and Questioned Costs  
For the Year Ended March 31, 1998

Reference # and Title: **88-11** **Fixed Asset Inventory**

**Description:** The Housing Authority does not maintain an inventory in compliance with LSA-R.S. 24:515(B). The Housing Authority does have an old list which has not been updated yearly with all additions and deletions. In addition, the old list does not have all of the information required by LSA-R.S. 24:515(B).

**Corrective Action Planned:** The Housing Authority is in the process of developing and computerizing a list of fixed assets in accordance with the state requirements.

**Persons Responsible for Corrective Action:**

Mr. Milton J. Beaumont, Jr., Executive Director  
Housing Authority of the City of New Iberia  
825 Ninth Street  
New Iberia, LA 70560

Telephone: (337) 364-5515  
Fax: (337) 364-8937

**Anticipated completion date:** By March 31, 1999.



**Boarding Authority of the City of New Orleans  
New Orleans, Louisiana**

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**Management Letter Items**

# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



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Ernest L. Allen, CPA  
*Professional Recognition*

Tim Green, CPA

Maury Williams, CPA

## Management Letter

Board of Commissioners  
Housing Authority of the City of New Iberia  
New Iberia, Louisiana

In planning and performing our audit of the financial statements of Housing Authority of the City of New Iberia for the year ended March 31, 1998, we considered the Housing Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 25, 1998, on the financial statements of Housing Authority of the City of New Iberia. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or assist in other operating efficiencies. We 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 the recommendations. Our comments are summarized in the Schedule of Management Letter Items presented later in this report.

Included later in this report is management's responses to our current year management letter items. Management's responses can be found in the Corrective Action Plan for the Current-Year Management Letter Items. We have performed no audit work to verify the content of the responses.

Also included immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Company, LLP, and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Company, LLP, concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter items.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Company, LLP*  
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
June 25, 1998

**Housing Authority of the City of New Iberia  
New Iberia, Louisiana**

**Status of Prior Management Letter Items  
For the Year Ended March 31, 1998**

No management letter was issued for the year ended March 31, 1997. Accordingly, there are no prior items for which the status need be reported.

Housing Authority of the City of New Iberia  
New Iberia, Louisiana

Schedule of Management Letter Items  
For the Year Ended March 31, 1998

Reference # and Title: 98-011 Authorization for Closing Account

1. **Entity-wide or program/department specific:**

Entity-wide.

2. **Criteria or specific requirement:**

Good internal control requires that no bank accounts in the Housing Authority's name can be opened or closed without proper approval.

3. **Condition found:**

The Housing Authority closed the FHDEP checking account during the fiscal year ended March 31, 1998. No authorization was found in the Board minutes.

4. **Primary responsibility for judging the occurrence and measurement:**

The FHDEP account is one of six checking accounts maintained by the Housing Authority.

5. **Possible asserted effect (cause and effect):**

Cause: The Housing Authority was unaware of the importance of acquiring Board approval.

Effect: Internal control could be strengthened by requiring all new accounts opened and all accounts closed to be approved in the Board minutes.

6. **Recommendations to prevent future occurrence:**

The Board should approve the opening or closing of all bank accounts in the Housing Authority's name in the Board minutes.

**Housing Authority of the City of New Orleans  
New Orleans, Louisiana**

**Corrective Action Plan for Current-Year Management Letter Items  
For the Year Ended March 31, 1998**

**Reference # and Title:** 98-011                      **Authorization for Closing Account**

**Description:** The Housing Authority closed the PHIDEP checking account during the fiscal year ended March 31, 1998. No authorization was found in the Board minutes.

The PHIDEP account is one of six checking accounts maintained by the Housing Authority.

**Corrective action planned:** The Housing Authority will seek Board approval to close out all bank accounts.

**Person Responsible for Corrective Action:**

Mr. Simon J. Broussard, Jr., Executive Director      Telephone: (518) 364-3515  
Housing Authority of the City of New Orleans      Fax: (518) 364-6937  
325 South Street  
New Orleans, LA 70360

**Anticipated completion date:** By March 31, 1999.