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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA

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FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1997

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

Release Date: **SEP 02 1998**

**Bruno**

CERTIFIED PUBLIC ACCOUNTANTS

**& Tervalon**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
**Housing Authority of New Orleans**  
New Orleans, Louisiana

We have audited the general-purpose financial statements as listed in the Table of Contents of the **Housing Authority of New Orleans (HANO)**, New Orleans, Louisiana as of and for the year ended September 30, 1997. These general-purpose financial statements are the responsibility of HANO's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Except as discussed in the following paragraphs, 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. 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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully discussed in NOTE 8, to the general-purpose financial statements, HANO is a defendant in various legal actions. Legal counsel estimates that exposure to HANO is approximately \$11,000,000. It is HANO's policy to record losses relating to self-insurance and legal actions based on the annual budget for such claims rather than recording estimated liabilities as required by generally accepted accounting principles.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
Housing Authority of New Orleans  
New Orleans, Louisiana  
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In addition, as more fully discussed in NOTE 1, to the general-purpose financial statements, the financial statements do not disclose the amount of the major classes of land, structures and equipment by nature or function. In our opinion, the omission of disclosures related to the amount of the major classes of land, structures and equipment by nature or function does not conform with generally accepted accounting principles.

Also, as discussed in NOTE 10, HANO's fixed liabilities are administered by United States Department of Housing and Urban Development (HUD) and all fixed liability transactions are recorded by HANO based on HUD's directive. At September 30, 1997, HANO has been informed by HUD that \$44,633,773 of fixed liabilities inclusive of accrued interest on the notes are in the process of being forgiven. As of September 30, 1997 no adjustments have been made to the accompanying financial statements of HANO to reflect the debt forgiveness and related interest.

As further discussed in Finding Number 97-4, we were unable to extend our auditing procedures sufficiently to satisfy ourselves about beginning fund balances.

In our opinion, except for the effects of not recording estimated liabilities for losses related to self-insurance and legal actions, the omission of disclosures related to the amount of the major classes of land, structures and equipment by nature or function, the HUD debt forgiveness and the effects of adjustments, if any, had we been able to resolve those matters related to beginning fund balances, the general-purpose financial statements present fairly, in all material respects, the financial position of the Housing Authority of New Orleans, New Orleans, Louisiana as of September 30, 1997 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.



**INDEPENDENT AUDITORS' REPORT  
(CONTINUED)**

To the Board of Commissioners  
Housing Authority of New Orleans  
New Orleans, Louisiana  
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In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 1998 on our consideration of HANO's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

July 28, 1998

**BOARDING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMBINED BALANCE SHEET**  
**ALL FUNDS TYPES AND ACCOUNT GROUPS**  
**SEPTEMBER 30, 1987**

	GENERAL FUND				FUNDARY FUNDS			ACCOUNTS RECEIVABLE			Total (Monies Due)
	General	Special Revenue	Debt Service	Capital Expend.	Assets	Fixed Assets	General Fund	Long-Term Debt	General		
										Liabilities	
Credit and temporary cash investments (NOTE 2)	\$ 8,091,000	\$ 2,283,340	\$	\$ 0	\$ 14,764,340	\$	\$ 0	\$ 0	\$ 11,629,228		
Deposits with FDIC (NOTE 10)	0	0	2,283,312	0	0	0	0	0	2,283,312		
Accounts receivable (NOTE 3)	5,688,499	984,077	0	0	0	0	0	0	6,672,576		
Due from other funds (NOTE 4)	1,278,312	2,703,863	0	0	0	0	0	0	3,982,175		
Receivables from other debt service (NOTE 10)	0	0	4,229,000	0	0	0	0	0	4,229,000		
Other assets (NOTE 11)	2,478,608	600	0	0	0	0	0	0	2,479,208		
Land, equipment, and equipment (NOTE 11 and 12)	0	0	0	0	0	311,499,459	0	0	311,499,459		
Amounts to be provided by FDIC for retirement of obligations	0	0	0	0	0	0	61,699,178	0	61,699,178		
Amounts payable to debt service funds	0	0	0	0	0	0	0	4,449,122	4,449,122		
<b>Total assets and other debits</b>	<b>\$12,556,509</b>	<b>\$4,971,880</b>	<b>\$6,512,312</b>	<b>\$0</b>	<b>\$16,040,699</b>	<b>\$311,499,459</b>	<b>\$61,699,178</b>	<b>\$4,449,122</b>	<b>\$411,651,622</b>		

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

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMBINED BALANCE SHEET, POSITIONS**  
**ALL FUNDS TYPES AND ACCOUNT GROUPS**  
**SEPTEMBER 30, 1987**

	COMBINGENTIAL FUND TYPE				FUNDARY FUND TYPE	ACCOUNTS RECEIVABLE				TOTAL DISBURSEMENT (Debit)
	Special Account	Debt Service	Capital Projects	General		General	Fixed Asset	Long-Term Debt	Other	
\$	2,498,278	\$ 1,271,200	\$ -	\$ 1,120,789	\$ 1,116,678	\$ -	\$ -	\$ -	\$ -	\$ 6,061,706
	1,988,280	-	-	-	-	-	1,119,921	-	-	3,298,742
	1,667,500	2,862,884	-	-	-	-	-	-	-	3,030,311
	15,078	1,505	-	-	-	-	-	-	-	17,588
	-	-	-	-	-	-	65,189,257	-	-	65,189,257
	-	-	-	-	-	-	1,488,528	-	-	1,488,528
	4,157,036	3,735,518	-	1,181,588	1,116,678	-	1,598,450	-	-	11,675,136

**LIABILITIES AND OTHER CREDITS**

Accounts payable (NOTE 7)  
 Accrued salaries (NOTE 8)  
 Due to other funds (NOTE 4)  
 Deferred credits  
 Fiscal liabilities (NOTE 10)  
 Unapportioned advance payable (NOTE 11)

Total liabilities and other credits

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

RETROSPECTIVE ACTIVITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINED BALANCE SHEET CONDENSED  
 ALL THING TRUST AND ASSOCIATED MEMBERS  
 SEPTEMBER 30, 1987

	INVESTMENT				ACCOUNTS RECEIVABLE		Total (Monetary Unit)
	General	Special Revenue	Debt Service	Capital Projects	General Fund	Capital Fund	
11,000,000.00							11,000,000.00
Increases in general fund assets							
Contributions (10-0) contributions, grants and other							
Fund balance							
Revenue (1000-0) 0)	6,409,112						6,409,112
Unreserved	(221,841,919)	(38,241,000)		(1,181,230)	281,111		(189,892,838)
Total fund balance	(215,432,807)	(38,241,000)		(1,181,230)	281,111		(254,773,926)
Total fund equity	11,000,000	1,071,882	6,409,112	11,811,269	281,111		20,573,664
Contributions (100100-0) and 0)							
Total liabilities, equity and other funds	6,178,183	1,071,882	6,409,112	11,811,269	1,181,230	1,181,230	28,043,916

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

**BOARDING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1987**

	GOVERNMENTAL FUND TYPES				Totals (Governmental Only)
	General	Special Revenue	Debt Proceeds	Capital Projects	
<b>Revenues:</b>					
Dwelling rental	\$ 16,231,538	+	6,626	+	\$ 16,238,164
Non-dwelling rental	60,311	+	-	-	60,311
Interest on operating receivables and general fund investments	-	306,178	-	-	306,178
<b>Total revenues</b>	<u>\$ 16,291,849</u>	<u>312,804</u>	<u>6,626</u>	<u>-</u>	<u>\$ 16,611,309</u>
<b>Expenditures:</b>					
Administration	2,140,384	-	-	-	2,140,384
Traffic services	2,720,911	-	-	-	2,720,911
Utilities	13,159,279	-	-	-	13,159,279
Ordinary maintenance	13,721,811	-	-	-	13,721,811
Project services	4,733,817	-	-	-	4,733,817
General expenditures	16,318,669	1,799,391	-	-	18,118,060
Planning and studies	18,847,321	-	-	-	18,847,321
Debt	-	-	-	29,397,324	29,397,324
Capital projects	1,331,822	-	-	-	1,331,822
Other expenditures	52,850,241	18,736,722	-	29,397,324	101,284,287
<b>Total expenditures</b>					
<b>Operating deficit before other charges and income, other funding</b>	<u>\$ 145,361,580</u>	<u>\$ 23,630,450</u>	<u>6,626</u>	<u>\$ 29,397,324</u>	<u>\$ 199,016,980</u>

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

**HOUSING AUTHORITY OF NEW ORLEANS**

**NEW ORLEANS, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONTROLLED**

**ALL GOVERNMENTAL FUND TYPES**

**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	COMBINED FUND TYPES					Totals (Major Category)
	General	Special Revenue	Debt Service	Capital Projects	Other	
<b>Other charges:</b>						
Interest on notes and bonds	\$ 1,071,279	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,071,279
Other income:						
Minor Revenue transfer from HFID	0	19,700,807	0	0	0	19,700,807
Annual contribution stated	0	0	0	0	0	0
Other	4,850,428	0	0	0	0	4,850,428
<b>Total other charges and income</b>	<b>5,921,707</b>	<b>19,700,807</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,622,514</b>
<b>Excess (deficiency) of revenues over expenditures before HFID contributions, grants and other (deductions)</b>	<b>(5,281,851)</b>	<b>21,112</b>	<b>(3,300,930)</b>	<b>(29,891,824)</b>	<b>(5,000,000)</b>	<b>(16,403,593)</b>
Basic annual contribution	20,281,128	0	0	0	0	20,281,128
Major facility grants	0	0	0	29,891,824	0	29,891,824
Annual contribution for debt service	0	0	3,300,930	0	0	3,300,930
Principal payments on notes and bonds	0	0	(3,090,157)	0	0	(3,090,157)
Other (deductions)	(1,055,450)	0	(2,210,780)	0	0	(3,266,230)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,045,723)</b>	<b>21,112</b>	<b>2,010,153</b>	<b>0</b>	<b>0</b>	<b>(894,458)</b>
Fund balance, beginning of year	14,192,129	981,274	4,272,981	(1,031,589)	0	18,412,805
Fund balance, end of year	\$ 13,146,406	\$ 1,002,386	\$ 6,283,134	\$ (1,031,589)	\$ 0	\$ 19,400,337

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

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES ALL COMMEMORIAL FUND TYPES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	General Fund		Variance Favorable (Unfavorable)	Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
<b>REVENUES:</b>						
Dwelling rental	\$ 10,507,309	\$ 10,281,688	(225,621) \$	\$ -	\$ -	\$ -
Non-dwelling rental	11,126	10,811	(315)	-	-	-
Interest on operating leases and general fund investments	278,200	404,871	126,671	-	503,178	163,178
<b>Total revenues</b>	<b>10,796,635</b>	<b>10,697,370</b>	<b>(99,265)</b>	<b>-</b>	<b>503,178</b>	<b>163,178</b>
<b>EXPENDITURES:</b>						
Administration	7,116,980	7,142,384	(25,404)	-	-	-
Tenant services	2,844,292	2,723,971	120,321	-	-	-
Utilities	18,071,728	18,386,279	(314,551)	-	-	-
Ordinary maintenance	12,483,200	12,731,071	(247,871)	-	-	-
Professional services	4,802,798	4,732,977	69,821	-	-	-
General expenditures	7,942,816	10,878,889	(2,936,073)	2,239,590	1,738,297	890,163
Housing assistance payments	-	-	-	18,047,324	18,047,324	-
Other expenditures	1,442,788	1,581,027	(138,239)	-	-	-
<b>Total expenditures</b>	<b>51,658,192</b>	<b>52,885,652</b>	<b>(1,227,460)</b>	<b>20,286,914</b>	<b>20,785,621</b>	<b>890,163</b>

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

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

CONTINUED

	General Fund		Variance Favorable (Unfavorable)	Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Operating deficit before other income, HLC contributions, grants and other debts	\$ (61,600,885)	\$ (60,160,568)	\$ (1,440,317)	\$ (60,768,800)	\$ (19,680,848)	\$ 1,651,276
<b>OTHER INCOME:</b>						
Miscellaneous receipts from HLC	8,071,277	8,017,217	-	-	-	-
Annual contributions earned	-	-	-	20,881,854	19,711,667	(1,170,407)
Other	7,460,176	8,660,438	(1,199,262)	-	-	-
Total other income	15,531,453	16,677,655	(1,146,202)	20,881,854	19,711,667	(1,170,407)
Excess (deficiency) of revenues over expenditures before HLC contributions, grants and other debts	(28,379,665)	(28,282,453)	(97,212)	184,270	27,112	(125,158)
Basic annual contribution	28,960,269	28,981,128	(20,859)	-	-	-
Other debts	-	(1,648,478)	1,648,478	-	-	-
Excess (deficiency) of revenues over expenditures	6,580,604	(2,148,172)	(8,728,776)	184,270	27,112	(125,158)
Fund balances, beginning of year	8,438,000	16,192,315	7,754,315	1,583,800	865,175	(507,685)
Fund balances, end of year	\$ 15,018,604	\$ (11,944,302)	\$ (26,962,906)	\$ 1,668,070	\$ 1,812,287	\$ (165,983)

The accompany notes are an integral part of these combined financial statements.



HOULING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ALL COMMERCIAL FUND THREE - BUDGET MANUFACTURING  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	FOUNTAINHEAD					
	Debt Service Fund		Varying Fundable Administrative		Capital Projects Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>EXPENDITURES</b>						
Capital outlay	\$	\$	\$	\$	\$	\$
Total expenditures	-	-	-	-	-	-
Operating deficit before other charges and credits, (H.O. contributions and grants)	-	-	-	-	-	-
<b>OTHER CHARGES</b>						
Inferred on notes and bonds	(1,223,883)	(1,223,883)	-	-	-	-
Total other charges	(1,223,883)	(1,223,883)	-	-	-	-
Excess (deficiency) of revenues over expenditures (before H.O. contributions, grants and other credits)	(1,223,883)	(1,223,883)	-	-	-	-
Major capital grants	-	-	-	-	-	-
Actual contribution for debt service	2,887,228	2,887,228	-	-	-	-
Principal payments on notes and bonds	(3,882,187)	(3,882,187)	-	-	-	-
Other credits	(3,348,352)	(3,348,352)	-	-	-	-
Excess (deficiency) of revenues over expenditures	2,216,747	2,216,747	-	-	-	-
Fund balances - beginning of year	4,273,881	4,273,881	-	-	-	-
Fund balances - end of year	\$ 6,490,528	\$ 6,490,528	\$	\$	\$	\$

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

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies:**

*General*

The **Housing Authority of New Orleans (HANO)** was organized on September 29, 1936 to assist and provide housing to low-income residents in New Orleans. HANO was governed by a seven member Board of Commissioners and headed by an Executive Director until February 1996. At that time, the United States Department of Housing and Urban Development (HUD), through a cooperative endeavor agreement with the City of New Orleans, appointed a consultant to directly oversee the daily operations of HANO, including monitoring the work performed by the Executive Director and management. Also, the role of the Board of Commissioners was reduced to an advisory capacity.

Funding for the operations of HANO is provided by HUD through annual contribution contracts related to specific programs. At September 30, 1997, HANO had the following number of units in Active Development, Active Modernization, Community Development and Assistance Programs:

Contract	Program	Number of Units
FW-1190	PIA Owned	12,608
FW-1190	Homeownership	116
FW-2093	Section 8 - Rental Certificates	3,987
FW-2201	Section 8 - New Construction	190
FW-2217	Section 8 - Rental Vouchers	524
		<u>17,413</u>

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE: 1 - Organization and Summary of Significant Accounting Policies,**  
**Continued:**

**Basis of Presentation**

As required by Louisiana State Reporting Law (LS-R.S. 24:514) the financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

The accounts of HANO are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenue and expenditures.

Accordingly, the accompanying financial statements have been prepared in conformity with generally accepted accounting principles applied to governmental units.

**Governmental Funds**

Governmental funds are those through which most governmental functions of HANO are financed. The acquisition, use and balances of HANO's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are HANO's governmental funds:

**General Fund** - The general fund is used to account for the financial resources of HANO, not accounted for in some other fund.

**Special Revenue Funds** - Special revenue funds are used by HANO to account for the collection and disbursement of specific revenue sources.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - *Organization and Summary of Significant Accounting Policies*  
Continued:

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs by HANO. The Debt Service Fund includes amounts on deposit with fiscal agents or due from HUD to pay principal and interest on fixed liabilities.

Capital Projects Fund

This fund accounts for financial resources received and used by HANO for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

Educators Fund Type

Agency Fund - The Agency Fund is used to account for assets held by HANO in a trustee capacity or as an agent for individuals, such as tenants and homeowners. The Agency Fund is accounted for in essentially the same manner as the Governmental Fund, except that the Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Account Groups

The account group is used to establish accounting control and accountability for HANO's general fund assets and outstanding obligations. It is a self-balancing group of accounts that are concerned only with the management of financial position, not with the measurement of results of operations. The following is HANO's account groups:

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued:

Account Groups, Continued

General Fixed Assets Account Group - This group of accounts is established to account for fixed assets of HANO. The fixed assets of the governmental fund are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized or reported in the general fixed assets account group.

General Long-Term Obligations Account Group - This group of accounts is established to account for long-term obligations of HANO.

Basis of Accounting - All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next twelve months. Revenues not considered available are recorded as deferred revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for vacation and sick leave and claims and judgments which are recognized when paid.

Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued:**

project before any amounts will be reimbursed to HANO; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are usually recoverable only for failure to comply with prescribed compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "accrueable to accrual" criteria are met.

Consistent with prior periods, HANO prepares its financial statements in conformity with accounting practices prescribed or permitted by FRS, as described in the Gen. Exp. Accounting Handbook (HM 7510.1), which is a comprehensive basis of accounting other than generally accepted accounting principles. Principal differences between HANO's policies and generally accepted accounting principles are (1) investments are reflected at cost, rather than the lower of cost or market; (2) accounts receivable are expensed upon approval of the HANO Board rather than using a valuation allowance to charge doubtful accounts to expense; (3) long-term debt and land, structures and equipment are included on the balance sheet rather than in account groups; (4) when assets are retired or otherwise disposed of, any gain or loss is reflected in income for the period rather than as an adjustment of the account group; and (5) annual lease is expensed when taken rather than accrued as earned.

In addition, HANO's policy regarding accounting for estimated liabilities related to self-insurance and litigation does not conform to generally accepted accounting principles.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,**  
**Continued:**

The significant accounting practices followed by HANO are:

Basis of Accounting

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Governmental fund revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and collectible to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for debt service and other long-term obligations which are recognized when paid.

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 liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Investments

Investments are non-negotiable instruments similar to deposits and are stated at cost which approximates market value.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued:**

**Fair Value of Financial Instruments**

The carrying amount of HANO's financial instruments as September 30, 1997 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

**Allowance for Doubtful Accounts**

Accounts receivable are expensed upon approval of the HANO Board of Commissioners rather than using a valuation allowance to charge doubtful accounts to expenses as required by generally accepted accounting principles. The allowance required is not material to the financial statements as a whole.

**Land, Structures, and Equipment**

Land, structures and equipment are accounted for under accounting practices prescribed or permitted by the U.S. Department of Housing and Urban Development. These practices permit for the inclusion in land, structures and equipment certain cost that are not permitted under generally accepted accounting principles. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Maintenance and repair costs are charged against income as they are incurred. Significant renewals and betterments are capitalized. The records of HANO do not allow for a disclosure of the major composition of land, structure and equipment. Depreciation expense has not been provided on general fixed assets. Structures and equipment are not depreciated in accordance with generally accepted accounting principles.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued:**

**HANO** has been and is currently involved in various demolition activities in conjunction with its modernization and development programs.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" which is effective for 1997, **HANO** has as September 30, 1997 recognized in the accompanying financial statements, the impact of the demolition activities. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized.

**Fixed Liabilities**

Major capital improvement projects were financed by issuing a series of short-term notes. **HOUD** and **HANO** raised these notes through Annual Contribution Contracts as if the financing were long-term. Amounts are not segregated between current and noncurrent portions as required by generally accepted accounting principles, but in accordance with **HOUD** prescribed practices.

In September 1984, **HOUD** suspended the sale of project notes pending an Internal Revenue Service ruling on the tax-exempt status of the notes.

**Deferred Charges**

Inventories of supplies, materials and expendable equipment are recorded at cost using the first-in first-out method.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued**

**Debt Service Funds**

HANO's bond and note debts are administered by HUD. Debt service funds are amounts on deposit with fiscal agents or due from HUD to pay principal and interest on the obligations of HANO and for such other purposes as may be provided in annual contribution contracts. The amount due from HUD is based on the minimum annual contribution during the fiscal year. The actual amount when received may differ depending on the amount required for payment of interest and principal.

**Fund Balance**

Fund balance is reported in the applicable annual contribution contract to indicate the amount established for a specific purpose.

**Self-Insurance and Litigation**

HANO recognizes losses related to self-insurance programs and litigation based on the annual budget for such claims rather than recording estimated liabilities when losses occur, as required by generally accepted accounting principles.

**Annual Contribution Contracts**

Annual Contribution Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of HANO's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by HANO.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,**  
**Continued:**

**Total Columns on Financial Statements**

The total columns on the accompanying financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Cash and Temporary Cash Investments**

HANO's cash and temporary cash investments is considered to be cash on-hand, demand deposits and certificates of deposit. HANO may invest in primarily U.S. obligations as dictated by 10/50.

**Budgetary Information**

Annual budgets for the special revenue funds and the general fund are adopted on an annual basis consistent with generally accepted accounting principles. The capital fund budgets are adopted on a "project-length" basis.

**Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14, "the Financial Reporting Entity, (GASB 14)" established standards for defining and reporting on the financial entity.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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**NOTE 1 - Organization and Summary of Significant Accounting Policies,  
Continued:**

**Financial Reporting Entity, Continued**

GASB 14 indicates that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; c) is fiscally independent of other state and local governments.

**HANO** was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14.

Accordingly, management has concluded that **HANO** is the financial reporting entity within the meaning of the provisions of GASB 14.

**NOTE 2 - Cash and Temporary Cash Investments:**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal offices in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC/STJC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

**NOTE 2 - Cash and Temporary Cash Investments, Continued:**

At various times during 1997, deposits in excess of FDIC insurance coverage were collateralized by the securities previously described. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments considers these funds uncollateralized.

Even though these funds are considered to be uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposed a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

All bank balances and investments of HANO at September 30, 1997, some of which bear interest, are entirely insured or collateralized with securities held by its agent in HANO's name. Cash in excess of current requirements is invested.

At September 30, 1997 cash and temporary cash investments consist of the following:

	Demand	Special Revenue	General	Total	Interest Rate	Maturity
Demand deposits	\$1,090,850	\$1,308,940	\$ 457,868	\$ 2,857,658	Various	NA
Certificates of deposit	3,000,000	-	802,150	3,802,150	Various	Various
Money market accounts	-	-	33,450	33,450	Various	NA
<b>Total investments</b>	<b>\$4,090,850</b>	<b>\$1,308,940</b>	<b>\$1,293,468</b>	<b>\$6,693,258</b>		

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

**NOTE 2 - Cash and Temporary Cash Investments, Continued:**

The investment are categorized as Category I. Also, at September 30, 1997, the carrying amount of HANO's deposit was \$7,223,453 and the bank balance was \$13,537,116.

**NOTE 3 - Accounts Receivable:**

Accounts receivable at September 30, 1997 consist of the following:

	General Fund	SPECIAL REVENUE FUNDS			Total
		Certificate Program ER-2053	Housing Assistance Program ER-2181	Voucher Program ER-2113	
Tenants	\$ 296,146	\$ -0-	\$ -0-	\$ -0-	\$ 296,146
Homebuyers	23,584	-0-	-0-	-0-	23,584
RIII	1,779,671	-0-	5,813	7,942	1,789,024
Mechanics program	1,844,574	-0-	-0-	-0-	1,844,574
Other (including various State and Federal sources)	2,518,036	485,104	-0-	82,980	3,026,020
<b>Total accounts receivable</b>	<b>\$6,068,131</b>	<b>\$485,104</b>	<b>\$5,813</b>	<b>\$82,980</b>	<b>\$6,723,248</b>

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

**NOTE 4 - Due to/From Other Funds:**

Interfund activity at September 30, 1997 consist of the following:

	Due from Other Funds	Due to Other Funds
General Fund	\$1,216,212	\$1,865,913
Special Revenue Funds:		
Certificate program-FW-2053	1,389,623	238,004
Housing assistance program-FW-2210	6,584	178,653
Voucher program-FW-2217	1,117,678	1,683,387
Total interfund receivables/payables	<u>\$2,539,697</u>	<u>\$2,955,957</u>

**NOTE 5 - Other Assets:**

Other assets at September 30, 1997 consist of the following:

	General Fund	Special Revenue Funds	Total
Prepaid insurance:	\$ 274,456	\$ -0-	\$ 274,456
Material and equipment	2,137,123	-0-	2,137,123
Other assets	<u>128,608</u>	<u>400</u>	<u>129,008</u>
	<u>\$2,539,608</u>	<u>\$400</u>	<u>\$2,571,008</u>

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

**NOTE 4 - Land, Structures and Equipment:**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance October 1, 1996	Additions	Deductions	Balance September 30, 1997
Land, structures and equipment	<u>\$148,368,442</u>	<u>\$29,897,834</u>	<u>\$38,695,837</u>	<u>\$139,570,439</u>
	<u>\$148,368,442</u>	<u>\$29,897,834</u>	<u>\$38,695,837</u>	<u>\$139,570,439</u>

HANO received approval from HUD for the demolition of several structures during 1997. HANO completed destruction of the structures with an estimated carrying value of \$8,395,107 for the year ended September 30, 1997.

At September 30, 1997, the estimated carrying value of additional structures that have been approved for demolition but continue to be used for operations and receive subsidies from HUD is \$129,879,000. Management intends to record the write-off of these assets in the period the demolition occurs or when it is otherwise determined that the asset has no future value.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

**NOTE 7 - Accounts Payable:**

Accounts payable at September 30, 1997 consist of the following:

	SOCIAL SERVICE FUNDS						Total			
	General Fund		Economic Progress Program (E.P.P.)		Housing Assistance Program (H.A.P.)			Capital Projects Fund	Agency Fund	
Treasury	1	-	1	-	1	-	1	-	11,266,076	11,266,076
Open accounts receivable and performance deposits		-		-		-	1,671,369	-		1,671,369
Vendors, contract and other	2,649,754		769,040		3,261		1,781		-	3,421,536
Total	26,895		1,838,213		141,251		133,851		-	1,919,111
<b>Total accounts payable</b>	<b>11,266,076</b>		<b>1,838,213</b>		<b>141,251</b>		<b>1,605,220</b>		<b>1,266,076</b>	<b>14,097,831</b>

**NOTE 8 - Risk Management:**

HANO is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets for which HANO is self-insured for general liability, workers' compensation claims, fire and extended coverages. In addition HANO is a defendant in various legal actions. Legal counsel estimates that exposure to HANO approximates \$11,000,000 as of July 28, 1998. HANO's policy is to recognize losses related to the self-insurance programs and litigation based on the annual budget for such claims rather than recording the estimated liabilities when losses occur, as required by generally accepted accounting principles.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

**NOTE 9 - Accrued Liabilities:**

Accrued liabilities consist of the following at September 30, 1997:

	General Fund	General Long-term Debt Account Group	Total
Accrued interest on notes and bonds	\$ -0-	\$1,319,451	\$1,319,451
Accrued utilities expense	1,614,092	-0-	1,614,092
Other liabilities	326,239	-0-	326,239
<b>Total accrued liabilities</b>	<b>\$1,980,331</b>	<b>\$1,319,451</b>	<b>\$3,300,782</b>

**NOTE 10 - Fixed Liabilities:**

The following is a summary of HANP's long-term debt transactions for the year ended September 30, 1997:

	Balance at October 1, 1996	Retirements, Repayments and Forgiveness	Balance at September 30, 1997
<b>General Long-Term Debt Account Group:</b>			
Project loan notes	\$ 3,738,988	\$ -0-	\$ 3,738,988
Permanent notes- HHS	41,878,176	3,741,808	40,137,376
Federal financing bank notes	3,840,472	636,868	3,203,604
New Housing authority bonds	24,769,692	2,496,888	22,272,804
<b>Total fixed liabilities</b>	<b>\$74,227,328</b>	<b>\$6,875,564</b>	<b>\$67,351,764</b>

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

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NOTE 10 - Debt Liabilities, Continued:

Administrative control over the consolidated financing process is vested in HUD. HANO has participated in several consolidated bond issues and consolidated issues of short-term notes (six-month maturities). Active debt includes the Federal Financing Bank notes and the New Housing Authority Bonds. The Federal Financing Bank notes were issued in 1982 and 1983 for the modernization of the existing housing developments. The New Housing Authority bonds were issued between 1950 and 1973 to fund the original construction of certain housing developments.

These notes and bonds bear interest ranging from 2.125% to 5.75% and have various maturity dates. Interest and principal payments on these notes and bonds are made by HUD in accordance with the terms of the annual contribution contracts. HANO records all debt transactions upon the disburse from HUD. This includes the portion of debt allocated to HANO and accounting entries to record payments made by HUD for principal and interest.

Debt service annual contributions ceased on April 1, 1996 for the project loan notes and the permanent notes - HUD. Under the provisions of the Housing and Community Development Reconciliation Arrangements of 1985 (H.C.D.A. 99-272 enacted April 7, 1986), the Secretary of Housing and Urban Development was authorized to forgive the outstanding principal and interest on the project loan notes and the permanent notes - HUD. The Reconciliation Arrangements require the execution of a debt forgiveness amendment to the consolidated annual contribution contract. This amendment has been executed by HUD and HANO. It also requires the audit and approval of the Actual Development Cost Certificate or the Actual Modernization Cost Certificate which has not yet been completed for all projects. HANO has recorded debt forgiveness of \$3,743,000 in 1993. The balance of remaining notes to be forgiven was \$43,862,344 at September 30, 1993. The balance of accrued interest on the notes to be forgiven was \$771,429 at September 30, 1993.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 11 - Compensated Absences Payable**

HANO has established a policy (in accordance with State Civil Service) to pay each employee their accrued annual leave upon termination up to a maximum of 300 hours. The cost of current leave privileges computed in accordance with GASB codification Section 660, is recognized as a current year expenditure in the governmental fund when leave is actually taken or when employees or heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring resources is recorded in the general long-term obligations account group.

HANO's policy is to pay up to 300 hours of accrued annual leave when employees terminate. At September 30, 1997 total leave to be paid upon termination was \$1,488,730.

**NOTE 12 - Employee Pension Plan**

**Plan Description**

HANO has a pension plan which covers all full-time employees after one year of service. The plan is a money purchase plan whereby no actuarial determinations or valuations are made.

**Funding Policy**

HANO's contribution rate was one-half percent of the covered employees' salary until September 30, 1991. On October 1, 1991, the plan was amended to increase HANO's contribution rate to 5% of the covered employees' salary. Total contributions for the year ended September 30, 1997 amounted to \$611,574 (5% of total covered payroll for the year ended September 30, 1997). HANO's total payroll for all employees was \$18,086,289 and the total covered payroll was \$12,231,480 for the year ended September 30, 1997.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 13 - Concentration of Credit Risk:**

**HANO** receives primarily all of its revenues from the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from HUD fall below critical levels, **HANO's** operating results could be adversely affected.

**NOTE 14 - Subsequent Events**

Subsequent to year-end the U.S. Department of Housing and Urban Development (HUD) removed **HANO** from its list of "Troubled" Public Housing Authorities (PHAs) primarily resulting from **HANO's** improvements as measured by **HANO's** Public Housing Management Assessment Program (PHMAP) score for the year ended September 30, 1997 as determined by HUD. Our discussions with management have indicated the removal of **HANO** from HUD's list of "Troubled" PHAs does not alter the cooperative endeavor agreement with the City of New Orleans under which HUD has appointed a consultant to directly oversee that daily operations of **HANO**, including monitoring the work performed by the Executive Director nor will the role of the Board of Commissioners be elevated from its current advisory capacity.

## SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners  
**Housing Authority of New Orleans**  
New Orleans, Louisiana

Our report on our audit of the general purpose financial statements of the **Housing Authority of New Orleans (HANO)** appears on page 1. That audit was conducted 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 U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations" and is not a required part of the general purpose financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The supplementary information (Exhibits) which are prepared in accordance with generally accepted accounting principles, has been subjected to the 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.

INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION  
(CONTINUED)

The supplementary information (Schedules-III(D) Basis) which are prepared on a Comprehensive Basis of Accounting other than generally accepted accounting principles, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for differences in fund accounting, facilities acquisition and/or construction, prior year adjustments, investments, allowance for doubtful accounts, long-term debt, land structures and equipment, and receipt of federal funds presented in accordance with HUD prescribed practices, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

July 28, 1988



HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED BALANCE SHEET--SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 1997

ASSETS

Cash				
Accounts receivable				
Due from other annual contribution contracts				
Deferred charges				
Due from other programs				
Total assets				
	\$ 683,010	\$233,187	\$ 873,249	\$1,209,340
	481,104	3,811	90,442	584,357
	1,569,603	6,564	1,117,078	2,693,248
	495	0	0	495
	20,000	0	0	20,000
	\$2,764,212	\$243,562	\$3,880,062	\$4,823,240

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINING BALANCE SHEET—SPECIAL REVENUE FUNDS, CONTINUED  
SEPTEMBER 30, 1997

	Housing Assistance Program FR-2051	Housing Assistance Program FR-2051	Voucher Program FR-2012	Total
<b>LIABILITIES AND FUND BALANCE</b>				
Due to other annual contribution contracts	\$ 230,814	\$ 170,653	\$ 1,691,297	\$ 2,092,764
Accounts payable	1,285,363	194,092	287,784	1,767,239
Deferred credits	<u>1,821</u>	<u>65</u>	<u>46</u>	<u>1,932</u>
Total liabilities	3,337,997	364,800	1,979,327	5,682,124
Fund Balance:				
Cumulative HUD contributions, grants and other	218,424,973	23,174,219	37,221,497	278,820,699
Unexpended fund balance	<u>(217,200,120)</u>	<u>(27,289,452)</u>	<u>(20,268,214)</u>	<u>(264,757,786)</u>
Total fund balance	1,224,853	6,884,767	17,953,283	26,063,903
Total liabilities and fund balance	\$ 4,562,850	\$ 431,667	\$ 2,197,610	\$ 7,192,127

See Independent Auditor's Report on Supplementary Information.

## EXHIBIT D

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	Housing Assistance Program FV-2022	Housing Assistance Program FV-2022	Teacher Program FV-2011	Total
<b>Revenue:</b>				
Interest on operating reserves and general fund investments	\$ 8,026	\$ 2,052	\$ 20,158	\$ 30,236
Total revenue	8,026	2,052	20,158	30,236
<b>Expenditure:</b>				
General expense	1,216,081	588,862	216,824	1,721,767
Housing assistance payments	14,702,480	1,478,153	1,853,924	16,934,557
Total expenditures	15,918,561	2,067,015	2,070,748	18,056,324
Operating deficit before other income	(15,863,945)	(1,668,930)	(1,698,580)	(19,031,455)
Other income	16,159,426	1,978,609	2,821,862	19,959,897
Excess (deficiency) of revenues over expenditures	197,481	(1,122,211)	(81,118)	25,112
Fund balance, beginning of year	1,022,326	65,802	18,999	967,127
Fund balance, end of year	\$ 1,219,807	\$ (1,056,409)	\$ (62,119)	\$ 1,101,279

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
CONDENSED BALANCE SHEET (DEBIT BALANCE)  
ALL FUND SOURCES  
SEPTEMBER 30, 1997

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Drug Elimination Program

Annual Contribution Contract	Not-for-Profit Residential Development	Comprehensive Development	Public Housing Authority	Total (Maximum Debt)
\$ 11,878,204	\$ 410	\$ 0	\$ 0	\$ 11,879,214
4,491,460	14,780	3,823	(18,877)	4,511,186
3,613,219	1,357	373,144	284,241	3,892,061
6,489,332	0	0	0	6,489,332
2,411,807	0	68,817	99,032	2,580,656
25,393,872	0	9,899	0	25,403,771
\$25,393,872	\$12,047	\$48,983	\$28,942	\$25,483,844

ASSETS

Cash and temporary cash investments	
Accounts receivable	
Due from annual contribution contracts	
Debt service funds	
Other assets	
Lease, fixtures and equipment	
Total assets	\$25,483,844

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED BALANCE SHEET-BLANK BASIS, CONTINUED  
ALL FUNDS-RESOURCES  
SEPTEMBER 30, 1997

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Drug Elimination Programs

Annual Contribution Contracts	Monthly Resident Fees	Comprehensive Outreach	Public Housing Outreach	MEP	Total (Memorandum Only)
\$ 2,099,532	\$ 0	940,871	531,462	\$ 0	\$ 2,800,865
4,791,518	1,202	0	0	1,205,522	6,089,262
1,135,242	8,679	0	0	0	1,209,281
564,344	0	0	0	0	564,344
11,919	0	0	0	0	11,919
49,100,211	0	0	0	0	49,100,211
<u>81,801,518</u>	<u>11,981</u>	<u>940,871</u>	<u>531,462</u>	<u>1,205,522</u>	<u>87,291,214</u>
160,451,102	186	17,814	15,139	615,096	265,121,236
<u>\$181,552,640</u>	<u>\$12,067</u>	<u>\$958,685</u>	<u>\$546,592</u>	<u>\$1,820,618</u>	<u>\$285,188,542</u>

LIABILITIES AND EQUITIES

Due to annual contribution

contracts	
Accounts payable	
Annual liability	
Treat and security deposits	
Deferred assets	
Fund liabilities	

Total liabilities

Surplus

Total liabilities and surplus

(See Independent Auditors' Report on Supplementary Information.)

**BOLLING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF INCOME AND EXPENSES-BLD-BASED**  
**ALL FUNDS-SOURCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
	Bldg. Elimination Program						
	Annual	Mortgage	Comprehensive	Public	Public	Public	Totals
	Contributions	Recovery	Accounts	Accounts	Accounts	Accounts	(Administrative
	Credits	Programs	Credits	Credits	Credits	Credits	) Credits
							Credits
Operating Income:							
Dwelling rental	\$ 18,252,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,252,338
Non-dwelling rental	18,311	-	-	-	-	-	18,311
Interest on operating reserves and							
general fund investments	312,585	-	-	-	-	-	312,585
<b>Total operating income</b>	<b>18,583,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,785,655</b>
<b>Operating Expenses:</b>							
Administrative	7,111,899	149	-	-	-	-	7,112,048
Tenant services	1,855,849	-	-	-	-	-	1,855,849
Utilities	13,019,279	-	-	-	-	-	13,019,279
Ordinary maintenance	12,976,386	-	-	-	-	-	12,976,386
Protective maintenance	591,221	-	-	-	-	-	591,221
General expense	12,818,266	-	-	-	-	-	12,818,266
Non-recurring maintenance	895,135	-	-	-	-	-	895,135
Housing assistance payments	18,842,224	-	-	-	-	-	18,842,224
<b>Total operating expenses</b>	<b>67,162,681</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,162,830</b>

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**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMBINED STATEMENT OF INCOME AND EXPENSES-HUD-BARS**  
**ALL-FUND SOURCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

-----Drug Rehabilitation Program-----

Annual Contribution Contract	State/MP Beneficial Program	Competitive Demolish	Public Housing Authority	LEP	Totals (Memorandum Item)
\$55,363,630	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,035,000	\$60,398,630
1,200,928	0	0	0	0	1,200,928
467,242	0	0	0	0	467,242
1,211,219	0	0	0	0	1,211,219
4,893,428	0	0	0	4,617,272	9,510,700
4,893,428	0	0	0	4,617,272	9,510,700
\$61,269,247	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,652,272	\$70,921,519

Operating deficit before other charges and income

Other charges:

Interest on notes and bonds  
Less from disposition of non-  
expendable equipment

Total other charges

Other income

Deficiency of revenues  
over expenses

See Independent Auditor's Report on Supplementary Information.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED BALANCE SHEET--FUND BASIS  
ALL ANNUAL CONTRIBUTION CONTRACTS  
SEPTEMBER 30, 1997**

	PIIA Owned and Homeownership Programs PW-1199	Leased and Housing Assistance Programs PW-2033, PW-2200, PW-2217	Total Homeownership Only
<b>ASSETS</b>			
Cash and temporary cash investments	\$ 9,569,763	\$1,509,543	\$ 11,079,304
Accounts receivable	3,987,104	584,257	4,481,461
Due from other annual contribution contracts	363,468	3,713,885	3,073,273
Debt service funds	6,489,123	-0-	6,489,123
Deferred charges	2,411,207	489	2,411,697
Land, structures and equipment	355,826,269	795,684	356,621,953
<b>Total assets</b>	<b>\$378,116,931</b>	<b>\$5,207,769</b>	<b>\$383,324,640</b>
<b>LIABILITIES AND SURPLUS</b>			
Due to other annual contribution contracts	\$ 1,028,549	\$2,862,084	\$ 3,090,633
Accounts payable	3,064,335	3,731,289	4,795,624
Accrued liabilities	3,239,343	-0-	3,239,343
Trust and security deposits	564,344	-0-	564,344
Deferred credits	13,879	1,931	17,810
Fixed liabilities	83,188,271	-0-	83,188,271
<b>Total liabilities</b>	<b>77,108,320</b>	<b>3,795,294</b>	<b>80,903,614</b>
<b>Surplus</b>	<b>301,008,611</b>	<b>1,412,475</b>	<b>302,421,100</b>
<b>Total liabilities and surplus</b>	<b>\$378,116,931</b>	<b>\$5,207,769</b>	<b>\$383,324,640</b>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED STATEMENT OF INCOME AND EXPENSES—BUD-BASIS  
ALL ANNUAL CONTRIBUTION CONTRACTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	PHA Owned and Homeownership Programs FV-1189	Leased and Housing Assistance Programs FV-2053, FV-2281, FV-2512	Total (Monetary Units)
<b>Operating income:</b>			
Dwelling rental	\$ 10,251,538	\$ -0-	\$ 10,251,538
Non-dwelling rental	18,511	-0-	18,511
Interest on operating reserve and general fund investments	<u>434,386</u>	<u>103,176</u>	<u>537,562</u>
<b>Total operating income</b>	<u>10,684,435</u>	<u>103,176</u>	<u>10,787,611</u>
<b>Operating expenses:</b>			
Administration	7,141,895	-0-	7,141,895
Tenant services	1,893,849	-0-	1,893,849
Utilities	13,558,279	-0-	13,558,279
Ordinary maintenance	12,678,186	-0-	12,678,186
Protective services	591,523	-0-	591,523
General expense	10,818,869	1,738,297	12,557,166
Housing assistance payments	-0-	18,047,324	18,047,324
Non-routine maintenance	<u>853,735</u>	<u>-0-</u>	<u>853,735</u>
<b>Total operating expenses</b>	<u>47,374,536</u>	<u>18,785,721</u>	<u>66,160,257</u>
<b>Operating deficit before other income and charges</b>	<u>(36,690,081)</u>	<u>(18,682,545)</u>	<u>(55,372,626)</u>

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED STATEMENT OF INCOME AND EXPENSES—FIDUCIARY BASIS  
ALL ANNUAL CONTRIBUTION CONTRACTS  
FOR THE YEAR ENDING SEPTEMBER 30, 1987**

	<b>PHA Owned and Homeownership Programs [W-3159]</b>	<b>Leased and Housing Assistance Programs [W-2053, [W-2201, [W-3217]</b>	<b>Total (Microcomputer Only)</b>
<b>Other charges:</b>			
Interest on notes and bonds	\$ 1,383,928	\$ -0-	\$ 1,383,928
Loss from disposition of non-expendable equipment	<u>467,342</u>	<u>0-</u>	<u>467,342</u>
<b>Total other charges</b>	<u>1,721,270</u>	<u>0-</u>	<u>1,721,270</u>
<b>Other income</b>	<u>6,863,438</u>	<u>0-</u>	<u>6,863,438</u>
<b>Total other income</b>	<u>6,863,438</u>	<u>0-</u>	<u>6,863,438</u>
<b>Deficiency of revenues over expenses</b>	<b>\$<u>(21,583,912)</u></b>	<b>\$<u>(22,683,345)</u></b>	<b>\$<u>(21,265,428)</u></b>

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED ANALYSIS OF SUPPLIES-HOLD BASE  
ALL ANNUAL CONTRIBUTION CONTRACTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	FHA Owned and Homeownership Program FNS-1132	Landed and Hearing Assistance Program FNS-2001, FNS-2002 and FNS-2211	Total
<b>Unassigned Supplies</b>			
Balance per books at September 30, 1996	\$ 540,418,400	\$ 362,245,170	\$ 902,663,570
Deficit for year ended September 30, 1997	(1,130,000)	(19,000,000)	(20,130,000)
Provision for operating reserves for year ended September 30, 1997	1,312,300	(178,666)	1,133,634
Provision for project reserve	-		
For year ended September 30, 1997	-	(19,815,666)	(19,815,666)
Other changes in unassigned supplies	(14,498,180)	1,312,129	(13,186,051)
Balance at September 30, 1997	401,192,520	(85,368,927)	315,823,593
<b>Assigned Supplies-Operating Reserves</b>			
Balance per books at September 30, 1996	10,000,000	1,184,321	11,184,321
Provision for (reduction of) operating reserves for year ended September 30, 1997	(1,572,700)	178,984	(1,393,716)
Provision for self-insurance reserve	810,348	Δ	810,348
Cash withdrawals from reserve	-	(468,810)	(468,810)
Balance at September 30, 1997	8,237,648	1,794,505	10,032,153

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MOVING ACTIVITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED ANALYSIS OF SUBSIDY-BLD BASIS, CONTINUED  
ALL FINANCIAL CONTRIBUTIONS CONTRACTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	PMA Owned and Membership Revenue (DL 112)	Leased and Financing Assurance Programs (DL 2013, 230, 2023, and DL 2321)	Total
<b>Approved Budgets - Budget Account</b>			
Balance per books at September 30, 1996	4	\$ 20,871,381	\$ 20,871,381
Provision for (production of) project account for year ended September 30, 1997	4	17,817,460	17,817,460
Other changes in reserved surplus project account	4	1,267,552	1,267,552
Balance at September 30, 1997	4	\$ 18,321,473	\$ 18,321,473
<b>Committed BLD Contributions</b>			
Balance per books at September 30, 1996	101,870,592	227,987,482	329,858,074
Accounting annual contribution for year ended September 30, 1997	7,887,226	4	7,887,230
Operating activity for year ended September 30, 1997	24,081,150	4	24,081,154
Basic annual contribution reported for year ended September 30, 1997 adjustments to cumulative BLD contributions	4	19,717,657	19,717,657
Balance at September 30, 1997	\$ 133,839,018	\$ 247,719,647	\$ 381,558,665

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
CONDENSED ANNUAL FINANCIAL STATEMENTS  
ALL ANNUAL CONTRIBUTION CONTRACTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	PIA Owned and Homeownership Program \$96,438	Leased and Financing Assurance Program \$96,245, 259,203, and \$96,247	Total
<b>Conditional Donations</b>			
Balance per books at September 30, 1996	\$ 8,952,452	\$ _____	\$ 8,952,452
Balance at September 30, 1997	8,952,452	_____	8,952,452
<b>Conditional HUD Development and Administrative Grants</b>			
Balance per books at September 30, 1996	\$1,121,248	_____	\$1,121,248
HUD grants for the year ended September 30, 1997	28,999,054	_____	28,999,054
Balance at September 30, 1997	11,821,504	_____	11,821,504
<b>Conditional Proceeds from Sale of Dwellings</b>			
Balance per books at September 30, 1996	\$165,119	_____	\$165,119
Conditional proceeds for year ended September 30, 1997	33,179	_____	33,179
Balance at September 30, 1997	\$198,298	_____	\$198,298
<b>Total Receipts</b>	\$28,999,054	\$ 33,179	\$ 29,032,233

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**SCHEDULE VI**

Page 1 of 2

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED BALANCE SHEET-BUD BASIS  
ANNUAL CONTRIBUTION CONTRACTS FW-2003, FW-2201 AND FW-2017  
SEPTEMBER 30, 1997**

**ASSETS**

Cash				
Accounts receivable	\$ 483,019	Housing Assistance Program FW-2201	\$ 155,187	Voucher Program FW-2211
Due from other annual contribution contracts	488,104		3,811	
Deferred charges	1,899,623		6,504	
Land, structures and equipment	409		-0-	
	<u>3,870,255</u>		<u>165,502</u>	<u>161,684</u>
Total assets	\$3,870,255		\$165,502	\$1,611,684
				<u>\$3,207,252</u>

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HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINING BALANCE SHEET-BUD BASIS, CONTINUED  
 ANNUAL CONTRIBUTION CONTRACTS FW-2053, FW-2200 AND FW-2217  
 SEPTEMBER 30, 1997

LIABILITIES AND SURPLUS

Due to other annual contribution contracts				
Accounts payable	\$ 230,034	\$ 178,653	\$ 1,681,297	\$2,980,984
Deferred credits	1,308,367	154,833	287,794	1,751,293
	<u>1,538,401</u>	<u>333,486</u>	<u>1,969,091</u>	<u>4,732,277</u>
Total liabilities	1,541,332	334,769	1,958,181	3,795,218
Surplus (deficit)	1,619,411	(1,89,202)	(42,217)	1,487,491
Total liabilities and surplus	<u>\$3,160,743</u>	<u>\$165,567</u>	<u>\$1,915,964</u>	<u>\$5,282,709</u>

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## SCHEDULE VIII

HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINING STATEMENT OF INCOME AND EXPENSES-BUD-BASIS  
 ANNUAL CONTRIBUTION CONTRACTS FM-283, FM-284, AND FM-287  
 FOR THE YEAR ENDED SEPTEMBER 30, 1997

	Housing Assistance Programs FM-283	Housing Assistance Programs FM-284	Voucher Programs FM-287	Total
Operating income: Interest on operating reserves and general fund investments	\$ 80,816	\$ 2,092	\$ 20,188	\$ 103,126
Total operating income	80,816	2,092	20,188	103,126
Operating expenses:				
General expenses	1,354,481	186,862	216,634	1,758,077
Housing assistance payments	14,387,658	1,478,150	1,867,694	16,733,502
Total operating expense	16,042,139	1,665,012	2,073,248	19,780,402
Operating deficit before other income	(15,961,323)	(1,662,920)	(2,053,060)	(19,677,303)
Other income	16,133,426	1,508,692	2,051,462	19,703,580
Excess (deficiency) of revenues over expenses	\$ 172,103	\$ (154,228)	\$ 108,402	\$ 126,277

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**SCHEDULE VIII**  
Page 1 of 2

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMBINING ANALYSIS OF RECEIPTS-BUDGET BASIS**  
**ANNUAL CONTRIBUTION CONTRACTS FN-3026, FN-3201 AND FN-3217**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	Annual Contribution Contracts		
	FN-3201	FN-3201, FN-3217	Total
<b>Unreserved Supplies</b>			
Balance per books at September 30, 1996	\$209,441,776	\$27,453,211	\$236,894,987
Inflow for year ended September 30, 1997	(15,963,849)	(2,059,589)	(18,023,438)
(Provision for) reduction of operating reserve for year ended September 30, 1997	(187,433)	(818)	(188,251)
(Provision for) reduction of project account for year ended September 30, 1997	(12,189,327)	212,997	(11,976,330)
Other changes in unreserved supplies	303,423	-	303,423
Balance at September 30, 1997	\$222,205,129	\$27,598,259	\$249,803,388
<b>Reserved Supplies - Donations Receipts</b>			
Balance per books at September 30, 1996	1,608,846	69,818	1,678,664
Provision for operating reserve for year ended September 30, 1997	187,481	301	187,782
Cash withdrawals from reserve	(184,872)	-	(184,872)
Balance at September 30, 1997	\$1,611,455	\$70,119	\$1,681,574

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HOUSING AUTHORITY OF NEW ORLEANS  
COMBINE ANALYSIS OF SUBFUND-BASED  
ANNUAL CONTRIBUTION CONTRACTS FM-2001, FM-2008 AND FM-2011, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	Annual Contribution Contracts		
	FM-2001	FM-2008	FM-2011
			Total
<b>Reversed Surplus - Project Account</b>			
Balance per books at September 30, 1996	\$ 32,650,468	\$ 1,660,395	\$ 34,310,863
Provision for (reduction of) project account for year ended September 30, 1997	12,980,317	(222,097)	12,758,220
Other changes in reversed surplus-project account	(750,423)	-	(750,423)
Balance at September 30, 1997	24,271,214	1,438,298	25,709,512
<b>Quantitative HED Contributions</b>			
Balance per books at September 30, 1996	187,171,458	23,840,797	211,012,255
Basic annual contributions earned for year ended September 30, 1997	18,739,498	1,288,698	19,928,196
Adjustments to cumulative HED contributions	100,452	-	100,452
Other changes to cumulative HED contributions	-	-	-
Balance at September 30, 1997	206,011,308	25,129,495	231,140,803
Total surplus (deficit)	\$ 1,618,411	\$ (118,216)	\$ 1,499,195

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SCHEDULE IX

HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINING BALANCE SHEET-HUD BASIS  
 ANNUAL CONTRIBUTION CONTRACT FW-2093  
 SEPTEMBER 30, 1997

	<u>LA41-001-006</u>	<u>LA001-SR0-001</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 683,010	\$ -0-	\$ 683,010
Accounts receivable	488,104	-0-	488,104
Due from other annual contribution contracts	1,589,591	230,034	1,819,625
Deferred charges	400	-0-	400
Land, structures and equipment	<u>359,604</u>	<u>-0-</u>	<u>359,604</u>
<b>Total assets</b>	<b><u>\$2,930,709</u></b>	<b><u>\$230,034</u></b>	<b><u>\$3,160,743</u></b>
<b>LIABILITIES AND SURPLUS</b>			
Due to other annual contribution contracts	\$ 230,034	\$ -0-	\$ 230,034
Accounts payable	1,079,333	230,034	1,309,367
Deferred credits	<u>1,351</u>	<u>-0-</u>	<u>1,351</u>
<b>Total liabilities</b>	<b>1,311,298</b>	<b>230,034</b>	<b>1,541,332</b>
<b>Surplus</b>	<b>1,619,411</b>	<b>-0-</b>	<b>1,619,411</b>
<b>Total liabilities and surplus</b>	<b><u>\$2,930,709</u></b>	<b><u>\$230,034</u></b>	<b><u>\$3,160,743</u></b>

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**SCHEDULE X**

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINING STATEMENT OF INCOME AND EXPENSES-HUD BASIS  
ANNUAL CONTRIBUTION CONTRACT FW-2053  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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	LA88-FCM-008	LA89-580-001	TOTAL
Operating income:			
Interest on operating reserve and general fund investments	\$ 80,516	\$-0-	\$ 80,516
Total operating income	<u>80,516</u>	<u>-0-</u>	<u>80,516</u>
Operating expenses:			
General expense	1,336,481	-0-	1,336,481
Housing assistance payments	<u>14,707,480</u>	<u>-0-</u>	<u>14,707,480</u>
Total operating expense	<u>16,043,961</u>	<u>-0-</u>	<u>16,043,961</u>
Operating deficit before other income	(15,963,045)	-0-	(15,963,045)
Other income	<u>16,150,496</u>	<u>-0-</u>	<u>16,150,496</u>
Excess of revenues over expenses	\$ 187,451	\$-0-	\$ 187,451

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINING ANALYSIS OF SURPLUS-FUND BASIS  
ANNUAL CONTRIBUTION CONTRACT FW-2055  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	LA48-FOP1-008	LA881-SRO-081	TOTAL
<b>Unreserved Surplus</b>			
Balance per books at September 30, 1996	\$(209,441,776)	\$ -	\$(209,441,776)
Deficit for year ended September 30, 1997	(15,963,045)	-	(15,963,045)
(Provision for) reduction of operating reserve for year ended September 30, 1997	(187,451)	-	(187,451)
(Provision for) reduction of project account for year ended September 30, 1997	(12,389,927)	(170,400)	(12,560,327)
Other changes in unreserved surplus	767,473	-	767,473
Balance at September 30, 1997	(237,034,726)	(170,400)	(237,205,126)
<b>Reserved Surplus - Operating Reserves</b>			
Balance per books at September 30, 1996	1,099,846	-	1,099,846
Provision for (reduction of) operating reserve for the year ended September 30, 1997	187,451	-	187,451
Provision for self-insurance reserve	-	-	-
Cash withdrawals from reserve	(164,873)	-	(164,873)
Balance at September 30, 1997	1,122,424	-	1,122,424

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED ANALYSIS OF SURPLUS-FUND-BASIS  
ANNUAL CONTRIBUTION CONTRACT FW-3053  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	LA48-30P1-008	LA991-5801-001	TOTAL
<b>Reserved Surplus Project Account</b>			
Balance per books at September 30, 1996	\$ 22,658,460	\$ -0-	\$ 22,658,460
Provision for (reduction of) project account for year ended September 30, 1997	12,266,927	170,400	12,437,327
Other changes in reserved surplus-project account	(767,473)	-0-	(767,473)
Balance at September 30, 1997	29,100,914	170,400	29,271,314
<b>Cumulative HUD Contribution</b>			
Balance per books at September 30, 1996	187,171,450	-0-	187,171,450
Basic annual contribution earned for year ended September 30, 1997	16,150,496	-0-	16,150,496
Adjustments to cumulative HUD contributions	(108,853)	-0-	(108,853)
Balance at September 30, 1997	203,430,799	-0-	203,430,799
<b>Total surplus</b>	<b>\$ 1,819,411</b>	<b>\$ -0-</b>	<b>\$ 1,819,411</b>

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINING BALANCE SHEET-BUD BASIS  
ANNUAL CONTRIBUTION CONTRACT FW-3291  
SEPTEMBER 30, 1997**

	LA48-0050-001	LA48-0060-002	TOTAL
<b>ASSETS</b>			
Cash	\$ 38,311	\$122,876	\$161,187
Accounts receivable	5,811	0-	5,811
Due from other annual contribution contracts	<u>6,504</u>	<u>0-</u>	<u>6,504</u>
<b>Total assets</b>	<b>\$ 42,626</b>	<b>\$122,876</b>	<b>\$165,502</b>
<b>LIABILITIES AND SURPLUS (DEFICIT)</b>			
Due to other annual contribution contracts	\$ 377	\$ 170,276	\$ 170,653
Accounts payable	<u>0-</u>	<u>124,028</u>	<u>124,028</u>
<b>Total liabilities</b>	<b>377</b>	<b>324,308</b>	<b>324,705</b>
Surplus (deficit)	<u>42,249</u>	<u>601,650</u>	<u>1,043,900</u>
<b>Total liabilities and surplus</b>	<b>\$ 42,626</b>	<b>\$ 1,125,958</b>	<b>\$ 1,168,502</b>

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HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINING STATEMENT OF INCOME AND EXPENSES-FULL BASIS  
 ANNUAL CONTRIBUTION CONTRACT FW-2201  
 FOR THE YEAR ENDED SEPTEMBER 30, 1997

	LA48-9060-001	LA48-9060-002	TOTAL
Operating income:			
Interest on operating reserve and general	\$441	\$ 1,651	\$ 2,092
Total operating income	441	1,651	2,092
Operating expenses:			
General expense	118	186,752	186,862
Housing assistance payments	-0-	1,476,150	1,476,150
Total operating expense	118	1,662,902	1,653,012
Operating deficit before other income	311	(1,661,251)	(1,660,934)
Other income:	-0-	1,508,699	1,508,699
Excess (deficiency) of revenues over expenses	\$311	\$ (152,552)	\$ (152,221)

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMBINED ANALYSIS OF SURPLUS-BUDGET BASIS  
ANNUAL CONTRIBUTION CONTRACT PW-2201  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	<u>LA48-0060-001</u>	<u>LA48-0060-005</u>	<u>TOTAL</u>
<b>Unreserved Surplus</b>			
Balance per books at September 30, 1996	\$(8,604,188)	\$(17,246,000)	\$(25,850,288)
Deficit for year ended September 30, 1997	351	(1,661,251)	(1,660,900)
(Provision for) operating reserve for the year ended September 30, 1997	(331)	-0-	(331)
(Provision for) reduction of project account for the year ended September 30, 1997	(441)	222,518	222,077
Balance at September 30, 1997	<u>\$(8,694,629)</u>	<u>\$(18,684,813)</u>	<u>\$(27,379,442)</u>
<b>Reserved Surplus-Operating Reserve</b>			
Balance per books at September 30, 1996	41,918	-0-	41,918
Provision for operating reserve for the year ended September 30, 1997	331	-0-	331
Balance at September 30, 1997	<u>\$ 42,249</u>	<u>\$ -0-</u>	<u>\$ 42,249</u>

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HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMBINING ANALYSIS OF SURPLUS-BUDGET BASIS  
 ANNUAL CONTRIBUTION CONTRACT 174-2201  
 FOR THE YEAR ENDED SEPTEMBER 30, 1997

	<u>LA48-0060-001</u>	<u>LA48-0060-005</u>	<u>TOTAL</u>
<b>Reserved Surplus - Project Account</b>			
Balance per books at September 30, 1996	\$ 1,400,007	\$ 359,788	\$ 1,759,795
Provision for (reduction of) project account for year ended September 30, 1997	_____441	____(222,538)	____(222,977)
Balance at September 30, 1997	<u>1,400,448</u>	<u>137,250</u>	<u>1,738,698</u>
<b>Cumulative HUD Contribution</b>			
Balance per books at September 30, 1996	7,203,181	16,637,412	23,840,593
Basic annual contribution earned for year ended September 30, 1997	-0-	1,508,699	1,508,699
Balance at September 30, 1997	<u>7,203,181</u>	<u>18,146,111</u>	<u>25,349,292</u>
Total surplus (deficit)	\$ <u>42,249</u>	\$ <u>(201,452)</u>	\$ <u>(159,203)</u>

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMPUTATION OF RESIDUAL RECEIPTS AND  
ADJUSTING ANNUAL CONTRIBUTION  
ANNUAL CONTRIBUTION CONTRACT #A-1180  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	EMA Owned	Homeownable	Total
<b>Computation of Residual Receipts</b>			
Operating receipts			\$18,696,405
Operating income	\$10,348,980	\$ 556,072	6,083,405
Other income	6,862,622	800	25,081,130
Contribution earned-operating activity-Schedule V	28,584,132	—-0-	
Total operating receipts	46,219,535	337,888	48,541,045
<b>Operating expenditures:</b>			
Operating expenses	46,915,444	441,892	47,374,236
Capital expenditures			
Replacement of non-expendable equipment	665,980	—-0-	665,980
Property betterments and additions	55,130	—-0-	55,130
Total operating expenditures	47,536,554	441,892	48,072,336

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**BOOKING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMPUTATION OF RESIDUAL RECEIPTS AND  
ACCRUING ANNUAL CONTRIBUTION  
ANNUAL CONTRIBUTION CONTRACT PAYINGS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	PMA Owned	Homeownership	Total
Residual receipts (deficit) from operations	\$ 1,159,099	\$ (122,684)	\$ 1,036,415
Residual receipts (deficit) per audit	(1,999,099)	(122,684)	(2,121,783)
Audit adjustments, net added back	2,858,278	—	2,858,278
Residual receipts (deficit) before provisions for reserve per PMA	1,159,471	(245,368)	914,103
Provision for operating reserve per PMA	(1,159,471)	(245,368)	(1,404,839)
Residual receipts (deficit) per PMA	\$ —	\$ —	\$ —
Computation of accruing annual Contributions			
Fixed annual contribution—Schedule V			
Accruing annual contributions	\$ 2,858,278	\$ —	\$ 2,858,278

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
ANNUAL CONTRIBUTION CONTRACT FW-2052  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	LA48-EOP1-008	LA001-SRO-001	TOTAL
<b>Maximum Contribution Available</b>			
Maximum annual contribution authorized	\$28,360,423	\$170,400	\$28,530,823
Project account balance at beginning of fiscal year	22,658,800	____-0-	22,658,800
Total annual contribution available	<u>\$51,018,883</u>	<u>\$170,400</u>	<u>\$51,189,283</u>
<b>Annual Contribution Required</b>			
Housing assistance payments	\$14,707,480	\$ -0-	\$14,707,480
Administrative fee	1,530,250	-0-	1,530,250
Project receipts other than annual contribution	____(72,334)	____-0-	____(72,334)
Total annual contribution required	<u>\$16,150,486</u>	<u>\$ ____-0-</u>	<u>\$16,150,486</u>
<b>Project Account Change</b>			
Provision for project account	<u>\$12,300,937</u>	<u>\$170,400</u>	<u>\$12,380,337</u>
<b>Annual Contribution Earned-</b>			
Lesser of contribution available or contribution required	<u>\$16,150,486</u>	<u>\$ ____-0-</u>	<u>\$16,150,486</u>

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HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
 PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
 ANNUAL CONTRIBUTION CONTRACT 17W-2035  
 FOR THE YEAR ENDED SEPTEMBER 30, 1997

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	LA46-DCIP1-808	LA5001-SHO-001	TOTAL
<i>Operating Reserve Change</i>			
<i>Operating receipts:</i>			
Operating income	\$ 80,916	\$-0-	\$ 80,916
Annual contribution earned	16,150,896	-0-	16,150,896
Total operating receipts	16,231,812	-0-	16,231,812
<i>Operating expenditures:</i>			
Operating expenses	1,362,472	-0-	1,362,472
Prior year adjustments affecting residual receipts	(29,991)	-0-	(29,991)
Housing assistance payments	14,707,480	-0-	14,707,480
Total operating expenditures	16,043,961	-0-	16,043,961
Net operating receipts	<u>\$ 187,851</u>	<u>\$-0-</u>	<u>\$ 187,851</u>
Provision for operating reserve	<u>\$ 187,851</u>	<u>\$-0-</u>	<u>\$ 187,851</u>

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
ANNUAL CONTRIBUTION CONTRACT PW-2001  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	LA 48-0049-001	LA 48-0049-002	Total (Miscellaneous Only)
<b>Minimum Contribution Available</b>			
Maximum annual contribution authorized	\$ -0-	\$1,286,160	\$1,286,160
Project account balance at beginning of fiscal year	1,601,807	355,785	1,957,592
Total annual contribution available	\$1,601,807	\$1,641,945	\$3,243,752
<b>Annual Contribution Required</b>			
Housing assistance payments	\$ -0-	\$1,476,150	\$1,476,150
Receipts other than annual contributions	(441)	(1,651)	(2,092)
Administrative fee	-0-	34,200	34,200
Total annual contribution required	\$ (441)	\$1,508,999	\$1,508,558
<b>Project Account Change</b>			
Provision for (reduction of) project account	\$ 441	\$ (322,128)	\$ (321,687)
<b>Annual Contribution Earned</b>			
Excess of contribution available or contribution required	\$ (441)	\$1,508,999	\$1,508,558

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
ANNUAL CONTRIBUTION CONTRACT 17W-2201  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

	LA 48-0860-003	LA 48-0860-002	Total (Memoranda Only)
<b>Operating Reserve Change</b>			
<b>Operating receipts</b>			
Operating income	\$ 441	\$ 1,651	\$ 2,092
Annual contribution earned	-0-	1,508,699	1,508,699
Total operating receipts	441	1,510,350	1,510,791
<b>Operating expenditures</b>			
Operating expenses	110	1,549,809	1,549,919
Prior year adjustments affecting residual receipts	-0-	-117,893	-117,893
Total operating expenditures	110	1,667,702	1,667,812
Net operating receipts (deficits)	331	(157,352)	(157,021)
Deficits, beginning of year	-0-	-148,081	-148,081
Receipts (deficits), end of year	\$ 331	\$ (205,433)	\$ (205,100)
Provision for operating reserve	\$ 331	\$ -0-	\$ 331

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**SCHEDULE XIII**

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**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT - OPERATING RESERVE CHANGES  
ANNUAL CONTRIBUTION CONTRACT FW-2217  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Maximum Contribution Available**

Maximum annual contribution authorized	\$ 7,310,697
Project account balance at beginning of fiscal year	<u>10,555,852</u>
Total annual contribution available	<u>\$18,278,749</u>

**Annual Contribution Required**

Housing assistance payments	\$ 1,805,694
Administrative fee	204,069
Project receipts other than annual contribution	<u>(18,369)</u>
Total annual contribution required	<u>\$ 2,051,462</u>

**Project Account Change**

Provision for project account	<u>\$ 3,493,233</u>
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**Annual Contribution Earned**

Lesser of contribution available or contribution required	<u>\$ 2,051,462</u>
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**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND**  
**PROJECT ACCOUNT - OPERATING RESERVE CHANGES**  
**ANNUAL CONTRIBUTION CONTRACT FW-2217**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Operating Reserve Change:**

Operating receipts:	
Operating income	\$ 20,168
Annual contribution earned	2,051,462
Total operating receipts	2,071,630
Operating expenses:	
Operating expenses	2,073,836
Prior year adjustments affecting residual receipts	____5,912
Total operating expenses	2,079,748
Net operating receipts	\$ <u>(8,118)</u>
(Reduction of ) operating reserve	\$ <u>(8,118)</u>

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**SCHEDULE 310**  
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**ISSUING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL DEVELOPMENT COSTS  
ANNUAL CONTRIBUTION CONTRACT #N-018  
SEPTEMBER 30, 1997**

Classification	1996									
	3-31-96	6-30-96	9-30-96	12-31-96	3-31-97	6-30-97	9-30-97	12-31-97	3-31-98	6-30-98
Administration	\$ 4,261	\$ 25,278	\$ 1,842	\$ 4,148	\$ 3,247	\$ 9,493	\$ 40,840	\$ 4,484	\$ 4,484	\$ 2,799
Appraisal charges	-	(3,253)	-	-	-	-	-	-	-	-
Interest net	61,034	412,589	21,442	81,631	9,603	18,788	638,615	68,875	68,875	23,492
Initial remaining deficit	-	-	-	-	4,532	-	-	-	-	-
Planning	18	114,454	143	3,495	19,658	6,371	27,328	14,758	14,758	6,111
Site acquisition	71,289	149,381	13,628	194,727	161,248	408,288	211,463	119,628	119,628	40,812
Site improvement	1,268	8,848	7,118	33,310	34,147	28,314	141,288	100,028	100,028	48,000
Overlying acquisition	287,281	1,179,414	104,278	824,158	211,223	-	1,906,128	617,588	617,588	218,064
Dredging equipment	-	-	-	-	958	-	-	-	-	-
Hand-dredging equipment	-	-	-	-	447	-	-	-	-	-
Hand-dredging construction	-	-	-	-	-	-	-	1,714	-	-
Hand-dredging equipment	-	-	-	-	-	-	-	1,848	-	-
Interest management	-	-	-	-	-	-	-	-	-	-
Retention	-	-	-	-	-	1,029	13,338	3,288	3,288	-
<b>Total costs</b>	<b>\$412,821</b>	<b>\$4,225,412</b>	<b>\$112,482</b>	<b>\$384,358</b>	<b>\$444,852</b>	<b>\$685,513</b>	<b>\$3,111,453</b>	<b>\$581,126</b>	<b>\$581,126</b>	<b>\$240,412</b>
Total costs through September 30, 1996	\$412,821	\$4,225,412	\$112,482	\$384,358	\$444,852	\$685,513	\$3,111,453	\$581,126	\$581,126	\$240,412
Change, October 1, 1996 through September 30, 1997	-	-	-	-	-	-	-	-	-	-
<b>Total costs</b>	<b>\$412,821</b>	<b>\$4,225,412</b>	<b>\$112,482</b>	<b>\$384,358</b>	<b>\$444,852</b>	<b>\$685,513</b>	<b>\$3,111,453</b>	<b>\$581,126</b>	<b>\$581,126</b>	<b>\$240,412</b>

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL BUDGETARY COMES  
ANNUAL CONTRIBUTION CONTRACT #96-1180  
SEPTEMBER 30, 1997

Classification	Position					
	July 1, 97	July 1, 1997	July 1, 97	July 1, 1997	July 1, 97	July 1, 97
Administration	\$ 3,990	\$ 18,042	\$ 3,997	\$ 17,988	\$ 20,923	\$ 14,800
Liquidated damages	-	-	-	-	-	\$ 14,800
Salaries, net	46,438	17,438	18,968	167,996	86,474	24,327
Total operating costs	2,298	6,186	-	-	-	188
Planning	13,311	34,029	18,289	39,008	4,126	37,001
Site acquisition	13,607	342,143	67,038	231,200	24,824	798,137
Site improvements	187,117	308,688	103,382	318,173	302,480	122,461
Developing residential	897,331	2,495,239	793,339	2,338,174	1,879,497	789,844
Developing equipment	9,817	-	621	1,462	66,403	183
Nonbuilding construction	23,623	68,748	28,249	61,847	4,003	1,813
Nonbuilding equipment	1,028	2,663	-	-	-	473,134
Lease management	24,798	63,034	18,483	38,218	-	-
Recreation	-	-	-	-	281,028	-
<b>Total costs</b>	<b>\$1,256,121</b>	<b>\$3,459,251</b>	<b>\$1,128,121</b>	<b>\$3,209,952</b>	<b>\$1,804,423</b>	<b>\$1,189,321</b>
Total costs through September 30, 1996	\$1,256,121	\$1,409,982	\$1,128,121	\$1,200,962	\$1,804,423	\$1,189,321
Changes, from October 1, 1996 through September 30, 1997	-	-	-	-	-	-
<b>Total costs</b>	<b>\$1,256,121</b>	<b>\$1,409,982</b>	<b>\$1,128,121</b>	<b>\$1,200,962</b>	<b>\$1,804,423</b>	<b>\$1,189,321</b>

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HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS, LOUISIANA  
 STATEMENT OF ACTUAL DEVELOPMENT COSTS  
 ANNUAL CONTRIBUTION CONTRACT PW-1189  
 SEPTEMBER 30, 1997

Classification	Project	
	La.1-51	La.1-52
Contract work-in-process	\$ 29,788	\$ 20,682
Interest, net	38,991	98,755
Planning	38,969	52,134
Site acquisition	458,514	97,858
Site improvements	66,365	-0-
Dwelling structures	316,150	-0-
Other developer's costs	126,725	-0-
Relocation	21,806	-0-
Contract work-in-progress	-0-	572,885
<b>Total costs</b>	<b>\$1,097,308</b>	<b>\$842,294</b>
Total costs through September 30, 1996	\$1,097,308	\$842,294
Changes, from October 1, 1996 through September 30, 1997	-0-	-0-
<b>Total costs</b>	<b>\$1,097,308</b>	<b>\$842,294</b>

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL DEVELOPMENT COSTS-OVER BUDGET  
ANNUAL CONTRIBUTION CONTRACT FW-1198  
SEPTEMBER 30, 1997

<u>Classification</u>	<u>Actual Cost</u>	<u>Approved Budget</u>	<u>Over Budget</u>
<b>Project Ia.1-18</b>			
Dwelling construction	\$ 282,201	\$ 9,400	\$273,800
Total construction and equipment	282,840	19,840	273,000
<b>Project Ia.1-19</b>			
Site improvements	1,848	3,553	5,297
Total construction and equipment	1,538,262	1,332,969	5,297
<b>Project Ia.1-21</b>			
Site improvements	7,150	-0-	7,150
Dwelling construction	108,270	-0-	108,270
Total administration	1,642	1,600	39
Total planning	263	44	319
Total site acquisition	33,626	3,947	29,679
<b>Project Ia.1-22</b>			
Site improvements	53,350	888	54,462
Dwelling construction	503,430	2,892	500,538
Total interest	101,651	94,012	7,639
Total planning	1,880	393	1,487
Total development costs	760,311	772,631	9,129
<b>Project Ia.1-23</b>			
Site improvements	34,147	-0-	34,147
Dwelling construction	212,223	-0-	212,223
Dwelling equipment	936	-0-	936
Total construction and equipment	247,306	246,744	562

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HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL DEVELOPMENT COSTS OVER BUDGET  
ANNUAL CONTRIBUTION CONTRACT PW-1190  
SEPTEMBER 30, 1997

Classification	Actual Cost	Approved Budget	Over Budget
<b>Project La-1-26</b>			
Total planning	\$ 6,371	\$ 5,019	\$ 1,352
Newbuilding equipment	1,849	-0-	1,849
Total development costs	693,515	692,173	1,342
<b>Project La-1-25a</b>			
Total interest	638,419	598,228	40,191
Total development costs	3,331,953	3,291,068	40,885
<b>Project La-1-26</b>			
Site	174,439	-0-	174,439
Site improvements	108,800	6,875	95,125
Dwelling construction	813,040	-0-	637,040
Total administration	6,484	6,413	71
<b>Project La-1-33</b>			
Site	47,675	-0-	47,675
Site improvements	48,800	-0-	48,800
Dwelling construction	218,068	-0-	218,068
Total administration	2,797	2,734	63
<b>Project La-1-33</b>			
Site	107,818	195,000	2,018
Site improvements	105,792	90,637	14,725
Dwelling construction	756,358	684,983	110,371
Newbuilding construction	28,249	17,508	2,849
Total administration	5,997	5,999	2
Total planning	18,268	10,266	3

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENT OF ACTUAL DEVELOPMENT COSTS OVER BUDGET**  
**ANNUAL CONTRIBUTION CONTRACT FW-1169**  
**SEPTEMBER 30, 1999**

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<u>Classification</u>	<u>Actual Cost</u>	<u>Approved Budget</u>	<u>Over Budget</u>
<b>Project La.1-33113</b>			
Site improvements	\$ 316,177	\$ 271,901	\$ 44,286
Dwelling construction	2,186,174	2,054,963	131,211
Non-dwelling construction	61,947	52,389	8,547
Total developer's price	3,078,385	3,078,334	51
<b>Project La.1-39</b>			
Total planning	6,139	6,076	63
Total site acquisition	548,448	527,984	20,464
Total construction and equipment	1,999,906	1,933,834	66,072
Total development costs	2,964,521	2,837,833	126,688
<b>Project La.1-44</b>			
Total development costs	1,369,920	1,368,385	1,535

See Independent Auditors' Report on Supplementary Information.



HOUSING AUTHORITY OF NEW ORLEANS  
 NEW ORLEANS  
 STATEMENT OF DEVELOPMENT COSTS - NOT COMPLETED  
 ANNUAL CONTRIBUTION CONTRACT FW-1180  
 SEPTEMBER 30, 1997

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<u>Classification</u>	<u>La. 1-28</u>
Administration	\$ 47,138
Interest, net	788,427
Planning	132,447
Site acquisition	568,683
Site improvement	34,299
Relocation	<u>253,553</u>
Total costs	<u>\$1,792,507</u>
Total costs through September 30, 1996	\$1,792,507
Changes from October 1, 1996 through September 30, 1997	<u>-0-</u>
Total costs	<u>\$1,792,507</u>

See Independent Auditors' Report as Supplementary Information.

SCHEDULE XIII  
Page 1 of 7

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
RECONCILIATION OF DEVELOPMENT FUNDS ADVANCED WITH COSTS  
ANNUAL CONTRIBUTION CONTRACT FW-1158  
SEPTEMBER 30, 1997

	Totals									
	Jan-1-88	Jan-1-89	Jan-1-91	Jan-1-92	Jan-1-93	Jan-1-94	Jan-1-95	Jan-1-96	Jan-1-97	Jan-1-98
Advances:										
Housing Authority Bonds	\$ 447,000	\$ 2,680,128	\$ 650,000	\$ 733,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,240,079
Payment costs	—	—	2,480	31,368	4,993,618	682,171	—	—	—	—
Excess (deficiency) of funds provided	—	1,188,040	—	—	—	—	—	—	—	60,112
Total advances	447,000	2,496,168	171,480	764,368	4,998,618	682,171	—	—	—	3,313,791
Development costs	(432,271)	(2,524,432)	(121,822)	(736,185)	(443,822)	(665,212)	(3,121,822)	—	—	—
Excess (deficiency) of funds provided	14,729	(28,264)	—	—	15,796	(1,340)	—	—	—	6,689
Transfers to advance amortization	114,228	—	—	—	—	—	—	—	—	—
Net excess (deficiency) of funds provided	\$ —	\$ (25,231)	\$ —	\$ —	\$ 15,796	\$ (1,340)	\$ —	\$ —	\$ —	\$ 6,689

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
RECONCILIATION OF DEVELOPMENT FUNDS ADVANCED WITH COSTS  
ANNUAL CONTRIBUTION CONTRACT PA.1116  
SEPTEMBER 30, 1997

	Periods						
	La 1-30	La 1-31	La 1-30	La 1-30	La 1-31	La 1-31	La 1-30
<b>Advances:</b>							
Housing Authority Bonds	\$ 809,000	\$ 831,000	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayment notes	31,196	12,917	1,823,316	1,526,187	2,409,852	1,120,318	3,560,982
Excess (deficiency) of funds provided	-	-	-	-	-	-	-
<b>Total advances</b>	840,196	843,917	1,823,316	1,526,187	2,409,852	1,120,318	3,560,982
<b>Development costs</b>	(581,086)	(483,812)	(1,256,582)	(1,336,162)	(1,692,981)	(1,156,559)	(1,268,962)
<b>Excess (deficiency) of funds provided</b>	259,110	360,105	566,734	190,025	716,871	963,759	2,292,020
<b>Transfer to advance association</b>	-	-	-	-	-	-	-
<b>Net excess (deficiency) of funds provided</b>	259,110	360,105	566,734	190,025	716,871	963,759	2,292,020

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
RECONCILIATION OF DEVELOPMENT FUNDS ADVANCED WITH COSTS  
ANNUAL CONTRIBUTION CONTRACT F8-1198  
SEPTEMBER 30, 1997

	Dollars					
	Local	Local	Local	Local	Local	Total
Advances:						
Housing Authority Bonds	\$ 2,982,000	\$ -	\$ -	\$ -	\$ -	\$ 2,982,000
Permitted costs	-	1,205,686	652,148	1,087,208	773,345	6,100,797
Excess (deficiency) of funds provided	-	-	-	-	-	(598,812)
Total advances	2,982,000	1,205,686	652,148	1,087,208	773,345	37,500,789
Development costs	(2,804,523)	(1,208,921)	(652,148)	(1,087,208)	(640,264)	(62,532,859)
Excess (deficiency) of funds provided	\$ 177,477	(1,003,235)	-	-	(186,919)	32,830
Transfer in advance amortization	(80,420)	-	-	-	-	(80,420)
Net excess (deficiency) of funds provided	\$ 97,057	(1,003,235)	\$ -	\$ -	\$ (186,919)	\$ (152,389)

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL INCURRED COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT #A-1096  
SEPTEMBER 30, 1997

	Fiscal Year 1997						
	Jan. 1-	Jan. 1-2	Jan. 1-3	Jan. 1-4	Jan. 1-5	Jan. 1-6	Jan. 1-7
Funds approved	\$ 2,900,154	\$ 158,000	\$ 162,168	\$ 200,200	\$ 485,187	\$ 167,410	\$ 1,124,061
Funds expended	(1,001,150)	(158,000)	(162,168)	(200,200)	(485,187)	(167,410)	(7,124,061)
Excess (deficiency) of funds approved	\$ 1,899,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Funds advanced:							
Grant funding	\$ 2,900,154	\$ 158,000	\$ 162,168	\$ 200,200	\$ 485,187	\$ 167,410	\$ 1,124,061
Total funds advanced	\$ 2,900,154	\$ 158,000	\$ 162,168	\$ 200,200	\$ 485,187	\$ 167,410	\$ 1,124,061
Funds expended	(1,001,150)	(158,000)	(162,168)	(200,200)	(485,187)	(167,410)	(7,124,061)
Excess (deficiency) of funds advanced	\$ 1,899,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditors' Report on Supplementary Information.

**HOUSSING AUTHORITY OF NEW ORLEANS**  
NEW ORLEANS, LOUISIANA  
**STATEMENT OF ACTUAL INTERORGANIZATION COSTS—NOT COMPLETED**  
ANNUAL CONSTRUCTION CONTRACT FR-1190  
SEPTEMBER 30, 1997

	Fiscal Year 1997					
	Jan 1-8	Jan 1-9	Jan 1-10	Jan 1-11	Jan 1-12	Jan 1-12
Funds approved	\$ 1,120,791	\$ 12,466	\$ 126,271	\$ 24,823	\$ 164,781	\$ 17,225
Funds expended	(1,120,241)	(12,466)	(126,271)	(24,823)	(164,281)	(17,225)
<b>Excess (deficiency) of funds approved</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Funds advanced Over funding	\$ 1,120,241	\$ 12,466	\$ 126,271	\$ 24,823	\$ 164,781	\$ 17,225
Total funds advanced	1,120,791	12,466	126,271	24,823	164,781	17,225
Funds expended	(1,120,241)	(12,466)	(126,271)	(24,823)	(164,281)	(17,225)
<b>Excess (deficiency) of funds advanced</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL REORGANIZATION LOGS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT FR-1190  
SEPTEMBER 30, 1997

	Fiscal Year 1997										Base Total
	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Jan-99	Jan-00	Jan-01	Jan-02	Jan-03	
Funds approved	\$ 1,076,293	\$ 876,484	\$ 1,164,797	\$ 6,986	\$ 92,646	\$ 224,088	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964
Funds expended	1,006,493	833,484	1,128,767	63,962	63,446	224,088	1,264,964	1,264,964	1,264,964	1,264,964	1,264,964
Excess (deficiency) of funds approved	\$ 70,800	\$ 43,000	\$ 36,030	\$ 3,024	\$ 29,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Funds advanced: Grant funding	\$ 1,076,293	\$ 876,484	\$ 1,164,797	\$ 6,986	\$ 92,646	\$ 224,088	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964	\$ 1,264,964
Total funds advanced	1,076,293	876,484	1,164,797	6,986	92,646	224,088	1,264,964	1,264,964	1,264,964	1,264,964	1,264,964
Funds expended	1,006,493	833,484	1,128,767	63,962	63,446	224,088	1,264,964	1,264,964	1,264,964	1,264,964	1,264,964
Excess (deficiency) of funds advanced	\$ 69,800	\$ 43,000	\$ 36,030	\$ 3,024	\$ 29,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditors' Report on Supplementing Information

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL INCURRING COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTIONS CONTRACT FPA-1198  
SEPTEMBER 30, 1997

	Fiscal Year 1997						Page Total
	Jan. 1-31	Feb. 1-31	Mar. 1-31	Apr. 1-31	May 1-31	Jun. 1-31	
Funds approved	\$ 1,780	\$ 11,898	\$ 69,728	\$ 132,449	\$ 68,681	\$ 29,401	\$ 316,238
Funds expended	(1,280)	(11,695)	(69,238)	(132,449)	(68,681)	(29,401)	(316,238)
Excess (Deficiency) of Funds approved	\$ 500	\$ 2,203	\$ 49,490	\$ 0	\$ 0	\$ 0	\$ 500
Funds advanced Grant funding	\$ 1,280	\$ 11,695	\$ 69,238	\$ 132,449	\$ 68,681	\$ 29,401	\$ 316,238
Total Funds advanced	1,780	11,898	69,728	132,449	68,681	29,401	316,238
Funds expended	(1,280)	(11,695)	(69,238)	(132,449)	(68,681)	(29,401)	(316,238)
Excess (Deficiency) of funds advanced	\$ 500	\$ 2,203	\$ 49,490	\$ 0	\$ 0	\$ 0	\$ 500

See Independent Auditor's Report on Supplementary Information.



HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL ACCUMULATION COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT #6-1199  
SEPTEMBER 30, 1997

	Fiscal Year 1997						
	Jan-97	Jan-98	Jan-99	Jan-00	Jan-01	Jan-02	Page Total
Funds approved	\$ 2,500	\$ 2,445	\$ 12,204	\$ 5,005	\$ 45,161	\$ 45,161	\$ 77,175
Funds expended	(2,500)	(2,445)	(12,219)	(5,005)	(45,161)	(45,161)	(77,175)
Excess (deficiency) of Funds approved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funds advanced: Grant funding	\$ 2,500	\$ 2,445	\$ 12,204	\$ 5,005	\$ 45,161	\$ 45,161	\$ 77,175
Total funds advanced	2,500	2,445	12,204	5,005	45,161	45,161	77,175
Funds expended	(2,500)	(2,445)	(12,219)	(5,005)	(45,161)	(45,161)	(77,175)
Excess (deficiency) of funds advanced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODERIZATION COSTS—NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT FW-1180  
SEPTEMBER 30, 1997

	Fiscal Year 1997				Expn Total	Total
	Jan 1-31	Apr 1-31	Jul 1-31	Oct 1-31		
Funds approved	\$ 293,816	\$ 6,008	\$ 1,322	\$ 4,040	\$ 248,299	\$ 14,848,329
Funds expended	(223,816)	(8,316)	(3,221)	(4,842)	(248,299)	(14,848,329)
Excess (deficiency) of funds approved	\$ 69,999	\$ 14,324	\$ 4,543	\$ 8,882	\$ 0	\$ 0
Funds advanced Grant funding	\$ 293,816	\$ 6,008	\$ 1,322	\$ 4,040	\$ 248,299	\$ 14,848,329
Total funds advanced	293,816	6,008	1,322	4,040	248,299	14,848,329
Funds expended	(223,816)	(8,316)	(3,221)	(4,842)	(248,299)	(14,848,329)
Excess (deficiency) of funds advanced	\$ 69,999	\$ 14,324	\$ 4,543	\$ 8,882	\$ 0	\$ 0

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODERNIZATION COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT PW-1183  
SEPTEMBER 30, 1997

	Fiscal Year 1998				Open Total
	Actual	Actual	Actual	Actual	
Funds approved	\$ 946,204	\$ 1,124,878	\$ 109,000	\$ 2,114,997	\$ 5,121,299
Funds expended	(430,833)	(1,021,433)	(29,846)	(2,088,200)	(4,085,189)
Excess (deficiency) of funds approved	\$ 515,371	\$ 103,445	\$ 138,146	\$ 1,026,797	\$ 1,036,110
Funds advanced: Cost funding	\$ 319,879	\$ 1,119,288	\$ 93,489	\$ 2,114,992	\$ 4,216,202
Total funds advanced	319,879	1,119,288	93,489	2,114,992	4,216,202
Funds expended	(157,875)	(1,021,433)	(29,846)	(2,088,200)	(4,085,189)
Excess (deficiency) of funds advanced	\$ 162,004	\$ 97,855	\$ 63,643	\$ 1,026,792	\$ 1,131,013

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL INCURRED COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT FRA-1196  
SEPTEMBER 30, 1997

	Fiscal Year 1998					Date Total	Total
	Jan 1-29	Jan 1-28	Jan 1-27	Jan 1-26	Jan 1-25		
Funds approved	\$ 385,000	\$ 144,415	\$ 45,251	\$ 17,011	\$ 38,264	\$ 427,938	\$ 4,694,159
Funds expended	(191,250)	(384,315)	(68,245)	(11,811)	(33,264)	(695,311)	(6,136,901)
Excess (deficiency) of funds approved	\$ 193,750	\$ 520,730	\$ 113,496	\$ 28,822	\$ 71,528	\$ 132,627	\$ 1,557,258
Funds advanced Grant funding	\$ 385,000	\$ 144,415	\$ 45,251	\$ 17,011	\$ 38,264	\$ 530,938	\$ 4,614,938
Total funds advanced	385,000	144,415	45,251	17,011	38,264	797,938	4,614,938
Funds expended	(191,250)	(384,315)	(68,245)	(11,811)	(33,264)	(695,311)	(6,136,901)
Excess (deficiency) of funds advanced	\$ 193,750	\$ 520,730	\$ 113,496	\$ 28,822	\$ 71,528	\$ 132,627	\$ 1,557,258

See Independent Auditor's Report on Supplementary Information.

HYDRO ACTIVITIES OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL OPERATIONS COSTS—AS COMPLETED  
ANNUAL CONTRACTS CONTRACT FINANCE  
RESPONSE 10,199

	Fiscal Year 1999											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Funds approved	\$150,000	\$140,000	\$100,000	\$100,000	\$100,000	\$111,500	\$100	\$100	\$100,000	\$100	\$100,000	\$1,700,000
Funds expended	\$80,000	\$100,000	\$100,000	\$80,000	\$80,000	\$80,000	\$800	\$800	\$800,000	\$800	\$800,000	\$1,700,000
Excess (deficiency) of funds approved	\$70,000	\$40,000	\$0,000	\$20,000	\$20,000	\$31,500	\$199	\$199	\$199,999	\$199	\$199,999	\$0
Funds approved Contract financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funds approved	\$150,000	\$140,000	\$100,000	\$100,000	\$100,000	\$111,500	\$100	\$100	\$100,000	\$100	\$100,000	\$1,700,000
Funds expended	\$80,000	\$100,000	\$100,000	\$80,000	\$80,000	\$80,000	\$800	\$800	\$800,000	\$800	\$800,000	\$1,700,000
Excess (deficiency) of funds approved	\$70,000	\$40,000	\$0,000	\$20,000	\$20,000	\$31,500	\$199	\$199	\$199,999	\$199	\$199,999	\$0

See Independent Auditor's Report on Supplemental Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL ACCUMULATION CENTS—NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT FMC-1709  
SEPTEMBER 30, 1987

	Fiscal Year 1989						Total
	July 1-7	July 1-12	July 1-18	July 1-24	July 1-31	August 1-30	
Funds approved	\$ 23,774	\$ 9,379	\$ 8,091,172	\$ 563,879	\$ 1,208,272	\$ 820,446	\$ 15,800,000
Funds expended	(23,278)	(2,354)	(8,031,123)	(563,879)	(1,208,272)	(820,446)	(15,800,000)
Excess (Deficiency) of Funds approved	\$ 4,496	\$ 1,025	\$ 60,049	\$ 0	\$ 0	\$ 0	\$ 0
Funds advanced Other funding	\$ 23,774	\$ 9,379	\$ 8,091,172	\$ 563,879	\$ 1,208,272	\$ 820,446	\$ 15,800,000
Total funds advanced	23,774	9,379	8,091,172	563,879	1,208,272	820,446	15,800,000
Funds expended	(23,278)	(2,354)	(8,031,123)	(563,879)	(1,208,272)	(820,446)	(15,800,000)
Excess (Deficiency) of Funds advanced	\$ 4,496	\$ 1,025	\$ 60,049	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report on Supplementary Information.

**PROPOSED AFFIDAVITS OF NEW DELEGES**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENT OF ACTUAL ACCUMULATION COSTS—NOT COMPLETED**  
**APPROX. COMMENCEMENT CONTRACT PERIOD**  
**SEPTEMBER 28, 1991**

	12/31	3/31	6/30	9/30	12/31	3/31	6/30	9/30	12/31	3/31	6/30	9/30	12/31
Funds approved	\$ 42,388	\$ 42,388	\$ 78,000	\$ 424,204	\$ 471,001	\$ 31,341							\$ 424,204
Funds expended	\$ 41,960	\$ 41,960	\$ 68,310	\$ 351,520	\$ 358,250	\$ 115,281							\$ 358,250
Excess (deficiency) of funds approved	\$ 428	\$ 428	\$ 11,690	\$ 212,684	\$ 112,751	\$ 215,720							\$ 66,954
Funds advanced		\$ 42,388	\$ 42,388	\$ 424,204	\$ 468,001	\$ 31,341							\$ 424,204
Cash Funding		\$ 42,388	\$ 42,388	\$ 424,204	\$ 468,001	\$ 31,341							\$ 424,204
Total funds advanced		\$ 42,388	\$ 42,388	\$ 424,204	\$ 468,001	\$ 31,341							\$ 424,204
Funds expended		\$ 41,960	\$ 41,960	\$ 351,520	\$ 358,250	\$ 115,281							\$ 358,250
Excess (deficiency) of funds advanced		\$ 428	\$ 428	\$ 11,690	\$ 112,751	\$ 215,720							\$ 66,954

See Independent Auditor's Report on Supplementary Information.

INDIVIDUAL AUTHORITYS OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODIFICATION COSTS - NOT COMPLETED  
ANNUAL CONSTRUCTION CONTRACT #94-190  
BY: FEBRUARY 28, 2003

	Fiscal Year 1999							
	10-1-97	10-1-98	10-1-99	10-1-00	10-1-01	10-1-02	10-1-03	Year Total
Funds approved	\$ 1,480,199	\$ 1,340,664	\$ 1,420,564	\$ 1,420,478	\$ 1,142,131	\$ 284,775	\$ 711,079	\$ 6,381,829
Funds expended	\$ 278,000	\$ 282,130	\$ 425,130	\$ 345,550	\$ 412,210	\$ 411,850	\$ 284,450	\$ 2,539,280
<b>Balance (Modifications) of funds approved</b>	\$ 1,202,199	\$ 1,058,534	\$ 995,434	\$ 1,074,928	\$ 729,921	\$ 1,072,925	\$ 426,629	\$ 3,842,549
Funds approved from funding	\$ 2,200,000	\$ 1,340,664	\$ 1,420,564	\$ 1,386,338	\$ 1,089,028	\$ 1,014,208	\$ 284,811	\$ 8,355,539
Total funds advanced	\$ 2,978,000	\$ 1,622,794	\$ 1,495,998	\$ 1,431,888	\$ 1,142,131	\$ 1,349,083	\$ 569,261	\$ 9,060,539
Funds expended	\$ 278,000	\$ 282,130	\$ 425,130	\$ 345,550	\$ 412,210	\$ 411,850	\$ 284,450	\$ 2,539,280
<b>Balance (Modifications) of funds advanced</b>	\$ 2,700,000	\$ 1,340,664	\$ 1,070,868	\$ 1,086,338	\$ 729,921	\$ 937,233	\$ 284,811	\$ 6,521,259

This Independent Auditor's Report is Preliminary Information.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**STATEMENT OF ACTUAL MODERNIZATION COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT F66-1119  
SEPTEMBER 30, 1997**

	Fiscal Year 1997			Total
	Jan-97	Jan-98	Jan-99	
Funds approved	\$ 199,377	\$ 176,852	\$ 1,000,000	\$ 1,376,229
Funds expended	(206,168)	(118,852)	(1,000,000)	(1,325,020)
Excess (deficiency) of funds approved	\$ (26,891)	\$ 0	\$ 162	\$ (26,729)
Funds advanced:				
Grant funding	\$ 225,462	\$ 176,852	\$ 1,000,000	\$ 1,402,314
Total funds advanced	225,462	176,852	1,000,000	1,402,314
Funds expended	(206,168)	(118,852)	(1,000,000)	(1,325,020)
Excess (deficiency) of funds advanced	\$ (28,222)	\$ 0	\$ 162	\$ (28,060)

See Independent Auditor's Report on Supplementary Information.

**BOUDDING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENT OF ACTUAL MODERNIZATION COSTS--NOT COMPLETED**  
**ANNUAL CONTRIBUTION CONTRACT FWA-1706**  
**SEPTEMBER 30, 1997**

	Fiscal Year 1997										Date Total	
	Jan.1-1	Jan.1-2	Jan.1-3	Jan.1-4	Jan.1-5	Jan.1-6	Jan.1-7	Jan.1-8	Jan.1-9	Jan.1-10		
Funds approved	\$ 14,505	\$ 11,090	\$ 13,345	\$ 6,797	\$ 13,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 81,607
Funds expended	(3,245)	(10,350)	(8,000)	(5,142)	—	—	—	—	—	(10,319)	(8,812)	(48,714)
<i>Excess (deficiency) of funds approved</i>	\$ 11,260	\$ 1,740	\$ 5,345	\$ 1,655	\$ 13,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 11,345	\$ 1,026	\$ 2,533	\$ 32,893
Funds advanced: Over funding	\$ 3,245	\$ 11,168	\$ 8,000	\$ 6,142	—	—	—	—	—	\$ 11,579	\$ 8,812	\$ 49,714
Total funds advanced	\$ 3,245	\$ 11,168	\$ 8,000	\$ 6,142	—	—	—	—	—	\$ 11,579	\$ 8,812	\$ 49,714
Funds expended	(3,245)	(10,350)	(8,000)	(5,142)	—	—	—	—	—	(10,319)	(8,812)	(48,714)
<i>Excess (deficiency) of funds advanced</i>	—	—	—	—	—	—	—	—	—	—	—	—

See Independent Auditor's Report on Supplementary Information.

**HOUSSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENT OF ACTUAL MODERNIZATION COSTS--NOT COMPLETED**  
**ANNUAL CONSTRUCTION CONTRACT (PR-119)**  
**SEPTEMBER 30, 1987**

	Fiscal Year 1987										
	La. 1-89	La. 1-91	La. 1-93	La. 1-95	La. 1-97	La. 1-99	La. 1-01	La. 1-03	La. 1-05	La. 1-07	Page Total
Funds approved	\$ 8,300	\$11,240	\$4,658	\$13,390	\$11,400	\$22,170	\$73,360				\$173,360
Funds expended	(1,315)	(2,709)	(4,187)	(7,893)	(7,638)	(11,175)	(42,203)				(68,203)
Excess (deficiency) of funds approved	\$ 6,985	\$ 8,531	\$ 8,845	\$ 5,497	\$ 3,762	\$ 10,995	\$ 31,157				\$ 105,157
Funds advanced Grant funding	\$ 3,515	\$ 7,718	\$ 4,397	\$ 7,999	\$ 7,638	\$ 11,175	\$ 42,369				\$ 87,802
Total funds advanced	3,515	7,718	4,397	7,999	7,638	11,175	42,369				87,802
Funds expended	(1,315)	(2,709)	(4,187)	(7,893)	(7,638)	(11,175)	(42,203)				(68,203)
Excess (deficiency) of funds advanced	\$ 2,200	\$ 5,009	\$ 2,210	\$ 1,106	\$ 1,000	\$ 1,000	\$ 4,166				\$ 19,599

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODERATION COSTS—NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT #M-1180  
SEPTEMBER 30, 1997

	Fiscal Year 1997										Grand Total	
	La. 1-11	La. 1-18	La. 1-25	La. 2-1	La. 2-8	La. 2-15	La. 2-22	La. 2-29	La. 3-6	La. 3-13		
Funds approved	\$14,225	\$14,425	\$14,180	\$14,080	\$14,080	\$14,080	\$14,280	\$14,280	\$14,280	\$14,280	\$14,280	\$139,000
Funds expended	(8,960)	(8,500)	(8,580)	-0-	(8,480)	-0-	(8,480)	(8,480)	(8,480)	(8,480)	(8,480)	(81,960)
Excess (deficiency) of funds approved	\$5,265	\$5,925	\$5,600	\$14,080	\$14,080	\$14,080	\$14,080	\$14,080	\$14,080	\$14,080	\$14,080	\$57,040
Funds advanced Grant funding	\$5,000	\$5,000	\$5,180	-0-	\$5,180	-0-	\$5,480	\$5,480	\$5,480	\$5,480	\$5,480	\$52,600
Total funds advanced	9,960	9,500	2,180	-0-	2,180	-0-	2,600	2,600	2,600	2,600	2,600	23,460
Funds expended	(8,960)	(8,500)	(8,580)	-0-	(8,580)	-0-	(8,480)	(8,480)	(8,480)	(8,480)	(8,480)	(81,960)
Excess (deficiency) of funds advanced	\$900	\$1,000	(600)	-0-	(600)	-0-	(200)	(200)	(200)	(200)	(200)	(2,000)

See Independent Auditor's Report on Supplementary Information

BOATING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODERNIZATION COSTS--NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT FWA(119)  
SEPTEMBER 30, 1997

	Fiscal Year 1997									
	La.1-22	La.1-23	La.1-24	La.1-25	La.1-26	La.1-27	La.1-28	La.1-29	La.1-30	Enclosed
Funds approved	\$ 2,400	\$ 1,000	\$ 20,000	\$ 2,400	\$ 2,400	\$ 1,000	\$ 2,400	\$ 2,400	\$ 2,400	\$ 21,200
Funds expended	(2,400)	(1,000)	(20,000)	(2,400)	(2,400)	(1,000)	(2,400)	(2,400)	(2,400)	(21,000)
Excess (deficiency) of funds approved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Funds advanced: Grant funding	(2,400)	(1,000)	(20,000)	(2,400)	(2,400)	(1,000)	(2,400)	(2,400)	(2,400)	(21,000)
Total funds advanced	2,400	1,000	20,000	2,400	2,400	1,000	2,400	2,400	2,400	21,200
Funds expended	(2,400)	(1,000)	(20,000)	(2,400)	(2,400)	(1,000)	(2,400)	(2,400)	(2,400)	(21,000)
Excess (deficiency) of funds advanced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL MODIFICATION COSTS—NOT COMPLETED  
ANNUAL CONTRIBUTION CONTRACT F9-1119  
SEPTEMBER 30, 1997

	Fiscal Year 1997											Total
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	
Funds approved	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$14,000
Funds expended	(2,600)	(2,600)	—	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(60,000)
Source (deficiency) of funds approved	\$2,000	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$14,000
Funds advanced Other funding	\$13,600	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$136,000
Total funds advanced	\$14,600	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$280,000
Funds expended	(2,600)	(2,600)	—	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(60,000)
Source (deficiency) of funds advanced	\$12,000	\$5,400	\$2,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800	\$220,000

See Independent Auditor's Report on Supplementary Information.

**EXTENSIVE AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATEMENT OF ACTUAL ACCUMULATED CONTRACTS COMMITTED  
ACCUMULATED CONTRACTS COMMITTED  
SEPTEMBER 30, 1990**

	Project LA000002010	Project LA000002001	Project LA000001004	Project LA000001040	Project LA000001006	Project LA000001004	Project LA000001004	Project LA000001004	Project LA000001004	Project LA000001004
not approved not expended	\$ 3,664,000 14,552,210	\$ 9,471,000 11,985,000	\$ 10,000,000 8,100,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000
Total (if authority of funds approved)	\$ 13,116,000	\$ 20,411,000	\$ 24,900,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000
not approved not expended	\$ 10,114,000 14,552,210	\$ 9,471,000 11,985,000	\$ 10,000,000 8,100,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000	\$ 11,000,000 1,000,000
Total (if authority of funds advanced)	\$ 10,114,000	\$ 20,411,000	\$ 24,900,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000

See Independent Auditors' Report on Supplementary Information

HOUSING SERVICES DEPARTMENT  
 2008-2009 BUDGET

DEPARTMENTAL BUDGETARY CONTROL SYSTEM  
 FUND BALANCE SHEET

	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>2007</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>2008</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>2009</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Total</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>2007</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>2008</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>2009</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Total</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

Federal Grants/Program Title	Federal CFDA Number	Contract Contract Number	Federal Expenditures
<b>U. S. Department of Housing and Urban Development:</b>			
<b>Direct Awards</b>			
<b>Public and Indian Housing-</b>			
Operating Subsidy	14.850	FW-1199	\$ 28,981,158
Section 8 Rental Certificate Program	14.857	FW-2053	16,150,496
Section 8 Rental Voucher Program	14.855	FW-2217	2,091,462
Section 8 New Construction	14.382	FW-2200	1,248,699
<b>Public and Indian Housing Drug Elimination Program</b>			
Public and Indian Housing	14.854	LA48DEP00001	5,007,277
<b>Public and Indian Housing Comprehensive Grant Program</b>			
	14.859	LA48P0070192	6,145,972
	14.859	LA48P0070293	1,407,898
	14.859	LA48P0070394	4,224,596
	14.859	LA48P0070495	4,106,303
	14.859	LA48P0070596	6,243,608
<b>Public and Indian Housing Comprehensive Improvement Assistance Program</b>			
	14.852	FW-1199	4,273,358
Vacancy Reduction Program	N/A	LA48VRI00194	1,633,359
Urban Revitalization Program	N/A	LA48URD00194	131,612
Urban Youth Corps Program	N/A	LA06UYC00199195	179,836
<b>Total expenditures of federal awards</b>			<b>\$82,084,621</b>

**NOTE: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of **HANO** and is presented on a modified accrual basis of accounting. The information on this schedule is presented in accordance with and the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

See Independent Auditors' Report on Supplementary Information.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general-purpose financial statements of the Housing Authority of New Orleans (HANO), New Orleans, Louisiana as of and for the year ended September 30, 1997, and have issued our report thereon dated July 28, 1998. We expressed a qualified opinion on the general-purpose financial statements because the general-purpose financial statements are affected by departures from generally accepted accounting principles as more fully discussed in NOTES 1 and 8 to the general-purpose financial statements. Except as previously discussed, 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 HANO's financial statements are free of material misstatement, we performed a test 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 test disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 97-2, 97-6, 97-11, 97-13, 97-14, 97-15 through 97-17 and 97-21.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered HANCO'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 HANCO's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1, 97-3 through 97-10, 97-12 and 97-18 through 97-20.

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 general-purpose 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 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 considered to be material weaknesses. However, of the reportable conditions described above we consider items 97-1, 97-3 through 97-5, 97-7, 97-8, 97-20 to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

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

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

July 28, 1998

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

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

### Compliance

We have audited the compliance of the **Housing Authority of New Orleans (HANO)**, New Orleans, Louisiana, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements and Public and Justice Housing (PIJ) Notice 98-32 Compliance Supplement for Annual Audits of Public Housing Agencies and Justice Housing Activities by Independent Auditors* that are applicable to its major federal programs for the year ended September 30, 1997. HANO's major federal programs are identified in the accompanying Summary 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 HANO's management. Our responsibility is to express an opinion on HANO'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; OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*; and PIJ Notice 98-32, *Compliance Supplement for Annual Audits of Public Housing Agencies and Justice Housing Activities by Independent Auditors*. Those standards, OMB Circular A-133 and PIJ Notice 98-32 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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133  
(CONTINUED)

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could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HANO's compliance with these 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 HANO's compliance with these requirements.

As described in items 97-2, 97-11, 97-13 through 97-17 and 97-21 in the accompanying schedule of findings and questioned cost, HANO did not comply with the requirements regarding Section 9 - Depository Agreement and General Fund and Section 15 - Books of Account, Records, and Government Access of the Consolidated Annual Contributions Contract (ACC) between HANO and the U.S. Department of Housing and Urban Development (HUD) that are applicable to ACC F'W-1090 and F'W-2053. Compliance with such requirements, in necessary in our opinion, for HANO to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, HANO 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 September 30, 1997.

#### **Internal Control Over Compliance**

The management of HANO 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 HANO'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 A-133.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH COMB. CIRCULAR A-133  
(CONTINUED)

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We noted certain matters involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect HUDO's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1, 97-3, 97-4 through 97-8, 97-10, 97-12, 97-18 through 97-20.

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 noncompliance 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above we consider items 97-1, 97-3 through 97-5, 97-7, 97-8 and 97-20 to be material weaknesses.

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

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

July 28, 1988

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number:**

97-1

**Federal Programs:**

All programs (see Schedule of Expenditures of Federal Awards)

**Criteria:**

Pursuant to Section 15 of the Consolidated Annual Contributions Contracts:

"The HA must maintain complete and accurate books of account for the projects for the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit".

**Condition:**

- o At September 30, 1997 numerous bank reconciliations reflected out-of-balance conditions from the respective general ledger accounts as follows:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
001.111131	Cash - Liberty Modernization	- \$ 235,766
001.111119	Cash - FNHC Payroll	- 217,838
001.111132	Cash - Dryades S&L	- 198,356
001.111126	Cash - Liberty General Fund	- 348,274
001.111118	Cash - FNHC - Modernization	- 226,532
001.111127	Cash - Liberty - Section 8	- 88,094
001.111101	Cash - Hibiscus - Section 8	- 75,927



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number, CONTINUED**

97-1

- o Journal entries prepared by HANO to resolve the out-of-balance conditions previously discussed impacted various balance sheet accounts. However, we noted entries totaling \$382,851 proposed to write-off cash related unidentified bank reconciling items as follows:

Account No.	Description	Amount
001.111101	Cash - Ibernia - Section 8	\$ 75,716
001.111119	Cash - FNBC Payroll	214,101
007.111127	Cash - Liberty - Section 8	<u>93,034</u>
		<u>\$382,851</u>

The total write-off amount of \$382,851 is reflected as questioned cost.

- o Several bank reconciliations included reconciling items between the book and bank balances that at September 30, 1997 had been outstanding for several months as follows:

Account No.	Description	Months
001.111131	Cash - Liberty-Modernization	16-months
001.111119	Cash - FNBC - Payroll	24-months
001.111132	Cash - Dryades S&L	12-months
001.111126	Cash - Liberty General Fund	9-months
001.111118	Cash - FNBC - Modernization	36-months
001.111127	Cash - Liberty - Section 8	16-months

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SCHEDULE OF FINANCIAL AND QUESTIONED COSTS, CONTINUED  
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**Reference Number, CONTINUED**

97-1

- g. Journal vouchers prepared by staff to properly record identified reconciling items in various bank reconciliations, were not being prepared and recorded on a timely basis as follows:

Account No.	Description	Months Unrecorded
001.111131	Cash - Liberty Modernization -	16-months
001.111119	Cash - FNDC - Payroll -	24-months
001.111132	Cash - Dryden S&L -	12-months
001.111128	Cash - Liberty General Fund -	9-months
001.111118	Cash - FNDC - Modernization -	36-months
001.111127	Cash - Liberty - Section II -	16-months
001.111128	Cash - Dryden-S&L 30 -	12-months
001.111125	Cash - FNDC-General Fund -	8-months

- h. Bank accounts closed during the year continue to reflect a general ledger balance as follows:

Account No.	Description	Balance
001.111110	Cash - Alerion - Payroll -	\$ 869
001.111115	Cash - FNDC - Press Park -	110
001.111120	Cash - Alerion - Mod -	1,940
002.111107	Cash - FNDC - Christopher -	546
		<u>\$2,865</u>

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

92-1

- e. The following significant September, 1997 bank reconciliations prepared by staff had no indication of supervisory review:

<u>Account No.</u>	<u>Description</u>
001.111116	Cash - FNBC - Self-insured
001.111126	Cash - Liberty - General Fund
001.111131	Cash - Liberty-Modernization

- e. Furthermore, clerical and mathematical errors were noted in Liberty-Modernization (account number 111131) and FNBC payroll (account number 111119) bank reconciliations;

- e. The following September, 1997 bank reconciliations reflected checks that have been outstanding in excess of six months; and

<u>Account No.</u>	<u>Description</u>
001.111126	Cash - Liberty - General Fund
001.111119	Cash - Liberty - Self-insured
001.111125	Cash - FNBC - General Fund
001.111131	Cash - Liberty-Modernization
001.111127	Cash - Liberty-Section B

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**Reference Number, CONTINUED**

97-1

- o There was no evidence of internal monitoring of the adequacy of collateral for all cash deposits and certificates of deposit in excess of \$100,000 to prevent the risk of loss for deposits at financial institutions that exceed Federal Deposit Insurance Corporation (FDIC) insurance limits.

**Questioned Costs**

\$182,851

**Comments**

Reportable Condition - Material Weakness

**Effect**

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contribution Contracts.

**Cause**

Lack of adequate controls in the cash management and bank reconciliation functions.

**Recommendation**

We recommend that the entire cash management and bank reconciliation function be evaluated together with the personnel who are currently assigned to various aspects of the bank reconciliation process. Appropriate training and supervision should be afforded to these employees to assist them in performing their duties. We also recommend that HAND's Department of Audit and Compliance include in their work plan procedures to periodically monitor and review the bank reconciliation function to ensure timeliness and propriety of bank reconciliations and proper recording of reconciling items.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
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Reference Number, CONTINUED

97-1

Management's Response

The Housing Authority of New Orleans has contracted with a consultant, working in conjunction with the Department of Audit & Compliance in an effort to resolve the issues mentioned in the above recommendation.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:**

97-2

**Federal Programs:**

All programs (see Schedule of Expenditures of Federal Awards)

**Criteria:**

Pursuant to Section 9 of the Consolidated Annual Contributions Contracts

"The HA shall deposit and invest all funds and investment securities received by or held for the account of the HA in connection with the development, operation and improvement of the projects under an ACC with HUD in accordance with the terms of the General Depository Agreement(s). The General Depository Agreement shall be in the form prescribed by HUD and must be executed by the HA and the depository. Immediately upon the execution of any Depository Agreement, the HA shall furnish a copy to HUD. Such executed or confirmed copies thereof as HUD may require; a Depository Agreement shall not be terminated except after 30 days notice to HUD."

**Condition:**

General Depository Agreements for all bank accounts maintained by HANO were unavailable.

**Questioned Costs:**

None

**HOUSING AUTHORITY OF NEW ORLEANS  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:** CONTINUED

97-2

**Comments**

*Audit Finding:*

**Effect**

Noncompliance with the requirements of Section 9 of the Consolidated Annual Contribution Contracts.

**Cause**

Lack of adequate controls in the cash management and bank reconciliation function.

**Recommendation**

We recommended that HANO comply with the requirements of Section 9 of the Consolidated Annual Contributions Contracts - Depository Agreement and General Fund.

**Management's Response**

The Housing Authority of New Orleans has received the proper forms from HUD and will complete such forms as required by August 31, 1998.

**HOUSING AUTHORITY OF NEW ORLEANS  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

93-3

**Federal Programs**

ACC FW-1199 (see Schedule of Expenditures of Federal Awards)

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contributions Contracts

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit."

**Condition**

- o A tenants' accounts receivable aged trial balance was not prepared to support the general ledger balance of tenants accounts receivable as reflected on the general ledger at September 30, 1997 in the amount of \$318,640. Subsequently, journal entries in the amount of \$334,119 was proposed by management and reflected in the financial statements as write-off of unidentified tenants accounts receivable; the write-off amount of \$334,119 has been reflected as questioned costs in this report.
- o HUD-52295 (Report of Tenants Accounts Receivable) as of September 30, 1997 was not submitted to HUD; and
- o A tenant security deposit ledger was not prepared to support the general ledger balance of tenant security deposits as reflected on the general ledger at September 30, 1997 in the amount of \$652,834.



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

97-3

- o The tenant accounting section of HANO's Accounting department does not appear to be adequately staffed to handle and reconcile various aspects of tenant transactions (i.e. reconciliation of cashier daily cash receipts reports to deposit tickets and bank statements, reconciliation of general ledger tenant receivable and tenant security deposit balances to subsidiary reports, preparation of HUD's 52525-Report of Tenant Accounts Receivable, etc.) to facilitate the timely and accurate reporting of financial information related to tenant activity.

**Questioned Costs**

\$334,119

**Comments**

Reportable Condition - Material Weakness.

**Effect**

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contribution Contract.

**Cause**

Lack of adequate controls in the cash management and bank reconciliation functions.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

87-2

**Recommendation**

We recommend that a tenant accounts receivable aged trial balance and a tenants security deposit ledger be generated on a monthly basis and that the tenants receivable balances and security deposit balances as reflected on these subsidiary reports be reconciled to the appropriate general ledger control accounts on a monthly basis. Additionally, we recommend that HUD 52295 be prepared and submitted to HUD as required. Lastly, we recommend that management evaluate the current staffing of the tenant accounting section of the Accounting department to ensure its capacity to handle and reconcile all aspects of tenant accounting transactions.

**Management's Response**

The Housing Authority of New Orleans, along with a consultant, is in the process of reconciling the tenant accounts receivable and the tenants security deposit ledgers. We have recently hired an accountant for the tenant accounting area, which has been under staffed for the past year and a half. The 52295 report has been submitted for the period ended March 31, 1998. This report is required bi-annually.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-4

**Federal Program**

All programs (see Schedule of Expenditures of Federal Awards)

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contributions Contract.

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits."

**Condition**

- e- Subsidiary ledgers are not maintained and/or reconciled to the applicable general ledger control accounts for the following significant accounts:

- Investments

The subsidiary report of Investments (Homeownership accounts) at September 30, 1997 exceeded the corresponding general ledger account balance by \$14,821.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-4

**Condition, Continued**

-- **Accounts receivable (other than tenants)**

Based on an analysis of account 001.2112940 (accounts receivable modernization) prepared at our request during the course of the audit, management identified \$1,551,910 of recorded receivables that could not be validated and for which we could not assess collectibility. No journal entries were proposed to resolve these unidentified receivables as of September 30, 1997 and May 23, 1998. Subsequently, journal entries have been prepared by HANO to write-off the unidentified receivables.

-- **Accounts payable - Vendors/Contractors**

HANO reported a debit balance of approximately \$439,000 in accounts payable - vendors and contractors (Account No. 001.211100) at September 30, 1997. In addition, there was no reconciliation performed of the general ledger balance in this account to a subsidiary ledger or report at September 30, 1997. Subsequently, journal entries totaling \$848,000 were recorded to fairly state the accounts payable balance of which \$596,543 was recorded as a prior period adjustment for amounts that could not be identified. This amount has been reflected as questioned costs.

-- **Accounts payable - Contract Retentions**

The balance in accounts payable - contract retentions account (Account No. 001.211200) is not periodically reconciled to a subsidiary ledger or report. Subsequently, journal entries totaling \$3,275,633 were proposed by management to fairly state the balance in accounts payable - contract retentions at September 30, 1997.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-4

**Condition, Continued**

-- **Payroll Expense**

Inaccurate recodulation of payroll expense in the amount of approximately \$274,000 during the preparation of Internal Revenue Service Form 941 (Employer's Quarterly Federal Tax Return).

-- **Accrued Liabilities - Utilities**

We noted a significant difference in the beginning balance as reflected on HANO's general ledger and its September 30, 1996 audit report in the amount of \$1,115,729. Subsequently, audit adjusting entries totaling \$2,795,358 were prepared and recorded to fairly state HANO's liability for accrued utilities and related utility expense as of September 30, 1997 and for the year then ended.

-- **Surplus (HUD Basis)/Fund Balance (GAAP)**

HANO was unable to reconcile the surplus/fund balance beginning balances at October 1, 1996 to the corresponding surplus balances as reflected in the September 30, 1996 audit report for Annual Contribution Contract FW-1199.

These unreconciled differences are illustrated as follows:

	HUD-5299	Audit Report	Difference
Unreserved surplus	\$245,416,450	\$248,934,780	\$ 3,518,330
Reserved surplus - operating reserve	18,000,218	15,000,580	4,719,638
Cumulative HUD Contributions	808,102,604	722,338,001	85,764,603

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1987**

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**Reference Number: CONTINUED**

93-4

**Condition Continued**

Additionally, included in Cumulative HUD Contributions per HUD Form 52595 are approximately \$80 million of HUD Modernization Grants which were incorrectly included in Cumulative HUD Contributions which accounts for approximately \$80 million of the \$86 million difference in Cumulative HUD Contributions noted above.

Reconciliations of surplus beginning balances at October 1, 1996 to the corresponding balances as reflected in the September 30, 1996 audit report for Annual Contribution Contracts FW-2053, FW-2217 and FW-2260 were not prepared and unavailable.

-- **Modernization and Development**

At September 30, 1987 modernization and development expenditures through Comprehensive Improvement Assistance Programs (CIAP) and Comprehensive Grant Program (CGP) were not reconciled to subsidiary ledgers or reports. Expenditures as reflected on HANO's general ledger were not reconciled to subsidiary ledgers nor expenditure reports prepared and submitted to HUD. Subsequently, HANO made available to us a reconciliation of its CCP funds with out-of-balance conditions illustrated as follows:

	Tracking System	General Ledger	Difference
Comprehensive Grant '82	\$ 14,931,214	\$ 15,131,049	\$ 200,335
Comprehensive Grant '83	7,984,932	8,534,917	550,185
Comprehensive Grant '84	4,780,345	4,940,184	159,439
Comprehensive Grant '85	7,858,897	6,683,879	(1,185,918)
Comprehensive Grant '86	6,240,808	4,826,675	(1,408,933)

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-4

**Condition, Continued**

- o There are several balance sheet accounts in the general ledger for which management was unaware of the composition or purpose which necessitated our request of management to have these accounts researched to identify the appropriateness of the balances. Additionally, several accounts in the general ledger reflected balances at September 30, 1997 which were contrary to the nature and description of the account (i.e. accounts receivable accounts with credit balances and accounts payable accounts with debit balances).

**Questioned Costs**

\$596,543

**Comments**

Reportable Condition - Material Weakness.

**Effect**

Non-compliance with the requirements of Section 15 of the Consolidated Annual Contribution Contract.

**Cause**

Lack of adequate controls over financial reporting.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-4

**Recommendation**

We recommend that management establish subsidiary ledgers for all significant accounts and perform monthly reconciliations of the balances in these accounts as reflected on the subsidiary ledgers to the applicable general ledger control account. The reconciliation process should include identification of the composition of the accounts. The reconciliations should be prepared in writing and all reconciling items should be documented and the necessary corrections made to the subsidiary ledgers or journal vouchers prepared and posted to the general ledger as applicable on a timely basis.

**Management's Response**

The Housing Authority of New Orleans is working with a consultant in an effort to establish subsidiary ledger for all significant accounts. This task should be completed by December 31, 1998.



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number**

93-5

**Federal Programs**

Annual Contribution Contracts (ACC) FW-1198, FW-2053 and FW-2217 (See Schedule of Expenditures for Federal Awards)

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contributions Contracts:

"The HA must maintain complete and accurate books of account for the projects for the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit".

**Condition**

The financial reports as of and for the year ended September 30, 1997 prepared and submitted to the United States Department of Housing and Urban Development (HUD) for ACC FW-1190 (HUD-52595 Balance Sheet for Section 8 and Public Housing, HUD-52596 Statement of Income and Expense and Changes in Accumulated Surplus or Deficit from Operations and HUD-52599 Statement of Operating Receipts and Expenditures) and FW-2053 and FW-2217 (HUD-52595 Balance Sheet for Section 8 and Public Housing and HUD-52681 Voucher for Payment of Annual Contributions and Operating Statement - Housing Assistance Payments Program) did not agree to the financial books and records (i.e. Trial Balance Fund Detail) of HANO as shown below:

ACC FW-1190	For General Budget Cr. HUD-52599	For HUD Form 52585, 52589 Cr. 52598
Advances	\$ 316,777.80	\$ 272,011.83 (52995)
Development Cost	378,082,184.80	378,068,263.80 (52596)
Administrative Expenses	6,809,281.80	6,793,525.80 (52599)
Operating Expenses (52599)	48,717,193.80	48,593,530.80 (52598)

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number: CONTINUED**

97-5

a ACC FW-2053

Operating expenses	\$15,974,788(G/L)	\$15,929,172 (\$2681)
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a ACC FW-2217

ACC Earned	1,949,200(G/L)	2,051,462 (\$2681)
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Additionally, clerical errors were noted in the preparation of HUD Form 52681 for ACC FW-2053 as follows:

Total operating expenses	HUD 52681 (as submitted)	\$15,291,172
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Total operating expenses	HUD 52681 (corrected)	15,929,172
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**Questioned Cost**

NONE

**Comments**

Reportable Condition - Material weaknesses

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NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-5

**Effect**

Noncompliance with the requirements of Section 13 of the Consolidated Annual Contribution Contract.

**Cause**

Lack of adequate controls over financial reporting.

**Recommendation**

We recommend that the set-up and configuration of the summary reports used to prepare the HUD financial statements be reviewed for propriety and that the HUD reports when completed be reconciled to the Trial Balance Fund Detail. Additionally, we recommend that the reports be reviewed by a designated person at a supervisory level independent of the report preparation process to ensure propriety and clerical accuracy.

Additionally, we recommend that the financial management staff verify that there are no unposted accounting transactions existing in the various accounting software modules utilized by HANO prior to closing to ensure the completeness of its financial statements.

**Management's Response**

The Housing Authority of New Orleans has instituted measures to insure the accuracy of reports and the complete posting of all monthly activity.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number**

97-6

**Federal Programs**

All programs (See Schedule of Expenditures of Federal Awards)

**Criteria**

Not applicable

**Condition**

Inter-fund advances are not reimbursed by the borrowing fund on a timely basis nor is inter-fund advances reconciled on a monthly basis. At September 30, 1997 the combined interfund balance is \$3,834,000.

**Questioned Costs**

NONE

**Comments**

Reportable condition

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-6

**Effect**

Complication of the reconciliation of inter-fund activity.

**Cause**

Untimely reimbursement of inter-fund borrowing.

**Recommendation**

We recommend that inter-fund advances (receivables/payables) be reviewed by a designated individual on a monthly basis and reimbursed on a timely basis.

**Management's Response**

An Accountant Supervisor reviews interfund receivables/payables. The reimbursement of funds is done monthly.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number**

97-7

**Federal Program**

ACC-FW-1180 (See Schedule of Expenditures of Federal Awards)

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contribution Contracts:

"The HA must maintain complete and accurate books of account for the projects for the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit".

**Condition**

- a. As September 30, 1997, the homebuyers investment account did not agree to the corresponding liability account;

The homebuyers' investment account balance was \$1,478,637 versus the homebuyers reserves account balance of \$566,716 resulting in a difference of \$911,917.

- b. Detail of homebuyers investments did not agree to the corresponding general ledger control account at September 30, 1997; See Finding 97-d

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number:** CONTINUED

97-7

**Condition:** Continued

- o Proceeds from the sales of homeownership units for the year ended September 30, 1997 as reflected on the general ledger of HANO did not reconcile to supporting sales documents;

Proceeds from 1997 sales per general ledger	\$37,179
Proceeds from 1997 sales per sales documents	<u>52,840</u>
Difference	<u>\$15,661</u>

- o No entries were recorded to the books and records of HANO to remove the carrying value of homeownership units sold during the year ended September 30, 1997.

**Questioned Costs**

NONE.

**Comments**

Reportable Condition - Material Weakness

**Effect**

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contribution Contracts.

**Cause**

Lack of adequate controls and procedures regarding the Homeownership program.

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NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

91-3

**Recommendation**

We recommend that HANO's current accounting policies and procedures utilized for the homeownership program be evaluated for adequacy and that those procedures include but not limited to:

- Monthly reconciliation of the homebuyers investment account to the corresponding liability account;
- Monthly reconciliation of the detail of homebuyers investments to the applicable general ledger control account;
- Periodic reconciliation of the proceeds from the sale of homeownership units as reflected on the general ledger to the supporting sales documents; and
- Timely reconciliation to remove the carrying value of homeownership units sold from the books and records of HANO.

**Management's Response**

The Housing Authority of New Orleans agrees with this recommendation and will initiate recommended changes immediately.



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:**

97-1

**Federal Program:**

ACC FW-1190 (See Schedule of Expenditures of Federal Awards)

**Criteria:**

Paragraph to a HUD correspondence to HANO dated April 1, 1997:

"Regarding the HUD prescribed accounting treatment to be used for the disposition of 191A units. The HA has the responsibility to establish such systems that meet basic standards as stipulated by Federal requirements in 24 CFR Part 85 for all grantees".

**Condition:**

During the years ended September 30, 1997 and 1996 and currently HANO is involved in substantial amounts of demolition activities in conjunction with its modernization activities. However, HANO has not established any procedures for calculating the carrying value of the demolished units and recording the appropriate journal entries to the books and records to remove the carrying value of those demolished units.

**Questioned Costs:**

NONE

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1993**

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**Reference Number, CONTINUED**

97-8

**Comments**

Reportable Condition -- Material weakness.

**Effect**

Noncompliance with HUD prescribed accounting policies and procedures.

**Cause**

Failure to establish procedures related to accounting for demolition activities.

**Recommendation**

We recommend that HANO establish procedures for the valuation of demolished units and the proper recalculation thereof.

**Management's Response**

The Finance Department of the Housing Authority of New Orleans has reviewed and accepted the valuation method utilized by the CPA who performed the 1993 annual audit. The same basis shall be used to write-off any future buildings that are demolished.

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NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:**

97-9

**Federal Programs:**

All Programs (See Schedule of Expenditures of Federal Awards)

**Criteria:**

Louisiana Revised Statute 24:514 requires the financial statements of all governmental agencies to be prepared in accordance with generally accepted accounting principles.

**Condition:**

Currently, **HANO** prepares its financial statements on the basis of accounting practices prescribed or permitted by the United States Department of Housing and Urban Development (HUD) and, in our opinion, is not in conformity with generally accepted accounting principles (GAAP). Louisiana Revised Statute 24:514 requires the financial statements of governmental agencies to be prepared in accordance with generally accepted accounting principles. Currently, the accounting records of **HANO** does not permit the preparation of its financial statements in accordance with GAAP.

The more significant areas of differences between GAAP and HUD practices include the accounting treatment afforded to the acquisition and disposition of land, structures and equipment, allowance for bad debt, accounting and estimating for liabilities related to litigation, as well as the capitalization of management improvements and related cost.

Subsequent to our discussion of the above condition, **HANO** has provided us with information to address the more significant areas such as land, structure and equipment and the capitalization of management improvements and related costs.

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SCHEDULE OF FININGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number, CONTINUED**

97-9

**Questioned Costs**

NCMI

**Comments**

Audit Finding

**Effect**

Noncompliance with the requirements of Louisiana Revised Statute 24:504.

**Cause**

Failure to establish procedures for the accumulation of pertinent data to facilitate the conversion of financial statements to conform to generally accepted accounting principles.

**Recommendation**

We recommend that management explore the feasibility and the cost benefit of preparing its financial statements to conform to State reporting requirements. At a minimum, the process may require the use of spread sheets to provide the necessary financial data to facilitate conversion from HUD to GAAP basis of presentation.

**Management's Response**

The Housing Authority of New Orleans has complied with the letter and intent of the law. The contract executed with its current IPA and approved by the State Legislative Auditor contains a provision to produce HANO's financial statements in the GAAP format as required by the law.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-10

**Federal Program**

Annual Contribution Contract PW-1190

**Criteria**

Not applicable

**Condition**

- o We noted that check number 121973 in the amount of \$359,395 in payment of automobile insurance premiums was incorrectly coded to properly reflect prepaid amounts. Furthermore, it is our understanding through discussion with management that the originator of any disbursements related to insurance is required to provide the individual designated to amortize prepaid insurance on a quarterly basis with the necessary documents to record the necessary amortization. The designated individual was unaware of the disbursement prior to our notification during the course of the audit. An audit adjustment was subsequently proposed to properly state prepaid insurance.
  
- o We noted that an amount of \$158,326 was incorrectly recorded as a prepaid item as September 30, 1997. This item dated back to 1995. During the course of our audit we noted that **IBAND** staff had prepared a journal voucher on September 26, 1995 to expense the prepaid amount, however that journal voucher was apparently not posted to the general ledger.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

97-10

**Questioned Costs**

None

**Comments**

Reportable Condition.

**Effect**

Improper accounting treatment related to prepaid expense.

**Cause**

Lack of coordination between disbursement and reconciliation functions.

**Recommendation**

We recommend that management institute procedures to improve the flow of accounting data to ensure the accuracy and timeliness in reconciliation of accounting transactions. Furthermore, periodic review of the various reports prepared to include financial statements should minimize the untimely identification of material transactions requiring resolution.

**Management's Response**

The Housing Authority of New Orleans has contacted with a consultant to establish procedures that will ultimately address this recommendation.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-11

**Federal Program**

ADC FW-1190

**Criteria**

Pursuant to Section 1.5 of the Consolidated Annual Contribution Contract:

"The HA must maintain complete and accurate books of account for the projects for the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit."

**Condition**

Of the fifty (50) cash disbursements (non-payroll) selected for testing we noted:

- o Five (5) instances in which the disbursement lacked supporting documentation, and

		<u>Amount</u>
General Fund	Check No. 8641	\$ 15,952
Modernization	Check No. 103924	1,120
Modernization	Check No. 103971	500
Modernization	Check No. 103187	250
Modernization	Check No. 103128	250
		<u>\$18,072</u>

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDING SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

92-11

**Condition, Continued**

- In one (1) instance (General Fund Check No. 7075 in the amount of \$90), the disbursement was incorrectly coded.

**Questioned Costs**

\$18,872

**Comments**

**Audit Finding**

**Effect**

Noncompliance with Section 15 of the Annual Contribution Contracts.

**Cause**

Need for improvement in record retention procedures.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-11

**Recommendation**

We recommend supporting documentation be retained for all cash disbursements and be attached to the cash disbursement voucher and properly filed. Additionally, general ledger account coding should be reviewed for propriety.

**Management's Response**

Accounts payable procedures are already in place to address this recommendation.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-12

**Federal Programs**

ACC FW-1199 (See Schedule of Expenditures of Federal Awards)

**Criteria**

Not applicable.

**Condition**

Of the twenty-five (25) payroll disbursements selected for testing, we noted:

- o Two (2) instances in which no job description was included in the employee's personnel file; and
- o Five (5) instances in which there was no Employee Handbook Acknowledgment Form contained in the employee's personnel file.

**Questioned Costs**

NONE

**Effect**

Lack of adequate employee personnel file documentation.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-12

**Case**

Could not be determined.

**Comments**

Audit Finding.

**Recommendation**

We recommend that Employer Handbook Acknowledgment Forms together with each employee's job description be maintained in each employee's personal file.

**Management's Response**

The Housing Authority of New Orleans is in the process of updating or completing job descriptions for all of our employees. They are filed as they are completed. It is possible that the two employees' job descriptions were not completed at the time of the audit.

In January 1997, we began a new employee orientation program where all new employees receive and sign for a HANO Personal Manual. Employees hired before that date receive the Manual and sign for it during on-going training sessions that began in 1998. It is possible that the five employees have not yet attended one of the classes. We are updating the Personal Manual and plan to have it completed by September 1998. At that time, new manuals will be distributed to all employees.

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number:**

97-13

**Federal Program:**

ACC FW-1190 (See Schedule of Expenditures of Federal Awards)

**Criteria:**

Not applicable

**Conditions:**

Of the contracts tested that were awarded during the year ended September 30, 1997 we noted an instance, in which the recommendation to the user department by the Director of Procurement to award the contract was not supported by completed evaluation forms.

**Questioned Cost:**

NONE

**Comments:**

Reportable Condition

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-13

**Effect**

Noncompliance with Procurement Policy.

**Cause**

Failure to document evaluation of response to RFP.

**Recommendation**

We recommend that HANO maintain on file all forms utilized in the evaluation of awards.

**Management's Response**

The bids were evaluated.

**HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:**

97-14

**Federal Program:**

AOC FW-1190 (See Schedule of Expenditures of Federal Awards)

**Criteria:**

Pursuant to Section 11 of the Consolidated Annual Contributions Contract:

"The HA shall prepare and have approved by its Board of Commissioners an operating budget for each of its fiscal years in a manner, and using such forms, as prescribed by HUD. The HA shall submit a calculation of operating subsidy eligibility in the manner prescribed by HUD in regulations in Title 24 of the Code of Federal Regulations. HUD shall review the calculation and, if correct, and subject to the availability of funds, take action within 45 days of submission to obligate the funds and approve a payment schedule, unless the HA is notified that it must submit an operating budget. HUD may revise or amend the subsidy calculation to bring it into conformity with regulatory requirements. The HA shall submit revised calculations in support of mandatory or other adjustments based on procedures and deadlines prescribed by HUD."

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number, CONTINUED**

97-14

**Condition**

During our test work regarding the Performance Funding System (PFS) calculation for the year ended September 30, 1997 we noted:

- o Supporting documentation was not retained to support the following component of the PFS calculation:
  - Other income:
  
- o Unit months available used in the calculation of investment income did not agree to the unit months available as indicated on HUD-52723;
  
- o Clerical errors in HUD-52722A (Calculation of Allowable Utilities Expense); and
  
- o Unit months available as indicated on HUD-52722A did not agree to the supporting documentation.

**Questioned Costs**

NONE

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number, CONTINUED**

97-14

**Comments**

**Audit Finding**

**Effect**

Noncompliance with the requirements of Section 11 of the Consolidated Annual Contribution Contract.

**Cause**

Inadequate procedures regarding retention of supporting documentation for components of the PFS calculations.

**Recommendation**

We recommend that all documentation to support the PFS operating subsidy calculation be retained. Procedures should be implemented to ensure that HANO's PFS subsidy is calculated in accordance with HUD Handbook 7475.13.

In addition, the process should ensure the accuracy of information submitted to HUD via the necessary supervisory reviews.



**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

97-14

**Management's Response:**

A hard copy as well as a computerized copy of supporting documentation will be maintained to support calculations of the other income component of PPS subsidy calculation.

A revision to unit months available used in the calculation of investment income to agree with the unit months available as indicated on HUD-52723 has been completed in the 1998 Operating Budget submission.

Clerical errors have been corrected in a revision to HUD-52722A (Calculation of Allowable Utilities Expense) submitted with the 1998 Operating Budget submission.

Unit months available as indicated on HUD-52722A has been corrected in the 1998 Operating Budget submission.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-15

**Federal Program**

ACC 176-1190 (See Schedule of Expenditures of Federal Awards)

**Criteria**

24 CFR Part 980 and "PHMAP" handbook 7460.5 provides guidance with regards to the maintenance of supporting records for the certification.

**Condition**

During our review of the September 30, 1997 Public Housing Management Assessment Program (PHMAP) Certification we noted:

- o Supporting documentation did not agree to the amounts reported on the PHMAP Certification relating to the following:
  - Indicator #5: Component #2 - Annual Inspection of Systems;
  - Indicator #6: Component #2 - Cash Reserves;
  - Indicator #1: a- Total number of non-dwelling days; and
  - Indicator #1: a- Total number of days where units were de-programmed

It is our understanding based on discussion with management that HANO has submitted a revised document to HUD restating amounts related to the above. Furthermore, the revised information will properly establish accurate baselines for future reporting.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-15

**Questioned Costs**

None

**Comments**

*Audit Finding.*

**Effect**

*Noncompliance with the requirements of record retention for PHMAP certification.*

**Cause**

*Inaccurate preparation of supporting documentation.*

**Recommendation**

*We recommend that supporting documentation be retained and reconciled to all related aspects of the PHMAP Certification.*

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-15

**Management's Response**

Detailed summary tracking reports of major systems are maintained and updated monthly. Each site completes a major systems inspection form, which is forward to Management for input.

Supporting documentation for all cash reserves related to PBMAP are currently kept in the Accounting Department.

The summary report of vacancy rate is now a standard menu item on our computer system and is prepared each month with the detailed report. These reports are distributed to each site.

**HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

87-16

**Federal Program**

ACC PW-2083 and PW-2217 (See Schedule of Expenditures of Federal Awards)

**Criteria**

Pursuant to the Annual Contribution Contract:

"The HA must use program receipts to provide decent, safe and sanitary housing for eligible families in compliance with the U.S. Housing Act of 1957 and all HUD requirements."

**Condition**

Our eligibility test work on twenty-five (25) Section 8 participant files indicated:

- a. In five (5) instances, units failed inspections and the deficiencies resulting in the failed inspections were not corrected by the owner within thirty (30) days, yet the owners continued to receive Housing Assistance Payments; and
- b. In twenty-three (23) instances the participants files did not contain HUD-50058 (Family Report);

**Questioned Costs**

\$8,434

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number, CONTINUED**

97-16

**Comments**

*Audit finding.*

**Effect**

*Noncompliance with the requirements of the Annual Contributions Contract.*

**Cause**

*Lack of follow-up by staff on failed unit inspections.*

**Recommendation**

*Management should review its current practice as it relates to unit inspection and ensure compliance with established regulations.*

**Management's Response**

*We have implemented a tracking system to review the status of failing inspections.*

*Effective January 1998, HUD Form 34058 Family Reports are prepared for all families at the time of their annual re-certification and a copy is printed and placed in the clients file.*

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-17

**Federal Program**

ACC: FW-2083 and FW-2217 (See Schedule of Expenditures of Federal Awards)

**Criteria**

Louisiana Revised Statute 24:513 requires audit reports of governmental agencies to be submitted within six (6) months of the close of the entity's fiscal year.

**Condition**

HANO failed to submit its annual audit report as of September 30, 1997 and for the year then ended to the Office of the Legislative Auditor within six (6) month of the close of its fiscal year.

**Questioned Costs**

NONE

**Comments**

**Audit Finding**

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

93-17

**Effect:**

Noncompliance with the requirements of Louisiana Revised Statute 24:513.

**Cause:**

Various weaknesses in internal control delaying the preparation of financial statements.

**Recommendation:**

We recommend that the necessary process be instituted to facilitate the timely submission of Status reports.

**Management's Response:**

The Housing Authority of New Orleans, conducted a timely solicitation of an IPA to perform the annual audit. Staff produced its unaudited reports within the deadline required by its funding source the Department of Housing and Urban Development. However, the logistics of changing IPAs and the relocation of its former IPA out of the State of Louisiana caused confusion and unusual delays. This problem will not occur for the 1998 audit since the IPA is already procured and is currently performing the 1997 audit.



**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

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**Reference Number**

97-18

**Federal Program**

All programs (see Schedule of Federal Awards).

**Criteria**

Not applicable.

**Condition**

Our discussion with management regarding prior years' audited financial statements of HANO indicated:

- o Various audit adjustments proposed by the predecessor auditors and reflected in HANO's audited financial statements for the years ended September 30, 1994 through 1996 were not posted to the books and records of HANO.
- o Specifically, management indicated that it did not concur with a prior year audit adjustment in the amount \$6,600,000 reflected in HANO's audited financial statements for the year ended September 30, 1996 and resolution of management concerns regarding the adjustment was not addressed prior to release of the audit report.
- o Management was unable to support the balances in its surplus accounts as reflected in its audited financial statements as of September 30, 1996 and for the year then ended.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number, CONTINUED**

97-18

**Questioned Cost**

None

**Comments**

Reportable condition.

**Effect**

Unreconcilable differences between HANO's financial statements per the accounting records as September 30, 1996 and for the year then ended and the September 30, 1996 audited financial statements.

**Cause**

Untimely posting of audit adjustments.

**Recommendation**

We recommend that management record all proposed audit adjustments on a timely basis and any concerns regarding proposed audit adjustments be resolved prior to management's authorization for release of these audited financial statements. Additionally, it is recommended that management reconcile the balances in these reports to its books and records.

**Management's Response**

We agree with this recommendation and will initiate procedures to insure timely posting of all audit adjustments as well as reconcile audit reports to the general ledger.

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

Reference Number

97-19

Federal Program

Annual Contribution Contract PW-3590

Criteria

Not applicable

Condition

Amounts due for reimbursement under the Congregate Housing Program amounted to approximately \$800,000 at September 30, 1997. Our discussions with management of HANO indicated that this increase is due to untimely submission of reimbursement request and timely execution of contracts with funding source.

Questioned Cost

None.

Comments

Reportable condition.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number: CONTINUED**

97-19

**Effect**

Cashflow constraints due to untimely submission of reimbursement request.

**Costs**

Could not be determined.

**Recommendation**

We recommend that HANO take immediate steps to determine the status of this receivable and that all unbilled amounts, if any, be immediately submitted for reimbursement to improve the cash flows of HANO and prevent any potential problems in realization of the amounts due because of untimely submission of reimbursement request.

**Management's Response**

The Housing Authority of New Orleans has evaluated the Congregate Housing Program and has taken steps to write-off uncollectible receivable balances.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINANCES AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-20

**Federal Programs**

All programs (see Schedule of Expenditures of Federal Awards)

**Criteria**

Not applicable.

**Condition**

Our review of audit reports issued in previous years indicate occurrences of audit findings and reportable conditions related to:

- Maintenance of subsidiary ledgers for all significant general ledger accounts and monthly reconciliation of subsidiary ledgers to the general ledger;
- Reconcile homebuyers' investments and liability accounts; and
- Ensure that bank reconciliations are prepared properly and that reconciling items are resolved timely.

**Questioned Cost**

None.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number:** CONTINUED

97-20

**Comments:**

Reportable condition - material weakness.

**Effect:**

Unresolved prior year audit findings.

**Cause:**

Overall weaknesses in internal control.

**Recommendation:**

We recommend that management evaluate the effectiveness of the finance department toward preventing recurrences of audit findings and reportable conditions and to achieve significant improvement in internal control.

**Management's Response:**

The Housing Authority of New Orleans has contracted with a consultant to address proactive approaches to eliminate audit findings.

**HOUSING AUTHORITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Reference Number**

97-23

**Federal Program**

Annual Contract FW-1150

**Criteria**

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits;

Furthermore, Louisiana Revised Statute 24:514 requires the financial statements of all governmental agencies to be prepared in accordance with generally accepted accounting principles.

**Condition**

The sub-ledger of land, structures and equipment provided to us by management reflected the cost of land, structures and equipment of approximately \$169,639,000. Our discussions with management indicated that the subledger did not include various land, structure and equipment items acquired via Comprehensive Improvement Assistance Program (CIAP) or Comprehensive Grant Program (CGP) funds of approximately \$200,195,000. It is our understanding that the subsidiary ledger of land structures and equipment acquired via CIAP and CGP funds has not been updated and does not indicate the composition of the amount by descriptive category (i.e. land, structures or equipment).

HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number: CONTINUED**

97-21

**Condition**

Furthermore, management also indicated that included in land, structures and equipment are various items, (i.e. management improvements, etc.) that are capitalizable for HUD basis financial statement presentation but not for financial statement presentation under generally accepted accounting principles. The amount of which could not be quantified.

**Questioned Costs**

None.

**Comments**

Audit Finding.

**Effect**

Non-compliance with the requirements of Section 15 of the Annual Contributions Contract.

**Cause**

Lack of establish procedures to maintain sub-ledgers for fixed assets acquired via CLAP and CGP.



HOUSING AUTHORITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997

---

**Reference Number, CONTINUED**

87-21

**Recommendation**

We recommended that a land, structures and equipment subsidiary ledger be maintained inclusive of all land, structures and equipment and that the subsidiary ledger amount be reconciled to all applicable general ledger control account amounts.

**Management's Response**

The Land, Structures, and Equipment account has always had a subsidiary ledger that is reconciled on a monthly basis.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Qualified

**Internal Control Over Financial Reporting:**

- Material weakness(es) identified? Yes
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? Yes

**Federal Awards**

**Internal Control Over Major Programs:**

- Material weakness(es) identified? Yes
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(j) of Circular A-133? Yes

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

**Section I Summary of Auditors' Results, Continued**

**Identification of Major Programs**

<u>Federal Grant/Program Title</u>	<u>CFDA Number</u>
U. S. Department of Housing and Urban Development	
<u>Direct Awards</u>	
Public and Indian Housing: Operating Subsidy	14.836
Section 8 Rental Certificate Program	14.837
Public and Indian Housing Drug Elimination Program	14.834
Public and Indian Housing Comprehensive Grant Program	14.838
Public and Indian Housing Comprehensive Improvement Assistance Program	14.832
Dollar threshold to distinguish between Type A and Type B programs:	\$2,462,539
Auditor qualified as low-risk auditor?	No

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1997**

---

**Section II - Financial Statement Findings**

See Schedule of Findings and Questioned Costs in the accompanying report for the federal program, criteria, condition, questioned cost, comments, effect, cause, recommendation and management's response to the following financial statement findings.

REFERENCE NUMBERS

97-1	97-6	97-11
97-3	97-7	97-18
97-4	97-8	97-19
97-5	97-10	97-20
		97-21

**HOUSING AUTHORITY OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1987**

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**Section III - Federal Award Findings and Questioned Costs**

See Schedule of Findings and Questioned Cost in the accompanying report for the federal program, criteria, condition, questioned cost, comments, effect, cause, recommendation and management's response to the following federal award findings and questioned costs.

REFERENCE NUMBER

97-1	97-5	97-11	97-15
97-2	97-7	97-12	97-16
97-3	97-8	97-13	97-17
97-4	97-9	97-14	97-24

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**  
**STATUS OF PRIOR YEARS AUDIT FINDINGS, RECOMMENDATIONS,  
CONDITIONS AND OTHER RECOMMENDATIONS**

---

REFERENCE NUMBER	DESCRIPTION	STATUS	
		RESOLVED	UNRESOLVED
96-1	Maintain supporting documentation for all accounting transactions. Improve the administrative filing and retention of important documentation.		X
96-2	Improve communication between the finance and budgeting departments to ensure that all financial information and plans are accurate.	X	
96-3	Designate a person in each department to monitor compliance with laws and regulations.		X
96-4	Review all receivable balances periodically for collectability.		X
96-5	Maintain subsidiary ledgers for all significant general ledger accounts. Perform monthly reconciliations of subsidiary ledgers to the general ledger.		X
96-6	Reconcile the interfund receivable and payable balances monthly.		X
96-7	Reconcile the homebuyers investment and liability accounts.		X
96-8	Maintain a current ledger of all contract retentions.		X

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATUS OF PRIOR YEARS AUDIT FINDINGS, REPORTABLE  
CONDITIONS AND OTHER RECOMMENDATIONS, CONTINUED**

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REFERENCE NUMBER	DESCRIPTION	STATUS	
		RESOLVED	UNRESOLVED
96-9	Ensure that bank reconciliations are prepared properly and that reconciling items are resolved timely.		X
96-10	Ensure that all unused bank accounts are closed on a timely basis.	X	
96-11	Ensure that modernization programs are officially closed out on a timely basis.		X
96-12	Maintain copies of the pledged collateral reports from financial institutions.		X
96-13	<b>HANO</b> did not provide sufficient documentation of compliance with contract provisions and competitive bidding requirements for one disbursement of the sixty disbursements selected for testing to the Modernization Program.		X
96-14	Construction contract and architect contract files were inconsistent and incomplete in some instances.		X(*)

\* See Page 169.

**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATUS OF PRIOR YEARS AUDIT FINDINGS, UNCERTAIN  
CONDITIONS AND OTHER RECOMMENDATIONS, CONTINUED**

REFERENCE NUMBER	DESCRIPTION	STATUS	
		RESOLVED	UNRESOLVED
96-15	Of the sixty disbursements selected for the Section 8 Program, cancelled checks for two disbursements could not be provided by HANO to adequately support the participant costs.		X <sup>(*)</sup>
96-16	HANO did not submit revised budgets to HUD for the Section 8 Program as required by HUD Notice (PH 94-6).		X <sup>(*)</sup>
96-17	HANO did not electronically submit Form HUD-50058 for Section 8 participants as required by HUD Notice (PH 96-20).		X <sup>(*)</sup>
96-18	HANO did not obtain an audit performed in accordance with the Public and Indian Housing (PIH) Compliance Supplement (PIH Number 95-71) for the year ended September 30, 1996.		X

\*Ultimate resolution of the findings reported in the schedule of findings and questioned costs for the fiscal year ended September 30, 1996 rest with HUD. Any issues or exceptions that may result from HUD's determination and resolution of the aforementioned findings and questioned cost have not been considered in the audit performed for fiscal year 1997 in accordance with OMB Circular A-133.



**HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA  
STATUS OF PRIOR YEARS AUDIT FINDINGS, REPORTABLE  
CONDITIONS AND OTHER RECOMMENDATIONS, CONTINUED**

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REFERENCE NUMBER	DESCRIPTION	STATUS
FW-94-1	Public Housing Operations 94-FW-201-1005, June 28, 1994	Closed 6/98 at HUD request
FW-93-1	Public Housing Drug Elimination Program 93-FW-201-1008 April 27, 1993	Closed
FW-96-1	Procurement of Resident Initiatives 96-FW-201-1802, July 5, 1996	Not an Audit or Review
FW-96-2	Garbage Collection 96-FW-201-1803, July 17, 1996	Documents submitted 6/98; Clearance requested by HUD
FW-96-3	HAND Vehicle Allowance 96-FW-201-1806, September 30, 1996	Closed
FW-97-1	HAND Eviction Process 97-FW-201-1804, March 20, 1997	Closed on actions proposed by HUD
FW-97-2	Review of Maintenance Overtime 97-FW-201-1806, April 4, 1997	Clearance pending issuance of a new maintenance manual currently awaiting Board approval

The above reports were the result of audits and/or reviews conducted by HUD, Office of Inspector General (OIG).

HOUSING AUTHORITY OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA

EXIT CONFERENCE

SEPTEMBER 30, 1998

An exit conference was held on Wednesday, July 8, 1998. The findings and recommendations mentioned were discussed. The individuals attending the exit conference were as follows:

HOUSING AUTHORITY OF NEW ORLEANS

Ms. Karen Newton	-	Representing the U.S. Department of Housing & Urban Development
Mr. Ronald Mason	-	Executive Manager - HANO
Mr. Michael Kelly	-	Executive Director - HANO
Ms. Linda Hall	-	Director, Audit and Compliance - HANO
Mr. Jerome Anderson	-	Chief Financial Officer - HANO
Mr. Michael Mosley	-	Accountant Administrator - HANO
Ms. Ann Vargas	-	CVR Associates, Inc. (HANO's Consultant)
Mr. Conale Hill	-	CVR Associates, Inc. (HANO's Consultant)

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA, CGFM	-	Managing Partner
Mr. Paul E. Audok, Sr., CPA, CGFM	-	Senior Manager
Mr. Armand Pinkney	-	Audit Supervisor

Subsequently, on Thursday, August 20, 1998 communications with management indicated their concurrence in all material respects with the contents of the audit report dated July 28, 1998.

We appreciate the courtesy extended to us by the management and staff of HANO during the audit.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

July 28, 1998