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HOUSING AUTHORITY OF THE CITY OF KENNER

KENNER, LOUISIANA

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORTS
AN OF AND FOR THE YEAR ENDED JUNE 30, 1987
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

Printed Date 8-15-88

WILLIAM DANIEL MOOREHEAD, CPA
A PROFESSIONAL SOCIETY COMPANY

221 ONE MAIN STREET
Baton Rouge, Louisiana 70801

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MANAGEMENT LETTER

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**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

**BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY OF MONROE
MONROE, LOUISIANA 70001**

I have audited the accompanying general purpose financial statements of the Housing Authority of The City of Monroe (HMA) as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the HMA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Kansas as of June 30, 1987, and the results of its operations and changes in its surplus for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 22, 1987 on my consideration of the FHA's internal control over financial reporting and my tests of the compliance with certain laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the FHA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the FHA, and for filing with the Department of HUD and should not be used for any other purpose.

William Daniel McCaskill, CPA
A Professional Accounting Corporation

December 22, 1987

State of New Jersey

January 1, 2011

General Fund

EXHIBIT A

Account Name	2010 Budget				2011 Budget				2011 Actual			
	Original	Amended	Total	Change	Original	Amended	Total	Change	Actual	Change	Total	Change
Operating Expenses	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
Salaries & Benefits	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
Travel	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
Telephone	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
Printing	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
Information Technology	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
Supplies	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
Professional Fees	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
Capital Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0

2011 Actuals

Account Name	2011 Actual				2011 Budget				2011 Actual			
	Original	Amended	Total	Change	Original	Amended	Total	Change	Actual	Change	Total	Change
Operating Expenses	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
Salaries & Benefits	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
Travel	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
Telephone	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
Printing	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
Information Technology	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
Supplies	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
Professional Fees	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
Capital Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0

We wish to thank you for your assistance in this matter.

2009 FINANCIAL STATEMENTS

Consolidated Statement of Assets as of March 31, 2009

(Table 1)

ASSETS	Operating Assets	Net Assets	Other Assets	Total Assets
Land	\$10,000,000			\$10,000,000
Buildings	1,000,000			1,000,000
Furniture	100,000			100,000
Equipment	500,000			500,000
Other	500,000			500,000
Total	12,500,000			12,500,000
Accounts receivable	100,000			100,000
Accounts payable	(100,000)			(100,000)
Other receivables	100,000			100,000
Other payables	(100,000)			(100,000)
Total	100,000			100,000
Operating Assets	12,600,000			12,600,000
Operating liabilities	(100,000)			(100,000)
Operating equity		12,500,000		12,500,000
Total	12,500,000			12,500,000
Operating Assets	12,500,000			12,500,000
Operating liabilities	(100,000)			(100,000)
Operating equity		12,500,000		12,500,000
Total	12,500,000			12,500,000

See notes to financial statements and responses thereto

Item Description

DATE: 1/10/2011
 FROM: 1070547890000
 TO: 1070547890000

NO. 00000

Summary

DATE: 1/10/2011
 FROM: 1070547890000
 TO: 1070547890000

ACCOUNT	DEBIT	CREDIT	DEBIT	CREDIT
10100000	1000.00		1000.00	
10200000	2000.00		2000.00	
10300000	1500.00		1500.00	
10400000		5000.00		5000.00
10500000		1000.00		1000.00
10600000		2000.00		2000.00
10700000	1000.00		1000.00	
10800000	1000.00		1000.00	
10900000	1000.00		1000.00	
11000000	1000.00		1000.00	
11100000	1000.00		1000.00	
11200000	1000.00		1000.00	
11300000	1000.00		1000.00	
11400000	1000.00		1000.00	
11500000	1000.00		1000.00	
11600000	1000.00		1000.00	
11700000	1000.00		1000.00	
11800000	1000.00		1000.00	
11900000	1000.00		1000.00	
12000000	1000.00		1000.00	
12100000	1000.00		1000.00	
12200000	1000.00		1000.00	
12300000	1000.00		1000.00	
12400000	1000.00		1000.00	
12500000	1000.00		1000.00	
12600000	1000.00		1000.00	
12700000	1000.00		1000.00	
12800000	1000.00		1000.00	
12900000	1000.00		1000.00	
13000000	1000.00		1000.00	
13100000	1000.00		1000.00	
13200000	1000.00		1000.00	
13300000	1000.00		1000.00	
13400000	1000.00		1000.00	
13500000	1000.00		1000.00	
13600000	1000.00		1000.00	
13700000	1000.00		1000.00	
13800000	1000.00		1000.00	
13900000	1000.00		1000.00	
14000000	1000.00		1000.00	
14100000	1000.00		1000.00	
14200000	1000.00		1000.00	
14300000	1000.00		1000.00	
14400000	1000.00		1000.00	
14500000	1000.00		1000.00	
14600000	1000.00		1000.00	
14700000	1000.00		1000.00	
14800000	1000.00		1000.00	
14900000	1000.00		1000.00	
15000000	1000.00		1000.00	
15100000	1000.00		1000.00	
15200000	1000.00		1000.00	
15300000	1000.00		1000.00	
15400000	1000.00		1000.00	
15500000	1000.00		1000.00	
15600000	1000.00		1000.00	
15700000	1000.00		1000.00	
15800000	1000.00		1000.00	
15900000	1000.00		1000.00	
16000000	1000.00		1000.00	
16100000	1000.00		1000.00	
16200000	1000.00		1000.00	
16300000	1000.00		1000.00	
16400000	1000.00		1000.00	
16500000	1000.00		1000.00	
16600000	1000.00		1000.00	
16700000	1000.00		1000.00	
16800000	1000.00		1000.00	
16900000	1000.00		1000.00	
17000000	1000.00		1000.00	
17100000	1000.00		1000.00	
17200000	1000.00		1000.00	
17300000	1000.00		1000.00	
17400000	1000.00		1000.00	
17500000	1000.00		1000.00	
17600000	1000.00		1000.00	
17700000	1000.00		1000.00	
17800000	1000.00		1000.00	
17900000	1000.00		1000.00	
18000000	1000.00		1000.00	
18100000	1000.00		1000.00	
18200000	1000.00		1000.00	
18300000	1000.00		1000.00	
18400000	1000.00		1000.00	
18500000	1000.00		1000.00	
18600000	1000.00		1000.00	
18700000	1000.00		1000.00	
18800000	1000.00		1000.00	
18900000	1000.00		1000.00	
19000000	1000.00		1000.00	
19100000	1000.00		1000.00	
19200000	1000.00		1000.00	
19300000	1000.00		1000.00	
19400000	1000.00		1000.00	
19500000	1000.00		1000.00	
19600000	1000.00		1000.00	
19700000	1000.00		1000.00	
19800000	1000.00		1000.00	
19900000	1000.00		1000.00	
20000000	1000.00		1000.00	
20100000	1000.00		1000.00	
20200000	1000.00		1000.00	
20300000	1000.00		1000.00	
20400000	1000.00		1000.00	
20500000	1000.00		1000.00	
20600000	1000.00		1000.00	
20700000	1000.00		1000.00	
20800000	1000.00		1000.00	
20900000	1000.00		1000.00	
21000000	1000.00		1000.00	
21100000	1000.00		1000.00	
21200000	1000.00		1000.00	
21300000	1000.00		1000.00	
21400000	1000.00		1000.00	
21500000	1000.00		1000.00	
21600000	1000.00		1000.00	
21700000	1000.00		1000.00	
21800000	1000.00		1000.00	
21900000	1000.00		1000.00	
22000000	1000.00		1000.00	
22100000	1000.00		1000.00	
22200000	1000.00		1000.00	
22300000	1000.00		1000.00	
22400000	1000.00		1000.00	
22500000	1000.00		1000.00	
22600000	1000.00		1000.00	
22700000	1000.00		1000.00	
22800000	1000.00		1000.00	
22900000	1000.00		1000.00	
23000000	1000.00		1000.00	
23100000	1000.00		1000.00	
23200000	1000.00		1000.00	
23300000	1000.00		1000.00	
23400000	1000.00		1000.00	
23500000	1000.00		1000.00	
23600000	1000.00		1000.00	
23700000	1000.00		1000.00	
23800000	1000.00		1000.00	
23900000	1000.00		1000.00	
24000000	1000.00		1000.00	
24100000	1000.00		1000.00	
24200000	1000.00		1000.00	
24300000	1000.00		1000.00	
24400000	1000.00		1000.00	
24500000	1000.00		1000.00	
24600000	1000.00		1000.00	
24700000	1000.00		1000.00	
24800000	1000.00		1000.00	
24900000	1000.00		1000.00	
25000000	1000.00		1000.00	

on this 01 back column as required.

**THE HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:381) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Kenner, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Mayor of Kenner, Louisiana, serve a four year staggered term.

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

The PHA has the following programs under management:

	AIC Number	Number of Units
PHA Owned Housing	PW-2167	126
Section 8	PW-2064	
	Vouchers	210
	Certificates	367

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and financially independent by being solely accountable for fiscal matters, including: (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

C. FUND ACCOUNTING

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

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

Funds of the PHA are classified in three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

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

1. **General fund**—the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.

2. Debt Service Fund—accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

3. Capital Projects Funds—account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds—Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. Tenant Security Deposits—accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (strictly equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

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

Revenues—Federal reimbursements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

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

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

Expenditures—Salaries are recorded as expenditures when paid.

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Compensated absences are calculated utilizing a maximum of 300 hours per staff member, in accordance with Louisiana civil service regulations.

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

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

Other Financing Sources (Uses)—Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

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

B. BUDGETS

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.

5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

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

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORY

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fixed balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

J. FIXED ASSETS

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

K. COMPENSATED ABSENCES

The PMA follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section 500, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits of employees with 10 years service to a maximum of 25 days at their current annual salary.

L. LONG TERM OBLIGATIONS

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

M. FUND EQUITY

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

N. INTERFUND TRANSACTIONS

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

D. TOTAL COLUMNS ON COMBINED STATEMENTS

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

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the PRA has cash and cash equivalents totaling \$1,575,269.93 as follows:

Non Interest Bearing Demand Deposits	\$1,031,269.59
Time Deposits	543,982.91
Petty Cash	30.00
Cash With Fiscal Agent	476.43
Total	\$1,575,269.93

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the PRA has \$1,575,269.93 in deposits (collected bank balances). These deposits are secured from risk by \$600,000 of federal deposit insurance and \$2,210,622 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledge securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PRA that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3 - RECEIVABLES

The receivables of \$15,371.47 at June 30, 1997 are as follows:

Local Sources:	
Tonnage	4,304.47
Other	
Federal Sources:	
Due From HUD	11,067.00
Total	15,371.47

NOTE 4--FIXED ASSETS

The changes in general fixed assets are as follows:

Land, Structures and Equipment	
Balance 6-30-96	4,256,809.12
Net Additions	4,700.00
Balance 6-30-97	4,261,509.12
Development 003	2,219.00
MOO 904 Balance 6-30-96	133,862.68
Net Additions	104,475.32
Balance 6-30-97	238,338.00
MOO 905 Balance 6-30-96	3,806.78
Net Additions	266,449.23
Balance 6-30-97	270,256.01
Development L.A. 48-PG12-006	
Balance 6-30-96	1,497,799.85
Net Additions	325,708.15
Balance 6-30-97	2,823,508.00
Nonexpendable Equipment	
Balance 6-30-96	22,764.90
Net Additions	2,529.86
Balance 6-30-97	25,294.76
Voucher Control Account	
Balance 6-30-96 & 6-30-97	13,500.00
Total General Fixed Assets	6,834,186.89

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$39.46 of ineligible expenditures as determined by HUD.

NOTE 3--RETIREMENT SYSTEM

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous and uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to effect future contributions of the PHA.

The PHA's total payroll for fiscal year ended June 30, 1997 was \$219,006.13. The PHA's contributions were calculated using the base salary amount of \$219,006.13. Both the PHA and the covered employees made the required contributions for the year ended June 30, 1997. Employee contributions to the plan totaled \$13,140.37. The PHA contributions totaled \$17,783.30 for the year ended June 30, 1997.

NOTE 6--ACCOUNTS PAYABLE

The payables of \$260,593.83 at June 30, 1997 are as follows:

General Fund:	
Vendors	
Due to Other Governments	
Payment in Lieu of Taxes	0.00
Other	3,490.74
Payable to HUD	257,103.09
Total	260,593.83

NOTE 7--COMPENSATED ABSENCES

At June 30, 1997, employees of the PHA have accumulated and vested \$26,385.00 of employee leave benefits, which was computed in accordance with GASB Codification Section 606. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

Texas Accounts Receivable	
Balance 6-30-96	7,151.52
Net Collections	3,116.85
Balance 6-30-97	4,034.67

NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS

The following is a summary of the long term obligation transactions of the year ended June 30, 1997:

Competition Advances:	
Balance 6-30-96	N/A
Balance 6-30-97	26,583.00
Permanent Notes -- HUD	
Unchanged Balance	170,733.83
Permanent Notes -- FTHB	
Balance 6-30-96	150,991.31
Net Reduction	36,478.00
Balance 6-30-97	114,513.31
New Agency Bonds Original Issue	
	870,000.00
Retirements @ 6-30-96	412,862.50
Retirements During the Year	27,183.50
Balance 6-30-97	429,153.00
Total Long Term Debt	751,008.46

(A) Project Notes--Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgives these notes. PHA's that executed a revised AOC in 1995 have accomplished the debt forgiveness. The PHA has not accrued interest on Project Notes--Non HUD.

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from the US Department of HUD. At June 30, 1997, the PHA has accumulated \$150,732.35 in the debt service funds for future debt requirements. The amount and date of future debt retirements is not available.

NOTE 10--INTERFUND ASSETS/LIABILITIES

Interfund receivables/payables at June 30, 1997 is as follows:

	Due From	Due To
General Fund	23,425.49	
Special Revenue Fund		
Capital Project Funds		23,425.49

NOTE 11-COMMITMENTS AND CONTINGENCIES

There are certain major construction projects at June 30, 1997. As approved by HUD these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects and estimated cost to complete these projects totaled \$269,736.00 and \$30,243.99 as of June 30, 1997.

The PHA participates in a number of state and federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1994 through June 30, 1997, these programs are still subject to compliance audits. PHA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 12-UNCONFIRMED ACCOUNTS

I could not confirm the following accounts:

Account Number	Description	Balance
1125	AR HUD	11,067.00
1177	Deposits With HUD	32,519.34
2118	HUD Payable	257,303.08

Account receivable of the City of Geneva

PERIOD 1

PERIOD 2
 PERIOD 3
 PERIOD 4
 PERIOD 5

	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5
Local Income:					
- Personal Income					
- Corporate Income					
- Income Tax on the Sale of Equipment	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Federal Income:					
- Personal Income					
- Corporate Income					
- State Contributions	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
- State Income	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
PERIOD 1					
PERIOD 2					
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PERIOD 98					
PERIOD 99					
PERIOD 100					

THE TOTAL OF THE FINANCIAL STATEMENTS AND ACCOUNTS IS

Lower Merion Authority

EXHIBIT II

STATE OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 OFFICE OF THE COMPTROLLER

	2011-12	2012-13	2013-14	2014
REVENUE				
Local Sources				
Federal Source—Grants	27,265.00	29,111.00	34,428.00	35,225.00
Total Revenue	27,265.00	29,111.00	34,428.00	35,225.00
EXPENDITURES				
Direct				
Administration			20,761.00	20,761.00
Capital Expenses				0.00
Fuel, Power, Depreciation and Interest	134,075.00	136,440.00	136,085.00	136,242.75
Total Expenditures	134,075.00	136,440.00	156,846.00	156,999.75
DEFICIT (SURPLUS) OF REVENUE	(106,810.00)	(107,329.00)	(122,418.00)	(121,774.75)
THE BALANCE OF REVENUE OF FUND	(12,024.00)	(1,024.00)	7,485.00	8,100.00
THE BALANCE OF FUND OF FUND	0.00	25,025.00	0.00	25,025.00

See notes to financial statements and supporting letter

Housing Authority of Kenner
 Kenner, Louisiana 70068
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 1997

SCHEDULE 11a

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		126,865.00
Lease Development		0.00
Total Low Income Housing	14.850	525,788.15
Section 8 Cluster:		
Vouchers	14.850	988,208.00
Certificates	14.857	1,329,283.01
Moderate Rehabilitation	14.856	0.00
New Construction	14.182	0.00
Substantial Rehabilitat	14.182	0.00
Total Section 8 Cluster		2,697,491.01
Comprehensive Grants	14.859	0.00
CIAP	14.852	371,424.00
Public Housing program elimination programs:		
PHREP		0.00
YOUTH Sports		0.00
Total PHREP	14.854	0.00
Shelter + Care	14.230	0.00
HOPE	14.850	0.00
HOME	14.239	0.00
Child Care Food Program	10.558	0.00
TOTAL FEDERAL EXPENDITURES		2,918,487.00

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting. HUD has guaranteed FFH Notes in the amount of \$114,513.51 and Bonds in the amount of \$430,650.00.

see notes to financial statements

Federal Housing Authority
 New Orleans, LA 70005
 BALANCE SHEET -- STATUTORY BASIS
 Annual Contributions Contracts FM-2064 & FM-2167
 As of June 30, 1997

SCHEDULE 203

ASSETS

Cash	\$1,222,467.75
Investments	543,362.51
Accounts Receivable	15,371.47
Debt Amortization Funds	323,251.50
Deferred Charges	27,703.23
Land, Structures and Equipment	6,854,246.15
TOTAL ASSETS	\$9,886,410.28

LIABILITIES AND SURPLUS

LIABILITIES:

Accounts Payable	275,274.20
Notes Payable	21,878.00
Accrued Liabilities	0.00
Deferred Credits	0.00
Fixed Liabilities	718,523.46
TOTAL LIABILITIES	3,011,775.66
Surplus	7,654,634.42
TOTAL LIABILITIES AND SURPLUS	\$9,886,410.28

See notes to financial statements and management letter

Kenner Housing Authority
Kenner, LA 70065

SCHEDULE IV

STATEMENT OF INCOME AND EXPENSES-PRA OWNED HOUSING STATUTORY BASIS
Annual Contributions Contract FM-2267
For the Year Ended June 30, 1997

OPERATING INCOME:	
Dwelling Rental	\$173,045.08
Interest Income	1,882.30
Other Income	376,918.38
Total Operating Income	450,845.76
OPERATING EXPENSES:	
Administration	\$25,023.84
Tenant Services	0.00
Utilities	48,845.84
Ordinary Maintenance and Operations	80,262.73
General Expense	42,817.70
Non-routine Maintenance	0.00
Total Operating Expenses	296,950.31
NET OPERATING DEFICIT	\$153,895.45
OTHER CHARGES:	
Interest on Notes and Bonds	\$28,426.23
Prior Period Adjustments Affecting Residual Receipts	3,709.88
Prior Year Adjustments Not Affecting Residual Receipts	9,965.44
TOTAL OTHER CHARGES	42,101.55
DEFICIT	\$195,996.99

see notes to financial statements and management letter

Kenner Housing Authority
 Kenner, LA 70055
 STATEMENT OF INCOME AND EXPENSES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 Annual contributions contract PW-2064
 For the Year Ended June 30, 1997

SCHEDULE V

	certificates	vouchers
Operating Income	\$14,297.65	\$3,524.17
Total operating income	14,297.65	3,524.17
Operating Expenses:		
HAP Payments	1,149,326.53	481,850.48
Administrative Expenses	187,187.12	84,356.57
Total Operating Expenses	1,336,513.65	566,207.05
Net Operating Deficit	(\$1,322,216.00)	(\$564,682.88)
Other Credits:		
Prior Period Adjustments Affecting Residual Receipts	0.00	0.00
Deficit	(\$1,322,216.00)	(\$564,682.88)

see notes to financial statements and management letter

	ANNUAL CONTRIBUTIONS		CONTRACT	TOTAL
	PER YEAR PER 2000	PER YEAR ENDING	PER YEAR CONTRACTS	
Reverend Joseph Balance Per Bal. 1-1-95	11,180,880.00	17,050,107.00	14,430,074.00	42,661,061.00
Deficit for 1-95-97	10,000.11	0.00	0.00	10,000.11
Provision for Operating Expense	(12,384.50)	0.00	0.00	(12,384.50)
Provision for Project Account	0.00	105,148.00	138,430.00	343,586.00
Annual Contributions	0.00	(380,225.00)	1,129,770.00	1,129,545.00
Adjustments during the year	0.00	14.00	1,000.00	1,014.00
Balance June 30, 1997	11,168,595.39	16,865,044.00	15,568,574.00	43,602,213.39
Reverend Joseph-Operating Expense Balance Per Bal. 1-1-95	111,125.48	20,000.00	652,000.00	783,125.48
Provision for operating expense	(12,384.78)	(8,000.00)	0.00	(20,384.78)
Balance June 30, 1997	98,740.70	12,000.00	652,000.00	762,740.70
Reverend Joseph-Project Account Balance Per Bal. 1-1-95	0.00	2,000,000.00	1,800,000.00	3,800,000.00
Provision for Project Account	0.00	(80,225.00)	(100,000.00)	(180,225.00)
Balance June 30, 1997	0.00	1,919,775.00	1,700,000.00	3,619,775.00
Contribution for Contributions Balance Per Bal. 1-1-95	34,000,000.00	1,775,000.00	7,125,000.00	42,800,000.00
Annual Contributions 1-95-97	50,764.44	500,000.00	1,129,770.00	1,679,534.44
Operating Activity	11,000.00	0.00	0.00	11,000.00
Contribution for Bal. 1-95	179,221.54	0.00	0.00	179,221.54
Balance June 30, 1997	35,249,086.98	1,825,000.00	8,254,770.00	45,328,856.98
Residual Income	13,170.25	0.00	1.00	13,171.25
TOTAL TOTALS	52,718,682.37	34,660,144.00	27,764,344.00	115,143,170.37

SEE ALSO TO FINANCIAL STATEMENTS AND SUPPORTING NOTES

3. The actual costs of the projects are as follows:

	PROJECT LA48P01290494	PROJECT LA48P01290595	PROJECT LA48P012906
Funds Approved	\$250,330.00	\$300,000.00	\$1,023,500.00
Funds Expended	250,330.00	300,000.00	1,023,500.00
Excess of Funds Approved	0.00	0.00	0.00

FUNDS ADVANCED

HUD	250,330.00	300,000.00	1,023,500.00
Funds Expended	250,330.00	300,000.00	1,023,500.00
Excess of Funds Advanced	0.00	0.00	0.00

1. The distribution of costs by project as shown on the Final Statements of Cost dated 7-9-97, 9-18-97, & 11-21-96 submitted to HUD for approval is in agreement with the PHA's records.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.
3. Two of the above projects were closed out subsequent to the fiscal year end. We are certifying them at HUD's request.

see notes to the financial statements and management letter

WILLIAM DANIEL MCCASKILL, CPA
A MEMBER AMERICAN INSTITUTE

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MEMO
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KENNER OFFICE 7-247
MEMPHIS OFFICE 7-247

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

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA 70005

I have audited the financial statements of the Housing Authority of The City of Kenner (HQA), as of and for the year ended June 30, 1987, and have issued my report thereon dated December 22, 1987. I conducted my 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 the HQA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the FRA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the FRA's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

December 22, 1997

William Daniel McCaskill, CPA
A Professional Accounting Corporation

WILLIAM DANIEL MCCASSELL, CPA
/ CERTIFIED PUBLIC ACCOUNTANT

131 GREEN HILL
BAPTIST, SUITE 100

REPORT 84-03-73
FD 84-03-73
TITLE 84-13-048
FBI# 8400000108

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HOUSING AUTHORITY OF ORL
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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH GMB CIRCULAR A-133

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA 70065

Compliance

I have audited the compliance of the Housing Authority of The City of Kenner (HMA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The HMA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the HMA's management. My responsibility is to express an opinion on the HMA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the HMA's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the HMA's compliance with these requirements.

In my opinion, the PMA 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 June 30, 1997.

Internal Control Over Compliance

The management of the PMA 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 my audit, I considered the PMA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OIG Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgement, could adversely affect the PMA'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 27-1 and 27-2.

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. My consideration of the internal control over compliance 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.

William Daniel McCoskhill, CPA
A Professional Accounting Corporation

December 22, 1997

THE HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Under the new Single Audit Act, the auditor is supposed to complete the Summary Schedule of Prior Audit Findings. However, because of circumstances described in the following paragraph, the auditor prepared it with the concurrence of the auditee.

The prior audit was completed using the incorrect HUD audit guidance. The report refers to the Consolidated Audit Guide for Audits of HUD Programs (2000.4). This guide is for audits of HUD and Multifamily Projects and specifically excludes usage for Public Housing Authority (PHA) audits. The financial exhibits and schedules are incorrectly represented in the report. As well, a number of the findings are not applicable to PHA's as I have so noted below.

The following is a list of prior audit findings that have been corrected or were not applicable to begin with:

96-1 Cash balances exceeding the \$100,000 FDIC limit.

This finding is cleared.

96-2 Unable to ascertain the allocation of the cash balances to respective programs.

This is not applicable to PHA's.

96-3 Lack of segregation of duties.

While this situation does exist, HUD funding does not allow small PHA's to hire enough personnel to properly segregate duties. This finding is cleared.

96-4 Bank reconciliation are not reviewed by responsible officials.

The PHA follows HUD procedure in this matter. The bank sends the bank statements and cancelled checks directly to the worthy accountant who reconciles them. This finding is cleared.

96-5 Cash balances understated by \$6,988.

I noted no cash balance understatement. However, the PHA has instructed the fee accountant to write off old, uncashed checks. This finding is cleared.

96-7 Carrying values of prepaid assets not periodically reviewed for possible write down's.

Per specific HUD guidelines, the fee accountant does adjust prepaid balances at least twice annually. This finding is cleared.

96-9 Debt balances were overstated by \$69,657.

This is not applicable to PMA's.

96-10 FFB note debt is overstated by \$17,667.

This is not applicable to PMA's.

96-11 Management does not reconcile reports prepared for HUD to accounting records.

This finding is cleared.

96-1a Inadequate tenant files.

This finding is cleared.

96-2a Inadequate tenant files.

This finding is now cleared.

96-3a Untimely submittal of HUD reports.

It is HUD's responsibility to monitor the timeliness of reporting, not the auditor's. This finding is not applicable.

96-4a Tenant accounts receivable are not maintained using payment history of 30 days, 31 to 60 days, 61 to 90 days, and over 90 days.

This is not applicable to PMA's.

96-5a Annual recertifications were late.

This finding is now cleared.

96-6a The PMA violated State law by not preparing it's financial statements in accordance with GAAP.

The PMA, like all other PMA's in this State, expect the auditor to convert their HUD regulatory accounting to GAAP for reporting purposes. This finding is not applicable.

96-7a The audit report was untimely per State law.

The 1997 audit is timely per State law. This finding is cleared.

95-8a Unable to provide the allocation of the cash balance between programs.

This is not applicable to PMA's.

The following prior audit findings were not corrected or partially corrected:

95-6 The tenant accounts receivable subsidiary ledger does not agree with the general ledger.

This is repeated as finding 97-1. I am not aware of any action by the PMA to correct this problem.

95-8 The PMA does not maintain an updated property subsidiary ledger with a physical inventory.

This is repeated as finding 97-2. The PMA did complete a physical inventory but did not instruct the fee accountant to adjust the general ledger to it. Having the fee accountant adjust the general ledger would have cleared this finding.

THE HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Findings:

- i. The report includes an unqualified opinion on the financial statements.
 - ii. There were no reportable conditions in internal controls found required to be disclosed at the financial statement level.
 - iii. The audit disclosed no noncompliance which is material to the financial statements.
 - iv. Reportable conditions in internal control over major programs were disclosed by the audit. None were considered material weaknesses.
 - v. The compliance report issued for major programs was unqualified.
 - vi. The report disclosed audit findings required to be reported under Section 505a of A-133.
 - vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.000	low income housing
14.006	Section 8 Cluster
14.007	Vouchers
	Certificates
14.002	CIAP
 - viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.00.
 - ix. The auditor was not considered a low risk auditor.
2. Findings relating to the financial statements required to be reported with SACRS are as follows:

Finding Number 97-1

Statement of Conditions--The FMA does not have adequate control over its tenant accounting. The tenant accounts receivable and tenant security deposit subsidiary ledgers do not match the general ledger. Account 1138, Bank Deposits Over and Under has activity during the year to indicate a lack of control.

Criteria--The tenant accounts receivable and tenant security deposit subsidiary ledgers should match the general ledger. Account 1138, Bank deposits Over and Under, should normally only include deposits in transit and should clear out each month.

Effect--The FMA does not have adequate control over the tenant accounting.

Cause--FMA staff has not properly addressed this matter in the past.

FMA Response--We concur with this finding. Please see our corrective action plan.

Finding Number 97-2

Statement of Conditions--The FMA does not have an equipment subsidiary ledger that balances to the general ledger. The general ledger was not adjusted to the physical inventory taken by the FMA.

Criteria--The FMA should take a physical inventory annually, complete a subsidiary ledger using those results, and have the general ledger adjusted accordingly.

Effect--The FMA does not have adequate control over some of its fixed assets.

Cause--The FMA misunderstood the requirements of the prior audit findings on this matter. They thought the physical inventory taken would resolve it.

FMA Response--We concur with this finding. Please see our corrective action plan.

1. Findings and questioned costs for Federal awards as defined in A-111, Section 5009, 44 CFR 201.103(a)(1)

Finding 97-1

1. Name of Program--Low Income Housing
Identification Number--LA013001973
CFDA Title and NUMBER--14.059
Federal Award Number & Year--28-2107 as of 6-30-97
Name of Federal Agency--HUD
Name of Pass Through Entity--None

2. Criteria--Tenant Accounting--See GAOAS finding 97-1 above.
3. Condition--Tenant Accounting--See GAOAS finding 97-1 above.
4. Amount of questioned costs and how they were computed--NONE
5. The PMA collects approximately \$180,000 of tenant rents and other income annually. At year end, the net adjustment to the tenant accounting was a \$2,100.18. In addition, a collection write off of \$4,304.49 accrued by the PMA on 7-3-94 was not accrued by the fee accountant until 4-97. Account 1128, Bank Deposits Over and Under had activity that was consistent with a lack of adequate internal controls in the \$4,000 to \$6,000 range this year.
6. Effect--The PMA has inadequate internal controls over tenant accounting.
7. Recommendations to prevent future occurrences of the finding include monthly reconciliation of tenant accounts receivable and tenant security deposits to the general ledger. As well, staff should investigate and document any entry to account 1128, Bank Deposits Over and Under on a monthly basis.
8. PMA officials agree with the finding.

Finding 97-2

1. Name of Program--Low Income Housing
 Identification Number--LA012001972
 OFSA Title and Number--14.850
 Federal Award Number & Year--FW-2167 as of 4-30-97
 Name of Federal Agency--HHS
 Name of Pass Through Entity--None
2. Criteria--Equipment Controls--See GAOAS finding 97-1 above.
3. Condition--Equipment Controls--See GAOAS finding 97-1 above.
4. Amount of questioned costs and how they were computed--NONE.
5. The PMA has \$4,275,088.12 recorded as Land, Structures and Equipment. Of that, the equipment is recorded as \$181,768.76. The physical inventory taken differs from this ledger amount by \$16,761.00.

6. Effect--While this amount is not material at the program level, it indicates that the FSA needs better internal controls over its assets.
7. Recommendations to prevent future occurrences of the finding include computerizing the list of equipment, taking the physical inventory using the list, and having the fee accountant adjust the general ledger to the physical inventory results.
8. FSA officials agree with the finding.

THE HOUSING AUTHORITY OF THE CITY OF KENNER
KENNER, LOUISIANA

CORRECTIVE ACTION PLAN

Our corrective action plan is as follows:

Finding #2-1

Contact Person Responsible for Action--Lawson Harvey

Anticipated Completion Date--March 1988

Corrective Action Planned--Beginning in 12-87, PMA staff will do the following upon receipt of each month's financial reports from the fee accountant:

1. Reconcile the tenant accounts receivable and tenant security deposits to the general ledger and the rent register.
2. Investigate and document any entry to account 1128, Bank Deposits Over and Under.

Finding #2-2

Contact Person Responsible for Action--Lawson Harvey

Anticipated Completion Date--3-31-88

Corrective Action Planned--We plan to do the following on this matter:

1. Computerize the equipment list
2. Take another physical inventory and update the computerized list.
3. Have the fee accountant adjust the general ledger to the resulting list.

THE HOUSING AUTHORITY OF THE CITY OF MONROE
MONROE, LOUISIANA

MANAGEMENT LETTER

We consider the following comments to be possibly helpful to the PMA. We do not consider any of these to be findings, reportable conditions or material weaknesses.

The new HUD Annual Contributions Contract allows PMA's to write off HUD notes. We suggest that the PMA write off HUD Notes in the amounts of \$21,078.06 and \$170,787.85.

The PMA should transfer some more of it's general fund cash into accounts that bear interest.

Section 3

The inspection form used does not include 5 items required by the HQS form. When the forms are re-ordered, I suggest these be added. When unit deficiencies are re-inspected, the date should be noted. The next re-inspection should be better documented.

Low Income Housing

While the tenant files are not 100% correct, there is much improvement evident in them. The same comments regarding inspections mentioned in the section 3 section apply to this program.

We suggest off site storage of the computer tape backup.