

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

**Annual Financial Report
Acad and for the Year Ended March 31, 2004**

Under provisions of state law, this report is a public document. Copies of the report has been submitted to the 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: 10-16-04

Housing Authority of the City of New Haven
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Housing Authority of the City of New Orleans, Louisiana, as of and for the year ended March 31, 2004, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in Government Auditing Standards issued by the Comptroller General of the United States of America. Those 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 basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of March 31, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 22, 2004, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 22, 2004

HOUSING AUTHORITY OF THE CITY OF NEW BRISA

EXTRAFUND FUND
Continued Balance Sheet
March 31, 2004

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$	84,190
Investments		298,150
Receivables (net of allowance for doubtful accounts of 0)		20,000
Prepaid items and other assets		88,000
Inventory		<u>1,814</u>
Total Current Assets		<u>492,154</u>

Restricted Assets

Tenant deposits		28,000
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Fixed Assets

Land, buildings, and equipment (net)		<u>1,713,812</u>
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TOTAL ASSETS **\$** **2,234,066**

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK

ENTERPRISE FUNDS
Combined Balance Sheet
March 31, 2004

Statement A

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts payable	\$	34,110
Accrued wages/payroll taxes		1,400
Deferred revenue		<u>2,073</u>
Total Current Liabilities		44,543

Current Liabilities Payable from Current Restricted Assets

Deposits due others		<u>25,000</u>
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Noncurrent Liabilities

Compensated absences payable		<u>74,988</u>
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Total Liabilities		<u>144,531</u>
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Fund Equity

Contributed Capital		585,137
Retained earnings		
Unreserved		<u>1,097,341</u>

Total Fund Equity		<u>1,682,478</u>
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TOTAL LIABILITIES AND FUND EQUITY	\$	<u>1,827,009</u>
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(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK

ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended March 31, 2004

Statement B

OPERATING REVENUES

Dwelling rental	\$ 507,804
Other	<u>6,827</u>
Total revenues	<u>514,631</u>

OPERATING EXPENSES

Administration	275,303
Tenant services	18,000
Utilities	309,882
Ordinary maintenance & operations	384,388
Protective services	27,784
General expenses	119,875
Inventory maintenance	0
Depreciation	<u>38,847</u>
Total operating expenses	<u>1,544,721</u>

Income (loss) from operations 640,000

Nonoperating revenues (expenses)

Interest earnings	2,888
Federal grants	<u>1,124,737</u>

Total nonoperating revenues (expenses) 1,127,625

NET INCOME (Loss) 180,000

Depreciation on fixed assets acquired by contribution 321,404

Gain or loss on disposition of fixed assets 0

Increase (decrease) in retained savings \$ 410,400

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK

ENTERPRISE FUNDS
Condensed Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended March 31, 2004

Statement B

RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 1,150,793
RETAINED EARNINGS AT END OF YEAR	<u>1,561,241</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	801,541
Depreciation transferred from retained earnings	(231,606)
Gain or loss on disposition of fixed assets transferred from retained earnings	<u>0</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>569,935</u>
FUND EQUITY, END OF YEAR	<u>\$ 2,131,176</u>
	(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF NEW BERN

ENTERPRISE FUNDS
Condensed Statement of Cash Flows
For the Year Ended March 31, 2004

Statement 8

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$	(94,350)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation		29,847
Changes in operating current assets and liabilities:		
(Increase) Decrease in accounts receivable		177,287
(Increase) Decrease in interest receivable		649
(Increase) Decrease in prepaid items and and other assets		(4,800)
(Increase) Decrease in inventory		4,887
Increase (Decrease) in accounts payable		(74,871)
Increase (Decrease) in deposits due others		4,180
Increase (Decrease) in deferred revenue		<u>(2,842)</u>

**NET CASH PROVIDED (USED) BY
 OPERATING ACTIVITIES**
\$ (65,439)**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**Federal grants 1,126,517
**NET CASH PROVIDED (USED) BY NONCAPITAL
 FINANCING ACTIVITIES**
1,126,517**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**
 Purchase fixed assets (31,188)
 Increase in compensated absences (2,942)
**NET CASH PROVIDED (USED) BY CAPITAL
 AND RELATED FINANCING ACTIVITIES**
\$ (34,618)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW BERGEN

ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended March 31, 2004

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:	
(Increase) Decrease in investments	\$ (1,004)
(Increase) Decrease in restricted assets	(4,000)
Interest earnings	<u>2,889</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,115)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,208)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>125,621</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 105,413
	(CONCLUDED)

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

Issuing Authority of the City of New Berlin
Notes to the Basic Financial Statements
March 31, 2004

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Housing Authority of the City of New Orleans
Notes to the Basic Financial Statements
March 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Housing Authority of the City of New Orleans have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION Housing Authorities are classified as public corporations under the laws (LSA-R.S. 49:191) of the state of Louisiana for the purpose of providing public and private dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the city of New Orleans, serve a staggered term of four years.

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

The Housing Authority had 100 units in management at projects LA 17-125.

Program	Contract	Number
	Number	of Units
HMA overall housing	FY 1264	200

B. REPORTING ENTITY CLASS Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and financially independent, the Housing Authority is a separate governmental reporting entity.

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

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

Certain units of local government over which the Housing Authority exercises an oversight responsibility, such as the housing authorities, parish police juries, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and have financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various trust associations which are legally separate entities.

C. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting separates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Housing Authority of the City of New Orleans
Notes to the Basic Financial Statements
March 31, 2004

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operations of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 30, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

B. SUBJECTS

General Budget Cycle: The following summarizes the budget activities of the Housing Authority during the year ended March 31, 2004:

The Housing Authority adopted budgets for all FLEX-funded programs. The budget is controlled by fund at the function level. All appropriations lapse at year end. Budgets are prepared on the modified accrual basis of accounting.

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.

E. ENCUMBRANCES: Encumbrances are not recognized within the accounting records for budgetary control purposes.

Encumbrance accounting, under which purchase orders are recorded in order to ensure that portion of the applicable appropriation is not expended. 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.

F. CASH AND CASH EQUIVALENTS: Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

G. INVESTMENTS: Investments are limited by R.S. 10:2823 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in participating interest-bearing contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates are reported using a cost-based measure.

The Housing Authority reported its unsecured cost money market investments participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less.

Housing Authority of the City of New Haven
Notes to the Basic Financial Statements
March 31, 2004

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.
 Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

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 AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year end the amount of inventory is recorded for external financial reporting.

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

J. FIXED ASSETS Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	35 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years

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

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

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

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

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS As March 31, 2004, the Housing Authority has cash, cash equivalents, and investments as follows:

Cash on hand	\$ 100
Demand deposits	80,111
Time deposits	205,120
Total	<u>\$305,331</u>

Housing Authority of the City of New Orleans
Notes to the Basic Financial Statements
March 31, 2009

Cash and cash equivalents	\$ 14,199
Cash and cash equivalents - restricted	26,288
Investments	228,123
Total	<u>\$348,610</u>

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 controlled bank that is mutually acceptable to both parties. At March 31, 2009, the Housing Authority's carrying amount of deposits was \$378,596 and the bank balance was \$411,853. Of the bank balance, \$271,902 was covered by federal depository insurance (GAAP Category 1). The remaining \$239,951 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GAAP Category 2).

Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GAAP Statement 3, Louisiana Revised Statute 29:1229 imposes a statutory requirement on the controlled bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in-line deposits of funds.

NOTE 3 - RECEIVABLES: The receivables at March 31, 2009, are as follows:

Class of Receivables	
Residents	\$ 689
Other	26,028
Grants	79
Interest	____528
Total	<u>\$30,324</u>

No allowance for doubtful accounts was established because the Housing Authority expects to collect these balances in full.

NOTE 4 - FIXED ASSETS: The changes in fixed assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and buildings	\$7,219,096	\$ 787,480	\$ -	\$8,006,576
Furniture and equipment	264,875	18,394	7,381	285,888
Construction in progress	214,252	499,926	792,480	151,698
Total	<u>7,698,223</u>	<u>1,305,799</u>	<u>799,861</u>	<u>8,604,161</u>
Less: accumulated depreciation				
Buildings	6,147,688	187,811	-	6,335,499
Furniture and equipment	111,882	22,954	7,381	147,455
Total	<u>6,259,570</u>	<u>210,765</u>	<u>7,381</u>	<u>6,477,696</u>
Fixed assets, net	<u>\$1,438,653</u>	<u>\$1,095,034</u>	<u>\$22,480</u>	<u>\$2,126,465</u>

NOTE 5 - RETIREMENT SYSTEM: The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan which is a defined-contribution plan. The plan consists of employees of various local and regional housing authorities, urban-renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

**Housing Authority of the City of New Berlin
Notes to the Basic Financial Statements
March 31, 2004**

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 3.3 percent of the effective compensation. The employer is required to make monthly contributions equal to 7.3 percent of each participant's effective compensation.

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

The Housing Authority's total payroll for the year ended March 31, 2004, was \$149,823. The Housing Authority's contributions were calculated using the base salary amount of \$384,791. The Housing Authority made the required contributions of \$21,943 for the year ended March 31, 2004, of which \$11,608 was paid by the Housing Authority and \$9,335 was paid by employees. No payments were made out of the deferrals account.

NOTE 4 - ACCOUNTS PAYABLES The payables at March 31, 2004, are as follows:

Contingency	1,000
Accounts payable	27,883
Payments in lieu of taxes	1,227
Total	<u>\$29,110</u>

NOTE 5 - COMPENSATED ABSENCE At March 31, 2004, employees of the Housing Authority have accrued and vested \$21,148 of employee leave benefits, which was computed in accordance with GASB Codification Section 650. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Litigation Two claims have been filed against the Housing Authority by a former employee and a resident. These claims have been submitted to the insurance company. The ultimate outcome cannot presently be determined. A liability of \$21,000 has been accrued in the financial statements. The liability represents a \$2,000 deductible for each case filed. The resolution of these lawsuits could result in additional liability for the Housing Authority. No accrual has been made for any additional liability.

Construction Projects There are certain major construction projects in progress at March 31, 2004. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the work is incurred.

Grant Disallowances The Housing Authority participates in a number of federally funded grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-110 through March 31, 2004, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 7 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to theft of damage to and destruction of assets, errors and omissions, and natural disasters for which the Housing Authority carries commercial insurance.

**HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2004**

FIN. LINES FIN. ID: 001004

Line Item No.	Account Description	Local Fund Public Housing	Public and Indian Housing Orig. Distribution Program	PIH - Family Investment Corporation	Public Housing Capital Fund Program	Block Grants for Prevention and Treatment of Substance Abuse	Total
111	Cash - Unrestricted	\$55,495	\$0	\$0	\$0	\$0	\$55,495
114	Cash - Federal Security Deposits	\$39,098	\$0	\$0	\$0	\$0	\$39,098
115	Total Cash	\$94,593	\$0	\$0	\$0	\$0	\$94,593
121	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0
122	Accounts Receivable - Maintenance	\$70,020	\$0	\$0	\$0	\$0	\$70,020
123	Accounts Receivable - Tenants - Dues/fees	\$600	\$0	\$0	\$0	\$0	\$600
124	Allowance for Doubtful Accounts - Dues/fees	\$0	\$0	\$0	\$0	\$0	\$0
125	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0
126	Account Interest Receivable	\$500	\$0	\$0	\$0	\$0	\$500
	Total Receivables, net of allowances for doubtful accounts	\$70,520	\$0	\$0	\$0	\$0	\$70,520
131	Investments - Unrestricted	\$200,120	\$0	\$0	\$0	\$0	\$200,120
141	Prepaid Expenses and Other Assets	\$95,267	\$0	\$0	\$0	\$0	\$95,267
142	Inventory	\$7,514	\$0	\$0	\$0	\$0	\$7,514
143	Allowance for Doubtful Inventory	\$0	\$0	\$0	\$0	\$0	\$0
144	Interpreting Exp./Fees	\$20	\$0	\$0	\$0	\$0	\$20
150	Total Current Assets	\$568,034	\$0	\$0	\$0	\$0	\$568,034
201	Land	\$500,000	\$0	\$0	\$0	\$0	\$500,000
202	Buildings	\$7,918,800	\$0	\$0	\$75,000	\$0	\$8,093,800
203	Furniture, Equipment & Machinery - Dwellings	\$98,121	\$0	\$0	\$0,000	\$0	\$98,121
	Furniture, Equipment & Machinery - Administration	\$304,000	\$1,000	\$10,000	\$0,000	\$0	\$315,000
204	Land/lot Improvements	\$0	\$0	\$0	\$0	\$0	\$0
205	Accumulated Depreciation	\$(8,751,200)	\$(200)	\$(7,000)	\$(57,000)	\$0	\$(9,775,400)
207	Construction in Progress	\$0	\$0	\$0	\$200,000	\$0	\$200,000
	Total Fixed Assets, net of accumulated depreciation	\$703,921	\$1,800	\$0,000	\$200,000	\$0	\$1,705,721
							\$0
300	Total Non-Current Assets	\$703,921	\$1,800	\$0,000	\$200,000	\$0	\$1,705,721
							\$0
300	Total Assets	\$1,271,955	\$1,800	\$0,000	\$200,000	\$0	\$1,273,755

**HOUSING AUTHORITY OF THE CITY OF NEW BERNA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2004**

FIN 14807 FIN 03/09/04

Line Item	Account Description	Low Rent Public Housing	Federal Inflation Reducing Drug Elimination Program	PH + Family Investment Corporation	Public Housing Capital Fund Program	Block Grants for Priority and Treatment of Substance Abuse	Total
100	Accounts Payable - 30 Days	\$2,680	\$0	\$0	\$0	\$0	\$2,680
	Accrued Compensated Absences - Current						
101	Payroll	\$7,460	\$0	\$0	\$0	\$0	\$7,460
102	Accounts Payable - Other Government	\$7,237	\$0	\$0	\$0	\$0	\$7,237
103	Tenant Security Deposits	\$2,680	\$0	\$0	\$0	\$0	\$2,680
140	Interest Revenue	\$2,271	\$0	\$0	\$0	\$0	\$2,271
147	Impressment Due To	\$0	\$0	\$0	\$0	\$0	\$0
150	Total Current Liabilities	\$19,658	\$0	\$0	\$0	\$0	\$19,658
200	Accrued Compensated Absences - Non Current	\$14,000	\$0	\$0	\$0	\$0	\$14,000
200	Total Noncurrent Liabilities	\$14,000	\$0	\$0	\$0	\$0	\$14,000
200	Total Liabilities	\$33,658	\$0	\$0	\$0	\$0	\$33,658
300	Net Real Estate Investments	\$60,137	\$0	\$0	\$0	\$0	\$60,137
300	Total Contributed Capital	\$60,137	\$0	\$0	\$0	\$0	\$60,137
400	Total Restricted Fund Balances	\$0	\$0	\$0	\$0	\$0	\$0
410	Unexpended Fund Balance/Retained Earnings	\$274,800	\$1,100	\$4,100	\$260,000	\$0	\$539,000
420	Total Equity/Net Assets	\$274,800	\$1,100	\$4,100	\$260,000	\$0	\$539,000
450	Total Liabilities and Equity/Net Assets	\$318,458	\$1,100	\$4,100	\$260,000	\$0	\$573,658

**HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2008**

PFA LAST FIVE FISCAL YEARS

Line Item	Account Description	PFA and Other					Block Grants for Preservation and Treatment of Substandard Homes	Total
		Low-Risk Public Housing	Housing/Drug Elimination Program	PFA - Family Investment Cooperation	Habitat Housing Capital Fund Program	Other		
700	Total Forecast Rental Revenues	\$248,887	\$0	\$0	\$0	\$0	\$248,887	
701	Total Revenue - Other	\$11,000	\$0	\$0	\$0	\$0	\$11,000	
702	Total Forecast Revenue	\$259,887	\$0	\$0	\$0	\$0	\$259,887	
703	HAB PFA Operating Costs	\$227,488	\$2,894	\$0	\$0,000	\$71,118	\$301,499	
704	Capital Grants	\$0	\$1,600	\$0	\$22,728	\$0	\$24,328	
711	Investment Income - Unrestricted	\$2,000	\$0	\$0	\$0	\$0	\$2,000	
712	Other Revenues	\$8,887	\$0	\$0	\$0	\$0	\$8,887	
700	Total Expenses	\$236,375	\$4,494	\$0	\$22,728	\$71,118	\$334,715	

**HOUSING AUTHORITY OF THE CITY OF NEW KENNA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2004**

PAID 1/22/07 F002 0091004

Line Item No.	Account Description	Less than \$1000 (thous)	Public and other Housing Org. Expenditure Program	FBI - Family Investment Corporation	Public Housing Capital/Plant Program	(part) Grants for Protection and Treatment of Habitants Abuse	Total
81	Administrative Salaries	\$105,710	\$0	\$0	\$0	\$21,004	\$126,714
811	Auditing Fees	\$14,000	\$0	\$0	\$0	\$0	\$14,000
814	Computerized Processes	\$9,540	\$0	\$0	\$0	\$0	\$9,540
815	Employee Benefit Contributions - Administrative	\$13,493	\$0	\$0	\$0	\$4,808	\$18,301
818	Other Operating - Administrative	\$61,084	\$0	\$0	\$100	\$11,790	\$72,874
821	Tenant Services - Salaries	\$70,000	\$0	\$0	\$0	\$0	\$70,000
822	Employee Benefit Contributions - Tenant Services	\$5,000	\$0	\$0	\$0	\$0	\$5,000
824	Tenant Services - Other	\$0,000	\$0	\$0	\$0	\$0	\$0,000
825	Water	\$7,100	\$0	\$0	\$0	\$0	\$7,100
832	Electricity	\$207,000	\$0	\$0	\$0	\$0	\$207,000
833	Gas	\$4,400	\$0	\$0	\$0	\$0	\$4,400
835	Laundry	\$600	\$0	\$0	\$0	\$0	\$600
838	Other Utilities Expenses	\$105,600	\$0	\$0	\$0	\$0	\$105,600
841	Ordinary Maintenance and Operations - Labor	\$103,471	\$0	\$0	\$0	\$0	\$103,471
842	Ordinary Maintenance and Operations - Materials and Other	\$40,624	\$0	\$0	\$1,200	\$0	\$41,824
843	Ordinary Maintenance and Operations - Contract	\$70,000	\$0	\$0	\$700	\$0	\$70,700
844	Employee Benefit Contributions - Ordinary Maintenance	\$20,000	\$0	\$0	\$0	\$0	\$20,000
851	Protective Services - Other Services/fees	\$0	\$2,000	\$0	\$0	\$14,000	\$16,000
861	Insurance Premiums	\$115,000	\$0	\$0	\$0	\$0	\$115,000
862	Other General Expenses	\$600	\$0	\$0	\$0	\$0	\$600
863	Payments in lieu of Taxes	\$1,207	\$0	\$0	\$0	\$0	\$1,207
864	Real Estate - Tenant Costs	\$4,000	\$0	\$0	\$0	\$0	\$4,000
865	Total Operating Expenses	\$798,700	\$2,000	\$0	\$8,000	\$21,004	\$829,704
866	Cross Operating Revenue and Spending Expenses	\$64,000	\$4,400	\$0	\$24,700	\$0	\$93,100
874	Depreciation Expense	\$21,004	\$200	\$2,700	\$2,200	\$0	\$26,104
880	Total Expenses	\$1,775,107	\$6,400	\$2,700	\$34,900	\$21,004	\$1,840,111
100	Less Other Financing Source (Cost)	\$0	\$0	\$0	\$0	\$0	\$0
100	Excess (Deficiency) of Operating Revenue less Other Expenses	(\$275,000)	\$0,000	(\$2,700)	(\$40,000)	\$0	(\$317,700)

**HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2004**

PAGE LAST FY03 04710044

Line Item No.	Account Description	Low Cost Public Housing	Public and Infill Housing Drug Elimination Program	PH - Family Investment Corporation	Public Housing Capital Fund Program	State Grants for Prevention and Treatment of Substance Abuse	Total
100	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$0
100	State Privatization - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0
100	Beginning Bal.	\$1,483,734	\$0	\$0,000	\$0,000	\$0	\$1,483,734
	Plus/Minus Adjustments, Equity Transfers and						
100	Transfer of Fees	\$0	\$0	\$0	\$0	\$0	\$0
110	Expenditures-Add Back	\$271,404	\$0	\$0	\$0	\$0	\$271,404
100	End/Beginning Balance	1,212	0	0	0	0	1,212
110	Balance of the Month/Last	1,188	0	0	0	0	1,188

HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK

**MODERNIZATION COSTS
CAPITAL FUND PROGRAM
March 31, 2004**

1. The actual Capital Fund Program costs is as follows:

	PROJECT	
	LA 48-P 00750101	
Funds Approved	\$	411,000
Funds Expended		<u>411,000</u>
Balance of Funds Approved		<u>0</u>
Funds Advanced		411,000
Funds Expended		<u>411,000</u>
Balance of Funds Advanced	\$	<u>0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund Program expenditures dated March 18, 2004 accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the FTR's records.
3. All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF NEW BERN

**MODERNIZATION COSTS
CAPITAL FUND PROGRAM
March 31, 2004**

1. The actual Capital Fund Program costs is as follows:

	<u>PROJECT</u> <u>LA-04-P-00780100</u>
Funds Approved	\$ 407,000
Funds Expended	<u>407,000</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	407,000
Funds Expended	<u>407,000</u>
Excess of Funds Advanced	<u>0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund Program expenditures dated October 9, 2003 (accompanying the actual modernization certificate submitted to HUD for approval) is in agreement with the FHW's records.
3. All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the City of New Berlin

GENERAL

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation.

Ms. Gayle Anselmi, Chairman

Mr. Ronald Davis

Mr. Thomas Jolivet

Ms. Karen Jones

Mr. Michael Joseph, Vice Chairman



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

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

We have audited the basic financial statements of the Housing Authority of the City of New Orleans, as of and for the year ended March 31, 2004, and have issued our report dated August 10, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Housing Authority in a separate letter dated July 23, 2004.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:117 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 23, 2004



ALLEN, GREEN & WILLIAMSON, LLP

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To: Client, CPA

Walter Williamson, CPA

Walter, Allen, CPA
Partner
1001 - 1002

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

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

Compliance

We have audited the compliance of the Housing Authority of the City of New Orleans, New Orleans, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Requirement that are applicable to each of its major federal programs for the year ended March 31, 2004. The Housing Authority's major federal programs are identified in the summary of auditors' 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 Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular No. A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority'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 the Housing Authority's compliance with these requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with these requirements that is reported in accordance with OMB Circular No. A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 94-F1.

Internal Control Over Compliance

The management of the Housing Authority 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 the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Housing Authority, as of and for the year ended March 31, 2004, and have issued our report thereon dated July 23, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OAG Circular No. A-110 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 28:211 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
July 23, 2004

HOUSING AUTHORITY OF THE CITY OF NEW ORLEANS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended March 31, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM EXPENDITURES
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			
DIRECT PROGRAMS			
Public and Indian Housing			
Operating Subsidy (I)	14.85	PH 1264	\$ 377,688
Drug Elimination Program	14.85	PH 1264	4,580
Capital Fund Program	14.87	PH 1264	<u>380,000</u>
TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			<u>762,268</u>
U.S. DEPT OF HEALTH AND HUMAN SERVICES			
Passed through the State of Louisiana Department of Health and Hospitals			
Block Grants for Prevention and Treatment of Substance Abuse	93.96	60860	<u>73,113</u>
TOTAL U.S. DEPT OF HEALTH AND HUMAN SERVICES			<u>73,113</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 835,381</u>

Housing Authority of the City of New Orleans
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2004

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

NOTE 2 - BASIS OF ACCOUNTING: The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: Federal award revenues are reported in the Housing Authority's basic financial statements as follows:

Enterprise Basis	<u>Federal Income</u>
Public Housing	\$ 507,488
Drug elimination	4,847
Alcohol and substance abuse	72,311
Capital fund program	<u>508,341</u>
Total	<u>\$1,192,987</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS: Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS: The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PDH 99-14, "Federal awards" do not include Housing Authority operating income from rents or investments for other non-federal accounts. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of New York
Schedule of Findings and Questioned Costs
As of and for the Year Ended March 31, 2004**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller-General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- i. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- ii. The type of report the auditor issued on compliance for major programs was unqualified.
- iii. The audit disclosed audit findings, which the auditor is required to report under OMB Circular No. A-133, Section 5.8(b)(1).
- iv. The major federal programs are:

CFDAR 14.150 Public and Indian Housing - Low-Rent Program
- v. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 5.10(b) was \$100,000.
- vi. The auditor does qualify as a low-risk auditor under OMB Circular No. A-133, Section 5.9.

**Housing Authority of the City of New York
Schedule of Findings and Questioned Costs
As of and for the Year Ended March 31, 2004**

Reference # and (SIC): **94-21** **Resident Files**

Federal program and specific Federal award identification:

CFDA Title: Public & Indian Housing and CFDA #14.850
Federal Award #/W 1264 and Federal Award Year 2000
Federal Agency: Department of Housing and Urban Development

Entity-wide or program/department specific: This applies to the Low-Rent Housing Program.

Criteria or specific requirement: 24 CFR sections 3.211, 3.220, and 3.601 through 3.617 as well as HUD guidance concerning the Form 50008 contain requirements for information maintained in resident files. These requirements dictate that a re-certification be performed and a copy of HUD 50008 is to be maintained for each resident on an annual basis. Social Security numbers, date of birth, and reported income on the form should agree to support in resident files. Resident income including medical expenses and status of full-time students should be verified by third party. The rent calculation should utilize income verifications on file. The Housing Authority should obtain HUD Form 50008 for all residents over 18 years of age.

Condition found: The following exception was noted in a haphazard selection of twenty-five resident files sampled.

Six had no re-certification performed within the year and therefore did not have copies of HUD 50008.

Identification of questioned costs and how they were computed: Questioned costs can only be determined when the actual resident payment is known along with the amount the resident payment should have been. These figures are not known in the above exception; therefore, no questioned costs were calculated.

Issue presented by finding the condition and consequences: The Housing Authority operates two limited units. Twenty-five resident files were selected for testing.

Possible asserted effect, cause and effect:

Cause: The Housing Authority does not have procedures in place to ensure that the resident comes to the office to sign all necessary information to complete the annual re-certification.

Effect: Information, which is incomplete, in the resident files may cause the Housing Authority to support a unit to an ineligible family or charge lower rent than should be charged.

Recommendation to prevent future occurrences: The Housing Authority should establish some procedures to ensure that all residents come to complete their information and sign all necessary documents to complete the annual re-certification process.

Housing Authority of the City of New York
Summary Schedule of Prior Audit Findings
March 31, 2004

Reference Land File **SL-FI** **Resident File**

Initials occurred: Fiscal year ended March 31, 1999.

Condition: 34 CFR Sections 1.112, 1.120, and 1.601 through 1.617 as well as HUD guidance concerning the form 50058 contain requirements for information maintained in resident files. These requirements dictate that a copy of HUD-50058 is to be maintained for each resident on an annual basis. Social Security numbers, dates of birth, and reported income on the form should agree to appear in resident files. Resident income (including medical expenses and status of full-time students) should be verified by third party. The rent-calculation should utilize income verifications on file. The Housing Authority should obtain HUD form 50058 for all residents over 18 years of age.

The following exceptions were noted in a haphazard selection of fifteen resident files tested:

- One had the amount of rent charged not agree with what was on the rent roll
- Six had no current and signed HUD Form 50058
- Two had no current HUD Form 50058
- Three had no birth certificate on residents in the household
- Three had no recertification performed within the year
- One resident file was unable to be obtained for review

Corrective action taken: See Finding 04-F1

Housing Authority of the City of New Orleans
Corrective Action Plan for Current-Year Readings and Questioned Costs
March 31, 2004

Findings references F and (R): **84-F1** **Resident Files**

Condition: 24 CFR Sections 5.211, 5.213, and 5.601 through 5.617 as well as HUD guidance concerning the Form 5008 contain requirements for information maintained/investigated files. These requirements dictate that a re-certification be performed and a copy of HUD 5008 is to be maintained for each resident on an annual basis. Social Security numbers, dates of birth, and reported income on the form should agree to support its residents' files. Residents' income, including medical expenses and status of full-time students, should be verified by a third party. The year calculation should utilize income verifications on file. The Housing Authority should obtain HUD form 5008 for all residents over 18 years of age.

The following exception was noted in a haphazard selection of twenty-five resident files noted:

Six had no re-certification performed within the year and therefore did not have copies of HUD form 5008.

Corrective action planned: The Housing Authority has had problems getting residents to come in for re-exams. The Housing Authority will use two methods to get them to come in - terminate the lease and market rent.

Person responsible for corrective action:

Ms. Ellen J. Brownard, II, Associate Director Telephone: (504) 384-2315
Housing Authority of the City of New Orleans Fax: (504) 384-2817
323 North Street
New Orleans, LA 70160

Anticipated completion date: Immediately.



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Management Letter

Ten-Claw, CPA

Maury Williamson, CPA

Maury A. Williamson, CPA
1012 - 1016

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

In planning and performing our audit of the basic financial statements of the Housing Authority of the City of New Orleans, for the year ended March 31, 2004, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented in your memorandum. This letter does not affect our report dated July 23, 2004, on the financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. The comments are summarized as follows:

II-M1. Expense Accruals Policy

Comment: Some of the Housing Authority's policies are old and out dated. Some procedures have changed over the years but those changes are not reflected in its policies. Policies such as travel, purchasing and inventory need to be reviewed and revised.

Recommendation: The Housing Authority should re-write current written policies and update to be consistent with changes in procedure.

Management's response: Will revise by 2005.

II-M2. Information System

Comment: The Housing Authority is using computer information systems; but, does not perform weekly backups or have a disaster recovery plan.

Recommendation: The Housing Authority should perform backups on the information systems at least weekly and store the backup off site in case of an emergency. Also, the Housing Authority needs to establish a disaster recovery plan to be able to retrieve information and use these procedures as an annual test.

Management's response: The recommendation will be implemented immediately.

MEMO Vendor Statements

Comments: Expenses should be documented with original invoices or other original documentation to provide support for the invoices.

Recommendation: In processing invoices for payment all employees should be reminded that original invoices are required to document the expense.

Management's response: The Housing Authority has always tried to make sure we had original invoices. Maintenance sometimes puts invoices in their pockets and forgets to turn them in and they are washed and destroyed. We have request copies. We will have a folder or pouch put in the maintenance trucks to store invoices and turn them in at the end of the day.

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

This report is intended solely for the information and use of the Board, management and internal auditing agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

July 22, 2004

Housing Authority of the City of New Iberia
Status of Prior Year Management Letter Items
March 31, 2004

10-01 Flood Asset Disposal

Condition: The Housing Authority does not have any policies and procedures in place concerning disposal of flood assets.

Corrective action taken: The Housing Authority has established procedures for disposing flood assets and has complied with the established procedures.