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NINTH WARD HOUSING DEVELOPMENT CORPORATION
NEW ORLEANS, LOUISIANA

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FINANCIAL AND COMPLIANCE AUDIT

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1999

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

Release Date 1-12-00

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12/22

**NINTH WARD HOUSING DEVELOPMENT CORPORATION
(A Non-Profit Corporation)**

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CERTIFIED PUBLIC ACCOUNTANT

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MEMBER

American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ninth Ward Housing Development Corporation

I have audited the accompanying statement of financial position of Ninth Ward Housing Development Corporation, hereafter NWHDC (a nonprofit organization), as of June 30, 1999, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of NWHDC's management. My responsibility is to express an opinion on these financial statements based on my audit.

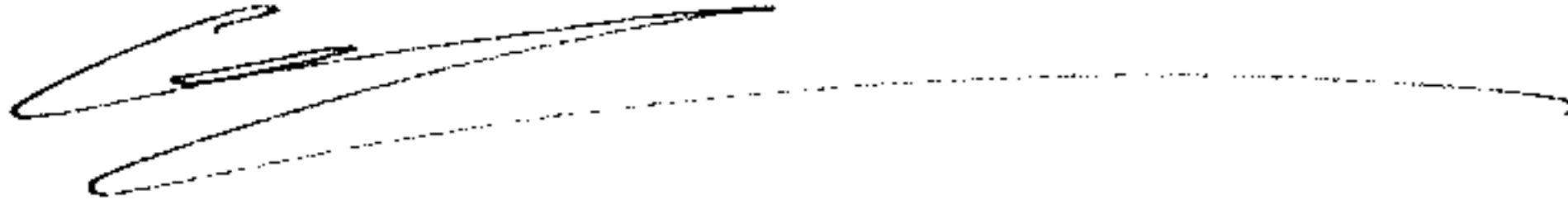
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NWHDC as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 22, 1999, on my consideration of NWHDC's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of NWHDC taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'Asif Gafur', with a long horizontal flourish extending to the right.

Asif Gafur
Certified Public Accountant
December 22, 1999

NINTH WARD HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>DAY-CARE PROGRAM</u>	<u>FOOD SERVICES PROGRAM</u>	<u>COMMUNITY ASSISTANCE PROGRAM</u>	<u>EMPLOYMENT PREPARATION PROGRAM</u>	<u>REHABILITATION PROGRAM</u>	<u>FIRST TIME HOME BUYER PROGRAM</u>	<u>TOTAL (MEMO ONLY)</u>
Current Assets:								
Cash	\$ 11,563	\$ 1,354	\$ 7,579	\$ -0-	\$ -0-	\$ -0-	\$ 42,955	\$ 63,451
Grant receivable	-0-	18,402	2,209	-0-	-0-	-0-	-0-	20,611
Note & interest receivable (Note 5)	-0-	-0-	-0-	-0-	-0-	-0-	62,800	62,800
Rent receivable	219,200	-0-	-0-	-0-	-0-	-0-	-0-	219,200
Due from other programs	32,906	37,248	7,242	15,669	1,232	615	1,900	96,812
Total current assets	<u>\$ 263,669</u>	<u>57,004</u>	<u>17,030</u>	<u>15,669</u>	<u>1,232</u>	<u>615</u>	<u>107,655</u>	<u>462,874</u>
Property and equipment, net (Notes 1 and 2)	1,071,157	5,671	-0-	9,211	1,069	-0-	-0-	1,087,108
Total	<u>\$ 1,334,826</u>	<u>\$ 62,675</u>	<u>\$ 17,030</u>	<u>\$ 24,880</u>	<u>\$ 2,301</u>	<u>\$ 615</u>	<u>\$ 107,655</u>	<u>\$ 1,549,982</u>
<u>LIABILITIES</u>								
Current Liabilities:								
Accounts payable	\$ 5,358	\$ 46	\$ 303	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,707
Accrued expenses/other payables	2,441	562	87	-0-	-0-	-0-	-0-	3,090
Due to other programs	31,804	34,092	1,840	-0-	7,743	-0-	21,333	96,812
Total current liabilities	<u>39,603</u>	<u>34,700</u>	<u>2,230</u>	<u>-0-</u>	<u>7,743</u>	<u>-0-</u>	<u>21,333</u>	<u>105,609</u>
<u>NET ASSETS</u>								
Unrestricted	1,295,223	-0-	-0-	-0-	-0-	-0-	-0-	1,295,223
Temporarily restricted	-0-	27,975	14,800	24,880	(5,442)	615	86,322	149,150
Total net assets	<u>1,295,223</u>	<u>27,975</u>	<u>14,800</u>	<u>24,880</u>	<u>(5,442)</u>	<u>615</u>	<u>86,322</u>	<u>1,444,373</u>
Total Liabilities and Net Assets	<u>\$ 1,334,826</u>	<u>\$ 62,675</u>	<u>\$ 17,030</u>	<u>\$ 24,880</u>	<u>\$ 2,301</u>	<u>\$ 615</u>	<u>\$ 107,655</u>	<u>\$ 1,549,982</u>

The accompanying report and notes are an integral part of these financial statements

NINTH WARD HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

<u>SUPPORT AND REVENUES</u>	<u>GENERAL FUND</u>	<u>DAY-CARE PROGRAM</u>	<u>FOOD SERVICES PROGRAM</u>	<u>COMMUNITY ASSISTANCE PROGRAM</u>	<u>EMPLOYMENT PREPARATION PROGRAM</u>	<u>REHABILITATION PROGRAM</u>	<u>FIRST TIME HOME BUYER PROGRAM</u>	<u>TOTAL (MEMO ONLY)</u>
Grants	\$ 30,608	\$ 42,509	\$ 23,988	\$ -0-	\$ -0-	\$ -0-	\$ 450	\$ 97,555
Rental income	233,926	-0-	-0-	-0-	-0-	-0-	-0-	233,926
Program Income	-0-	29,250	-0-	-0-	-0-	-0-	-0-	29,250
Interest Income	-0-	-0-	-0-	-0-	12	-0-	2,800	2812
Other income	2,009	-0-	-0-	-0-	-0-	-0-	85,462	87,471
	<u>266,543</u>	<u>71,759</u>	<u>23,988</u>	<u>-0-</u>	<u>12</u>	<u>-0-</u>	<u>88,712</u>	<u>451,014</u>
Total support and revenues								
<u>EXPENSES</u>								
Program services	-0-	77,723	28,654	12,615	2,870	96	79,365	201,323
Support services	323,844	-0-	-0-	-0-	-0-	-0-	-0-	323,844
	<u>323,844</u>	<u>77,723</u>	<u>28,654</u>	<u>12,615</u>	<u>2,870</u>	<u>96</u>	<u>79,365</u>	<u>525,167</u>
Total expenses								
(Decrease) in net assets, unrestricted	(57,301)	-0-	-0-	-0-	-0-	-0-	-0-	(57,301)
Increase (decrease) in net assets, restricted	-0-	(5,964)	(4,666)	(12,615)	(2,858)	(96)	9,347	(16,852)
Net assets unrestricted, beginning	1,369,524	-0-	-0-	-0-	-0-	-0-	-0-	1,369,524
Net assets temporarily restricted, beginning	-0-	33,939	19,466	37,495	(2,584)	711	76,975	166,002
	<u>1,369,524</u>	<u>33,939</u>	<u>19,466</u>	<u>37,495</u>	<u>(2,584)</u>	<u>711</u>	<u>76,975</u>	<u>1,535,526</u>
Net assets unrestricted, prior period adjustment (Note 6)	(17,000)	-0-	-0-	-0-	-0-	-0-	-0-	(17,000)
Net assets unrestricted, ending	1,295,223	-0-	-0-	-0-	-0-	-0-	-0-	1,295,223
Net assets temporarily restricted, ending	-0-	27,975	14,800	24,880	(5,442)	615	86,322	149,150
	<u>\$ 1,295,223</u>	<u>\$ 27,975</u>	<u>\$ 14,800</u>	<u>\$ 24,880</u>	<u>\$ (5,442)</u>	<u>\$ 615</u>	<u>\$ 86,322</u>	<u>\$ 1,444,373</u>

The accompanying report and notes are an integral part
of these financial statements

NINTH WARD HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GENERAL FUND</u>	<u>DAY-CARE PROGRAM</u>	<u>FOOD SERVICES PROGRAM</u>	<u>COMMUNITY ASSISTANCE PROGRAM</u>	<u>EMPLOYMENT PREPARATION PROGRAM</u>	<u>REHABILITATION PROGRAM</u>	<u>FIRST TIME HOME BUYER PROGRAM</u>	<u>TOTAL</u>
Salaries and wages	\$ 120,511	\$ 54,893	\$ 14,084	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 189,488
Fringe benefits	13,979	5,818	1,328	-0-	-0-	-0-	-0-	21,125
Advertisement	620	208	-0-	-0-	-0-	-0-	-0-	828
Auto	1,073	1,545	-0-	-0-	-0-	-0-	-0-	2,618
Contractual services	1,750	-0-	-0-	-0-	-0-	-0-	7,149	8,899
Commissions	3,000	-0-	-0-	-0-	-0-	-0-	4,500	7,500
Cost - sales of homes & land	5,535	-0-	-0-	-0-	-0-	-0-	5,000	10,535
Construction - new homes	-0-	-0-	-0-	-0-	-0-	-0-	1,122	1,122
Depreciation	41,607	1,037	-0-	8,660	886	-0-	-0-	52,190
Discounts FTHB	-0-	-0-	-0-	-0-	-0-	-0-	61,440	61,440
Dues and subscriptions	2,038	25	-0-	-0-	-0-	-0-	-0-	2,063
Education and training	1,756	145	197	-0-	-0-	-0-	-0-	2,098
Insurance	29,048	2,040	-0-	-0-	-0-	-0-	-0-	31,088
Licenses and permits	40	25	-0-	-0-	-0-	-0-	-0-	65
Miscellaneous	1,004	-0-	13	-0-	-0-	-0-	-0-	1,017
Other	559	251	86	1,339	33	96	127	2,491
Parking and mileage	801	-0-	89	-0-	-0-	-0-	-0-	890
Professional services	48,524	-0-	553	-0-	-0-	-0-	-0-	49,077
Postage and printing	321	-0-	64	-0-	-0-	-0-	-0-	385
Rent	-0-	4,800	-0-	-0-	-0-	-0-	-0-	4,800
Repairs and maintenance	19,990	1,923	260	888	-0-	-0-	26	23,087
Seminars and fairs	20	-0-	-0-	-0-	-0-	-0-	-0-	20
Supplies	4,632	3,502	11,964	-0-	1,951	-0-	1	22,050
Taxes, fees, assessments	2,432	224	16	-0-	-0-	-0-	-0-	2,672
Telephone	6,606	687	-0-	363	-0-	-0-	-0-	7,656
Utilities	17,998	600	-0-	1,365	-0-	-0-	-0-	19,963
Total	<u>\$ 323,844</u>	<u>\$ 77,723</u>	<u>\$ 28,654</u>	<u>\$ 12,615</u>	<u>\$ 2,870</u>	<u>\$ 96</u>	<u>\$ 79,365</u>	<u>\$ 525,167</u>

The accompanying report and notes are an integral part
of these financial statements

**NINTH WARD HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999**

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (74,153)
Adjustments to reconcile net cash provided by operating activities:	
Depreciation expense	52,190
Prior period adjustments	(17,000)
Changes in operating assets and liabilities:	
Grant receivable	23,946
Note & interest receivable	(62,800)
Rent receivable	(28,499)
Accounts payable	(19,856)
Payroll taxes & other payables	<u>105</u>
 Net cash used in operating activities	 <u>(126,067)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(35,435)
Sale of lands and other	59,436
 Net cash provided by investing activities	 <u>24,001</u>
Net decrease in cash	(102,066)
 Cash, beginning of period	 <u>165,517</u>
 Cash, end of period	 <u>\$ 63,451</u>

The accompanying report and notes are an intergral part
of these financial statements

**NINTH WARD HOUSING DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Program Expenditures June 30, 1999</u>
STATE OF LOUISIANA			
Division of Administration Semmes Building Renovation	N/A	50-N081-95B-1	\$ 30,608
Louisiana Department of Education: U. S. Department of Agriculture Child and Adult Care Food Program	10.558	93-285	28,654
CITY OF NEW ORLEANS			
Division of Housing & Neighborhood Development: U. S. Department of Housing and Urban Development	14.219	50-031C	54,898
U. S. Department of Housing and Urban Development	14.239	CHD098-004	<u>79,365</u>
Total			<u>\$ 193,525</u>

The accompanying report and notes are an intergral part
of these financial statements

NINTH WARD HOUSING DEVELOPMENT CORPORATION
Notes to Financial Statements
June 30, 1999

Note 1: Background and Significant Accounting Policies:

General

Ninth Ward Housing Development Corporation, hereafter NWHDC, is a not-for-profit corporation formed on July 21, 1994, formerly called the Lower Ninth Ward Housing Development Corporation, which was incorporated on December 4, 1969. NWHDC was organized and operates on a non-stock basis with one class of membership which consist of members of the Board of Directors. As a non-profit corporation, the Ninth Ward Housing Development Corporation engages in the purchase, construction, demolition, rehabilitation, improvement, re-building and resale of substandard housing and real property in the City of New Orleans. NWHDC also provides a day care program.

Description of Programs

Child and Adult Care Food Program - This program is funded through the Louisiana State Department of Education - Child and Adult Food Program and provides free meals to approximately 40 children who participate in the not-for-profit organization's day-care program.

Day-Care Center Program - This program, funded through a Community Development Block Grant between the City of New Orleans and a non-profit organization, provides day-care services to approximately 45 children between the ages of two and five years old.

Semmes Building Renovation Grant - This program is funded through the State of Louisiana. The fund is restricted to repairs and renovation to the first floor of the Semmes Building. The Day-Care is located in the Semmes Building.

First Time Home Buyer Program - This program is funded through the City of New Orleans - Home Investment Partnership Program. These funds were used to provide decent, safe and sanitary housing which is affordable to low-income persons in the target areas.

NINTH WARD HOUSING DEVELOPMENT CORPORATION
Notes to Financial Statements
June 30, 1999

Note 1: Background and Significant Accounting Policies, Cont'd:

Principles of Accounting

The financial statements of Ninth Ward Housing Development Corporation, hereafter NWHDC, are prepared in accordance with generally accepted accounting principles, accordingly, all assets, liabilities, and activities are stated on the accrual basis of accounting.

NWHDC is an exempt organization for federal income tax purposes under Section 501(c)(4) of the Internal Revenue Code.

NWHDC adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, NWHDC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, NWHDC is required to present a statement of cash flows.

Estimates

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

Property and Equipment

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

NINTH WARD HOUSING DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued
June 30, 1999

Note 1: Background and Significant Accounting Policies, Cont'd:

Property and Equipment, Cont'd

	Years
Building and leasehold improvements	27.5
Furniture and equipment	5
Vehicles	5

Income Taxes

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

Total Columns

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

NINTH WARD HOUSING DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued
June 30, 1999

Note 2: Property and Equipment:

Property and equipment consist of the following at June 30, 1999:

Land	\$ 110,839
Buildings and leasehold improvements	1,058,201
Furniture and equipment	47,638
Vehicles	<u>77,835</u>
	1,294,513
Accumulated depreciation	<u>(207,405)</u>
Total	<u>\$ 1,087,108</u>

Note 3: Contingencies:

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

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

Presently, NWHDC is involved in a lawsuit concerning Board membership. A judgment was rendered however, the matter is on appeal. According to the present management there is more than 80% probability the matter will be decided in favor of the present governing Board members.

Note 4: Leasing Arrangement:

The Day Care Program leases space under an operating lease. The lease is on a calendar year basis with renewal options. Rental expense for the period ended

NINTH WARD HOUSING DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued
June 30, 1999

Note 4: Leasing Arrangement, Cont'd:

June 30, 1999 under this lease was \$ 4,800. Future rental payments required on this lease until December 31, 1999 is \$4,800.

Note 5: Note Receivable:

NWHDC has an unsecured note receivable from a corporation, with an interest rate of 8.00% per annum, no monthly payments, and initial maturity date of January 31, 1999. No payment has been received as of December 22, 1999. This note has been re-negotiated, at the same terms, with a new maturity date of May 31, 2000. According to management the note is collectible.

Note 6: Prior Period Adjustments:

The following transaction affected the beginning unrestricted net assets:

Adjustment for prior year rent uncollectible	\$ <u>(17,000)</u>
Total	\$ <u>(17,000)</u>

The parties involved mutually agreed to the above amounts.

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

CERTIFIED PUBLIC ACCOUNTANT

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New Orleans, Louisiana 70186

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MEMBER

American Institute of Certified Public Accountants

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

To the Board of Directors
Ninth Ward Housing Development Corporation

I have audited the financial statements of Ninth Ward Housing Development Corporation, hereafter NWHDC (a nonprofit organization), as of and for the year ended June 30, 1999, and have issued my report thereon dated December 22, 1999. 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 NWHDC'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 those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that are required to be reported under *Government Auditing Standards*.

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered NWHDC'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. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Asif Gafur
Certified Public Accountant
December 22, 1999

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

CERTIFIED PUBLIC ACCOUNTANT

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MEMBER

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

To the Board of Directors
Ninth Ward Housing Development Corporation

Compliance

I have audited the compliance of Ninth Ward Housing Development Corporation, hereafter NWHDC (a nonprofit organization), 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, 1999. NWHDC's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of NWHDC's management. My responsibility is to express an opinion on NWHDC'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". Those 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 NWHDC's compliance with those requirements and performing such other procedures as I 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 of NWHDC's compliance with those requirements.

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

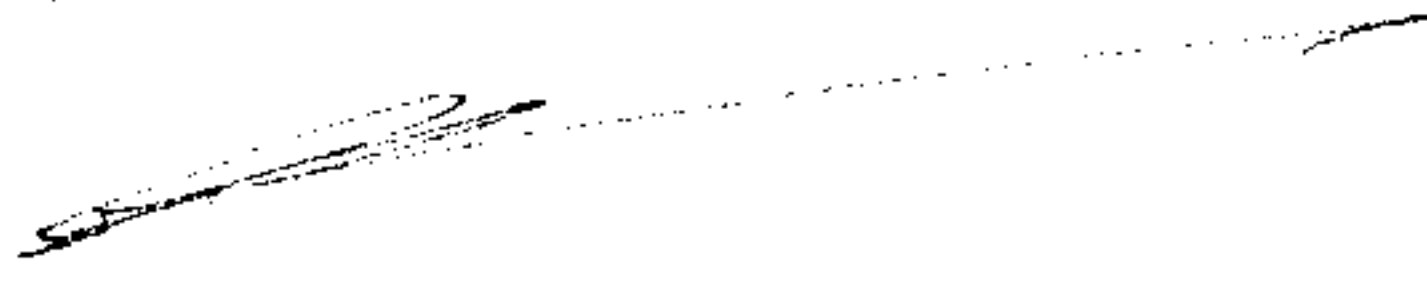
In my opinion, NWHDC complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of NWHDC is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning, and performing my audit, I considered NWHDC'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 OMB Circular A-133.

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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



Asif Gafur
Certified Public Accountant
December 22, 1999

**NINTH WARD HOUSING DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 1999**

All Programs

1. Reporting

Timely Completion of the Audit of the Financial Statements

The audit was not completed within six month period of the close of the fiscal year as required by state laws.

Current Status

Corrective action has been taken.

2. Reportable Condition - Accounts Balances

Initial examination revealed instances of incorrect accounts balances.

Current Status

Corrective action has been taken.