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HOUSING AUTHORITY OF JEFFERSON PARISH

Marrero, Louisiana

General Purpose Financial Statements

September 30, 1998

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 APR 21 1999

Robert M. Wallbillich

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Board of Commissioners
Housing Authority of Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

HUD, New Orleans Office
Public Housing Division
501 Magazine Street - 9th Floor
New Orleans, Louisiana 70130

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying general purpose financial statements of the Housing Authority of Jefferson Parish (the Authority) as of and for the year ended September 30, 1998, as listed in the table of contents. These financial statements are the responsibility of the authority'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. In accordance with Government Auditing Standards, I have also issued a report dated March 31, 1999 on my consideration of the Authority's internal control structure, and a report dated March 31, 1999 on its compliance with laws and regulations. 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 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.

As described in Note A, the Authority's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the requirements of the United States Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Authority does not have any proprietary fund types nor non-expendable trust funds and accordingly no cash flows are herein provided. In lieu of, and to assist the reader, a combined statement of changes in surplus has been provided herein. In addition, the necessary journal entries to convert the accounting of the Authority to be in conformity with generally accepted accounting principles have been made by this auditor to insure compliance with applicable laws and regulations.

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 Jefferson Parish, as of September 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion of the general purpose financial statements taken as a whole. The accompanying combining, and account group

financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statement of the Housing Authority of Jefferson Parish. 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 stated in all material respects in relation to the financial statements taken as a whole on the basis of accounting described above.

This report is intended for the information of the Board of Commissioners and management of the Housing Authority of Jefferson Parish and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana, U.S.A.

Housing Authority of Jefferson Parish
Marrero, Louisiana

COMBINED BALANCE SHEET
September 30, 1998

ASSETS

	<u>FW-1331</u>
Cash (NOTE A)	\$ 148,448
Accounts receivable from tenants	9,221
Accounts receivable, net of allowance	0
Advances to other contracts (NOTE B, current)	35,553
Due from HUD, current	72,688
Debt service fund	131,865
Prepaid insurance	29,026
Deferred modernization costs	0
Land, structures and equipment (NOTE C)	7,834,468
Ineligible expenses	0

Total Assets	\$ 8,261,269
	=====

LIABILITIES AND SURPLUS (DEFICIT)

Accounts payable and accrued expenses	\$ 28,192
Accrued CIAP planning cost	0
Advances from other contracts (NOTE B), current	0
Due to HUD, current	0
Notes payable (NOTE D), current	0
Prepaid annual contribution	0
Fixed liabilities: (current portion \$ 119,568)	
Permanent notes (NOTE D)	2,386,996
New housing bonds (NOTE D)	533,533

Total Liabilities	\$ 2,948,721
Commitments and contingent liabilities (NOTE G)	\$ 0
Surplus (deficit)	\$ 5,312,548

TOTAL LIABILITIES AND SURPLUS	\$ 8,261,269
	=====

See notes to financial statements.

Contribution Contracts

FW-2054

LA48-E013- 001, 3, 4, 5 7, 8, 9	LA48-K013- 001	LA48-0045- 004	LA48-V013- 001	Total (Memorandum Only)
\$ 998,589	\$ 92,167	\$ 158,387	\$ 935,678	\$ 2,333,269
0	0	0	0	9,221
0	0	0	0	0
0	3,328	61,025	0	99,906
0	0	0	0	72,688
0	0	0	0	131,865
0	0	0	0	29,026
0	0	0	0	0
0	0	0	0	7,834,468
0	0	0	0	0
<u>\$ 998,589</u>	<u>\$ 95,495</u>	<u>\$ 219,412</u>	<u>\$ 935,678</u>	<u>\$ 10,510,443</u>
\$ 40,023	\$ 346	\$ - 2,546	\$ 5,885	\$ 71,900
0	0	0	0	0
90,951	469	3,211	5,275	99,906
711,042	80,990	32,056	241,539	1,065,627
0	0	0	0	0
0	0	0	538,911	538,911
0	0	0	0	2,386,996
0	0	0	0	533,533
<u>\$ 842,016</u>	<u>\$ 81,805</u>	<u>\$ 32,721</u>	<u>\$ 791,610</u>	<u>\$ 4,696,873</u>
0	0	0	0	0
156,573	13,690	186,691	144,068	5,813,570
<u>\$ 998,589</u>	<u>\$ 95,495</u>	<u>\$ 219,412</u>	<u>\$ 935,678</u>	<u>\$ 10,510,443</u>

HOUSING AUTHORITY OF JERFFERSON PARISH

Marrero, Louisiana

COMBINED STATEMENT OF REVENUES AND EXPENSES

For the year ended September 30, 1998

	FW-1331
REVENUE	
Federal contributions	395,240
Dwelling rental	334,508
Excess utilities	50,875
Interest	9,282
Other income	20,034

Total Revenue	\$ 809,939

EXPENSES	
Housing assistance payments	\$ 0
Administration	145,965
Preliminary administrative	0
Tenant services	600
Travel	6,119
Utilities	240,095
Ordinary maintenance	134,818
General expense	217,832
Accounting and legal fees	53,085
Interest on notes and bonds	0

Total Expenses	\$ 798,514

Excess of revenue over expenses (expenses over revenues)	\$ 11,425
	=====

See notes to financial statements.

Contribution Contracts

FW-2054

LA48-E013- 001, 3, 4, 5, 7, 8, 9	LA48-K013- 001	LA48-0045- 004	LA48-V013- 001	Total (Memorandum Only)
-----	-----	-----	-----	-----
\$ 4,683,599	\$ 197,489	\$ 796,415	\$ 671,231	\$ 6,743,974
0	0	0	0	334,508
0	0	0	0	50,875
9,330	540	0	7,519	26,671
0	0	0	0	20,034
-----	-----	-----	-----	-----
\$ 4,692,929	\$ 198,029	\$ 796,415	\$ 678,750	\$ 7,176,062
-----	-----	-----	-----	-----
\$ 4,189,824	\$ 178,836	\$ 770,672	\$ 595,235	\$ 5,734,567
12,348	2,113	3,705	3,610	167,741
0	0	0	0	0
0	0	0	0	600
1,306	241	332	580	8,578
0	0	0	0	240,095
0	0	0	0	134,818
414,195	14,345	1,149	52,832	700,353
58,060	1,427	13,915	7,372	133,859
0	0	0	0	0
-----	-----	-----	-----	-----
\$ 4,675,733	\$ 196,962	\$ 789,773	\$ 659,629	\$ 7,120,611
-----	-----	-----	-----	-----
\$ 17,196	\$ 1,067	\$ 6,642	\$ 19,121	\$ 55,451
=====	=====	=====	=====	=====

Housing Authority of Jefferson Parish
Marrero, Louisiana

COMBINED STATEMENT OF CHANGES IN SURPLUS (DEFICIT)
For the Year Ended September 30, 1998

	Annual -----
	FW-1331 -----
Surplus (Deficit) balance at October 1, 1997	\$ 5,470,481
Excess of revenue over (under) expenses for the year ended	11,425
Cash withdrawals	0
Prior period adjustments -	
Residual receipts	0
Audit	- 169,358
HUD	0

Surplus (Deficit) balance at September 30, 1998	<u>\$ 5,312,548</u>

See notes to financial statements.

Contribution Contracts

FW-2054

LA48-E013- 001, 3, 4, 5 7, 8, 9	LA48-K013- 001	LA48-0045- 004	LA48-VO13- 001	Total (Memorandum Only)
-----	-----	-----	-----	-----
\$ 225,987	\$ 14,376	\$ 301,103	\$ 219,912	\$ 6,231,859
17,196	1,067	6,642	19,121	55,451
0	0	0	0	0
0	0	0	0	0
- 40,023	2,582	2,546	- 8,813	- 213,066
- 46,587	4,335	- 123,600	- 86,152	- 260,674
-----	-----	-----	-----	-----
\$ 156,573	\$ 13,690	\$ 186,691	\$ 144,068	\$ 5,813,570
=====	=====	=====	=====	=====

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies for the Housing Authority of Jefferson Parish (the Authority) conform to a prescribed basis of accounting that demonstrates compliance with the requirements of the Department of Housing and Urban Development (HUD). This practice differs from generally accepted accounting principles. The following is a summary of significant accounting policies:

1. Reporting Entity

The Housing Authority of Jefferson Parish was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish. The Authority was created to administer funds, through the issuance of bonds and HUD ACCs, to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Authority has a nine-member appointed Board of Commissioners and is headed by Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Authority. As of March 31, 1999, the Commissioners and Executive Director were as follows:

Barry Bordelon	Chairman
Pascal Scanio	Vice Chairman
Ricky Chiasson	Commissioner
Joseph J. Montagino	Commissioner
Franklin R. Price	Commissioner
Joseph E. Francois	Commissioner
Priscilla Wolfe	Commissioner
Joyce Austin	Commissioner
Craig Trahan	Commissioner
Patricia Landry	Executive Director

As of September 30, 1998, the Authority had the following number of units under programs as follows:

Management Programs

<u>Contract</u>	<u>Programs</u>	<u>Number of Units</u>
FW-1331	LA 13-1	200
FW-2054		
LA48-E013-001, 3, 4, 5, 7, 8, 9	Section 8	1,237
LA48-K013-001	Section 8	11
LA48-0045-004	Section 8	132
LA48-V013-001	Housing Certificate Voucher	184

Total		1,764

Evidences of indebtedness are solely the obligations of the Authority and are not obligations of the Parish of Jefferson or the State of Louisiana.

2. Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund surplus, income and expenses as appropriate. The Authority's resources are allocated to and accounted for in individual funds based upon the purposes of the HUD Annual Contribution Contracts (ACC) for which they are to be spent.

3. Basis of Accounting

The Authority follows the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred.

4. Cash

Following is amount of total bank balance classified in three categories of credit risk:

a) Insured by FDIC and SIPC	\$ 212,250
b) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name	2,121,019
c) Uncollateralized	0

Total carrying amount of bank balance	\$ 2,333,269

5. Accounts Receivable from Tenants

5. Accounts Receivable from Tenants

Accounts receivable from tenants are presented in accordance with HUD reporting practices and are not stated at net realizable value as required by generally accepted accounting principles. It is the practice of the authority to expense uncollectible accounts only upon approval by the Board of Commissioners. No allowance for doubtful accounts is used in the valuation of accounts receivable from tenants as the amount of the allowance would not be significant in the opinion of this auditor.

6. Debt Service Fund

The notes payable of the Authority are administered by HUD. Debt service funds are monies on deposit with a fiscal agent and contribution receivable from HUD to pay principal and interest on the notes payable and for such other purposes as may be provided in accordance with the ACC. The amount due from HUD is based on the maximum annual contribution during the fiscal year. The actual amount when received may differ depending on the amount required for payment of interest and principal. Accordingly, no allowance for uncollectible amount would be appropriate.

7. Land, Structures and Equipment

Land, structures and equipment are valued at historical cost. No depreciation has been provided in accordance with HUD accounting practices. Additions, improvements and expenses that add materially to operations or extend the life of an asset are capitalized. No depreciation is required for generally accepted accounting principles since the authority has no proprietary (service or enterprise) funds.

The Authority owns various parcels of land with an approximate value of \$87,080. Any proceeds from the future sale of this land are required to be paid to HUD.

8. Notes Payable

Capital improvement projects are funded by the issuance of a series of short-term notes. These notes are to be retired through long-term financing provided through HUD ACCs. Reporting of notes payable are presented in accordance with HUD reporting practices, and accordingly do not show current and long-term maturities as required by generally accepted accounting principles. Note Payable are zero as of 9/30/98.

9. Fixed Liabilities

The Authority is a member of a consolidated bond issue developed and administered by HUD. These bonds payable are to be retired through HUD ACCs. Reporting of bonds payable are presented in accordance with HUD reporting practices and accordingly do not

principles. For GAAP purposes the current portion of both fixed liabilities, permanent notes and new housing bonds, due in 1999 amounts to \$119,568.

10. Accumulated Annual and Sick Leave

The Authority is under the jurisdiction of the State Civil Service System, and as such employees accumulate annual and sick leave according to Civil Service computations. The amount earned increases at 3, 5, 10 and 15 years of employment, and cannot exceed the value of 300 hours computed on the basis of the wage being paid the employee at the time of his separation. The cost of these benefits are presented in accordance with HUD reporting practices and are recognized when payments are made to employees. No fiscal year-end accrual was required as the amount is not significant in the opinion of this auditor.

11. Pension Benefits

Effective November 1, 1992 the Authority adopted "The Housing-Renewal and Local Agency Retirement Plan" as a participating Employer as a qualified retirement plan under Section 401(a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

A. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and competing 12 months of continuous and uninterrupted employment with the Authority.

B. Employee contributions are two percent (2%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.

C. Employer future service contributions are eight percent (8%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Authority.

D. The normal retirement date shall be the first day of the month following or coincident with the participating employee's 60th birthday.

E. This defined contribution plan is administered by The Housing-Renewal & Local Agency Retirement Plan with the Bank of Louisville and Trust Company, a national investment banking firm; and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan. No pension liability accrual was required at year end.

12. Total Columns on Combined Statements - Overview

Total column on the combined financial statements - overview is captioned *Memorandum Only* to indicate that it is presented only to facilitate financial analysis. Data in this column does not present assets, liabilities and surplus of the Authority, or the results of its operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of the data. Accordingly, these memorandum amounts do not require restatement for GAAP purposes.

NOTE B - ADVANCES TO/FROM OTHER CONTRACTS

The advances to/from other contracts at September 30, 1998 consist of the following:

Individual ACC	Advances to	Advances from
FW-1331:		
LA48-E013-001, 3, 4, 5, 7, 8, 9	\$ 29,526	\$ 0
LA48-K013-001	469	0
LA48-O045-004	3,211	0
LA48V013-001	2,347	0
	\$ 35,553	\$ 0
LA48-E013-001, 3, 4, 5, 7, 8, 9:		
FW-1331	\$ 0	\$ 29,526
LA48-K013-001	0	400
LA48-O045-004	0	61,025
LA48-V013-001	0	0
	\$ 0	\$ 90,951
LA-K013-001:		
FW-1331	\$ 0	\$ 469
LA48-E013-001, 3, 4, 5, 7, 8, 9	400	0
LA48-0045-004	0	0
LA48-V013-001	2,928	0
	\$ 3,328	\$ 469
LA48-O045-004:		
FW-1331	\$ 0	\$ 3,211
LA48-E013-001, 3, 4, 5, 7, 8, 9	61,025	0
LA48-K013-001	0	0
LA48-V013-001	0	0
	\$ 61,025	\$ 3,211
LA48-V013-001:		
FW-1331	\$ 0	\$ 2,347
LA48-E013-001, 3, 4, 5, 7, 8, 9	0	0
LA48-K013-001	0	2,928
LA48-O045-004	0	0
	\$ 0	\$ 5,275
Totals	\$ 99,906	\$ 99,906

NOTE C - LAND, STRUCTURES, AND EQUIPMENT

The following is a summary of the changes in land, structures and equipment:

	Balance October 1, 1997	Additions	Deletions	Balance September 30, 1998
Land	\$ 1,633,374	\$ 0	\$ 0	\$ 1,633,374
Structures	5,768,564	0	0	5,768,564
Equipment	432,530	0	0	432,530
	<u>\$ 7,834,468</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,834,468</u>

NOTE D - NOTES PAYABLE AND FIXED LIABILITIES

Administrative control over the consolidated bond issue is vested in HUD. The following is a summary of changes in notes payable and fixed liabilities:

	Payable October 1, 1997	Debt Retired	New Issues	Payable September 30, 1998
Notes payable:				
Temporary notes -				
LA 13-1	\$ 0	\$ 0	\$ 0	\$ 0
LA 13-1M	0	0	0	0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fixed liabilities:				
Permanent notes -				
LA 13-901	\$ 52,540	\$ 7,950	\$ 0	\$ 44,590
LA 13-902	2,342,406	0	0	2,342,406
New housing bonds	640,686	107,153	0	533,533
	<u>\$ 3,035,632</u>	<u>\$ 115,103</u>	<u>\$ 0</u>	<u>\$ 2,920,529</u>
Totals	<u><u>\$ 3,035,632</u></u>	<u><u>\$ 115,103</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,920,529</u></u>

Information as to individual issues of notes payable and fixed liabilities follows:

	Authorized and Issued	Range of Annual Installments	Interest Rate (%)	Maturity Date	Outstanding
Fixed liabilities:					
LA13-901	\$ 140,049	\$ 6,785	6.6	11/01/01	\$ 44,590
LA13-902	149,700		8.0		2,342,406
New housing bonds	2,815,000	91,527	3.5	10/01/03	533,533
					<hr/>
					\$ 2,920,529
					<hr/> <hr/>

Congress, by passage of the "Housing and Community Development Reconciliation Amendments of 1985," amended the United States Housing act of 1937. The Secretary of Housing and Urban Development has been instructed to forgive certain notes and obligations, together with any unpaid interest that has accrued on each note or obligation. The forgiveness of the following notes payable has been reflected in the financial statements as of September 30 1998, as the Authority has, on September 13, 1991, been formally notified by HUD of the forgiveness of the following amounts:

Notes Payable	Amount
LA 13-1	\$ 648,056
LA 13-1M	165,236
<hr/>	<hr/>
Total	\$ 813,292
	<hr/> <hr/>

Additionally, no interest has been accrued as of September 30, 1998 on the notes totaling \$ 813,292.

The annual requirements to retire fixed liability - LA 13 901 and the new housing bonds outstanding at September 30, 1998 is as follows:

Year	Total Amount	LA13-901	New Housing Bonds
1999	119,568	7,950	111,618
2000	121,800	7,950	113,850
2001	128,497	7,950	120,547
2002	130,730	7,950	122,780
2003	77,528	12,790	64,738
Total	\$ 578,123	\$ 44,590	\$ 533,533

NOTE E - BOARD OF COMMISSIONER'S COMPENSATION

The members of the Board of Commissioners of the authority are compensated for serving on the Board as follows: The Chairman and the Vice-Chairman each receive \$225 per month, and all other commissioners receive \$150 per month.

NOTE F - PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperation agreement with the Parish of Jefferson, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 1998.

NOTE G - COMMITMENTS AND CONTINGENCIES

The Authority has entered into an administrative contract with the Louisiana Housing Development Corporation (LHDC). LHDC will furnish all materials and services to develop and implement a plan to carry out the ongoing programs under the Annual Contribution Contract FW-2054 - Lower-Income Housing Program - Section 8 Existing (LA48-E013-001, 3, 4, 5, 7, 8, 9), Moderate Rehabilitation (LA48-K013-001), and Housing Voucher (LA48-V013-001). The administrative contract expires July 30, 2004. However, if HUD elects to discontinue the programs, the Authority has the right to terminate the contract.

As compensation for the administrative services rendered, the Authority will pay LHDC eighty-two percent (82%) of the gross income allocated to the Authority as agreed upon in the HUD approved budget. Compensation paid under the administrative contract for the year ended September 30, 1998 follows:

ACC	1998
LA48-E013-001, 3, 4, 5, 7, 8, 9	\$ 462,007
LA48-K013-001	15,784
LA48-V013-001	71,179
Total	\$ 548,970

The Authority entered into a housing assistance payments contract with Concordia Limited Partnership (Concordia) on May 13, 1983. The purpose of the contract was to provide housing assistance payments on behalf of eligible families leasing decent, safe and sanitary units from Concordia. The term of the contract is for twenty (20) years.

The Authority pledges to the payment of housing assistance payments the portion of annual contribution received under the Annual Contribution Contract FW-2054 - Lower-Income Housing Program - New Construction (LA48-0045-004). Payments for the year ended September 30, 1998 totaled \$ 770,672.

Pursuant to Board Resolutions the Housing authority of Jefferson Parish contracted with SAT Development Company, LLC for the following reports:

- Comprehensive Modernization Assessment and Housing Agencies Legislative Report dated October 1997. Payments for the year ended September 30, 1998 totaled \$ 15,000.
- Submission of financial and bond applications for the Lincolnshire Manor project. Payments for the year ended September 30, 1998 totaled \$28,625.

The Authority is a defendant in various lawsuits involving a breach of contract, workmen's compensation claims, contractual violations stemming from cancellation of modernization contract, and a wrongful termination of employment unit. The ultimate outcome of the suits are undeterminable at this time and no provision has been made. However, it is management's opinion that any claim against the Authority not covered by insurance would not materially affect the financial statements of the Authority.

Supplemental Information

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

COMBINED STATEMENT OF INCOME AND EXPENSES - HUD
For the year ended September 30, 1998

	Annual
	FW-1331
OPERATING INCOME	
Dwelling rental	\$ 334,508
Excess utilities	50,875
Total rental income	\$ 385,383
Interest	9,282
Other income	20,034
Total operating income	\$ 414,699
OPERATING EXPENSES	
Housing assistance payments	\$ 0
Administration	145,965
Preliminary administration	0
Tenant services	600
Travel	6,119
Utilities	240,095
Ordinary maintenance	134,818
General expense	217,832
Accounting and legal fees	53,085
Total operating expenses	\$ 798,514
Net operating income (loss)	\$ - 383,815
OTHER INCOME (EXPENSES)	
Interest on notes and bonds	\$ 0
Prior year adjustments affecting residual receipts	0
Total other income (expenses)	0
Net income (loss)	\$ - 383,815

See notes to financial statements.

**Contribution Contracts
FW-2054**

LA48-E013- 001, 3, 4, 5, 7, 8, 9	LA48-K013- 001	LA48-0045 004	LA48-V013 001	Total (Memorandum Only)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 334,508
0	0	0	0	50,875
0	0	0	0	385,383
9,330	540	0	7,519	26,671
0	0	0	0	20,034
9,330	540	0	7,519	432,088
\$ 4,189,824	\$ 178,836	\$ 770,672	\$ 595,235	\$ 5,734,567
12,348	2,113	3,705	3,610	167,741
0	0	0	0	0
0	0	0	0	600
1,306	241	332	580	8,578
0	0	0	0	240,095
0	0	0	0	134,818
414,195	14,345	1,149	52,832	700,353
58,060	1,427	13,915	7,372	133,859
\$ 4,675,733	\$ 196,962	\$ 789,773	\$ 659,629	\$ 7,120,611
\$ -4,666,403	\$ - 196,422	\$ - 789,773	\$ - 652,110	\$ - 6,688,523
0	0	0	0	0
0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ - 4,666,403	\$ - 196,422	\$ - 789,773	\$ - 652,110	\$ - 6,688,523

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

COMBINED STATEMENT OF ANALYSIS OF SURPLUS
For the year ended September 30, 1998

	FW-1331

UNRESERVED SURPLUS	
Balance at October 1, 1997	\$ - 4,799,607
Net income (loss) for the year ended September 30, 1998	- 383,815
Provision for Operating Reserve for the year ended September 30, 1998	0
Provision for Project Account for the year ended September 30, 1998	0
CIAP planning adjustment for prior year	0
HUD adjustment for year ended September 30, 1998	0
Audit adjustments and surplus closing entries	- 227,749

Balance at September 30, 1998	\$ - 5,411,171

See notes to financial statements.

Contribution Contracts

FW-2054

LA48-E013- 001, 3, 4, 5, 7, 8, 9	LA48-K013- 001	LA48-0045- 004	LA48-V013 001	Total (Memorandum Only)
\$ - 74,743,399	\$ - 3,994,881	\$ - 3,717,480	\$ - 7,336,766	\$ - 94,592,133
\$ - 4,666,403	\$ - 196,422	\$ - 789,773	\$ - 652,110	\$ - 6,688,523
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
22,420,308	0	0	0	22,420,308
- 296,936	- 53,283	- 108,195	4,060,773	3,374,610
<u>\$ - 57,286,430</u>	<u>\$ - 4,244,586</u>	<u>\$ - 4,615,448</u>	<u>\$ - 3,928,103</u>	<u>\$ - 75,485,738</u>

HOUSING AUTHORITY OF JEFFERSON PARSIH
Marrero, Louisiana

COMBINED STATEMENT OF ANALYSIS OF SURPLUS - continued
For the year ended September 30, 1998

	<u>Annual</u>
	FW-1331
 RESERVED SURPLUS - OPERATING RESERVE	
Balance at October 1, 1997	\$ 323,180
Utilization of Operating Reserve for the year ended September 30, 1998	- 305,886
Adjustments due HUD for reduction in prior year utilities, target investment income, and residual receipts	0
Cash withdrawal for payment to contract FW-1331	0
Audit adjustments	113,279
HUD adjustment	0
Balance at September 30, 1998	\$ 130,573
 RESERVED SURPLUS - PROJECT ACCOUNT	
Balance at October 1, 1997	\$ 0
Provision for Operating Reserve for the year ended September 30, 1998	0
Provision for Project Account for the year ended September 30, 1998	0
HUD adjustment for year ended September 30, 1998	0
Prior audit adjustment recorded in subject year	0
Balance at September 30, 1998	\$ 0

See notes to financial statements.

**Contribution Contracts
FW-2054**

LA48-E013- 001, 3, 4, 5, 7, 8, 9	LA48-K013 001	LA48-0045- 004	LA48-V013 001	Total (Memorandum Only)
\$ 142,583	\$ 18,440	\$ 0	\$ 243,114	\$ 727,317
- 156,446	0	0	- 133,269	- 595,601
0	0	0	0	0
0	0	0	0	0
0	0	0	0	113,279
150,690	- 5,818	0	- 2,757	142,115
----- \$ 136,827	----- \$ 12,622	----- \$ 0	----- \$ 107,088	----- \$ 387,110
\$ 20,901,201	\$ 642,498	\$1,608,612	\$ 3,493,291	\$ 26,645,602
0	0	0	0	0
0	0	0	0	0
- 22,420,308	0	0	0	- 22,420,308
0	0	- 49	- 4,126,452	- 4,126,501
----- \$ - 1,519,107	----- \$ 642,498	----- \$ 1,608,563	----- \$ - 633,161	----- \$ 98,793

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

COMBINED STATEMENT OF ANALYSIS OF SURPLUS - continued
For the Year Ended September 30, 1998

	<u>Annual</u>
	FW-1331
 CUMULATIVE HUD CONTRIBUTION	
Balance at October 1, 1997	\$ 9,946,908
Operating subsidy for the year ended September 30, 1998	131,865
CIAP planning adjustment prior year	0
Audit adjustment prior year	- 7,637
Basic annual contributions earned for year ended September 30, 1998	- 131,865
Audit adjustments and surplus closing entries	653,875
HUD adjustment for annual contribution for year ended September 30, 1998	0
Balance at September 30, 1998	\$ 10,593,146
Total surplus (deficit)	\$ 5,312,548

See notes to financial statements

**Contribution Contracts
FW-2054**

LA48-E013 001, 3, 4, 5, 7, 8, 9	LA48-K013 001	LA48-0045 004	LA48V013 001	Total (Memorandum Only)
\$ 53,925,602	\$ 3,348,319	\$ 2,409,971	\$ 3,820,273	\$ 73,451,073
0	0	0	0	131,865
0	0	0	0	0
0	0	0	0	- 7,637
0	0	0	0	- 131,865
40,023	- 2,582	- 2,546	8,813	697,583
4,859,658	257,419	786,151	769,158	6,672,386
\$ 58,825,283	\$ 3,603,156	\$ 3,193,576	\$ 4,598,244	\$ 80,813,405
\$ 156,573	\$ 13,690	\$ 186,691	\$ 144,068	\$ 5,813,570

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

STATEMENT OF MODERNIZATION COSTS NOT COMPLETED

For the year ended September 30, 1998

Classification	Annual Contribution Contract FW-1331 Project LA13-1, Phase LA13-90595
Management improvements	\$ 0
Fees and costs	0
Site improvement	0
Dwelling structures	0
Dwelling equipment - nonexpendable	0
Nondwelling equipment	0
Relocation costs	0

Total costs audited to September 30, 1998	0
	=====

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

Using HUD required prescribed basis of accounting
For the year ended September 30, 1998

CONTRACT FW-1331	Actual	Budget	Difference
Administration expenses	\$ 200,947	\$ 215,400	\$ 14,453
Tenant services	600	600	0
Utilities	239,580	228,610	- 10,970
Ordinary maintenance	134,818	140,770	5,952
Protect services	0	0	0
General	161,268	193,070	31,802
	\$ 737,213	\$ 778,450	\$ 41,237

NOTE:

Budget for other contracts are not required by HUD.

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF ADJUSTING JOURNAL ENTRIES
For the year ended September 30, 1998

Annual Contribution Contract FW-1331

		Account No.	Debit	Credit
1.	Unreserved surplus	2810-0-00	\$ 26,484.62	
	Cumulative HUD	2810-0-00		\$ 31,220.75
	Annual contributions	2840-0-00	31,220.75	
	Annual contributions	2840-0-00		26,484.62
	To close surplus accounts.			
2.	Accounts payable, vendors	2111-0-00	26,484.62	
	Legal	4130-0-00		0.00
	Sundry	4190-0-00		1,647.91
	Water	4310-0-00		3,785.12
	Electricity	4320-0-00		17,266.07
	Gas	4330-0-00		3,223.52
	Maintenance	4430-0-00		562.00
	Employee benefits	4540-0-00		0.00
	To adjust to GAAP by reversing 09/30/97 charges booked in 10/30/97.			
3.	Accounts payable, vendors	2111-0-00		31,220.75
	Legal	4130-0-00	2,743.74	
	Sundry	4190-0-00	3,125.00	
	Water	4310-0-00	4,843.33	
	Electricity	4320-0-00	16,050.20	
	Gas	4330-0-00	3,896.48	
	Maintenance	4430-0-00	562.00	
	Employee Benefits	4540-0-00	0.00	

To adjust to GAAP by accruing 9/30/98 charges booked in 10/30/98

<i>(continued from previous page)</i>		Account No.	Debit	Credit
		-----	-----	-----
4.	New housing Bonds retired	2342-0-00	\$ 107,153.05	
	Cumulative HUD Annual contributions	2840-0-00		\$ 107,153.05
	To close liability payment to surplus			
5.	Permanent notes	FFB 2312-0-00	7,950.00	
	Cumulative HUD Annual contributions	2840-0-00		7,950.00
	To close liability payment to surplus			

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF ADJUSTING JOURNAL ENTRIES - continued
For the year ended September 30, 1998

Annual Contribution Contract FW-2054, LA 48-E013-001

		Account No.	Debit	Credit
1.	Unreserved surplus	2810-0-00	\$ 40,023.19	
	Cumulative HUD	2810-0-00		\$ 0.00
	Annual contribution	2840-0-00	0.00	
	Annual contribution	2840-0-00		40,023.19
	<i>To close surplus account.</i>			
2.	Account payable, vendors	2110-0-00	0.00	
	Housing assistance			
	payments	4715-0-00		0.00
	<i>To adjust to GAAP by reversing 9/30/97 charges booked in 10/30/97.</i>			
3.	Accounts payable, vendors	2110-0-00		40,023.19
	Housing assistance payments	4715-0-00	40,023.19	
	<i>To adjust to GAAP by accruing 9/30/98 charges booked in 10/30/98.</i>			

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

For the year ended September 30, 1998

Annual Contribution Contract FW-2054, LA 48-K013-001

		Account No.	Debit	Credit
1.	Unreserved surplus	2810-0-00	\$ 346.46	
	Cumulative HUD	2810-0-00		\$ 2,928.00
	Annual contributions	2840-0-00	2,928.00	
	Annual contributions	2840-0-00		346.46
	To close surplus account			
2.	Accounts payable, vendors	2111-0-00	0.00	
	Housing assistance payments	4715-0-00		0.00
	To adjust to GAAP by reversing 9/30/97 charges booked in 10/30/97.			
3.	Accounts payable, vendors	2111-0-00		346.46
	Housing assistance payments	4715-0-00	346.46	
	To adjust to GAAP by accruing 9/30/98 charges booked in 10/30/98.			
4.	Other accounts:			
	Receivable	1129-0-00	2,928.00	
	Sundry expense	4190-0-00		2,928.00
	To adjust F.Y. 9/30/98 shared expense allocation.			

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF ADJUSTING JOURNAL ENTRIES - *continued*
For the year ended September 30, 1998

Annual Contribution Contract FW-2054, LA 48-0045-004

		Account No.	Debit	Credit
1.	Unreserved surplus	2810-0-00	\$ 64,120.00	
	Cumulative HUD	2810-0-00		\$ 61,574.00
	Annual contribution	2840-0-00	61,574.00	
	Annual contribution	2840-0-00		64,120.00
	To close surplus account.			
2.	Accounts payable, vendors	2111-0-00	64,120.00	
	Housing assistance payments	4715-0-00		64,120.00
	To adjust to GAAP by reversing 9/30/97 charges booked in 10/30/97.			
3.	Accounts payable, vendors	2111-0-00		61,574.00
	Housing assistance payments	4715-0-00	61,574.00	
	To adjust to GAAP by accruing 9/30/98 charges booked in 10/30/98.			

See notes to financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF ADJUSTING JOURNAL ENTRIES - continued

For the year ended September 30, 1998

Annual Contribution Contract FW-2054, LA48-V013-001

		Account No.	Debit	Credit
1.	Unreserved surplus	2810-0-00	8,813.30	
	Cumulative HUD	2810-0-00		0.00
	Annual contributions	2840-0-00	0.00	
	Annual contributions	2840-0-00		8,813.30
	To close account.			
2.	Accounts payable, vendors	2111-0-00	0.00	
	Housing assistance payments	4715-0-00		0.00
	To adjust to GAAP by reversing 9/30/97 charges booked in 10/30/97.			
3.	Accounts payable, vendors	2111-0-00		5,885.30
	Housing assistance payments	4715-0-00	5,885.30	
	To adjust to GAAP by accruing 9/30/98 charges booked in 10/30/98.			
4.	Sundry expense	4190-0-00	2,928.00	
	Other accounts:			
	Payable	2119-0-00		2,928.00

See notes to financial statements.

COMBINED REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS RESULTING FROM TESTS APPLIED IN AN AUDIT
OF THE GPFS IN ACCORDANCE WITH GAAS AND THE GAO
STANDARDS FOR MAJOR AND NON-MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAMS IN A SINGLE AUDIT ACT

Board of Commissioners
Housing Authority of
Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

HUD, New Orleans Office
Public Housing Division - 9th Floor
501 Magazine Street
New Orleans, Louisiana

I have audited the general purpose financial statements of the Housing Authority of Jefferson Parish (the Authority) for the year ended September 30, 1998, and have issued my report thereon dated March 31, 1999. My audit was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office; the single Audit Act of 1984; and the provisions of OMB Circular A-128 and A-133, Audits of State and Local Governments, OMB Circular A-87, Cost Principles for State and Local Governments, OMB circular A-102, Grants and Cooperative Agreements with State and Local Governments, and the provision of the United States Department of Housing and Urban Development (HUD) requirement contained at 24CFR Part 44, and, accordingly, included such tests of the accounting records and such other auditing procedures I considered necessary in the circumstances.

The management of the Authority is responsible for the authority's compliance with laws and regulations. In connection with the audit referred to above, I selected and tested transactions and records that included, but were not limited to, transactions and records relating to each major federal financial assistance program and certain non-major federal financial assistance programs. The purpose of our testing of transactions and records was to obtain reasonable assurance that the Authority had, in all material respects, administered its major federal financial assistance programs and executed the tested non-major programs transactions in compliance with those laws and regulations for which I believe noncompliance could have a material effect on the allowability of program expenditures or on the Authority's general purpose financial statements. Such laws and regulations include those pertaining to federal financial reports and claims for advances and reimbursements.

My testing of transactions and records selected from major federal financial assistance programs disclosed only immaterial instances of noncompliance with those laws and regulations. I considered these instances of noncompliance in forming my opinion on

compliance, which is expressed in the following paragraph. With respect to those transactions and items not tested, nothing came to my attention that caused me to believe that the Authority had not complied, in all material respects, with those laws and regulations.

In my opinion, for the year ended September 30, 1998, the Authority administered each of its major federal financial assistance programs in compliance with the requirements that would have a material effect on the allowability of program expenditures.


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana, U.S.A.

Accountant's Report

To the Board of Commissioners
Housing Authority of Jefferson Parish

I have audited the Authority's utilization of operating reserves for the period ending September 30, 1998. My audit was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The statement of utilization of operating reserves has been prepared on the basis of accounting and reporting practices prescribed by the Housing and Urban Development (HUD) in the Audit Guide for Auditing Development Costs of HUD Insured Multifamily projects. These practices differ in some respects from generally accepted accounting principles. Accordingly, the accompanying statement of utilization of operating reserves is not intended to be in conformity with generally accepted accounting principles.

In my opinion, the statement of utilization of operating reserves present fairly the actual costs of the Housing Authority of Jefferson Parish through September 30, 1998, on the basis of accounting described above.

I certify that I have no financial interest in the contractor other than in the practice of my profession.


Robert M. Walbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana, U.S.A.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
Audit of Utilization of Operating Reserves
FW-1331 Conventional Program
Section 8 Existing and Housing Vouchers Programs

STATEMENT OF UTILIZATION OF OPERATING RESERVES
For the period ended September 30, 1998

Summary by Development Account	Total Actual Funds Expended
1408 Management improvements	\$ 0
1410 Administration	46,791
1430 Fees and costs	0
1450 Suite improvements	0
1460 Dwelling structures	548,810
1465.1 Dwelling equipment - nonexpendable	0
1470 Non-dwelling structures	0
1475 Non-dwelling equipment	0
1495.1 Relocation costs	0

Maximum modernization costs	\$ 595,601 =====

See notes to financial statements.

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE**

Board of Commissioners
Housing Authority of Jefferson Parish
1718 Betty Street
Marrero, Louisiana

HUD, New Orleans Office
Public Housing Division
501 Magazine Street - 9th Floor
New Orleans, Louisiana 70130

I have audited the general purpose financial statements of the Housing Authority of Jefferson Parish (the Authority) for the year ended September 30, 1998 and have issued my report dated March 31, 1999. My audit of such general purpose financial statements was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the U.S. General Accounting Office, and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The Authority's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with requirements of the United States Department of Housing and Urban Development. This practice differs from generally accepted accounting principles. Accordingly, the accompanying Schedule of Federal Financial Assistance is not intended to present financial information in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purposes financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended September 30, 1998

Federal Grantor Program Title	ACC Number	Federal CFDA Number	Fund (deficit)	
			Balance at October 1, 1997	Federal Cash Received
Low-income housing Annual contribution	FW-1331	14.850	\$ 5,470,481	\$ 395,240
Operating subsidy		14.850	0	131,865
			\$ 5,470,481	\$ 527,105
Public Housing - Comprehensive Improvement Assistance Program: Project LA13-1, Phase LA13-902 (Note 3 below)	FW-1331	14.852	\$1,091,628	\$ 0*
Lower-income Housing Program - Section 8 Existing LA48-E013- 001, 3, 4, 5, 8, 8, 9	FW-2054	14.857	225,987	\$ 4,683,599

NOTES:

1. Includes spending of operating revenues and principal payments on notes payable and fixed liabilities of \$ 115,103.

2. The Authority is indebted to the Department of Housing and Urban Development for \$2,386,996 at September 30, 1998. Also, the Department of Housing and Urban Development has guaranteed through the Annual Contribution Contract the Authorities bonded indebtedness. This bonded indebtedness was \$ 533,533.

3. Comprehensive Improvement Assistance Program represents the modernization program administered by the Authority.

4. See notes to financial statements.

* This is principal balance at September 30, 1998 of new issue of LA13-902 per the HUD Security Ledger in Washington, D.C. and expenditures if previous year issues paid off.

<u>Revenues</u>		<u>Expenditures</u>		<u>Fund balance at September 30, 1998</u>
Accrual (Deferred)	Total	Other		
\$ - 157,933 (Notes 1 and 2 below)	\$ 237,307	\$ 0	\$ 395,240	\$ 5,312,548
0	131,865	0	131,865	0
----- \$ - 157,933	----- \$ 369,172	----- \$ 0	----- \$ 527,105	----- \$ 5,312,548
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,091,628
\$ - 69,414	\$ 4,614,185	\$ 0	\$ 4,683,599	\$ 156,573

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended September 30, 1998

Federal Grantor Program Title	ACC Number	Federal CFDA Number	Fund (deficit) Balance at October 1, 1997	Federal Cash Received
Moderate rehabilitation LA-48-K013-001	FW-2054	14.856	\$ 14,376	\$ 197,489
New construction LA 48-0045-004	FW-2054	14.182	301,103	796,415
Housing voucher program LA 48-V013-001	FW-2054	14.855	219,912	\$ 671,231
			<u>\$ 7,323,487</u>	<u>\$ 6,875,839</u>

See notes to financial statements.

<u>Revenues</u>		<u>Other</u>	<u>Expenditures</u>	<u>Fund Balance at September 30, 1998</u>
<u>Accrual (Deferred)</u>	<u>Total</u>			
\$ - 686	\$ 196,803	\$ 0	\$ 197,489	\$ 13,690
- 114,412	682,003	0	796,415	186,691
- 75,844	595,387	0	671,231	144,068
<u>\$ - 418,289</u>	<u>\$ 6,457,550</u>	<u>\$ 0</u>	<u>\$ 6,875,839</u>	<u>\$ 6,905,198</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

September 30, 1998

NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-128 and A-133, AUDITS OF STATE AND LOCAL GOVERNMENTS

All federal grant awards of the Housing Authority of Jefferson Parish are included in the scope of the OMB circular A-128 and A-133. The United States Department of Housing and Urban Development (HUD) is the Authority's cognizant agency for the single audit.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Assistance Awards has been prepared to conform to a prescribed basis of accounting that demonstrates compliance with the requirements of HUD. Accrued revenue at year end represents amounts earned but not yet received. Deferred revenue at year end represents amounts received in excess of reimbursable expenditures incurred.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
Housing Authority
Of Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

I have audited the general purpose financial statements of the Housing authority of Jefferson Parish (the Authority) for the year ended September 30, 1998, and have issued my report thereon dated March 31, 1999.

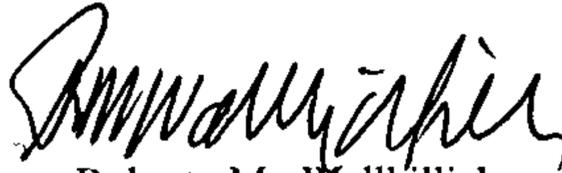
I have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking; reporting; tests of case files to determine that rental and utility subsidy payments were made to eligible participants; that admission procedures, maintenance of waiting lists and annual reviews of eligibility determinations as well as PHA inspections of units and necessary corrective actions were completed; and, by testing the expenditures and related records as well as by obtaining representation letters from oversight agencies that deficiencies, if any, had been resolved; test Annual Contribution Voucher (HUD-52681) for computation of the administrative fee and trace units months used as well as ensuring that any HUD adjustments to prior years have been recognized; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs which are identified in the accompanying schedule of federal financial assistance, for the year ended September 30, 1998. The management of the Authority is responsible for compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

The results of my audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In my opinion, the Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1998.

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



Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
Housing Authority of Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

I have audited the general purpose financial statements of the Housing Authority of Jefferson Parish (the Authority) for the year ended September 30, 1998, and have issued my report thereon dated March 31, 1999.

I have applied procedures to test the Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended September 30, 1998. The general requirements applicable to the entity's federal financial assistance programs are political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance, and real property acquisition, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, or administrative requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplements for Single Audits of State and Local Governments." My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the authority had not complied, in all material respects, with those requirements.

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


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana

AUDITOR'S COMBINED REPORT ON INTERNAL ACCOUNTING CONTROLS
AND INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS USED IN
ASSISTANCE PROGRAMS BASED SOLELY ON A STUDY AND EVALUATION
MADE AS PART OF AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS AND ADDITIONAL TESTS REQUIRED BY THE SINGLE AUDIT ACT

Board of Commissioners
Housing Authority
of Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

HUD, New Orleans Office
Public Housing Division
9th Floor
501 Magazine Street
New Orleans LA 70130

I have audited the general purpose financial statements of the Housing Authority of Jefferson Parish (the Authority) for the year ended September 30, 1998, and have issued my report thereon dated March 31, 1999. As part of my audit I made a study and evaluation of the system of internal accounting control and the applicable internal control systems used in administering federal financial assistance programs of the Authority, to the extent I considered necessary to evaluate the systems as required by generally accepted auditing standards; for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provision of OMB Circular A-128, Audits of State and Local Governments; and the provisions of the United States Department of Housing and Urban Development (HUD) requirements contained at 24CFR, Part 44.

The management of the Authority is responsible for establishing and maintaining internal control systems, including those used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and with respect to federal financial assistance programs, that resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss and misuse; transactions are executed in accordance with management's authorization; and reliable data are obtained and maintained to permit the preparation of financial statements in accordance with generally accepted accounting principles and the preparation of federal reports in accordance with federal requirements. Because of inherent limitations in any system of internal accounting and administrative controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The significant internal accounting and administrative control categories, and the extent of my study and evaluation of these categories, are as follows:

Internal Accounting Controls

1. Billings (in regards to reimbursement requests and Letters of Credit)
2. Cash Receipts
3. Cash Disbursements
4. Revenues and Receivables
5. Purchasing
6. Payroll
7. Property and Equipment
8. General Ledger

Administrative - Federal Financial Assistance Program

General Requirements:

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Federal Financial Reports

Specific Requirements:

- Types of Services allowed or not allowed
- Eligibility
- Cost Allowance
- Special Requirements, if any
- Cost Incurred in approved Period
- Grants, Budgets and Revisions
- Reporting

With respect to internal control systems for which my study was extended beyond the preliminary review phase, my study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses. Such study and evaluation included the significant internal accounting and administrative controls used in administering major federal financial assistance programs and the following non-major federal Financial Assistance Programs:

Comprehensive Improvement Assistance Program

During the year ended September 30, 1998, the Authority expended ninety-nine percent (99%) of its federal financial assistance under these major and non-major federal financial assistance programs.

With respect to the internal control systems for which my study and evaluation was limited to preliminary review, I merely obtained an understanding of the control environment, the accounting system, and control procedures. Accordingly, my audit would not necessarily disclose all material weaknesses in these systems.

My study and evaluations described in the two preceding paragraphs were more limited than would be necessary to express an opinion on the system of internal accounting control of the Authority. Accordingly, I do not express an opinion on the system of internal control taken as a whole or on the internal control systems used in administering the major and non-major federal financial assistance programs of the Authority, or on any of the control categories identified above.

My study and evaluation and my audit disclosed no findings for the year ended September 30, 1998.


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana

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

Board of Commissioners
Housing Authority
of Jefferson Parish
1718 Betty Street
Marrero, Louisiana 70072

Compliance

I have audited the compliance of the Housing Authority of Jefferson Parish (the Authority) 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 September 30, 1998. The Authority'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 Authority's management. My responsibility is to express an opinion of the Authority's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing stands; 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 the Authority'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 on the Authority's compliance with those requirements.

In my opinion, the 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 September 30, 1998. The results of auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the 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 my performing audit, I considered the 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 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 grant 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 audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Robert M. Wallbillich
Certified Public Accountant

March 31, 1999
Mandeville, Louisiana

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

September 30, 1998

The prior Certified Public Accountant's report on the Authority for the twelve-month period ended September 30, 1997 and issued on March 31, 1998 included no unresolved prior findings.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

EXIT CONFERENCE

September 30, 1998

The draft of the complete Audit Report for the above audit and recommendations mentioned were discussed at an exit conference with the following representatives of the Authority held on March 31, 1999:

Barry Bordelon
Patricia Landry
Michael Mercola