

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

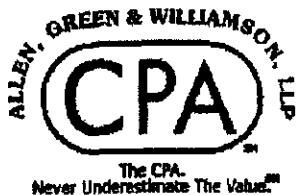
**Annual Financial Report
As of and for the Year Ended March 31, 2007**

Under provisions of state law, this report is a public document. A copy 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 10/10/07

**Housing Authority of the City of New Iberia
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these 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 contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof 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 September 28, 2007 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, which is required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are 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. The accompanying other information listed in the table of contents 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
September 28, 2007

Housing Authority of the City of New Iberia
New Iberia, Louisiana

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

The management of the Public Housing Authority of New Iberia, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 31, 2007. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Housing Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,235,574 at the close of the fiscal year ended 2007.
- Of this amount \$1,515,814 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
- The remainder of \$719,760 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 50% of the total operating expenses of \$1,440,831 for the fiscal year 2007, which means the Housing Authority might be able to operate about 6 months using the unrestricted assets alone.
- The Housing Authority's total net assets decreased by \$317,768, a 12% change from the prior fiscal year 2006. This decrease is attributable primarily to significant decreases in Federal grants for capital purchases, described in more detail below.
- The Housing Authority spent \$40,089 on capital asset additions and \$12,831 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$400,401 and a decrease in total liabilities by \$82,633. As another measure of financial health, there are now only \$3.39 of current assets covering each dollar of total current liabilities, compared with \$4.67 for the prior fiscal year. Despite this reduction, it is important to note that the Housing Authority used much of the built up liquidity to significantly reduce long term debts by over \$118,708.
- The Housing Authority owes \$1,425,015 in long term lease obligations to the Rural Rental Development program (RRD), which were used to finance buildings and equipment.

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Housing Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Housing Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2007?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's *net assets* – the difference between assets and liabilities – as one way to measure the Housing Authority's financial health, or financial position. Over time, increases and decreases in the Housing Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Housing Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Public Housing Capital Fund Program
- Block Grants for Prevention and Treatment of Substance Abuse
- NEF Grant

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,235,574 as of March 31, 2007. Of this amount, \$1,515,814 was invested in capital assets, and the remaining \$719,760 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheets
(Excluding Interfund Transfers)
March 31,

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets	\$ 866,156	\$1,002,713
Capital assets and Capital leases, net of depreciation	<u>2,940,829</u>	<u>3,204,673</u>
Total assets	<u>3,806,985</u>	<u>4,207,386</u>
LIABILITIES		
Current liabilities, including current portion of long-term debt	255,574	215,039
Non-current liabilities, including long term debt and capital leases	<u>1,315,837</u>	<u>1,439,005</u>
Total liabilities	<u>1,571,411</u>	<u>1,654,044</u>
NET ASSETS		
Invested in capital assets, net of depreciation and related debts	1,515,814	1,660,950
Unrestricted net assets	<u>719,760</u>	<u>892,392</u>
Total net assets	<u>2,235,574</u>	<u>2,553,342</u>
Total liabilities and net assets	<u>\$3,806,985</u>	<u>\$4,207,386</u>

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds decreased by \$317,768, or by 12%, from those of fiscal year 2006, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
(Excluding Interfund Transfers)
For the Years Ended March 31,

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 575,349	\$ 478,479
Other operating revenue	40,611	172,871
Federal grants for operations	<u>537,221</u>	<u>1,080,937</u>
Total operating revenues	<u>1,153,181</u>	<u>1,732,287</u>
OPERATING EXPENSES		
Administration	295,370	352,733
Tenant services	3,998	4,006
Utilities	395,717	370,931
Ordinary maintenance and operations	308,937	275,395
Protective services	6,904	19,092
General expenses	125,939	112,173
Nonroutine maintenance	-	83,810
Depreciation	<u>303,966</u>	<u>298,664</u>
Total operating expenses	<u>1,440,831</u>	<u>1,516,804</u>
Income (loss) from operations	<u>(287,650)</u>	<u>215,483</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	16,803	10,196
Interest expense	(73,499)	(79,062)
Losses on sale or disposal of assets	<u>(10,318)</u>	<u>-</u>
Total non-operating expenses (expenses)	<u>(67,014)</u>	<u>(68,866)</u>
Income (loss) after non-operating revenues and expenses	<u>(354,664)</u>	<u>146,617</u>
OTHER CHANGES IN NET ASSETS		
Federal grants for capital expenditures	<u>36,896</u>	<u>165,115</u>
NET INCREASE (DECREASE) IN NET ASSETS	<u>(317,768)</u>	<u>311,732</u>
NET ASSETS, beginning of fiscal year	<u>\$2,553,342</u>	<u>\$2,241,610</u>
NET ASSETS, end of fiscal year	<u>\$2,235,574</u>	<u>\$2,553,342</u>

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues decreased drastically by \$700,718, or by 37%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations decreased by \$543,716, or by 50% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Federal Capital Funds from HUD decreased by \$128,219, or by 78% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2003 through 2006, and submitted a new grant during fiscal year 2007.
- Total tenant revenue increased by \$96,870, or by 20% from that of the prior fiscal year, due to two major factors: Tenant rental revenues increased by \$62,925, or by 21%, despite the fact that occupancy rates decreased by 1%, because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$33,945, or by 19%.
- Interest income increased by \$6,607, or by 65% from that of the prior fiscal year, because the Housing Authority transferred \$11,671 into temporary investments during the current fiscal year.

Compared with the prior fiscal year, total operating and non-operating expenses decreased \$71,218, or by 4%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Casualty losses decreased by \$83,810 from that of the prior fiscal year, because there were none incurred in the current fiscal year.
- Administrative expenses decreased by \$57,363, or by 16% from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries decreased by \$24,586, or by 18% , and staff vacation and sick leave pay decreased by \$1,834, or by 43% , but related employee benefit contributions increased by \$2,977, or by 10%; therefore, total staff salaries and benefit costs decreased by 14% . In addition, accounting fees decreased by \$646, and legal fees decreased by \$502; thus, total outside professional fees decreased by 22%. Finally, staff travel reimbursements increased by \$5,866, but sundry expenses decreased by \$2,213; therefore, other staff administrative expense increased by 5%.
- Utilities expense increased by \$24,786, or by 7% from that of the prior fiscal year. Electricity cost increased by \$9,344 and gas cost increased by \$1,155, but water cost decreased by \$1,435. Finally, other utilities expense (such as garbage, sewage, and waste removal) increased by \$15,722.

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

- Maintenance and repairs increased by \$6,639, or by 2% from that of the prior fiscal year, due to several offsetting factors: Repair staff wages decreased by \$11,769, or by 12%, and contract labor costs decreased by \$1,948, or by 2%. On the other hand, materials used increased by \$7,188, or by 17%, and extraordinary maintenance increased by \$25,502 from that of the prior fiscal year.
- Losses on sales of assets increased by \$10,318 from that of the prior fiscal year none were incurred in the prior fiscal year.
- General expenses decreased by \$13,766, or by 12% from that of the prior fiscal year, due to several offsetting factors: insurance premiums increased by \$5,171, or by 5% , since property and casualty insurance premiums increased . Also, payments in lieu of taxes (PILOT) increased by \$6,695, or by 76%. PILOT is calculated as a percentage of rent (which increased by 21%) minus utilities (which increased 7%), and therefore changed proportionately to the changes in each of these. Also, uncollectible rents from vacated units increased by \$1,900, or by 22%, because these changed roughly proportional to rent, which increased by 21%. However, other general expenses decreased by \$15,669 and interest expense decreased by \$6,089, or by 8% since long term debts decreased by \$124,694.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2007, the Housing Authority had a total cost of \$10,618,629 invested in a broad range of assets and construction in progress from projects funded in 2003 through 2006, listed below. This amount, not including depreciation, represents increases of \$37,886 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Capital Assets, Net of Accumulated Depreciation
As of March 31,

	<u>2007</u>	<u>2006</u>
Land	\$ 222,593	\$ 222,593
Construction in progress	12,831	67,771
Buildings, Improvements, and Capital Leases	2,632,169	2,843,235
Furniture and equipment	<u>73,236</u>	<u>71,073</u>
Total	<u>\$2,940,829</u>	<u>\$3,204,672</u>

As of the end of the 2007 fiscal year, the Housing Authority is still in the process of completing HUD grants of \$1,374,250 obtained during 2003 through 2006 fiscal years. A total remainder of \$1,008,616 will be received and \$1,000,675 will be spent for completing these projects during fiscal year 2008.

Debt

The Housing Authority has incurred a lease obligation at 4.95% in the prior fiscal year for one of its dwelling structures costing \$1,622,789 (or \$1,298,230 net of depreciation.) As of March 31, 2007, the Housing Authority owed \$1,425,015 on the lease obligation, of which \$124,695, \$130,982, \$137,587, \$144,525, and \$151,814 are due over the next 5 years, with \$735,412 remaining due thereafter.

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2007

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2008 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Elton Broussard, at Public Housing Authority of New Iberia, Louisiana; 325 North Street; New Iberia, LA 70560.

Basic Financial Statement

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS

Balance Sheet

March 31, 2007

ASSETS

Current Assets

Cash and cash equivalents	\$ 395,188
Investments	319,374
Accounts receivables, net	23,632
Prepaid items and other assets	96,142
Inventory	1,131

Restricted Assets

Tenant deposits	<u>30,689</u>
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Total Current Assets	<u>866,166</u>
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Capital Assets

Land, buildings, and equipment (net of accumulated depreciation)	<u>2,940,829</u>
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TOTAL ASSETS	<u>\$ 3,806,985</u>
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Statement A

LIABILITIES

Current Liabilities

Accounts payable	\$	78,739
Interest payable		8,817
Deferred revenue		8,471
Current portion of long term debt		131,815

Current Liabilities Payable From Current Restricted Assets

Deposits due others		<u>27,732</u>
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Total Current Liabilities		<u>255,574</u>
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Noncurrent Liabilities

Compensated absences payable		15,517
Lease obligation payable		<u>1,300,320</u>

Total Noncurrent Liabilities		<u>1,315,837</u>
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Total Liabilities		<u>1,571,411</u>
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NET ASSETS

Invested in capital assets, net of related debt		1,515,814
Unrestricted		<u>719,760</u>

NET ASSETS		<u>2,235,574</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>3,806,985</u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

**ENTERPRISE FUNDS
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For the Year Ended March 31, 2007**

Statement B

OPERATING REVENUES	
Dwelling rental	\$ 575,349
Other	40,611
Federal grants	<u>537,221</u>
 Total operating revenues	 <u>1,153,181</u>
 OPERATING EXPENSES	
Administration	295,370
Tenant services	3,998
Utilities	396,717
Ordinary maintenance & operations	308,937
Protective services	6,904
General expenses	125,939
Depreciation	<u>303,966</u>
 Total operating expenses	 <u>1,440,831</u>
 Income (loss) from Operations	 <u>(287,850)</u>
 NONOPERATING REVENUES (EXPENSES)	
Interest expense	(73,499)
Interest earnings	16,803
Gain/loss from disposal of equipment	<u>(10,318)</u>
 Total nonoperating revenues (expenses)	 <u>(87,014)</u>
 Net income (Loss) before Contributions	 (354,664)
 Capital contributions	 <u>36,896</u>
 Change in net assets	 (317,768)
 NET ASSETS AT BEGINNING OF YEAR	 <u>2,553,342</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 2,235,574</u>

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

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended March 31, 2007**

Statement C

	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 572,096
Other receipts	47,848
Payments to vendors	(949,004)
Payments to employees	(227,368)
Federal grants	<u>524,769</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(31,660)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase fixed assets	(50,440)
Capital contributions	36,896
Interest paid on capital debt	(74,234)
Payments on capital debt	<u>(118,708)</u>
 NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(206,486)</u>
 CASH FLOW FROM INVESTING ACTIVITIES:	
Interest and dividends	14,001
Purchase investments	<u>(11,671)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>2,330</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 <u>(235,816)</u>
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>661,693</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>425,877</u>
 RECONCILIATION TO THE BALANCE SHEET	
Cash and cash equivalents	395,188
Restricted deposits	<u>30,689</u>
TOTAL CASH AND CASH EQUIVALENTS	\$ <u>425,877</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended March 31, 2007

Statement C

	<u>TOTAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (287,650)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	303,966
Change in assets and liabilities:	
(Increase) decrease receivables, net	(8,469)
(Increase) decrease inventories	246
(Increase) decrease prepaid items	(75,847)
Increase (decrease) accounts payable	32,928
Increase (decrease) compensated absences	2,450
Increase (decrease) deferred revenue	(4,511)
Increase (decrease) deposit due others	<u>5,227</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (31,660)</u>

(CONCLUDED)

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

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

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Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Housing Authority of the City of New Iberia 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. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary 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 Iberia, 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-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions 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-rent character.

The Housing Authority had 200 units in management at projects LA 27-1/2/3.

<u>Program</u>	<u>Contract Number</u>	<u>Number of Units</u>
PHA owned housing	FW 1264	200

GASB 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 fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the city of New Iberia since the city of New Iberia appoints a voting majority of the Housing Authority's governing board. The city of New Iberia 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 benefit to, or impose financial burdens on, the city of New Iberia. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the city of New Iberia.

B. 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 segregates 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. The general fund accounts for the transactions of the public housing low rent program, the capital fund program, and the substance abuse program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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 operation of these

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, 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. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents. Operating expenses for proprietary funds include the administrative costs of providing these services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. 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.

Restricted Assets – Tenants Deposit consist of deposits placed by new tenants that secures payment of their rents upon default by tenants and to cover damages upon move-out.

E. INVESTMENTS Investments are limited by R.S. 33:2955 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 *nonparticipating* interest-earning 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 at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract 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.

F. 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.

G. 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.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

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

H. CAPITAL ASSETS Capital assets exceeding \$500 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	33 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years

I. 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.

The Housing Authority funds the expense on a pay-as-you-go basis.

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources 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 resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

K. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. All other interfund transfers are reported as transfers. Reimbursements are when one fund incurs a cost, changes the benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

M. 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 statement 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 The Housing Authority maintains investment in Certificates of Deposits with a maturity at time of purchase of one year or less. These investments are recorded at amortized cost.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority's investments are in Certificates of Deposits and Savings Accounts, which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of March 31, 2007, the Housing Authority's bank balance was \$855,925, of which \$615,180 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledge securities are considered, the Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal has failed to pay deposited funds upon request.

NOTE 3 - RECEIVABLES The receivables at March 31, 2007, are as follows:

<u>Class of Receivables</u>	
Residents	\$ 3,827
HUD	7,941
Other	4,909
Interest	6,955
Total	<u>\$ 23,632</u>

The residents account receivable is net of an allowance for doubtful accounts of \$1,045.

NOTE 4 - CAPITAL ASSETS The changes in capital assets are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Non depreciable capital assets:				
Land	\$ 222,593	\$ 0	\$ 0	\$ 222,593
Construction in progress	67,771	12,831	67,771	12,831
Total nondepreciable capital assets	<u>290,364</u>	<u>12,831</u>	<u>67,771</u>	<u>235,424</u>
Depreciable assets:				
Buildings	10,010,274	63,953	0	10,074,227
Furniture and equipment	304,679	43,907	39,608	308,978
Total depreciable capital assets	<u>10,314,953</u>	<u>107,860</u>	<u>39,608</u>	<u>10,383,205</u>
Less accumulated depreciation				
Buildings	7,167,039	275,019	0	7,442,058
Furniture and equipment	233,606	28,947	26,811	235,742
Total accumulated depreciation	<u>7,400,645</u>	<u>303,966</u>	<u>26,811</u>	<u>7,677,800</u>
Depreciable capital assets, net	<u>2,914,308</u>	<u>(196,106)</u>	<u>12,797</u>	<u>2,705,405</u>
Capital assets, net	<u>\$ 3,204,672</u>	<u>\$ (183,275)</u>	<u>\$ 80,568</u>	<u>\$ 2,940,829</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

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

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.

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 5.5 percent of his effective compensation. The employer is required to make monthly contributions equal to 7.5 percent of each participant's effective compensation.

The Housing Authority's contribution 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 year ended March 31, 2007, was \$217,944. The Housing Authority's contributions were calculated using the base salary amount of \$170,145. The Housing Authority made the required contributions of \$21,965 for the year ended March 31, 2007, of which \$12,761 was paid by the Housing Authority and \$9,204 was paid by employees. No payments were made out of the forfeiture account.

NOTE 6 - ACCOUNTS PAYABLES The payables at March 31, 2007, are as follows:

Vendors	\$46,901
Payment in lieu of taxes	<u>31,838</u>
Total	<u>\$78,739</u>

NOTE 7 - COMPENSATED ABSENCES At March 31, 2007, employees of the Housing Authority have accumulated and vested \$22,637 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 8 - LONG TERM OBLIGATIONS The following is a summary of the long term obligations transactions for the year.

	Compensated Absences	Lease Obligation	Total
Balance, beginning	\$ 20,187	\$ 1,543,723	\$ 1,563,910
Additions	11,383	-	11,383
Deductions	8,933	118,708	127,641
Balance, ending	\$ 22,637	\$ 1,425,015	\$ 1,447,652
Amount due within one year	\$ 7,120	\$ 124,695	\$ 131,815

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2007

The following capital lease is outstanding at March 31, 2007. The capital lease is a conditional sales agreement for equipment to help the Housing Authority's units to conserve water and energy. A total of \$1,622,788 was added to the capital assets listing during the fiscal year of March 31, 2005. The capital asset has beginning accumulated depreciation of \$216,372 plus \$108,186 recorded as depreciation resulting in a net book value of \$1,298,230 at March 31, 2007.

	<u>Date of Lease</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Lease Amount</u>	<u>Balance March 31, 2007</u>
Capital lease	5/17/2004	5/17/2016	4.95%	\$1,629,000	\$1,425,015

The lease payments are due as follows:

Year Ending March 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 124,695	\$ 68,247	\$ 192,942
2009	130,982	61,960	192,942
2010	137,587	55,355	192,942
2011	144,525	48,417	192,942
2012	151,814	41,128	192,942
2013 to maturity	<u>735,412</u>	<u>84,590</u>	<u>820,002</u>
Total	<u>\$1,425,015</u>	<u>\$359,697</u>	<u>\$1,784,712</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority does not presently have any outstanding litigation.

Construction Projects There are certain major construction projects in progress at March 31, 2007. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 through March 31, 2007, 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 10 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 11 - ECONOMIC DEPENDENCE Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$548,522 to the Housing Authority, which represents approximately 45% of the Housing Authority's total revenue for the year.

Supplemental Information

**NEW IBERIA HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR FISCAL YEAR ENDED MARCH 31, 2007**

Exhibit 1

PHA: LA027 FYED: 03/31/2007

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Block Grants for Prevention and Treatment of Substance Abuse	Total
111	Cash - Unrestricted	\$395,188	\$0	\$0	\$395,188
114	Cash - Tenant Security Deposits	\$30,689	\$0	\$0	\$30,689
100	Total Cash	\$425,877	\$0	\$0	\$425,877
121	Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$4,909	\$7,941	\$0	\$12,850
126	Accounts Receivable - Tenants - Dwelling Rents	\$4,872	\$0	\$0	\$4,872
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(\$1,045)	\$0	\$0	(\$1,045)
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$6,955	\$0	\$0	\$6,955
120	Total Receivables, net of allowances for doubtful accounts	\$15,691	\$7,941	\$0	\$23,632
131	Investments - Unrestricted	\$319,374	\$0	\$0	\$319,374
142	Prepaid Expenses and Other Assets	\$96,142	\$0	\$0	\$96,142
143	Inventories	\$1,131	\$0	\$0	\$1,131
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$7,941	\$0	\$0	\$7,941
150	Total Current Assets	\$866,156	\$7,941	\$0	\$874,097
161	Land	\$222,593	\$0	\$0	\$222,593
162	Buildings	\$10,010,274	\$63,953	\$0	\$10,074,227
163	Furniture, Equipment & Machinery - Dwellings	\$104,924	\$7,370	\$0	\$112,294
164	Furniture, Equipment & Machinery - Administration	\$159,275	\$36,544	\$665	\$196,664
165	Leasehold Improvements	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	(\$7,659,096)	(\$18,416)	(\$288)	(\$7,677,800)
167	Construction In Progress	\$0	\$12,831	\$0	\$12,831
160	Total Fixed Assets, Net of Accumulated Depreciation	\$2,837,970	\$102,282	\$677	\$2,940,829
180	Total Non-Current Assets	\$2,837,970	\$102,282	\$677	\$2,940,829
190	Total Assets	\$3,704,126	\$110,223	\$677	\$3,814,926

**NEW IBERIA HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR FISCAL YEAR ENDED MARCH 31, 2007**

Exhibit 1

PHA: LA027 FYED: 03/31/2007

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Block Grants for Prevention and Treatment of Substance Abuse	Total
312	Accounts Payable <= 90 Days	\$46,901	\$0	\$0	\$46,901
322	Accrued Compensated Absences - Current Portion	\$7,120	\$0	\$0	\$7,120
325	Accrued Interest Payable	\$8,817	\$0	\$0	\$8,817
333	Accounts Payable - Other Government	\$31,838	\$0	\$0	\$31,838
341	Tenant Security Deposits	\$27,732	\$0	\$0	\$27,732
342	Deferred Revenues	\$8,471	\$0	\$0	\$8,471
	Current Portion of Long-term Debt - Capital				
343	Projects/Mortgage Revenue Bonds	\$124,695	\$0	\$0	\$124,695
347	Interprogram Due To	\$0	\$7,941	\$0	\$7,941
310	Total Current Liabilities	\$255,574	\$7,941	\$0	\$263,515
	Long-term Debt, Net of Current - Capital Projects/Mortgage				
351	Revenue Bonds	\$1,300,320	\$0	\$0	\$1,300,320
354	Accrued Compensated Absences - Non Current	\$15,517	\$0	\$0	\$15,517
350	Total Noncurrent Liabilities	\$1,315,837	\$0	\$0	\$1,315,837
300	Total Liabilities	\$1,571,411	\$7,941	\$0	\$1,579,352
508	Total Contributed Capital	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$1,412,955	\$102,282	\$577	\$1,615,814
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$719,760	\$0	\$0	\$719,760
513	Total Equity/Net Assets	\$2,132,715	\$102,282	\$577	\$2,235,574
600	Total Liabilities and Equity/Net Assets	\$3,704,126	\$110,223	\$577	\$3,814,926

**NEW IBERIA HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR FISCAL YEAR ENDED MARCH 31, 2007**

Exhibit 1

PHA: LA027 FYED: 03/31/2007

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Block Grants for Prevention and Treatment of Substance Abuse	Total
703	Net Tenant Rental Revenue	\$363,399	\$0	\$0	\$363,399
704	Tenant Revenue - Other	\$187,053	\$0	\$0	\$187,053
705	Total Tenant Revenue	\$550,452	\$0	\$0	\$550,452
706	HUD PHA Operating Grants	\$455,522	\$30,050	\$0	\$485,572
706.1	Capital Grants	\$0	\$36,896	\$0	\$36,896
708	Other Government Grants	\$33,200	\$0	\$51,649	\$84,849
711	Investment Income - Unrestricted	\$16,803	\$0	\$0	\$16,803
715	Other Revenue	\$32,308	\$0	\$0	\$32,308
716	Gain/Loss on Sale of Fixed Assets	(\$10,918)	\$0	\$600	(\$10,318)
720	Investment Income - Restricted	\$0	\$0	\$0	\$0
700	Total Revenue	\$1,077,387	\$66,946	\$52,249	\$1,196,582
911	Administrative Salaries	\$90,787	\$0	\$29,690	\$120,477
912	Auditing Fees	\$16,780	\$0	\$0	\$16,780
914	Compensated Absences	\$2,450	\$0	\$0	\$2,450
915	Employee Benefit Contributions - Administrative	\$32,010	\$0	\$1,657	\$33,667
916	Other Operating - Administrative	\$101,654	\$4,465	\$15,877	\$121,996
924	Tenant Services - Other	\$3,998	\$0	\$0	\$3,998
931	Water	\$30,671	\$0	\$0	\$30,671
932	Electricity	\$201,073	\$0	\$0	\$201,073
933	Gas	\$89,526	\$0	\$0	\$89,526
935	Labor	\$960	\$0	\$0	\$960
938	Other Utilities Expense	\$73,487	\$0	\$0	\$73,487
941	Ordinary Maintenance and Operations - Labor	\$106,891	\$0	\$0	\$106,891
942	Other	\$54,274	\$0	\$0	\$54,274
943	Ordinary Maintenance and Operations - Contract Costs	\$117,705	\$0	\$0	\$117,705
945	Employee Benefit Contributions - Ordinary Maintenance	\$30,067	\$0	\$0	\$30,067
982	Protective Services - Other Contract Costs	\$0	\$0	\$6,904	\$6,904
961	Insurance Premiums	\$99,778	\$0	\$0	\$99,778
963	Payments in Lieu of Taxes	\$15,474	\$0	\$0	\$15,474
984	Bad Debt - Tenant Rents	\$10,687	\$0	\$0	\$10,687
967	Interest Expense	\$73,499	\$0	\$0	\$73,499
989	Total Operating Expenses	\$1,151,771	\$4,465	\$54,128	\$1,210,364
970	Excess Operating Revenue over Operating Expenses	(\$74,404)	\$62,481	(\$1,879)	(\$13,802)

**NEW IBERIA HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR FISCAL YEAR ENDED MARCH 31, 2007**

Exhibit 1

PHA: LA027 FYED: 03/31/2007

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Block Grants for Prevention and Treatment of Substance Abuse	Total
974	Depreciation Expense	\$289,848	\$13,830	\$288	\$303,966
900	Total Expenses	\$1,441,819	\$18,295	\$54,416	\$1,514,330
1001	Operating Transfers In	\$25,585	\$0	\$0	\$25,585
1002	Operating Transfers Out	\$0	(\$25,585)	\$0	(\$25,585)
1010	Total Other Financing Sources (Uses)	\$25,585	(\$25,585)	\$0	\$0
	Excess (Deficiency) of Operating Revenue Over (Under)				
1000	Expenses	(\$338,667)	\$23,066	(\$2,167)	(\$317,768)
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$2,247,318	\$288,903	\$19,121	\$2,553,342
	Prior Period Adjustments, Equity Transfers and Correction				
1104	of Errors	\$224,064	(\$207,687)	(\$16,377)	\$0
1120	Unit Months Available	2,400	0	0	2,400
1121	Number of Unit Months Leased	2,319	0	0	2,319

Housing Authority of the City of New Iberia

GENERAL

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended March 31, 2007**

Exhibit 2

The members of the Board of Commissioners serve without compensation.

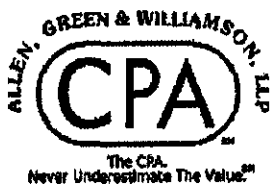
Mr. Fred Wesley, Chairman

Mr. Curtis Thompson

Rev. Darren M. Sophus

Ms. Tammy LeBlanc, Vice Chairman

Ms. Gladys Charles



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Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

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

We have audited the financial statements of the Housing Authority of the City of New Iberia, as of and for the year ended March 31, 2007, and have issued our report thereon dated September 28, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combinations of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

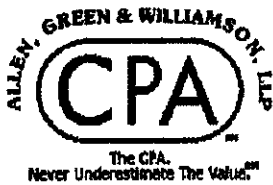
We noted a certain matter that we reported to management of the Housing Authority in a separate letter dated September 28, 2007.

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 24:513 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
September 28, 2007



ALLEN, GREEN & WILLIAMSON, LLP

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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

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

Compliance

We have audited the compliance of the Housing Authority of the City of New Iberia, Louisiana, 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 March 31, 2007. The Housing Authority's major federal program is 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 its major federal program 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 A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular 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 those 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 of the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07-F1, 07-F2, 07-F3 and 07-F4.

Internal Control Over Compliance

The management of the Housing Authority 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 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 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Housing Authority's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a Housing Authority's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 07-F1, 07-F2, and 07-F3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Housing Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on it.

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 24:513 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
September 28, 2007

Housing Authority Of The City Of New Iberia

Schedule of Expenditures Of Federal Awards
For the Year Ended March 31, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA NUMBER	GRANT ID NUMBER	PROGRAM EXPENDITURES
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS			
Low Rent Public Housing	14.850	FW 1264	\$455,522
Capital Fund Program	14.872	FW 1264	<u>66,946</u>
TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			<u>522,468</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	93.959	60950	<u>51,649</u>
TOTAL U.S. DEPT OF HEALTH AND HUMAN SERVICES			<u>51,649</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$574,117</u>

Housing Authority of the City of New Iberia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2007

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 Iberia, New Iberia, 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 the 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 awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
Enterprise funds:	
Federal grants	\$537,221
Capital contributions	<u>36,896</u>
Total	<u>\$574,117</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 PIH 98-14, "federal awards" do not include Housing Authority operating income from rents or investments (or other non-federal sources). 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 Iberia
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2007**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies 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

- iv. There were three significant deficiencies to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed audit findings, which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal program is:

CFDA# 14.850 Low Rent Public Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2007**

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: 07-F1 Resident Files

Federal program and specific Federal award identification:

CFDA Title: Public & Indian Housing and CFDA #14.850
Federal Award #FW1264 and Federal Award Year 2006
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 5.212, 5.230, and 5.601 through 5.617 as well as HUD guidance concerning the form 50058 contain requirements for information maintained in resident files. These requirements dictate that a re-certification be performed and a copy of HUD 50058 is to be maintained for each resident on an annual basis. Social Security numbers, dates of birth, and expected income on the form should agree to support in residents' files. Residents' 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 9886 for all residents over 18 years of age.

Condition found: The following exception was noted in testing a random selection of twenty-five resident files:

- Two files had personal information on the HUD 50058 that did not agree to supporting documentation.
- Two files did not have proper third party income verifications.
- One file did not have the required annual recertification for the current fiscal year.

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 factors are not known in all the above exceptions; therefore, no questioned costs were calculated.

Possible asserted effect (cause and effect):

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

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

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

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2007**

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: 07-F2 Documentation for MASS Certification

Federal program and specific Federal award identification:

CFDA Title: Public & Indian Housing and CFDA #14.850
Federal Award #FW1264 and Federal Award Year 2006
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: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the housing authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling units and systems, and security.

Condition found: When testing the MASS Submission, the numbers according to the documentation for the total number of buildings, units needing repair, and buildings needing repair did not agree to what was submitted.

Possible asserted effect (cause and effect):

Cause: The cause was a clerical error by the Housing Authority.

Effect: The number of buildings, units needing repair, and buildings needing repair was misstated, which could impact the Housing Authority's score.

Recommendations to prevent future occurrences: The Housing Authority should establish some procedures to ensure that all documentation for the MASS Submission is accurate and in agreement with what was actually submitted.

Reference # and title: 07-F3 Tenant Participation Funds

Federal program and specific Federal award identification: This finding relates to the Public & Indian Housing Program CFDA #14.850 for the 2006 Award Year.

Criteria or specific requirement: When tenant participation funds are provided to a Public Housing Authority, the Public Housing Authority must provide those funds to duly elected residents councils. Funding provided by the Public Housing Authority to a duly elected resident council may be made only under a written agreement between the Public Housing Authority and the resident council that includes a resident council budget. Public Housing Authority's are permitted to fund \$25 per unit per year for units represented by duly elected resident councils for resident service. Of this \$25, \$15 per unit per year is provided to fund tenant participation activities. The agreement must require the local resident council to account to the Public Housing Authority for the use of the funds and permit the Public Housing Authority to inspect and audit the resident council's financial records related to the agreement (24 CFR sections 964.150).

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2007**

PART III -- Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Condition found: We noted that the Housing Authority receives the tenant participation funds, but does not have a duly elected resident council. There also is no agreement stating how the Housing Authority uses these funds.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: The Housing Authority does not meet the requirements necessary to receive tenant participation funds from HUD.

Recommendations to prevent future occurrences: The Housing Authority should form a duly elected resident council. They should draft a written agreement between themselves and the resident council that includes a resident council budget. The agreement must also allow the Housing Authority to inspect and audit the resident council's financial records.

Reference # and title: 07-F4 **HUD Form 60002**

Federal program and specific Federal award identification: This finding is entity wide.

Criteria or specific requirement: HUD requires all public housing authorities that receive HUD funding for development assistance, operating assistance, or modernization grants to complete and submit a form 60002. This form details the amount of funds used for employment and training of section 3 residents. HUD defines section 3 residents as any public housing resident or anyone that qualifies as a low or very low income person based on income standards set by HUD. This form is reported on a calendar year basis and is due to HUD by January 10.

Condition found: We noted several problems with the form 60002 that the Housing Authority completed. First, the form was not completed on a timely basis. The form was due to HUD by January 10 and was not completed until September 24. Secondly, Part II of the form incorrectly shows that the Housing Authority did not receive any funding for any of its construction or non-construction contracts. During the year the Housing Authority received capital fund money that qualified as a modernization grant and an operating subsidy that qualified as operating assistance.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: The Housing Authority did not file form 60002 on a timely basis and several line items were completed incorrectly.

Recommendations to prevent future occurrences: The Housing Authority should take steps to ensure that form 60002 is filed timely and completed correctly in future years.

Housing Authority of the City of New Iberia
Summary Schedule of Prior-Year Audit Findings & Questioned Costs
March 31, 2007

Finding reference # and title: **06-F1** **Resident Files**

Condition: 24 CFR Sections 5.212, 5.230, and 5.601 through 5.617 as well as HUD guidance concerning the form 50058 contain requirements for information maintained in resident files. These requirements dictate that a re-certification be performed and a copy of HUD 50058 is to be maintained for each resident on an annual basis. Social Security numbers, dates of birth, and expected income on the form should agree to support in residents' files. Residents' 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 9886 for all residents over 18 years of age.

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

- Two files had personal information on the HUD 50058 that did not agree to supporting documentation.
- Five files did not have proper third party income verifications.
- Two files' income did not recalculate correctly.

Corrective action planned: See corrective action for current year finding 07-F1.

Finding reference # and title: **06-F2** **Documentation for MASS Certification**

Condition: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the housing authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling units and systems, and security.

When testing the MASS Submission, the numbers according to the documentation for the vacant unit turnaround did agree to what was submitted; however, out of ten units tested to actual support, there were 3 exceptions noted. It was also noted that the key items under the security section submitted did not agree to support.

Corrective action taken: For information submitted to REAC through the MASS system, the Housing Authority will review final numbers before submission of data to ensure that information is accurate. Also, the Housing Authority will monitor vacant unit turnaround with the Maintenance and ACOP departments on a monthly basis to ensure dates are in agreement to documentation.

Housing Authority of the City of New Iberia
Corrective Action Plan for Current-Year Audit Findings & Questioned Costs
March 31, 2007

Reference # and title: **07-F1** **Resident Files**

Condition found: 24 CFR Sections 5.212, 5.230, and 5.601 through 5.617 as well as HUD guidance concerning the form 50058 contain requirements for information maintained in resident files. These requirements dictate that a recertification be performed and a copy of HUD 50058 is to be maintained for each resident on an annual basis. Social Security numbers, dates of birth, and expected income on the form should agree to support in residents' files. Residents' 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 9886 for all residents over 18 years of age.

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

- Two files had personal information on the HUD 50058 that did not agree to supporting documentation.
- Two files did not have proper third party income verifications.
- One file did not have the required annual recertification for the current fiscal year.

Corrective action planned: Corrected

Person responsible for corrective action:

Mr. Elton J. Broussard, Jr., Executive Director
Housing Authority of the City of New Iberia
325 North Street
New Iberia, LA 70560

Telephone: (337) 364-5515
Fax: (337) 364-6937

Anticipated completion date: September 30, 2007

Reference # and title: **07-F2** **Documentation for MASS Certification**

Condition found: The Housing Authority is required to electronically submit the Management Assessment Subsystem (MASS) to the Real Estate Assessment Center (REAC) annually. This information is used to grade the housing authority's performance. Critical information included in the MASS is vacant unit turnaround time, work orders, annual inspection of dwelling units and systems, and security. When testing the MASS Submission, the numbers according to the documentation for the total number of buildings, units needing repair, and buildings needing repair did not agree to what was submitted.

Corrective action planned: We have 92 buildings instead of 82.

Person responsible for corrective action:

Mr. Elton J. Broussard, Jr., Executive Director
Housing Authority of the City of New Iberia
325 North Street
New Iberia, LA 70560

Telephone: (337) 364-5515
Fax: (337) 364-6937

Anticipated completion date: March 31, 2008

Housing Authority of the City of New Iberia
Corrective Action Plan for Current-Year Audit Findings & Questioned Costs
March 31, 2007

Reference # and title: **07-F3** **Tenant Participation Funds**

Condition found: When tenant participation funds are provided to a Public Housing Authority, the Public Housing Authority must provide those funds to duly elected residents councils. Funding provided by the Public Housing Authority to a duly elected resident council may be made only under a written agreement between the Public Housing Authority and the resident council that includes a resident council budget. Public Housing Authority's are permitted to fund \$25, \$15 per unit per year for units represented by duly elected resident councils for resident service. Of this \$25, \$15 per unit per year is provided to fund tenant participation activities. The agreement must require the local resident council to account to the Public Housing Authority for the use of the funds and permit the Public Housing Authority to inspect and audit the resident council's financial records related to the agreement (24 CFR sections 964.150). We noted that the Housing Authority receives the tenant participation funds, but does not have a duly elected resident council. There also is no agreement stating how the Housing Authority uses these funds.

Corrective action planned: There is no resident council. We will try and form one at each of the three developments.

Person responsible for corrective action:

Mr. Elton J. Broussard, Jr., Executive Director	Telephone: (337) 364-5515
Housing Authority of the City of New Iberia	Fax: (337) 364-6937
325 North Street	
New Iberia, LA 70560	

Anticipated completion date: March 31, 2008

Reference # and title: **07-F4** **HUD Form 60002**

Federal program and specific Federal award identification: This finding is entity wide.

Condition found: HUD requires all public housing authorities that receive HUD funding for development assistance, operating assistance, or modernization grants to complete and submit a form 60002. This form details the amount of funds used for employment and training of section 3 residents. HUD defines section 3 residents as any public housing resident or anyone that qualifies as a low or very low income person based on income standards set by HUD. This form is reported on a calendar year basis and is due to HUD by January 10.

We noted several problems with the form 60002 that the Housing Authority completed. First, the form was not completed on a timely basis. The form was due to HUD by January 10 and was not completed until September 24. Secondly, Part II of the form incorrectly shows that the Housing Authority did not receive any funding for any of its construction or non-construction contracts. During the year the Housing Authority received capital fund money that qualified as a modernization grant and an operating subsidy that qualified as operating assistance.

Corrective action planned: Was not familiar with Section 3. Spoke to Ms. Truly Crittel with Fair Housing in New Orleans. I will meet with her in New Orleans in a month for training.

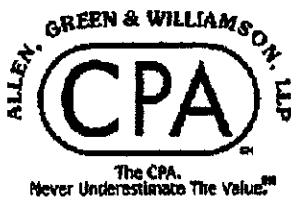
Housing Authority of the City of New Iberia
Corrective Action Plan for Current-Year Audit Findings & Questioned Costs
March 31, 2007

Person responsible for corrective action:

Mr. Elton J. Broussard, Jr., Executive Director
Housing Authority of the City of New Iberia
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Anticipated completion date: March 31, 2008



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Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Board Members
Housing Authority of the City of New Iberia
New Iberia, Louisiana

In planning and performing our audit of the financial statements of the Housing Authority of the City of New Iberia, as of and for the year ended March 31, 2007, 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 internal control.

However, during our audit, we noted a certain matter involving other operational matters that is presented for your consideration. This letter does not affect our report dated September 28, 2007, on the basic financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, is intended to result in other operating efficiency. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

06-M1 Payroll Expenses

Condition: Good internal controls should require that a supervisor approves all time records for employees in his/her department. We tested 13 payroll checks and noted 8 did not have supervisor approved time records as documentation.

Recommendation: The Housing Authority should require all time records be approved by a supervisor.

Managements Response: Supervisors will sign off.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements of the Housing Authority, as of and for the year ended March 31, 2007, and 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, 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 24:513 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
September 28, 2007