

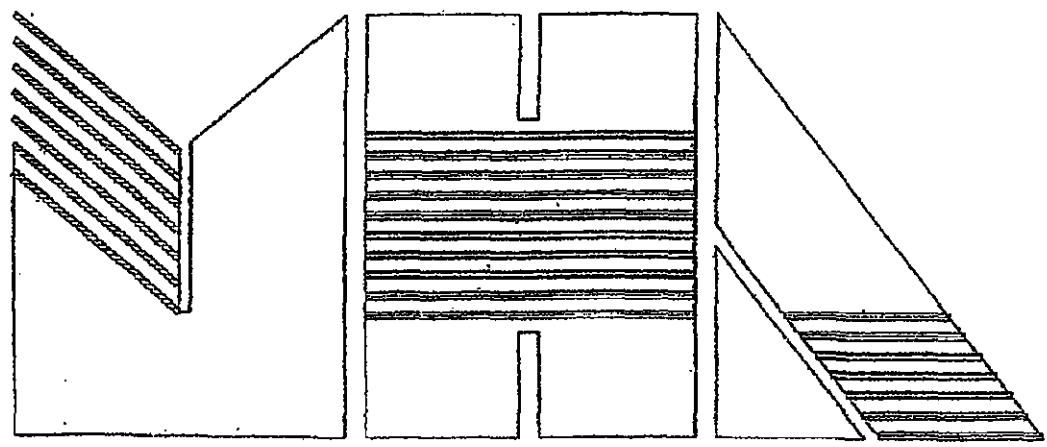
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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative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

Release Date **JAN 25 2012**

Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

As Of And For the Year Ended June 30, 2011

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Release Date **JAN 25 2012**

**Housing Authority of the City of Monroe
Monroe, Louisiana**

Comprehensive Annual Financial Report

As of And For the Year Ended June 30, 2011

**Frank L. Wilcox
Executive Director**

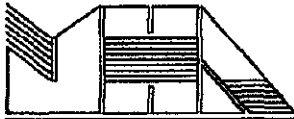
**Janet Sanderford
Administrative Director**

Prepared by the Accounting Department

**Housing Authority of the City of Monroe
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INTRODUCTORY SECTION



December 19, 2011

Dr. Henry Bonner, Jr., Chairman
and Members of the Board
Housing Authority of the City of Monroe
Monroe, Louisiana

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 2011, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

A. Management Responsibility Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Housing Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the component unit of the Housing Authority. All disclosures necessary to enable the reader to gain an understanding of the Housing Authority's financial activities have been included.

B. CAFR The Comprehensive Annual Financial Report (CAFR) consists of three parts:

- (1) **The Introductory Section.** This section includes a transmittal letter, information on financial reporting achievements, the Housing Authority's organizational structure, recognition of the appointed officials of the Housing Authority and a list of selected administrative officials.
- (2) **The Financial Section.** The financial section consists of management's discussion and analysis, basic financial statements, and combining and individual fund statements and schedules. Combining statements are presented when a Housing Authority has at least one nonmajor fund of a given fund category. Various statements are also used to demonstrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.
- (3) **The Statistical Section.** Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Housing Authority for the past ten years.

The Housing Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit includes the Schedule of Expenditures of Federal Awards,

findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The primary objective of the Housing Authority is to provide affordable housing for families which, due to economic hardship, are unable to obtain housing in the private real estate market. A second goal is to assist these families in achieving self sufficiency. To accomplish these objectives, the Housing Authority participates in a number of programs which are discussed in the Notes to the Financial Statements included in this report.

C. Reporting Entity This report includes all funds of the Housing Authority as well as all of its component units. Component units are legally separate entities for which a government is financially accountable. The Housing Authority is an independent governmental entity created by the state of Louisiana. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. Although it maintains close ties with the City of Monroe in several respects, the Housing Authority is not a component unit of the City as defined by the pronouncements by the Governmental Accounting Standards Board since it is not financially accountable for the operations of the Housing Authority, has no responsibility to fund deficits or rights to receive surpluses, and has not guaranteed the Housing Authority's debt.

The governing body of the Housing Authority is its Board of Commissioners ("Board") comprised of five members appointed by the Mayor of the City. The Board appoints an Executive Director to administer the affairs of the Housing Authority. The primary source of funding for the Housing Authority is the U. S. Department of Housing and Urban Development ("HUD"), which oversees the expenses of most of the funds.

The Housing Authority is financially accountable for Monroe Affordable Homeownership Community Housing Development Organization, Inc. (Homeownership), a legally separate entity. The Housing Authority can, to a limited degree, impose its will on Homeownership. The Housing Authority also provides office space and some furnishings to Homeownership. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority.

Monroe Housing Facilities Corporation is included by blended presentation in the Housing Authority's financial statements. This corporation is a legally separate entity governed by the same Board as the Housing Authority.

D. Major Initiatives The Housing Authority once again received a designation of "High Performer" from the Department of Housing and Urban Development. This rating is a result of a lot of hard work by the staff, and management's decision to set a High Performer rating as one of their highest goals.



The Capital Fund Program provided funds for the completion of Frances Tower renovations. Major renovations are under way for McKeen Plaza.



The Housing Authority has rental assistance programs that were created under Section 8 of the 1974 federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe. The Department of Housing & Urban Development assesses Section 8 programs thru its SEMAP assessment. The last available score posted for Monroe Housing Authority was 99.



The Housing Authority now manages a total of 6 Section 202 properties consisting of a total of 286 units of elderly housing. The Housing Authority also manages 5 tax credit properties with a total of 335 units also for elderly housing.



Seniors living in our Retirement Communities are allowed to 'age in place' due to the many amenities provided in conjunction with the Ouachita Council on Aging.

E. Long Term Financial Planning The Housing Authority is founded on the belief that affordable housing is central to the physical and emotional health, the productivity, and the self esteem of the people it serves. Recognizing its responsibility to maintain physical properties while affording dignity and respect to every individual, the objective of the Housing Authority is to improve the quality of life through a community partnership. HUD has made major changes to the operating subsidy calculation and requires housing authorities to manage their properties according to an asset management model. This requires project based management, project based budgeting, and project based accounting. All of these changes must be accomplished while maintaining the overall mission of the Housing Authority as stated above.

F. Internal Control Management of the Housing Authority is responsible for establishing and maintaining internal control designed to ensure that the assets of the Housing Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the Housing Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the Housing Authority also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2011, provided no instances of material weaknesses in internal control.

G. Budgetary Controls In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. Revisions to the budget enacted require Housing Authority approval.

As demonstrated by the statements and schedules included in the financial section of this report, the Housing Authority continues to meet its responsibility for sound financial management.

H. Cash Management Due to the weakness in the treasury security market, funds were moved to higher yield certificates of deposit. This will result in lower bank fees.

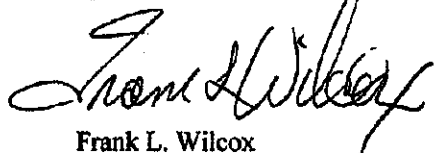
The Housing Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by an act of congress or insured by the Federal Deposit Insurance Corporation.

I. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the Housing Authority's system of budgetary and accounting controls.

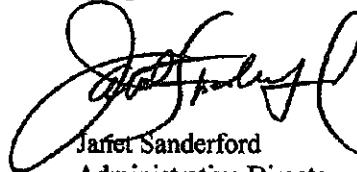
J. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

K. Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Accounting Department. We want to express our appreciation to them for their assistance. We also thank the members of the Housing Authority for their interest and support in planning and conducting the financial operations of the Housing Authority in a responsible and progressive manner.



Frank L. Wilcox
Executive Director



Jarret Sanderford
Administrative Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the City
of Monroe, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dawson

President

Jeffrey R. Emery

Executive Director

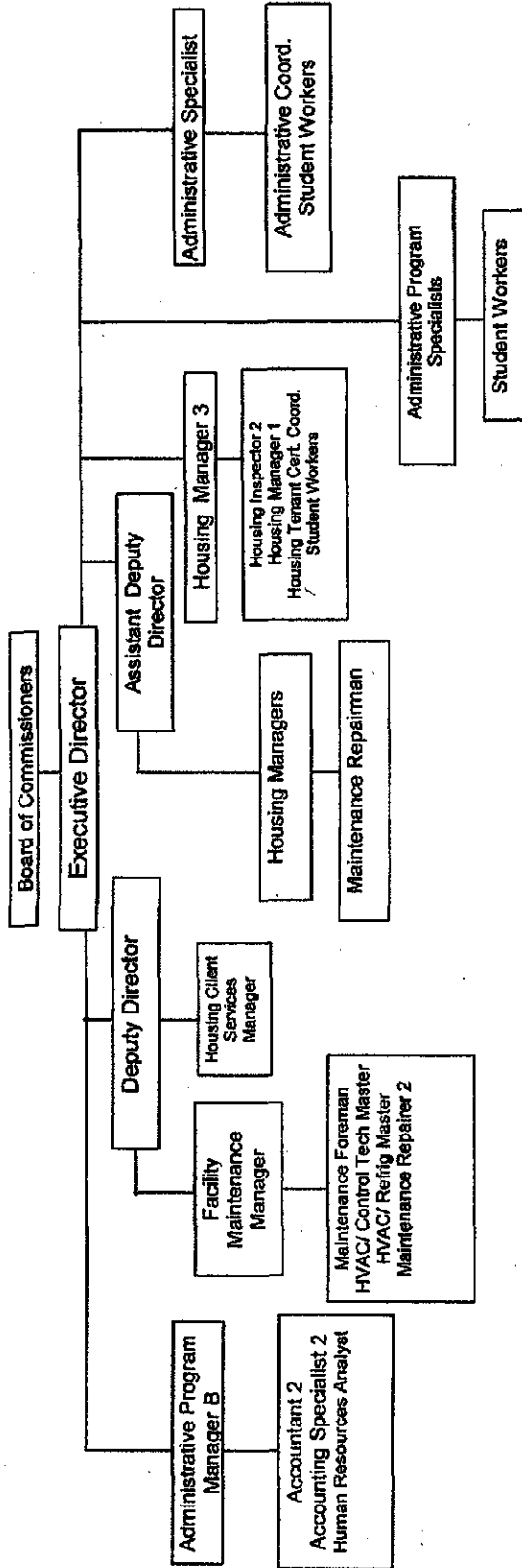
Housing Authority of the City of Monroe



HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



Housing Authority of the City of Monroe

**Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Joe Farr

Ms. Roxie Jackson

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Cheryl Farmer

Assistant Deputy Director

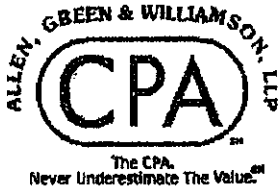
Janet Sanderford

Administrative Director

Naomi Jackson

Section 8 Director

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jasnicia Mercer, CPA
Cindy Thomason, CPA

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

INDEPENDENT AUDITORS' REPORT

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the accompanying financial statements of the discretely presented component unit and each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2011, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit and each major fund of the Housing Authority as of June 30, 2011, and the respective changes in financial position and cash flows 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, under separate cover, our report dated December 19, 2011 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.

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 opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying information identified in the table of contents as supplementary information, which includes the Financial Data Schedule required by HUD, is presented for purposes 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.

As discussed in Note 11 in notes to the financial statements, the Housing Authority of the City of Monroe has continued to build excess reserves, which are subject to recapture from the Department of Housing and Urban Development. The possible outcome of this matter, which has been reported by the Department of Housing and Urban Development, is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for the recapture of those grant monies.

The information identified in the table of contents as the introductory section and statistical section are presented for purposes of additional analysis and is not a required part of the basic financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2011

Housing Authority of the City of Monroe

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2011

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 4 of this report. Dollar amounts presented in the MD&A are presented in thousands. The Homeownership component unit did not issue a separate audit report.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$48,805 (*net assets*). Of this amount, \$14,312 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets increased by \$4,419, for the current year. This is mainly due to an increase in capital contributions due to several renovation projects being completed.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$8,155, or 80% of the general fund total operating expenses.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as proprietary funds.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consist of financial statements that show information about the Housing Authority's most significant funds – such as the Housing Authority's General fund, Tenant-based Section 8 fund, Management fees fund, Monroe housing facilities fund and its component unit.

Our auditors have provided assurance in their independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The Introductory Section and the Statistical Section was prepared by the Housing Authority without association by the independent auditors. Accordingly, the Housing Authority assumes full responsibility for the accuracy of these two sections.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2011

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:

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$48,805 at June 30, 2011. Of this amount, \$14,312 was unrestricted. Restricted net assets of \$607 are reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use for items other than the housing assistance payments (HAP) for the Section 8 Tenant Based program.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, capital fund, and economic development programs. The tenant based Section 8 fund accounts for the Section 8 Housing Choice Voucher program, the Disaster Voucher program, and the DHAP program. The Monroe Housing Facilities and Management Fees earned on properties managed by the Housing Authority are accounted for in separate funds. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

Table 1
Net Assets
(in thousands)
June 30,

	2011	2010	Variance
Current assets	\$ 18,144	\$ 16,312	\$ 1,832
Capital assets, net	33,886	31,421	2,465
Total assets	<u>52,030</u>	<u>47,733</u>	<u>4,297</u>
Current liabilities	2,330	2,465	(135)
Long-term liabilities	895	882	13
Total liabilities	<u>3,225</u>	<u>3,347</u>	<u>(122)</u>
Net assets			
Invested in capital assets	33,886	31,421	2,465
Restricted	607	703	(96)
Unrestricted	14,312	12,262	2,050
Total net assets	<u>\$ 48,805</u>	<u>\$ 44,386</u>	<u>\$ 4,419</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2011

Table 2
Changes in Net Assets
(in thousands)
For the Years Ended June 30,

	2011	2010	Variance
Beginning net assets	\$ 44,386	\$ 41,610	\$ 2,776
Prior period adjustment	-	(59)	59
Beginning net assets, as restated	44,386	41,551	2,835
Revenues:			
Operating revenues			
Rental and other	4,577	4,507	70
Federal grants	12,685	12,374	311
Total operating revenues	17,262	16,881	381
Expenses:			
Operating expenses			
Administration	3,249	3,530	(281)
Tenant services	66	81	(15)
Utilities	394	360	34
Ordinary maintenance and operations	2,852	2,441	411
Protective services	144	73	71
General expenses	1,306	1,293	13
Housing assistance payments	6,633	6,527	106
Depreciation	3,394	3,183	211
Total expenses	18,038	17,488	550
Non-operating revenues			
Interest earnings	78	115	(37)
Gain(Loss) on sale of equipment	-	12	(12)
Total non-operating revenues	78	127	(49)
Net income (loss) before capital contributions	(698)	(480)	(218)
Capital contributions	5,117	3,315	1,802
Increase (decrease) in net assets	4,419	2,835	1,584
Ending net assets	\$ 48,805	\$ 44,386	\$ 4,419

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2011

Total operating revenues increased \$381:

- The general fund's operating revenue increased \$256 due to a direct charge to the Capital Fund Grant for administering the Capital Fund Program.
- The Section 8 fund's operating revenue increased \$104 due to an increase in administrative fees earned.
- The management fees' operating revenue increased \$21 due to the completion of South Point III and IV, thus increasing the amount of management fees earned.
- The Monroe housing facilities' operating revenues remained constant.

Total operating expenses increased \$550:

- The general fund's operating expenses increased \$437. This change was due to several energy saving renovations being initiated.
- The Section 8 funds operating expenses increased \$132. This change was due to an increase in the cost of rental assistance paid to landlords.
- The management fees' operating expenses decreased \$16. This change was due to a decrease in loss on investment expense.
- The Monroe housing facilities' operating expenses decreased \$3. This change was due to a decrease in insurance expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets.

At June 30, 2011, the Housing Authority had \$33,886 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$2,465 or 7.8%, from last year.

Capital Assets at Year-end
(in thousands)

	2011	2010
Land	\$ 2,041	\$ 2,016
Construction in progress	3,171	3,915
Buildings and site improvements	27,821	24,629
Furniture and equipment	853	861
Totals	\$ 33,886	\$ 31,421

This year's additions of \$5,859 are mainly the result of the completion of several renovation projects.

We present more detailed information on capital assets in Note 4 to the financial statements.

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2011**

Debt

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in the Note 9 to the financial statements.

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 the Federal budget than by local economic conditions.

The capital fund programs are multiple year budgets and have remained relatively stable. Capital fund programs 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 and 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 Janet Sanderford, Administrative Director, at the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone number (318) 388-1500.

Housing Authority of the City of Monroe

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

Balance Sheet

June 30, 2011

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 4,509,939	\$ 931,158	\$ 1,088,465
Investments	4,145,487	0	0
Accounts receivable, net	1,484,242	180,972	89,500
Due from component unit	0	16,600	0
Interfund receivable	0	0	342,374
Prepaid items and other assets	262,988	5,645	0
Inventory	24,393	0	0
Restricted assets			
Cash for deposits due others	246,961	98,886	0
Total Current Assets	10,684,010	1,211,261	1,520,339
Capital Assets, net			
Land and construction in progress	5,211,751	0	0
Buildings and equipment (net)	27,421,881	42,715	0
Total Capital Assets, net	32,633,632	42,715	0
TOTAL ASSETS	\$ 43,317,642	\$ 1,253,976	\$ 1,520,339

Statement A

MONROE HOUSING FACILITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
\$ 4,729,204	\$ 11,258,766	\$ 489,501
0	4,145,487	0
0	1,744,714	0
0	16,600	0
0	342,374	0
0	268,633	0
0	24,393	0
0	343,847	0
4,729,204	18,144,814	489,501
0	5,211,751	0
1,209,312	28,673,908	0
1,209,312	33,885,659	0
\$ 5,938,516	\$ 52,030,473	\$ 489,501

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

Balance Sheet

June 30, 2011

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 323,189	\$ 30,742	\$ 0
Due to primary government	0	0	0
Interfund payable	0	0	0
Accrued liabilities	344,532	7,089	0
Deferred revenue	12,523	2,391	0
Current portion of long term debt	786,710	136,808	0
Current liabilities paid with Restricted Assets:			
Deposits due others	246,961	96,876	0
Total Current Liabilities	1,713,925	273,906	0
Noncurrent Liabilities			
Compensated absences payable	815,488	79,743	0
Total Liabilities	2,529,393	353,649	0
NET ASSETS			
Invested in capital assets	32,633,632	42,715	0
Restricted for HAP	0	607,284	0
Unrestricted	8,154,617	250,328	1,520,339
NET ASSETS	40,788,249	900,327	1,520,339
TOTAL LIABILITIES AND NET ASSETS	\$ 43,317,642	\$ 1,253,976	\$ 1,520,339

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

Statement A

<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
\$ 0	\$ 353,941	\$ 0
0	0	16,600
342,374	342,374	0
0	351,821	0
0	14,914	0
0	923,518	0
0	343,837	0
342,374	2,330,206	16,600
0	895,211	0
342,374	3,225,416	16,600
1,209,312	33,885,659	0
0	607,284	0
4,386,830	14,312,114	472,901
5,596,142	48,805,057	472,901
<u>\$ 5,938,516</u>	<u>\$ 52,030,473</u>	<u>\$ 489,501</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011**

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
OPERATING REVENUES			
Dwelling rental	\$ 3,349,432	\$ 0	\$ 0
Other	805,128	59,289	315,548
Federal grants	5,118,704	7,566,591	0
Total operating revenues	<u>9,273,264</u>	<u>7,625,880</u>	<u>315,548</u>
OPERATING EXPENSES			
Administration	2,288,388	921,426	38,788
Tenant services	37,927	0	28,319
Utilities	382,863	0	0
Ordinary maintenance & operations	2,842,974	6,087	270
Protective services	143,627	0	0
General expenses	1,216,535	59,458	25,000
Housing assistance payments	0	6,533,258	0
Depreciation	3,285,465	13,854	0
Total operating expenses	<u>10,197,779</u>	<u>7,634,063</u>	<u>92,377</u>
Income (loss) from Operations	<u>(924,515)</u>	<u>(8,183)</u>	<u>223,171</u>
Nonoperating revenues (expenses)			
Investment earnings and gains/losses	74,977	1,089	1,240
Total nonoperating revenues (expenses)	<u>74,977</u>	<u>1,089</u>	<u>1,240</u>
Net Income (Loss) before contributions	<u>(849,538)</u>	<u>(7,094)</u>	<u>224,411</u>
Capital contributions	5,116,893	0	0
Transfers in	0	0	0
Transfers out	<u>(3,200,000)</u>	<u>0</u>	<u>(1,400,000)</u>
Total contributions and transfers	<u>1,916,893</u>	<u>0</u>	<u>(1,400,000)</u>
Change in net assets	1,067,355	(7,094)	(1,175,589)
NET ASSETS AT BEGINNING OF YEAR	<u>39,720,884</u>	<u>907,421</u>	<u>2,695,928</u>
NET ASSETS AT END OF YEAR	<u>\$ 40,788,249</u>	<u>\$ 900,327</u>	<u>\$ 1,520,339</u>

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

Statement B

MONROE HOUSING FACILITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
\$ 0	\$ 3,349,432	\$ 0
48,090	1,228,055	0
0	12,685,295	0
48,090	17,262,782	0
322	3,248,924	500
0	66,246	0
11,100	393,963	0
2,765	2,852,076	0
0	143,627	0
5,463	1,306,456	0
0	6,633,258	0
94,339	3,393,656	0
113,989	18,038,208	500
(85,899)	(776,426)	(500)
460	77,766	612
460	77,766	612
(65,439)	(697,660)	112
0	5,116,893	0
4,600,000	4,600,000	0
0	(4,600,000)	0
4,600,000	5,116,893	0
4,534,561	4,419,233	112
1,061,581	44,365,824	472,789
\$ 5,596,142	\$ 48,805,057	\$ 472,901

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2011**

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 3,374,654	\$ 0	\$ 0
Other receipts (expenses)	837,573	68,879	365,000
Payments to vendors	(3,337,966)	(408,300)	(368,103)
Payments to employees	(3,292,011)	(532,483)	(27,064)
Payments to private landlords	0	(6,833,258)	0
Payments to others	0	0	(25,000)
Federal grants	4,765,103	7,466,295	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,347,353</u>	<u>(38,867)</u>	<u>(33,167)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in/out	<u>(3,200,000)</u>	<u>0</u>	<u>(1,400,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase capital assets	(5,858,339)	(346)	0
Contributed capital	5,116,893	0	0
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(741,446)</u>	<u>(346)</u>	<u>0</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	74,977	0	0
Investment earnings and gains/losses	0	1,089	1,240
Sale of investments	3,294,229	0	587,204
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 3,369,206</u>	<u>\$ 1,089</u>	<u>\$ 588,444</u>

Statement C

MONROE HOUSING FACILITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
\$ 0	\$ 3,374,654	\$ 0
48,090	1,339,542	0
(47,897)	(4,160,266)	(500)
(193)	(3,851,751)	0
0	(6,633,258)	0
0	(25,000)	0
0	12,231,398	0
0	2,275,319	(500)
4,600,000	0	0
0	(5,858,685)	0
0	5,116,893	0
0	(741,792)	0
0	74,977	0
460	2,789	612
0	3,881,433	0
\$ 460	\$ 3,959,199	\$ 612

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2011**

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 4,975,113	\$ (38,124)	\$ 555,277
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,981,787</u>	<u>1,066,168</u>	<u>1,933,188</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>7,956,900</u></u>	<u><u>1,028,044</u></u>	<u><u>2,488,465</u></u>
Reconciliation to financial statements:			
Cash	4,509,939	931,158	1,088,465
Restricted cash (deposits due others)	<u>246,961</u>	<u>96,886</u>	<u>0</u>
	<u><u>4,756,900</u></u>	<u><u>1,028,044</u></u>	<u><u>1,088,465</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(924,515)	(8,183)	223,171
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	3,285,485	13,854	0
Change in assets and liabilities:			
Receivables, net	(299,094)	(22,361)	41,012
Interfund receivables	0	0	0
Inventories	4,462	0	0
Prepaid items	24,633	1,845	0
Accounts payables	201,291	(52,484)	(325,790)
Accrued expenses	(84,560)	(12,831)	0
Deferred revenue	3,180	1,206	0
Interfund payables	0	0	28,440
Deposits due others	24,743	(13,794)	0
Compensated absences	<u>111,768</u>	<u>53,881</u>	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 2,347,353</u></u>	<u><u>\$ (38,867)</u></u>	<u><u>\$ (33,167)</u></u>

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

Statement C

<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
\$ 480	\$ 5,492,726	\$ 112
128,744	6,109,887	489,389
<u>129,204</u>	<u>11,602,613</u>	<u>489,501</u>
4,729,204	11,258,766	489,501
0	343,847	0
<u>4,729,204</u>	<u>11,602,613</u>	<u>489,501</u>
(65,899)	(775,426)	(500)
94,339	3,393,658	0
0	(280,443)	0
0	0	0
0	4,462	0
0	28,478	0
0	(176,983)	0
0	(97,391)	0
0	4,366	0
(28,440)	0	0
0	10,949	0
0	165,649	0
<u>\$ 0</u>	<u>\$ 2,275,319</u>	<u>\$ (500)</u>

(CONCLUDED)

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

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Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority 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 affordable housing. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Monroe, serve a staggered term of four years.

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1,545
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		40
Passman Plaza II, Inc.		39
Passman Plaza III, Inc.		60
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe, LLP		74
Chauvin Pointe II, LLP		65
South Pointe, LLP		37
South Pointe II, LLP		44
South Pointe III, LLP		36
South Pointe IV, LLP		4

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The Housing Authority is a related organization of the City of Monroe since the City of Monroe appoints a voting majority of the Housing Authority's governing board. The City of Monroe 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 Monroe. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Monroe.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

Monroe Affordable Homeownership Community Housing Development Organization, Inc., (Homeownership) is a legally separate entity. The City of Monroe appointed the initial members. The Housing Authority can, to a limited degree, impose its will on Homeownership. Additionally, the Homeownership is fiscally dependent on the Housing Authority due to the Housing Authority provides office space, some furnishings and personnel to the Homeownership program. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The Homeownership component does not issue separate financial statements.

Monroe Housing Facilities Corporation (Corporation) is a legally separate entity. The Board is the same as the Board of Commissioners of the Housing Authority. The Corporation is fiscally dependent on the Housing Authority. Based on the above, it has been determined that the Corporation is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through blended presentation. The Corporation does not issue separate financial statements.

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 economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The management fees fund accounts for the activity of the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent and the Monroe housing facilities fund accounts for the activity of the Monroe Housing Facilities Corporation.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds 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 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as nonoperating 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 cash with fiscal agent. 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.

E. INVESTMENTS Investments are limited by LSA-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 fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. 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.
2. The Housing Authority reported at amortized cost money market investments and *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 All purchased inventory items are valued at cost using just-in-time method. Materials and supplies at the project level are expensed as they are purchased.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

L. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. 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	15 - 40 years
Furniture and equipment	5 - 7 years

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its 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 occurrence 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 balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. The Board may approve payment of one-half of sick leave if the employee has been with the Housing Authority for ten years and is 55 years of age.

L. 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.

M. INTERFUND ACTIVITY Interfund activity is reported as 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, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

NOTE 2 - CASH AND CASH EQUIVALENTS The Housing Authority's deposits are recorded at cost. The carrying amount of deposits totaled \$15,748,100, in which includes \$4,145,487 held in certificates of deposit that are classified as investments and \$343,847 in deposits due others classified as restricted deposits.

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

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits, 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 June 30, 2011 the Housing Authority bank balance was \$16,716,397, in which \$16,216,397 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 pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

The Monroe Affordable Homeownership Community Housing Development Organization, Inc. has a bank balance on June 30, 2011 of \$489,501, in which \$239,501 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.

NOTE 3 - ACCOUNTS RECEIVABLE The receivables at June 30, 2011, are as follows:

Class of Receivables	General	Tenant-Based Section 8	Management Fees	Total
Local sources:				
Tenants	\$ 23,385	\$ -	\$ -	\$ 23,385
Other	68,294	10,000	89,500	167,794
Federal sources:				
Due from HUD	1,402,563	150,972	-	1,553,535
Total	<u>\$ 1,494,242</u>	<u>\$ 160,972</u>	<u>\$ 89,500</u>	<u>\$ 1,744,714</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$2,599. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development and repayment agreements for fraudulently reporting wrong income amounts for past rental calculations. The Housing Authority accounts receivable - other is net of an allowance for doubtful accounts of \$10,263.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,015,932	\$ 25,000	\$ -	\$ 2,040,932
Construction in progress	3,915,301	5,666,128	6,410,610	3,170,819
Total capital assets, non depreciable	<u>5,931,233</u>	<u>5,691,128</u>	<u>6,410,610</u>	<u>5,211,751</u>
Capital assets, depreciable				
Buildings and site improvements	69,956,339	6,372,826	-	76,329,165
Furniture and equipment	2,340,630	205,341	17,983	2,527,988
Total capital assets, depreciable	<u>72,296,969</u>	<u>6,578,167</u>	<u>17,983</u>	<u>78,857,153</u>
Less accumulated depreciation				
Buildings and site improvements	45,328,019	3,180,069	-	48,508,088
Furniture and equipment	1,479,551	213,589	17,983	1,675,157
Total	<u>46,807,570</u>	<u>3,393,658</u>	<u>17,983</u>	<u>50,183,245</u>
Net Depreciable Assets	<u>25,489,399</u>	<u>3,184,509</u>	<u>-</u>	<u>28,673,908</u>
Total capital assets, net	<u>\$ 31,420,632</u>	<u>\$ 8,875,637</u>	<u>\$ 6,410,610</u>	<u>\$ 33,885,659</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 14.0 percent of each participant's basic (excludes overtime) compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. 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.

Normal retirement date shall be the first day of the month following the employee's 65th birthday or after 10 years of participation in the plan.

The Housing Authority's contributions were calculated using the base salary amount of \$2,780,659. The members' contributions were \$6,623 for the year ended June 30, 2011. The Housing Authority made the required contributions of \$391,747 for the year ended June 30, 2011.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

NOTE 6 - ACCOUNTS PAYABLE The payables at June 30, 2011, are as follows:

	General	Tenant-Based Section 8	Total
Vendors	\$ 30,316	\$ 30,742	\$ 61,058
Contract Retentions	292,883	-	292,883
Total	\$ 323,199	\$ 30,742	\$ 353,941

NOTE 7 - ACCRUED LIABILITIES The accrued liabilities at June 30, 2011, are as follows:

	General	Tenant Based Section 8	Total
Payments in lieu of taxes	\$ 297,159	\$ -	\$ 297,159
Salaries and benefits	47,373	7,089	54,462
Total	\$ 344,532	\$ 7,089	\$ 351,621

NOTE 8 - COMPENSATED ABSENCES At June 30, 2011, employees of the Housing Authority have accumulated and vested \$1,818,729 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. In the past, the liability has been liquidated by the General fund and Tenant Based Section 8 fund.

NOTE 9 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2011:

	Compensated Absences
Beginning Balance	\$ 1,653,080
Additions	387,723
Deletions	222,074
Ending Balance	\$ 1,818,729
Amounts Due Within One Year	\$ 923,518

NOTE 10 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivables/payables at June 30, 2011, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
Management Fees	\$ 342,374	Monroe Housing Facilities	\$ 342,374

The purpose of the interfund transaction was that the management fee fund loaned money to the Monroe housing facilities fund to help cover the costs of the Annex building. Repayment of the loan will occur as revenue is generated from the building's rental.

**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011**

Interfund transfers at June 30, 2011, are as follows:

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
Monroe Housing Facilities	\$ 3,200,000	General Fund	\$ 3,200,000
Monroe Housing Facilities	1,400,000	Management Fees	1,400,000
Total	<u>\$ 4,600,000</u>	Total	<u>\$ 4,600,000</u>

The purpose of the interfund transfer was to transfer excess reserves from the management fee fund and central office cost center to the housing facilities trust for future low income housing.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2011, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Construction Projects There are certain construction projects in progress at June 30, 2011. These include modernizing rental units at practically all fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. The capital fund 2010 is currently an open construction project. The remaining grant amount outstanding at June 30, 2011 is \$1,726,733.

In addition, thirteen projects started construction renovations prior to fiscal year end June 30, 2011. These construction projects were for upgrades of energy efficiency products for the "going green" initiative. These construction renovations are being paid by the projects excess reserves, in which the Housing Authority's outstanding contracts remaining at June 30, 2011 were \$3,143,990.

Recapture of Excess Reserves The Housing Authority of the City of Monroe has built excess reserves within each of their AMP's. Due to budget restraints of HUD for the upcoming 2012 year, these reserves are subject to recapture from HUD. HUD believes that Housing Authority's should have reserves available to sustain them for four months; any excess funding is subject to recapture through the 2012 operating subsidy. The Housing Authority of the City of Monroe's recapture amount is estimated between \$1.2 million to \$1.8 million, but this has not yet been finalized by HUD.

NOTE 12 - 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 through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool, which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2011

NOTE 13 - ECONOMIC DEPENDENCE Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 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 \$17,802,188 to the Housing Authority, which represents approximately 73% of the Housing Authority's total revenue for the year.

NOTE 14 - SUBSEQUENT EVENTS The Housing Authority was awarded a Capital Fund Grant for \$2,430,546 to complete renovations at various properties within the Housing Authority.

The Housing Authority of the City of Monroe has built excess reserves within each of their AMP's. Due to budget restraints of HUD for the upcoming 2012 year, these reserves may be subject to recapture by HUD. HUD believes that Housing Authority's should have reserves available to sustain them for four months; any excess funding is subject to recapture through the 2012 operating subsidy. The Housing Authority of the City of Monroe's potential recapture amount is estimated between \$1.2 million to \$1.8 million, but this has not yet been finalized by HUD.

NOTE 15 - INSURANCE PROCEEDS In fiscal year ending June 30, 2011 the Housing Authority received \$80,941 for insurance proceeds for damage to public housing units which is classified as other income in the statement of revenues, expenses, and changes in fund net assets.

Housing Authority of the City of Monroe



**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2011**

Exhibit 1

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Joe Farr

Ms. Roxie Jackson

Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet
As of and For the Year Ended June 30, 2011

LA006

	Project Total	14,871 Housing Choice Vouchers	5 Component Units	1 Business Activities	14.DVP Disaster Voucher Program	14.IKE DMAP-IKE
111 Cash - Unrestricted	\$3,019,207	\$323,874	\$489,501	\$5,817,669		
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		\$704,170				
114 Cash - Tenant Security Deposits	\$246,961					
116 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$3,266,168	\$1,028,044	\$489,501	\$5,817,669	\$0	\$0
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$951,768				\$27,431	\$91,012
125 Accounts Receivable - Miscellaneous		\$26,600		\$89,500		
126 Accounts Receivable - Tenants	\$26,984					
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,599					
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery	\$11,407					
128.1 Allowance for Doubtful Accounts - Fraud	-\$10,293					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$976,287	\$26,600	\$0	\$89,500	\$27,431	\$91,012
131 Investments - Unrestricted	\$4,145,487					
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets		\$5,846				
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From		\$23,978		\$342,374		\$170,093
150 Total Current Assets	\$8,387,942	\$1,084,267	\$489,501	\$6,249,543	\$27,431	\$281,105
161 Land	\$2,040,832					
162 Buildings	\$74,834,788			\$1,436,834		
163 Furniture, Equipment & Machinery - Dwellings	\$1,824,114					
164 Furniture, Equipment & Machinery - Administration	\$80,650	\$172,876		\$17,965		
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$49,542,298	-\$130,161		-\$245,487		
167 Construction in Progress	\$3,170,819					
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$32,408,915	\$42,715	\$0	\$1,209,312	\$0	\$0
180 Total Non-Current Assets	\$32,408,915	\$42,715	\$0	\$1,209,312	\$0	\$0
190 Total Assets	\$40,796,857	\$1,126,982	\$489,501	\$7,458,855	\$27,431	\$281,105

Exhibit 2

07.109 Disaster Housing Assistance Grant	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
			\$1,941,537	\$11,591,788		\$11,591,788
				\$704,170		\$704,170
				\$246,961		\$246,961
\$0	\$0	\$0	\$1,941,537	\$12,542,919		\$12,542,919
	\$32,529	\$450,805		\$1,553,535		\$1,553,535
			\$67,150	\$183,250		\$183,250
				\$25,984		\$25,984
				-\$2,599		-\$2,599
	\$0	\$0	\$0	\$0		\$0
				\$11,407		\$11,407
				-\$10,293		-\$10,293
\$0	\$32,529	\$450,805	\$67,150	\$1,761,314		\$1,761,314
				\$4,145,487		\$4,145,487
			\$262,988	\$268,633		\$268,633
			\$24,393	\$24,393		\$24,393
			\$0	\$0		\$0
\$81,051				\$617,496		\$617,496
\$81,051	\$32,529	\$450,805	\$2,296,068	\$18,380,242		\$19,360,242
				\$2,040,932		\$2,040,932
				\$76,271,632		\$76,271,632
				\$1,824,114		\$1,824,114
			\$490,016	\$761,407		\$761,407
			-\$265,269	-\$50,183,245		-\$50,183,245
				\$3,170,819		\$3,170,819
\$0	\$0	\$0	\$224,717	\$33,885,659		\$33,885,659
\$0	\$0	\$0	\$224,717	\$33,885,659		\$33,885,659
\$81,051	\$32,529	\$450,805	\$2,520,785	\$53,245,901		\$53,245,901

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet
As of and For the Year Ended June 30, 2011

LA006

	Project Total	14,871 Housing Choice Vouchers	6 Component Units	1 Business Activities	14,DVP Disaster Voucher Program	14,IKE DHAP-IKE
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$58,714	\$30,742	\$16,600			
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$23,372	\$7,069				
322 Accrued Compensated Absences - Current Portion	\$163,351	\$136,808				
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$297,169					
341 Tenant Security Deposits	\$246,861					
342 Deferred Revenues	\$12,523	\$2,391				
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities		\$96,878				
346 Accrued Liabilities - Other	\$257,021					
347 Inter Program - Due To		\$251,144		\$342,374	\$3,069	
348 Loan Liability - Current						
310 Total Current Liabilities	\$1,079,101	\$525,050	\$16,600	\$342,374	\$3,069	\$0
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$310,964	\$79,743				
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$310,964	\$79,743	\$0	\$0	\$0	\$0
300 Total Liabilities	\$1,390,065	\$604,793	\$16,600	\$342,374	\$3,069	\$0
508.1 Invested in Capital Assets, Net of Related Debt	\$32,408,915	\$42,715	\$0	\$1,209,312	\$0	\$0
511.1 Restricted Net Assets	\$0	\$607,284	\$0	\$0	\$0	\$0
512.1 Unrestricted Net Assets	\$6,897,877	-\$127,810	\$472,901	\$5,907,169	\$24,362	\$261,105
512.2 Unreserved, Undesignated Fund Balance						
513 Total Equity/Net Assets	\$39,406,792	\$522,189	\$472,901	\$7,116,481	\$24,362	\$261,105
600 Total Liabilities and Equity/Net Assets	\$40,796,857	\$1,126,982	\$489,501	\$7,458,855	\$27,431	\$261,105

Exhibit 2

97.109 Disaster Housing Assistance Grant	14,238 Shelter Plus Care	14,884 Competitive Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
		\$450,805		\$450,805		\$450,805
			\$7,464	\$113,520		\$113,520
			\$24,001	\$54,462		\$54,462
			\$603,359	\$923,518		\$923,518
				\$297,159		\$297,159
				\$246,961		\$246,961
				\$14,914		\$14,914
				\$96,876		\$96,876
				\$257,021		\$257,021
	\$20,909			\$617,498		\$617,498
\$0	\$20,909	\$450,805	\$634,824	\$3,072,732		\$3,072,732
			\$504,504	\$895,211		\$895,211
\$0	\$0	\$0	\$504,504	\$895,211		\$895,211
\$0	\$20,909	\$450,805	\$1,139,328	\$3,967,943		\$3,967,943
\$0	\$0	\$0	\$224,717	\$33,885,659		\$33,885,659
\$0	\$0	\$0	\$0	\$607,284		\$607,284
\$81,051	\$11,620	\$0	\$1,156,740	\$14,785,015		\$14,785,015
\$81,051	\$11,620	\$0	\$1,381,467	\$49,277,958		\$49,277,958
\$81,051	\$32,529	\$450,805	\$2,520,785	\$53,245,901		\$53,245,901

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
As of and For the Year Ended June 30, 2011

LA006

	Project Total	14.871 Housing Choice Vouchers	6 Component Units	1 Business Activities	14,DVP Disaster Voucher Program	14,IKE DHAP-IKE
70300 Net Tenant Rental Revenue	\$3,320,476					
70400 Tenant Revenue - Other	\$28,956					
70500 Total Tenant Revenue	\$3,349,432	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$5,011,866	\$7,416,895				\$73,814
70610 Capital Grants	\$2,688,682					
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70700 Total Fee Revenue						
71100 Investment Income - Unrestricted	\$56,420	\$0	\$612	\$1,700		
71400 Fraud Recovery	\$37,283	\$59,289				
71500 Other Revenue	\$442,692			\$363,638		
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted		\$1,089				
70000 Total Revenue	\$11,488,275	\$7,477,273	\$612	\$365,338	\$0	\$73,814
91100 Administrative Salaries	\$508,284	\$372,114		\$22,247		\$2,127
91200 Auditing Fees	\$28,929	\$12,000				
91300 Management Fee	\$993,138	\$178,560				
91310 Book-keeping Fee	\$133,761	\$69,280				
91400 Advertising and Marketing	\$7,411	\$258		\$500		
91500 Employee Benefit contributions - Administrative	\$188,362	\$133,591		\$4,817		\$774
91600 Office Expenses	\$97,010	\$88,003		\$455		\$239
91700 Legal Expense	\$5,070			\$1,095		
91800 Travel	\$3,779	\$982				
91900 Other	\$250,609	\$35,474	\$500	\$9,996		
91000 Total Operating - Administrative	\$2,214,343	\$910,262	\$500	\$39,110	\$0	\$3,140
92000 Asset Management Fee	\$182,070					
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$37,927			\$28,319		
92500 Total Tenant Services	\$37,927	\$0	\$0	\$28,319	\$0	\$0
93100 Water	\$26,458			\$1,015		
93200 Electricity	\$271,945			\$8,622		

Exhibit 2

97.109 Disaster Housing Assistance Grant	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
				\$3,320,476		\$3,320,476
				\$28,956		\$28,956
\$0	\$0	\$0	\$0	\$3,349,432	\$0	\$3,349,432
	\$75,882	\$108,838		\$12,685,295		\$12,685,295
		\$2,628,311		\$5,116,893		\$5,116,893
			\$1,171,705	\$1,171,705	-\$993,142	\$178,563
			\$182,070	\$182,070	-\$182,070	\$0
			\$223,042	\$223,042	-\$133,761	\$89,281
			\$1,578,817	\$1,578,817	-\$1,308,973	\$267,844
			\$18,657	\$77,289		\$77,289
				\$98,672		\$98,672
			\$577,335	\$1,383,665	-\$520,028	\$863,638
				\$1,089		\$1,089
\$0	\$75,882	\$2,835,149	\$2,172,709	\$24,287,052	-\$1,828,999	\$22,458,053
	\$4,010	\$12,165	\$664,212	\$1,585,159		\$1,585,159
			\$4,070	\$44,999		\$44,999
				\$1,171,698	-\$993,142	\$178,556
				\$223,041	-\$133,761	\$89,280
			\$2,263	\$10,432		\$10,432
	\$1,459	\$14,095	\$261,387	\$602,466		\$602,466
	\$2,555		\$112,827	\$301,189		\$301,189
			\$3,728	\$9,891		\$9,891
			\$17,676	\$22,437		\$22,437
		\$80,578	\$27,889	\$406,028		\$406,028
\$0	\$8,024	\$108,838	\$1,094,110	\$4,376,327	-\$1,126,903	\$3,249,424
				\$182,070	-\$182,070	\$0
				\$68,246		\$68,246
\$0	\$0	\$0	\$0	\$68,246	\$0	\$68,246
			\$272	\$27,745		\$27,745
			\$2,970	\$283,537		\$283,537

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
As of and For the Year Ended June 30, 2011

LA006

	Project Total	14.871 Housing Choice Vouchers	6 Component Units	1 Business Activities	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE
93300 Gas	\$86,882			\$1,382		
93800 Other Utilities Expense	\$12,508			\$101		
93000 Total Utilities	\$377,791	\$0	\$0	\$11,100	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$818,479			\$123		
94200 Ordinary Maintenance and Operations - Materials and Other	\$551,589	\$4,778				
94300 Ordinary Maintenance and Operations Contracts	\$1,468,219	\$1,291		\$2,842		
94500 Employee Benefit Contributions - Ordinary Maintenance	\$225,330			\$70		
94000 Total Maintenance	\$2,863,617	\$6,067	\$0	\$3,035	\$0	\$0
95100 Protective Services - Labor	\$110,646					
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services	\$32,981					
95000 Total Protective Services	\$143,627	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance						
96120 Liability Insurance	\$351,272	\$5,707		\$5,483		
96130 Workmen's Compensation	\$31,179	\$10,336				
96140 All Other Insurance						
96100 Total Insurance Premiums	\$382,451	\$16,042	\$0	\$5,483	\$0	\$0
96200 Other General Expenses				\$25,000		
96210 Compensated Absences	\$123,496	\$43,416				
96300 Payments in Lieu of Taxes	\$297,160					
96400 Bad debt - Tenant Rents	\$128,488					
96800 Severance Expense						
96000 Total Other General Expenses	\$548,144	\$43,416	\$0	\$25,000	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96800 Total Operating Expenses	\$6,750,970	\$975,787	\$500	\$112,027	\$0	\$3,140
97000 Excess of Operating Revenue over Operating Expenses	\$4,735,305	\$6,501,488	\$112	\$253,311	\$0	\$70,874
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$6,525,733				\$37,265
97350 HAP Portability-In						

Exhibit 2

97.109 Disaster Housing Assistance Grant	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
			\$1,868	\$69,902		\$69,902
			\$172	\$12,779		\$12,779
\$0	\$0	\$0	\$5,072	\$393,983	\$0	\$393,983
			\$315,157	\$933,759		\$933,759
			\$40,589	\$596,864		\$596,864
			\$21,091	\$1,483,443	-\$520,026	\$973,417
			\$122,538	\$347,936		\$347,936
\$0	\$0	\$0	\$499,383	\$3,372,102	-\$520,026	\$2,852,076
				\$110,646		\$110,646
				\$32,981		\$32,981
\$0	\$0	\$0	\$0	\$143,627	\$0	\$143,627
			\$29,781	\$392,223		\$392,223
			\$34,348	\$75,662		\$75,662
\$0	\$0	\$0	\$64,129	\$468,085	\$0	\$468,085
				\$25,000		\$25,000
			\$220,811	\$387,723		\$387,723
				\$297,160		\$297,160
				\$126,488		\$126,488
\$0	\$0	\$0	\$220,811	\$838,371	\$0	\$838,371
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$8,024	\$106,838	\$1,883,505	\$9,840,791	-\$1,828,999	\$8,011,792
\$0	\$67,858	\$2,528,311	\$289,204	\$14,446,261	\$0	\$14,446,261
	\$70,260			\$6,633,258		\$6,633,258

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
As of and For the Year Ended June 30, 2011

LA006

	Project Total	14,871 Housing Choice Vouchers	6 Component Units	1 Business Activities	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE
97400 Depreciation Expense	\$3,242,677	\$13,854		\$94,339		
97500 Fraud Losses						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$8,993,647	\$7,516,374	\$500	\$206,366	\$0	\$40,405
10010 Operating Transfer In				\$4,800,000		
10020 Operating transfer Out				(\$1,400,000)		
10091 Inter Project Excess Cash Transfer In	\$955,000					
10092 Inter Project Excess Cash Transfer Out	(\$955,000)					
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$3,200,000	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,492,828	-\$38,101	\$112	\$3,358,672	\$0	\$33,409
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$35,385,853	\$560,290	\$472,788	\$3,757,508	\$24,382	\$227,886
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$2,528,311					
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		-\$85,095				
11180 Housing Assistance Payments Equity		\$607,284				
11190 Unit Months Available	17687	18444	0	0	0	103
11210 Number of Unit Months Leased	17450	17856	0	0	0	103
11270 Excess Cash	\$5,801,927					
11610 Land Purchases	\$25,000					
11620 Building Purchases	\$3,092,008					
11630 Furniture & Equipment - Dwelling Purchases	\$264,309					
11640 Furniture & Equipment - Administrative Purchases	\$0					
11650 Leasehold Improvements Purchases	\$0					
11680 Infrastructure Purchases	\$0					
13510 CFFP Debt Service Payments	\$0					
13801 Replacement Housing Factor Funds	\$0					

Exhibit 2

87.108 Disaster Housing Assistance Grant	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
			\$42,788	\$3,393,658		\$3,393,658
\$0	\$78,284	\$106,838	\$1,926,283	\$19,867,707	-\$1,828,999	\$18,038,708
				\$4,600,000		\$4,600,000
			(\$3,200,000)	(\$4,800,000)		(\$4,800,000)
				\$955,000		\$955,000
				(\$955,000)		(\$955,000)
\$0	\$0	\$0	(\$3,200,000)	\$0	\$0	\$0
\$0	-\$2,402	\$2,528,311	-\$2,953,584	\$4,419,345	\$0	\$4,419,345
\$0	\$0	\$0	\$0	\$0		\$0
\$81,051	\$14,022	\$0	\$4,335,041	\$44,858,613		\$44,858,613
		-\$2,528,311		\$0		\$0
				-\$85,096		-\$85,096
				\$807,284		\$807,284
0	252	0	0	36466		36466
0	218	0	0	35627		35627
				\$6,801,927		\$6,801,927
			\$0	\$25,000		\$25,000
			\$0	\$3,092,008		\$3,092,008
			\$0	\$284,309		\$284,309
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0

(Concluded)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ACTUAL CAPITAL FUND
COST CERTIFICATE
June 30, 2011**

Exhibit 3

1. The actual Capital Fund costs is as follows:

	<u>PROJECT</u> <u>LA-48S009501-09</u>
Funds Approved	\$ 3,643,421
Funds Expended	<u>3,643,421</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	3,643,421
Funds Expended	<u>3,643,421</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated June 30, 2011, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

STATISTICAL SECTION

**Housing Authority of the City of Monroe
Statistical Section
Contents**

	Table Number	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.	1	52
Net Assets by Component Changes in Net Assets	2	53
Revenue Capacity This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.	3	54
General Fund Revenues by Source		
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.	4	55
Tenant Demographics	5	56
Demographic and Economic Statistics	6	57
Principal Employers		
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the Housing Authority's financial report relates to the services the Housing Authority provides and the activities it performs.	7	58
Property Characteristics and Dwelling Unit Composition	8	59
Government Employees		

Table 1

HOUSING AUTHORITY OF THE CITY OF MONROE

Net Assets by Component
 Fiscal Years Ended June 30, 2002 through June 30, 2011
 (Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2008	2010	2011
Investment in capital assets, net of related debt	\$ 28,972,592	\$ 29,949,795	\$ 31,253,432	\$ 30,362,037	\$ 29,032,342	\$ 31,382,733	\$ 29,993,087	\$ 30,855,318	\$ 31,420,832	\$ 33,865,659
Restricted	0	6,098	0	854,931	981,322	924,004	1,025,137	528,379	703,543	607,284
Unrestricted	5,214,259	6,856,655	5,798,942	4,890,488	5,382,429	5,713,630	8,243,189	10,229,171	12,261,649	14,312,114
Total net assets	\$ 34,186,851	\$ 35,512,418	\$ 37,052,374	\$ 36,107,455	\$ 34,395,093	\$ 38,020,367	\$ 39,251,423	\$ 41,602,868	\$ 44,385,924	\$ 48,785,057

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Assets
Fiscal Years Ended June 30, 2002 through June 30, 2011
(Accrual Basis of Accounting)

	2002	2003	2004	2005	2008	2007	2008	2009	2010	2011
Operating Revenues										
Dwelling rental	\$ 2,287,079	\$ 2,465,981	\$ 2,700,435	\$ 2,823,398	\$ 2,841,700	\$ 2,807,100	\$ 3,164,388	\$ 3,211,979	\$ 3,388,086	\$ 3,349,432
Other	348,611	448,266	452,648	679,278	572,792	634,857	802,952	1,302,917	1,119,251	1,228,055
Federal grants	8,555,787	9,325,504	8,688,898	8,141,550	8,927,213	9,425,882	10,750,048	11,668,276	12,374,005	12,685,295
Total operating revenues	11,191,677	12,259,651	11,851,981	11,644,227	12,341,735	12,867,819	14,717,388	16,181,172	16,881,342	17,262,782
Operating Expenses										
Administration	1,952,448	2,010,953	2,284,121	2,101,573	2,379,995	2,362,853	2,635,568	2,542,052	3,530,597	3,248,924
Tenant services	1,131,795	979,514	315,873	265,149	348,551	384,774	215,115	228,417	81,529	66,248
Utilities	272,370	348,220	367,349	374,904	428,884	398,921	433,830	410,348	359,819	393,953
Ordinary maintenance & operations	1,716,338	1,902,738	1,846,220	1,839,019	1,881,840	2,065,887	2,124,884	2,391,345	2,440,800	2,662,078
Protective services	310,812	321,709	160,231	56,889	81,372	80,950	68,711	65,909	73,265	143,627
General expenses	520,014	570,111	648,538	730,908	668,568	667,092	886,368	1,410,402	1,282,843	1,308,458
Housing assistance payments	5,558,039	5,780,292	6,176,365	6,081,458	8,180,218	8,039,830	6,020,167	6,249,980	6,527,216	6,633,268
Nonroutine maintenance	39,778	7,278	0	3,471	14,592	42,608	29,342	45,717	0	0
Depreciation	1,988,055	1,936,558	2,199,908	2,555,236	2,692,332	2,723,296	2,843,882	3,119,499	3,182,945	3,393,658
Total operating expenses	13,489,548	13,853,673	13,968,623	14,008,605	14,654,152	14,803,911	15,287,937	16,480,569	17,488,814	18,038,208
Income (Loss) from Operations	(2,297,871)	(1,594,022)	(2,146,642)	(2,364,378)	(2,312,417)	(1,936,292)	(650,551)	(279,397)	(607,472)	(775,426)
Nonoperating Revenues (Expenses)										
Investment earnings	285,686	240,946	128,127	17,866	236,936	338,999	451,495	260,072	115,285	77,766
Gain (loss) on sale of equipment	0	0	20,360	0	0	(1,003)	(15,979)	(9,767)	11,515	0
Total nonoperating revenues (expenses)	285,686	240,946	148,477	17,866	236,936	337,996	435,516	250,305	126,800	77,766
Net Income (Loss) before Contributions and Transfers	(2,032,285)	(1,353,076)	(1,998,165)	(2,346,512)	(2,075,481)	(1,598,296)	(115,035)	(25,092)	(480,672)	(697,660)
Capital Contributions	5,366,150	2,778,644	3,438,120	1,401,595	2,164,117	3,922,570	346,091	3,383,537	3,915,383	5,116,863
Special items	0	0	0	0	0	(500,000)	0	0	0	0
Change in Net Assets	\$ 3,333,865	\$ 1,425,568	\$ 1,439,955	\$ (944,917)	\$ 88,638	\$ 1,824,274	\$ 231,059	\$ 3,358,445	\$ 2,834,711	\$ 4,419,233

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 2002 Through 2011

Fiscal Year	Dwelling rentals		Federal sources (2)		Interest earnings		Other (1)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
2002	\$ 2,287,979	45.31%	\$ 2,345,945	46.48%	\$ 172,241	3.41%	\$ 242,023	4.80%	\$ 5,047,288	100%
2003	2,485,881	43.41%	2,781,522	48.88%	158,428	2.73%	302,381	5.28%	5,726,210	100%
2004	2,700,435	61.25%	1,318,716	29.91%	61,304	1.39%	328,164	7.44%	4,408,619	100%
2005	2,823,388	80.23%	1,377,018	28.36%	47,935	1.02%	439,042	9.37%	4,687,383	100%
2006	2,841,760	57.27%	1,676,316	33.78%	140,646	2.83%	303,254	6.11%	4,961,978	100%
2007	2,807,100	49.54%	2,267,397	40.02%	218,565	3.85%	372,783	6.58%	5,666,875	100%
2008	3,164,366	41.37%	3,754,375	48.09%	182,351	2.36%	546,972	7.15%	7,648,084	100%
2009	3,211,979	35.36%	4,808,740	52.98%	59,931	0.66%	997,020	10.98%	9,078,670	100%
2010	3,388,086	37.12%	4,883,093	53.51%	97,692	1.07%	757,291	8.30%	9,126,162	100%
2011	3,349,432	35.83%	5,118,704	54.76%	74,977	0.80%	806,128	8.61%	9,348,241	100%

Notes:

- (1) The other amount column includes maintenance charges, late charges and other miscellaneous revenues.
(2) The federal sources do not include capital contributions.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Monroe.

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 2002 Through 2011

Fiscal Year	General Fund			Section 8 Program			Total		
	Number of Units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio
2002	1,522	1,369	89.82%	1,488	1,434	96.37%	3,010	2,803	93.11%
2003	1,522	1,389	91.26%	1,490	1,438	96.51%	3,012	2,827	93.86%
2004	1,518	1,409	92.82%	1,469	1,457	99.18%	2,987	2,866	95.95%
2005	1,518	1,423	93.74%	1,491	1,425	95.57%	3,009	2,848	94.65%
2006	1,518	1,414	93.15%	1,471	1,404	95.45%	2,989	2,818	94.28%
2007	1,518	1,384	91.17%	1,469	1,401	95.37%	2,987	2,785	93.24%
2008	1,518	1,479	97.43%	1,510	1,498	99.21%	3,028	2,977	98.32%
2009	1,518	1,419	93.48%	1,520	1,506	99.08%	3,038	2,925	96.28%
2010	1,522	1,447	95.07%	1,537	1,520	98.89%	3,059	2,967	96.99%
2011	1,522	1,464	96.53%	1,545	1,497	96.89%	3,067	2,951	96.22%

Source: Records of the Housing Authority of the City of Monroe.

Table 5

HOUSING AUTHORITY OF THE CITY OF MORNOE
 Monroe, Louisiana

Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	52,178	4,206,596	81	6.1
2003	52,023	4,286,735	82	7.7
2004	52,145	4,453,211	85	6.4
2005	51,914	4,687,014	90	6.4
2006	N/A	4,920,424	N/A	4.6
2007	51,555	5,092,604	99	5.6
2008	N/A	5,264,784	N/A	5.4
2009	51,208	5,610,656	110	9.0
2010	51,555	5,959,000	116	10.1
2011	48,815	6,098,000	125	10.5

(1) Population data obtained from U. S. Census Bureau.

(2) Personal Income data obtained from www.bea.gov.

(3) Unemployment rate obtained from U. S. Department of Labor.

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Principal Employers

	2011			2009		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
St. Francis Medical Center	1	2,500	11.61%	1	2,500	3.09%
J.P. Morgan Chase	2	2,000	9.29%	2	1,800	2.22%
Century Link (formerly known as CenturyTel)	3	1,500	6.97%	3	1,360	1.68%
Graphic Packaging	4	1,200	5.57%	5	1,100	1.36%
Foster Farms	5	1,100	5.11%	4	1,100	1.36%
Glenwood Regional Medical Center	6	900	4.18%	6	900	1.11%
Entergy	7	400	1.86%	7	470	0.58%
Bancroft Bag	8	400	1.86%	9	400	0.49%
Berry Plastics Corporation	9	360	1.67%	10	360	0.44%
D G Foods	10	320	1.49%			
Accent Marketing				8	470	0.58%

Source: Monroe Chamber of Commerce

Notes:

- (1) Principal employers information was only available since 2009.
- (2) Principal employers for the Northeast Louisiana Area.

Table 7.

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition
June 30, 2011

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total	
				Zero	One	Two	Three	Four		Five
LA006-001	George Breece Manor	306 Winnaboro Road	31-Oct-51	0	10	20	15	5	0	50
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52	0	16	26	24	6	0	76
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Aug-52	0	20	59	32	14	0	125
LA006-004	Louis Lock Homes	306 Winnaboro Road	31-Aug-52	0	16	46	28	10	0	100
LA006-005	Foster Heights	Swoyer and Leuberta St.	30-Sep-54	0	8	69	72	6	0	175
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73	0	10	80	121	69	20	300
LA006-007	Scattered Sites	Scattered Sites	31-Jul-71	0	0	0	20	20	9	49
LA006-008	Scattered Sites	Scattered Sites	29-Feb-72	0	0	0	39	38	19	96
LA006-009	Robinson Place	1207 Milliken Drive	30-Sep-73	0	0	0	41	41	21	103
LA006-010	Miller Square	4200 Matthew Street	30-Apr-73	0	0	0	60	62	30	152
LA006-011	Francis Tower	300 Harrison Street	31-Aug-78	0	130	0	0	0	0	130
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	31-Mar-80	0	0	28	8	0	0	36
LA006-013	McKean Plaza I	1500 McKean Place	31-Jan-80	0	100	0	0	0	0	100
LA006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84	0	30	0	0	0	0	30
Total Units				21	342	350	460	271	98	1,522
Managed Units										
064-EH150	Ouachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	15-Jun-89	21	70	0	0	0	0	91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	1-Nov-86	0	39	1	0	0	0	40
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	1-Nov-88	0	39	0	0	0	0	39
Tax Credit Dev.	Passman Plaza III, Inc.	235 Lake Passman Dr.	1-Mar-08	0	0	60	0	0	0	60
Tax Credit Dev.	Chalborne Creek Apartments, LP	200 Chalborne Dr., West Monroe	1-Oct-87	0	72	0	0	0	0	72
Tax Credit Dev.	Chalborne Creek II, LP	200 Chalborne Dr., West Monroe	1-Oct-89	0	50	10	0	0	0	60
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	1-Nov-01	0	24	50	0	0	0	74
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	1-Apr-04	0	65	0	0	0	0	65
064-EE100	South Pointe I (Mgr. Apt.)	100 South Pointe Drive, Monroe	1-May-02	0	38	1	0	0	0	37
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	1-Jun-04	0	44	0	0	0	0	44
N/A	South Pointe III	100 South Pointe Drive, Monroe	1-Mar-10	0	38	0	0	0	0	38
N/A	South Pointe IV	100 South Pointe Drive, Monroe	1-Jun-10	0	0	4	0	0	0	4
Total Managed Units				21	475	128	0	0	0	622

Source: Records of the Housing Authority of the City of Monroe.

Table 8

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

Government Employees
For Calendar Years 2010 and 2008

	2010			2008		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	37	8	45	35	6	41
Capital Fund	3	0	3	3	0	3
Maintenance	28	6	34	25	5	30
Security Attendants	15	0	15	0	16	16
Trash Pick-Up	5	0	5	0	4	4
Students	18	0	18	0	10	10
	106	14	120	63	41	104

Source: Records of the Housing Authority of the City of Monroe.

Notes:

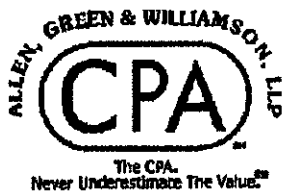
(1) Information on number of employees was only available for 2008-2010.

**Housing Authority of the City
of Monroe
Monroe, Louisiana**

**Single Audit Report
For the Year Ended June 30, 2011**

**Housing Authority of the City of Monroe
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(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 Members

Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the financial statements of the discretely presented component unit and each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2011, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 19, 2011. 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

Management of the Housing Authority is responsible for establishing and maintaining effective 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

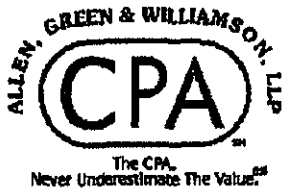
As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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.

This report is intended solely for the information and use of the Board, management, others within the entity, 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 Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2011



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Independent Auditors' Report

Board Members
Housing Authority of the City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2011. The Housing 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 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 on 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 11-F1, 11-F2, 11-F3, 11-F4, 11-F5 and 11-F6.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

compliance in accordance with OMB Circular A-133, 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.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-F1, 11-F2, 11-F3, 11-F4, 11-F5, and 11-F6. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the discretely presented component unit and each major fund of the Housing Authority as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 financial statements or to the financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Housing Authority's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current-Year Findings and Questioned Costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board, management, others within the entity, 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 Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2011

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

FEDERAL GRANTOR/ <u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs			
Low Rent Public Housing	14.850A	LA006(OFND)	\$ 4,343,911
Section 8 Housing Choice Voucher Program	14.871	LA006VO, LA006AF	7,416,895
Shelter Plus Care	14.238	N/A	75,882
Capital Fund Cluster:			
Public Housing Capital Fund Program	14.872	LA48P006501-09, LA48P006501-10	3,256,537
Public Housing Capital Fund Stimulus (Competitive) (Recovery Act Funded)	14.884	LA48S006501-10	2,635,149
Total Capital Fund Cluster			<u>5,891,686</u>
United States Department of Homeland Security			
Passed through United States Department of Housing and Urban Development			
Disaster Housing Assistance Grant (DHAP)	97.109	LA006F1, LA006F2, LA006FE, LA006IE, LA006I1, LA006I4, LA006I5, LA006I2	73,814
Total Cash Federal Awards			<u><u>\$ 17,802,188</u></u>

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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 Monroe, Monroe, Louisiana. The Housing Authority of the City of Monroe (the Housing Authority) reporting entity is defined in Note 1 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 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>	
Federal grants	\$ 12,685,295
Capital contributions	5,116,893
Total	<u>\$ 17,802,188</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 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were six significant deficiencies required 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 six audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

CFDA# 14.850A	Low Rent Public Housing
CFDA# 14.871	Section 8 Housing Choice Vouchers
Capital Fund Cluster:	
CFDA# 14.872	Public Housing Capital Fund Program
CFDA# 14.884	Public Housing Capital Fund Stimulus (Competitive) (Recovery Act Funded)
- 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 \$534,066.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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: 11-F1 Test of Resident Files

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses. The resident files should also contain a signed HUD form 9886 annually by all adults within the household.

Condition found: The following exceptions were noted in a test of fifty resident files:

- Six files had annual re-examinations completed more than twelve months from the prior annual re-examination.
- Seven files did not have the necessary items properly confirmed by an outside third party.
- One file had errors in the resident's income calculation.
- Two files did not have a updated and signed HUD form 9886.

Possible asserted effect (cause effect):

Cause: A lack of quality control procedures is a possible cause to the finding on the test of resident files.

Effect: The Housing Authority may not have met some of the federal requirements concerning resident file documentation.

Recommendations to prevent future occurrences: The Housing Authority should establish monitoring procedures to ensure that information in the resident files is adequate, agrees to HUD form 50058, the income calculation is correct, and that an annual re-examination is completed in a timely manner.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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: 11-F2 Waiting List

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Criteria or specific requirement: Applicants on the waiting list should be selected in order of their position on the waiting list. Preferences reflected on the waiting list should be in accordance with the Housing Authority's admission policy. Applicants on the top of the waiting list should be offered the opportunity to move in before applicants on the bottom of the waiting list. Any variation from this selection procedure should be properly documented in the tenant's file.

Condition found: While performing tests over the waiting list, it was noted that applicants were not ranked on the waiting list per the Housing Authority's admission policy.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not be meeting all federal requirements in regards to special provision and tests.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that applicants on the waiting list are being ranked based on the Housing Authority's policy.

Reference # and title: 11-F3 Tenant Participation Funds

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Criteria or specific requirement: When tenant participation funds are provided to a Housing Authority, the Housing Authority must provide these funds to duly elected resident councils according to 24 CFR 964.150. The resident councils are required to complete an approved budget, have supporting documentation on the use of the funds and allow the Housing Authority to inspect and audit the resident council's financial records under written agreement between the Housing Authority and the resident councils. In addition, the Housing Authority should maintain separate records of the resident councils funds received, expenditures and any remaining funds not spent. The Housing Authority receives \$25 per unit per year, of which, \$15 is required to be received by each duly elected resident council for resident services. The remaining \$10 can be absorbed by the Housing Authority for costs incurred in implementing tenant participation activities.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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: While reviewing expenditures and budgets for duly elected resident councils, it was noted that expenditures for meetings were not budgeted or approved by resident councils. In addition, the Housing Authority was not maintaining separate accounting records of the funds received, disbursed and available to the resident councils.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not have met the federal requirements concerning special tests and provisions.

Recommendations to prevent future occurrences: The Resident Council should be provided with guidance and training concerning budget preparation and monitoring. The Housing Authority should request each resident council to approve a budget and to submit the budget to the Housing Authority. Expenditures within each resident council should be within their approved budget. In addition, the Housing Authority should maintain separate accounting records of the funds each resident council has available to spend.

Reference # and title: 11-F4 Rent Reasonableness

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers	14.871	2011

Criteria or specific requirement: According to 24 CFR 982.507, the Housing Authority must determine if the initial rent to owner is reasonable before the lease is approved under the Section 8 Housing Choice Voucher program. In addition, if the landlord requests a change in rent during the year, the Housing Authority must also determine if the new rent change is considered reasonable. In order to determine the reasonableness of the rental request, the unit must be compared to rent for other comparable unassisted units based on location, quality, size, unit type, etc. The industry standard is to compare the unit to at least three unassisted units that fall under the same criteria and amenities; the rent comparables should not be older than twenty-four months.

Condition found: While testing fifty resident files, it was noted that five requests for rental increases were denied to landlords based on budget cuts, however, the Housing Authority was issuing Section 8 vouchers to new applicants during this time frame. When testing forty new move-ins for rent reasonableness determinations, it was noted that two comparables were not performed in accordance with the Housing Authority's administrative plan. It was also noted that one comparable included a unit that was surveyed after the move-in date.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not have met all federal requirements regarding rent reasonableness determination for special tests and provisions.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that supporting documentation for comparables being used as determination of rent reasonableness is maintained. In addition, any requests by landlords for rental charge increases should be properly documented to support the Housing Authority's decision to either increase or deny the request to the landlord. The decision should not be based solely on budget cut decisions, with the influx of new vouchers.

Reference # and title: **11-F5** **HUD Report 60002**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Criteria or specific requirement: Housing Authority's that are involved in various development, operating or modernization assistance grants are required to submit HUD Form 60002 under special reporting requirements in accordance to 24 CFR Sections 135.3(a) and 135.90. This form relates to Section 3 for economic opportunities of low- and very low- income families. This form is required to be completed and submitted annually to HUD by January 10th each year.

Condition found: During testing of HUD Form 60002 for low rent program, it was noted that the Housing Authority included COCC and Section 202 Properties when entering total number of new hires. For expenditure data, it was noted that the Housing Authority included information from COCC as well. It was also noted that the Housing Authority did not pick up the construction cost related to the rotten soffit and fences on the HUD Form 60002.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not have met all federal requirements regarding reporting.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that the HUD Form 60002 does not include other programs or properties and that all construction costs related to the AMPS are submitted to HUD.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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: 11-F6 Declaration of Trust

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Criteria or specific requirement: Housing Authority's are required to record a declaration of trust for all public housing property that has been acquired, developed, maintained, or assisted with funds from US Housing Act of 1937 per 24CFR part 941.

Condition found: During discussion with management, it was noted that the Housing Authority has not recorded a declaration of trust on property owned by the Housing Authority with HUD funds.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not have met all federal requirements regarding special tests and provisions.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure that a declaration of trust is recorded.

Housing Authority of the City of Monroe

OTHER INFORMATION

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings
June 30, 2011**

Reference # and title: 10-F1 HUD Report 60002

Origination Date: This finding originated fiscal year ended June 30, 2009.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME		
United States Department of Housing and Urban Development		
Public and Indian Housing Program	14.850A	2010
Section 8 Housing Choice Vouchers	14.871	2010
Capital Fund Cluster:		
Public Housing Capital Fund Program	14.872	2010
Public Housing Capital Fund Stimulus (Formula) (Recovery Act Funded)	14.885	2010

Condition: Housing Authority's that are involved in various development, operating or modernization assistance grants are required to submit HUD Form 60002 under special reporting requirements in accordance to 24 CFR Sections 135.3(a) and 135.90. This form relates to Section 3 for economic opportunities of low- and very low-income families. This form is required to be completed and submitted annually to HUD by January 10th each year.

Through testing of HUD Form 60002 for low rent and capital fund programs, it was determined that the Housing Authority submitted HUD Form 60002. While testing the data submitted it was noted that low rent reported Section 3 businesses based on classification codes in their accounting system, without verification that these businesses were Section 3 and the Housing Authority did verify any new businesses which were paid with public housing funds. Although the capital fund program did submit HUD Form 60002, it was noted that the information submitted did not agree to their support. Even though the Housing Authority did not submit the HUD Form 60002 for the Section 8 program, the information reported would have been immaterial.

Corrective action planned: See current year finding 11-F5 related to Public Housing; however for all other programs, this finding is considered to be cleared.

Reference # and title: 10-F2 Rent Reasonableness Determination

Origination Date: This finding originated fiscal year ended June 30, 2010.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME		
United States Department of Housing and Urban Development		
Section 8 Housing Choice Vouchers	14.871	2010

Condition: The Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program according to 24 CFR 982.507. In addition, if a landlord requests a change in rent during the year, the Housing Authority must ensure that the rent change requested is considered reasonable. Determination of rent reasonableness takes into consideration the location, size, type of unit, etc in comparison to similar unassisted units based on location. The practice within the Housing Authority industry is to compare the unit to at least three unassisted units under the same criteria and amenities with rent documentation of the comparisons being no older than twenty-four months. Internal controls over rent reasonableness

**Housing Authority of the City of Monroe
Summary Schedule of Prior-Audit Findings
June 30, 2011**

determination of an initial lease or landlord requests for increases in rents includes, but is not limited to documentation of the comparables used in determination and documentation to the reason why the Housing Authority has determined an rent increase is not reasonable.

In a test of forty unit lease up's the following exceptions were noted:

- One exception was noted, in which rental comparables used per the documentation in the tenant's file was older than 24 months: the industry practice.
- Two exceptions were noted in which rental increases were denied to landlords and the supporting documentation on Housing Authority's decision on the denial of the rental increase requests were not retained in tenant's file; for the same files, it was noted that not all the information used for comparables agreed to supporting documentation.

Corrective action planned: See corrective action for current year finding 11-F4 (Rent Reasonableness).

Reference # and title: **10-F3** **Depository Agreement**

Origination Date: This finding originated fiscal year ended June 30, 2010.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program Section 8 Housing Choice Vouchers	14.850A 14.871	2010 2010

Condition: The Housing Authority is required to have a depository agreement between the Housing Authority and all of their financial institutions that hold receipts for federal programs funding. These forms are required to be completed to ensure HUD has third party rights to deposits with financial institutions in the Housing Authorities name in accordance with 24 CFR 982.156.

Through communication with management it was noted that the Housing Authority does not have a depository agreement signed and effective at fiscal year end.

Corrective action taken: This finding is considered to be cleared.

Reference # and title: **10-F4** **Test of Resident Files**

Origination Date: This finding originated for Public and Indian Housing Program for fiscal year ended June 30, 2010 and Section 8 Housing Choice Vouchers for fiscal year ended June 30, 2005.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program Section 8 Housing Choice Vouchers	14.850A 14.871	2010 2010

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings
June 30, 2011**

Condition: The Housing Authority must re-examine family composition and income at least once every 12 months. The calculation of total rent should be adjusted as necessary according to 24 CFR Sections 5.617 and 960.209. The changes in rents should be reflected in the tenant listing for rental register. For the Section 8 program, the Housing Authority is required to re-examine family composition and income at least once every twelve months and adjust the housing assistance payments and utilities assistance payments accordingly based on the documentation from third party verifications according to 24 CFR Section 982.516.

The Housing Authority is required to submit HUD Form 50058 electronically each time the Housing Authority has an admission or re-examination of residents and submit to HUD. The resident's files must contain supporting documentation for Form 50058 such as social security cards, birth certificates, third party verification of income as well as documentation for deductions taken such as child care and medical expenses. The tenant's file should also have signed HUD Form 9886 or 9887 in the file at least every 15 months, which allows the Housing Authority to obtain supporting documentation to reach their decision on the amount of benefits the tenant will receive. In testing forty-five resident files under the Public Housing Program, it was noted the following

- Two instances where a tenants application nor the tenant's social security card could not be located in the tenant's file.
- One instance was noted where HUD form 50058 was not maintained in the tenant's file.
- Nine instances were noted where certain key line items reported on the tenant's HUD Form 50058 did not match the supporting documentation within the tenant's file.
- One instance was noted where the deduction that was given to the tenant was classified incorrectly.
- One instance was noted where the utility allowance was used for the tenant's rent calculation was incorrect, based on supporting documentation.

In a test of fifty resident files under the Section 8 Housing Choice Voucher program, the following exceptions were noted:

- Ten files were noted in which the information reported on HUD Form 50058 did not agree to the supporting documentation in the tenant's file.
- Two exceptions were noted in which the income calculation was incorrectly stated. One resulted in an over payment of utilities assistance payment of \$68 and the other resulted in a under payment of housing assistance payment of \$27.
- One exception was noted in which HUD Form 9886 was not dated to determine if the form was valid within the fifteen-month HUD guidelines.

Corrective action planned: See corrective action for current year finding 11-F1 (Resident Files) for Public and Indian Housing. This finding is considered to be cleared for Section 8 Housing Choice Vouchers.

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings
June 30, 2011**

Reference # and title: **10-F5** **Waiting List**

Origination Date: This finding originated fiscal year June 30, 2010.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2010

Condition: The Housing Authority is required to place applicants on a waiting list in order of their application date and any preferences, if applicable with supporting documentation. The applicants should then be selected from the waiting list in order of priority and application date and be given the opportunity to move into a housing unit before an applicant lower on the waiting list. All communication with the applicant should be maintained in the applicants file. The waiting list should be printed in its entirety on a regular basis and reviewed to ensure that it is kept up-to-date and accurate.

In addition, all move-ins should be selected from the waiting list in order of priority and application date with proper documentation. Any variation from selected this selection procedure should be properly documented in the tenant's file.

Due to the Housing Authority not printing the waiting list on regular basis, the waiting list could not be tested adequately to determine if the Housing Authority is adding applicants and selecting applicants in accordance with their policy.

Corrective action planned: See corrective action for current year finding 11-F2 (Waiting List)

Reference # and title: **10-F6** **Tenant Participation Funds**

Origination Date: This finding originated fiscal year ended June 30, 2010.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2010

Condition: According to 24 CFR Section 964.150, Housing Authorities are required to provide tenant participation funds to duly elected resident councils. The funding, which will be provided by the Housing Authority is made only under a written agreement between the Housing Authority and the resident council, which includes an approved resident council budget, require adequate documentation on the use of the funds by resident councils and permit the Housing Authority to inspect and audit the resident council's financial records. The Housing Authorities are permitted to fund \$25 per unit per year for units, which are represented by a duly elected resident council, for resident services. Of this \$25, \$15 is required to be received by each duly elected resident council for resident services. \$10 of the \$25 can be absorbed by the Housing Authority for costs incurred in implementing tenant participation activities.

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings
June 30, 2011**

Through communication with management and review of financial records it was noted that the Housing Authority has a written agreement between the Housing Authority and the resident councils. The resident council although has not prepared and submitted a budget to the Housing Authority. In addition, the Housing Authority has not maintained separate records to account for monies that should be set aside for each resident council.

Corrective action planned: See corrective action for current year finding 11-F3 (Tenant Participation Funds).

Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2011

While performing tests over the waiting list, it was noted that applicants were not ranked on the waiting list per the Housing Authority's admission policy.

Corrective action planned: Monroe Housing Authority's Board of Directors have updated the admission policy to state that working families will be given a preference within income de-concentration guidelines.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director
Housing Authority of the City of Monroe
300 Harrison St.
Monroe, LA 71201

Telephone: (318) 388-1500
Fax: (318) 329-1397

Anticipated completion date: September 1, 2011.

Reference # and title: **11-F3** **Tenant Participation Funds**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850A	2011

Condition: When tenant participation funds are provided to a Housing Authority, the Housing Authority must provide these funds to duly elected resident councils according to 24 CFR 964.150. The resident councils are required to complete an approved budget, have supporting documentation on the use of the funds and allow the Housing Authority to inspect and audit the resident council's financial records under written agreement between the Housing Authority and the resident councils. In addition, the Housing Authority should maintain separate records of the resident councils funds received, expenditures and any remaining funds not spent. The Housing Authority receives \$25 per unit per year, of which, \$15 is required to be received by each duly elected resident council for resident services. The remaining \$10 can be absorbed by the Housing Authority for costs incurred in implementing tenant participation activities.

While reviewing expenditures and budgets for duly elected resident councils, it was noted that expenditures for meetings were not budgeted or approved by resident councils. In addition, the Housing Authority was not maintaining separate accounting records of the funds received, disbursed and available to the resident councils.

Corrective action planned: Resident councils are aware of the funds that they have been allocated. These councils meet to determine the best way to spend the funds. Requests are made to the Housing Authority who then distributes the money according to the invoices received.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director
Housing Authority of the City of Monroe
300 Harrison St.
Monroe, LA 71201

Telephone: (318) 388-1500
Fax: (318) 329-1397

Anticipated completion date: December 1, 2011.

**Housing Authority of the City of Monroe
 Corrective Action Plan for the Current-Year Findings and Questioned Costs
 For the Year Ended June 30, 2011**

Reference # and title: **11-F4** **Rent Reasonableness**

Federal program and specific federal award identification: FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers	CFDA Number 14.871	Award Year 2011
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Condition: According to 24 CFR 982.507, the Housing Authority must determine if the initial rent to owner is reasonable before the lease is approved under the Section 8 Housing Choice Voucher program. In addition, if the landlord requests a change in rent during the year, the Housing Authority must also determine if the new rent change is considered reasonable. In order to determine the reasonableness of the rental request, the unit must be compared to rent for other comparable unassisted units based on location, quality, size, unit type, etc. The industry standard is to compare the unit to at least three unassisted units that fall under the same criteria and amenities; the rent comparables should not be older than twenty-four months.

While testing fifty resident files, it was noted that five requests for rental increases were denied to landlords based on budget cuts, however, the Housing Authority was issuing Section 8 vouchers to new applicants during this time frame. When testing forty new move-ins for rent reasonableness determinations, it was noted that two comparables were not performed in accordance with the Housing Authority's administrative plan. It was also noted that one comparable included a unit that was surveyed after the move-in date.

Corrective action planned: HUD requires that Monroe Housing Authority keep a certain percentage of available vouchers leased and we want to serve as many people who are needing vouchers as possible. Monroe Housing Authority will continue to issue new vouchers as vouchers become available. HUD guidelines concerning rental increases were clarified in May, 2011. Monroe Housing Authority has updated their correspondence with landlords to reflect these new guidelines. We will strive to obtain as much documentation as possible concerning rental properties based on location, size, age of property, etc.

Person responsible for corrective action: Mr. Frank Wilcox, Executive Director Housing Authority of the City of Monroe 300 Harrison St. Monroe, LA 71201	Telephone: (318) 388-1500 Fax: (318) 329-1397
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Anticipated completion date: December 1, 2011.

Reference # and title: **11-F5** **HUD Report 60002**

Federal program and specific federal award identification: FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	CFDA Number 14.850A	Award Year 2011
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Condition: Housing Authority's that are involved in various development, operating or modernization assistance grants are required to submit HUD Form 60002 under special reporting requirements in accordance to 24 CFR Sections 135.3(a) and 135.90. This form relates to Section 3 for economic opportunities of low- and very low-income families. This form is required to be completed and submitted annually to HUD by January 10th each year.

**Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2011**

During testing of HUD Form 60002 for low rent program, it was noted that the Housing Authority included COCC and Section 202 Properties when entering total number of new hires. For expenditure data, it was noted that the Housing Authority included information from COCC as well. It was also noted that the Housing Authority did not pick of the construction cost related to rotten soffit and fences on the HUD Form 60002.

Corrective action planned: Monroe Housing Authority has always strived to facilitate economic opportunities for low and very low income families. However, reporting guidelines for HUD Form 60002 are frustratingly vague. We will continue to try to obtain clarification and report as instructed.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director
Housing Authority of the City of Monroe
300 Harrison St.
Monroe, LA 71201

Telephone: (318) 388-1500

Fax: (318) 329-1397

Anticipated completion date: December 1, 2011.

Reference # and title: **11-F6** **Declaration of Trust**

Federal program and specific federal award identification:

CFDA Number

Award Year

FEDERAL GRANTEE/

PASS THROUGH GRANTEE/PROGRAM NAME

United States Department of Housing and Urban Development

Public and Indian Housing Program

14.850A

2011

Condition: Housing Authority's are required to record a declaration of trust for all public housing property that has been acquired, developed, maintained, or assisted with funds from US Housing Act of 1937 per 24CFR part 941.

During discussion with management, it was noted that the Housing Authority has not recorded a declaration of trust on property owned by the Housing Authority with HUD funds.

Corrective action planned: Monroe Housing Authority has recently recorded the Declaration of Trust with the Ouachita Parish Clerk of Court.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director
Housing Authority of the City of Monroe
300 Harrison St.
Monroe, LA 71201

Telephone: (318) 388-1500

Fax: (318) 329-1397

Anticipated completion date: December 1, 2011.

Housing Authority of the City of Monroe
Status of Prior Year Management Letter Item
June 30, 2011

10-M1

Inadequate Controls over Deletions of Capital Asset

Comment: In testing ten deletions of capital assets and communication with management, it was noted that when management determines a capital asset has no value to the day-to-day operations of the Housing Authority. The capital asset is disposed or sold, removed from the listing and then brought to the board for approval of the actual deletion after the asset has been discarded or sold.

Management's response: This management letter item has been cleared in the current year.