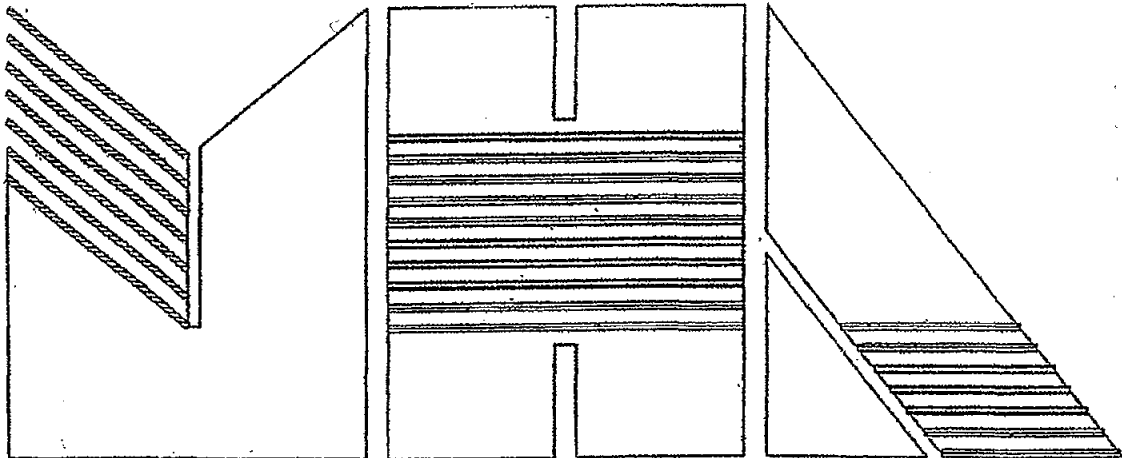


# **Housing Authority of the City of Monroe**

**Monroe, Louisiana**



## **Comprehensive Annual Financial Report**

**As Of And For the Year Ended June 30, 2015**



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

**Comprehensive Annual Financial Report**

**As of And For the Year Ended June 30, 2015**

**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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**Housing Authority of the City of Monroe**

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# INTRODUCTORY SECTION







Monroe Housing Authority • 300 Harrison Street • Monroe, LA 71201 • 318-388-1500 • TDD/TYY 1-800-545-1833 ext. 872  
Frank L. Wilcox, Executive Director • Joe Farr, Chairman • William Smart, Vice Chairman • Hal Hinchliffe • Joe Miller • Roxie Jackson

December 30, 2015

Joe Farr, 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, 2015, 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 and basic financial statements. 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 of 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.

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 the result of a dedicated caring staff and management's decision to set a High Performer rating as one of their highest goals.



The **Capital Fund Program** provided funds for roof repair and replacement at our Burg Jones Property. Kitchen and bath renovations at Burg Jones were also begun with funds from the Capital Fund Program. Construction has begun on a new office and community space at our Robinson Place Property. This will be completed using funds from the 2015 Capital Fund Grant.



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 97.



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. We have also added 16 units specifically designed for handicapped families to our managed properties listings.



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.

**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.

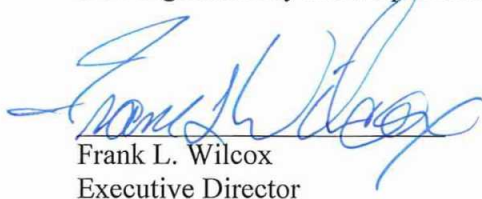
As demonstrated by the statements and schedules included in the financial section of this report, the Housing Authority continues to meet its responsibility for sound financial management.

**H. 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.

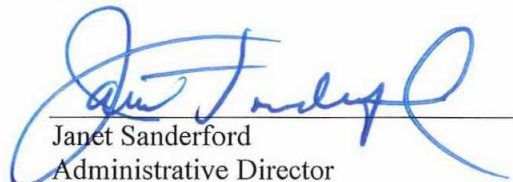
**I. Award** The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily 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, 2015, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

**J. 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



Janet Sanderford  
Administrative Director



Government Finance Officers Association

**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

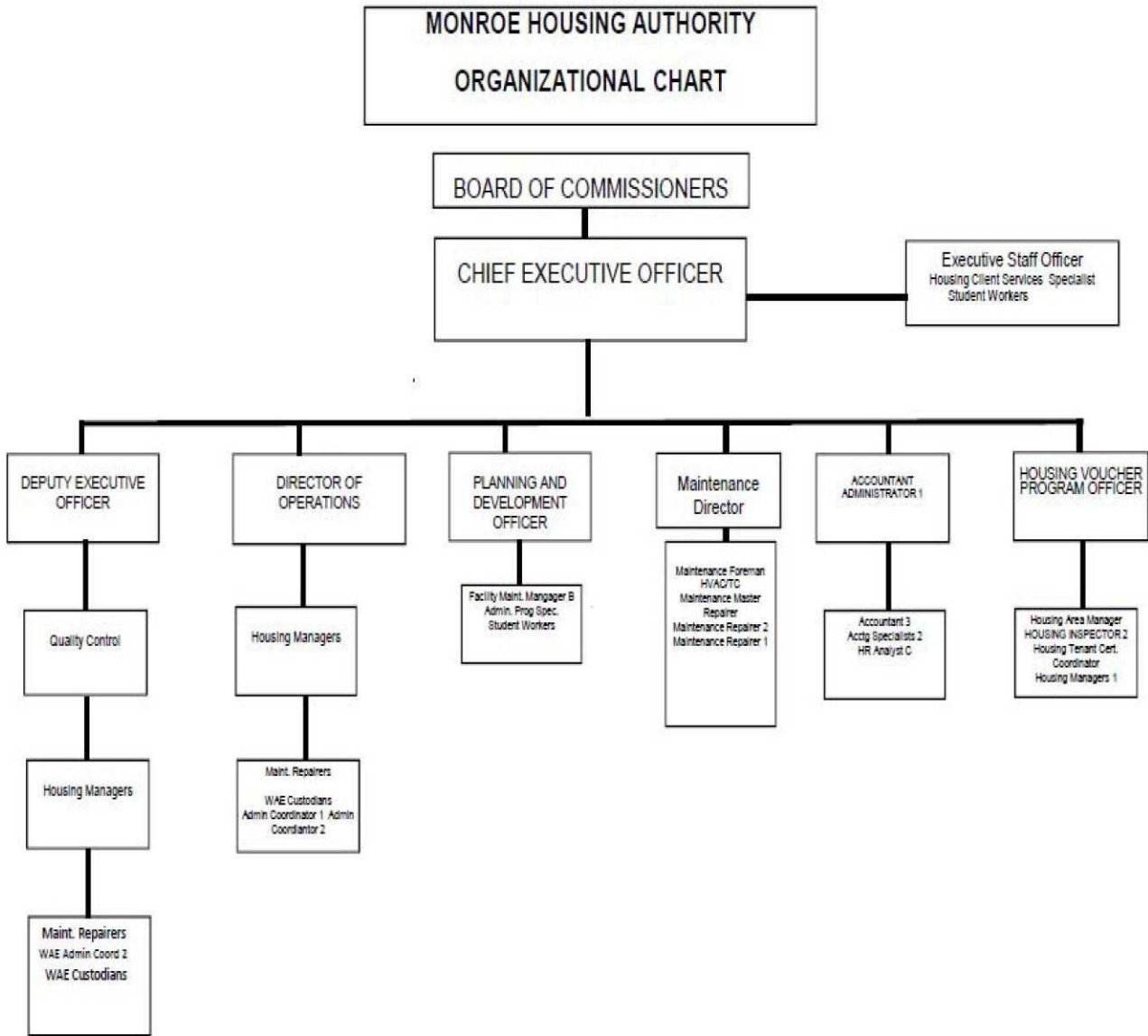
**June 30, 2014**

Executive Director/CEO

**Housing Authority of the City of Monroe**

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# Housing Authority of the City of Monroe



**Housing Authority of the City of Monroe**

**Appointed Officials  
Board of Commissioners**

Mr. Joe Farr, Chairman

Mr. William Smart, Vice Chairman

Mr. Hal Hinchliffe

Ms. Roxie Jackson

Mr. Joseph Miller

Henry Bonner, Chairman, Emeritus

**Selected Administrative Officials**

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Cheryl Farmer

Director of Operations

Janet Sanderford

Administrative Director

Naomi Jackson

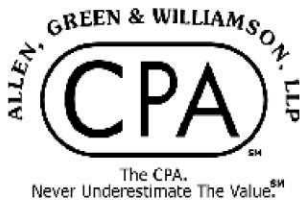
Section 8 Director



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# FINANCIAL SECTION





# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Audit Manager: Margie Williamson, CPA  
Matt Carmichael, CPA  
Diane Ferschoff, CPA

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Monroe's basic financial statements. The accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, and the other information, such as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, including the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 30, 2015 on our consideration of the Housing Authority of the City of Monroe'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 30, 2015

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

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2015**

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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, 2015. 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 9 through 12 of this report. Dollar amounts presented in the MD&A are presented in thousands.

**FINANCIAL HIGHLIGHTS** In fiscal year 2015, the Housing Authority had the following changes:

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$52,656 (*net position*). Of this amount, \$18,032 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net position increased by \$962 for current year. This is mainly due to an increase in operating subsidy received.
- At the end of the current fiscal year, unrestricted net position for the general fund was \$10,532, or 99% 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 and Monroe Housing Facilities fund.

Our auditors have provided assurance in their independent auditor's 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 supplementary information and other information included in this report. A user of this report should read the independent auditor's 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 were 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.

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2015**

---

**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, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. 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 position was \$52,656 at June 30, 2015. Of this amount, \$18,032 was unrestricted. Restricted net position of \$155 is reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use these funds only for housing assistance payments (HAP) of 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, resident opportunities and supportive services, and economic development programs. The tenant based Section 8 fund accounts for the Section 8 Housing Choice Voucher program, the Disaster Voucher program, the DHAP program, and the SNAP 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 position and the change in net position of the primary government as a whole.



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**Housing Authority of the City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2015**

---

**Table 1**  
**Net Position**  
**(in thousands)**  
**June 30,**

	2015	2014	Variance
Current assets	\$ 20,867	\$ 19,266	\$ 1,601
Capital assets	34,469	35,463	(994)
Other noncurrent assets	452	483	(31)
Total assets	<u>55,788</u>	<u>55,212</u>	<u>576</u>
Current liabilities	1,766	2,170	(404)
Noncurrent liabilities	1,366	1,348	18
Total liabilities	<u>3,132</u>	<u>3,518</u>	<u>(386)</u>
Net position			
Investment in capital assets	34,469	35,463	(994)
Restricted	155	19	136
Unrestricted	18,032	16,212	1,820
Total net position	<u>\$ 52,656</u>	<u>\$ 51,694</u>	<u>\$ 962</u>

**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2015**

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

	2015	2014	Variance
Beginning net position	\$ 51,694	\$ 51,428	\$ 266
Revenues:			
Operating revenues			
Rental and other	5,569	5,529	40
Federal grants	12,907	11,824	1,083
Total operating revenues	<u>18,476</u>	<u>17,353</u>	<u>1,123</u>
Expenses:			
Operating expenses			
Administration	3,197	3,139	58
Tenant services	173	117	56
Utilities	370	410	(40)
Ordinary maintenance and operations	3,007	3,270	(263)
Protective services	112	158	(46)
General expenses	1,200	1,308	(108)
Housing assistance payments	6,989	6,750	239
Depreciation	3,677	3,721	(44)
Total expenses	<u>18,725</u>	<u>18,873</u>	<u>(148)</u>
Non-operating revenues			
Interest earnings	29	43	(14)
Gain(Loss) on sale of equipment	(230)	11	(241)
Total non-operating revenues	<u>(201)</u>	<u>54</u>	<u>(255)</u>
Net income (loss) before capital contributions	(450)	(1,466)	1,016
Capital contributions	<u>1,412</u>	<u>1,732</u>	<u>(320)</u>
Increase (decrease) in net position	<u>962</u>	<u>266</u>	<u>696</u>
Ending net position	<u>\$ 52,656</u>	<u>\$ 51,694</u>	<u>\$ 962</u>

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2015**

---

Total operating revenues increased \$1,123.

- The general fund's operating revenue increased \$226 due to an increase in subsidy received.
- The Section 8 fund's operating revenue increased \$892 due to an increase in leasing and an increase in the proration factor that HUD uses to pay administrative fees.
- The management fees' operating revenue increased \$5 due to an increase in management fees and bookkeeping fees collected.

Total operating expenses decreased \$148.

- The general fund's operating expenses decreased \$306. This change was due to a decrease in maintenance costs and contracts.
- The Section 8 funds operating expenses increased \$217. This change was due to an increase in leasing.
- The management fees' operating expenses decreased \$27. This change was due to senior care services being provided by the individual retirement properties for the entire year.
- The Monroe housing facilities' operating expenses decreased \$32. This change was due to no grant money being provided to other entities.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2015, the Housing Authority had \$34,469 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$994 or 2.8%, from last year.

**Capital Assets at Year-end  
(in thousands)**

	2015	2014
Land	\$ 2,492	\$ 2,072
Construction in progress	1,359	3,415
Buildings and site improvements	30,286	29,347
Furniture and equipment	332	629
Totals	\$ 34,469	\$ 35,463

This year's decrease of \$994 is mainly the result of items that fell below the new capital asset threshold of \$1,500 being removed, in which most were fully depreciated items, and current year depreciation expense.

We present more detailed information on capital assets in Note 5 to the financial statements.

---

**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2015**

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***Debt***

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in Note 10 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  
Statement of Net Position  
June 30, 2015

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 7,783,422	\$ 542,708	\$ 595,193
Investments	4,236,907	-	-
Accounts receivable, net	296,164	114,235	-
Note receivable	-	-	-
Interfund receivable	185,603	-	-
Prepaid items and other assets	284,704	3,326	-
Inventory	2,631	-	-
Restricted assets			
Cash for deposits due others	351,106	27,518	-
Total Current assets	<u>13,140,537</u>	<u>687,787</u>	<u>595,193</u>
Noncurrent Assets:			
Note receivable	-	-	-
Capital Assets, net			
Land and construction in progress	3,430,940	-	-
Buildings and equipment (net)	<u>29,772,537</u>	<u>14,371</u>	<u>-</u>
Total noncurrent assets	<u>33,203,477</u>	<u>14,371</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 46,344,014</u>	<u>\$ 702,158</u>	<u>\$ 595,193</u>

Statement A

<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
\$ 4,964,452	\$ 13,885,775
1,418,186	5,655,093
-	410,399
30,827	30,827
29,868	215,471
-	288,030
-	2,631
-	378,624
<u>6,443,333</u>	<u>20,866,850</u>
451,870	451,870
420,000	3,850,940
<u>831,320</u>	<u>30,618,228</u>
<u>1,703,190</u>	<u>34,921,038</u>
<u>\$ 8,146,523</u>	<u>\$ 55,787,888</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS  
Statement of Net Position  
June 30, 2015

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 167,407	\$ 33,530	\$ 21
Interfund payable	29,868	185,603	-
Accrued liabilities	465,585	12,181	-
Unearned revenue	9,814	3,500	-
Current portion of compensated absences payable	375,054	103,030	-
Current Liabilities Paid with Restricted Assets			
Deposits due others	351,106	27,517	-
Total Current Liabilities	1,398,834	365,361	21
Noncurrent Liabilities			
Compensated absences payable	1,209,348	156,994	-
TOTAL LIABILITIES	2,608,182	522,355	21
<b>NET POSITION</b>			
Investment in capital assets	33,203,477	14,371	-
Restricted for HAP	-	154,626	-
Unrestricted	10,532,355	10,806	595,172
TOTAL NET POSITION	\$ 43,735,832	\$ 179,803	\$ 595,172

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



**Statement A**

	<b>MONROE HOUSING FACILITIES</b>		<b>TOTAL GOVERNMENT</b>
\$	1,250	\$	202,208
	-		215,471
	75		477,841
	-		13,314
	-		478,084
	-		378,623
	1,325		1,765,541
	-		1,366,342
	1,325		3,131,883
	1,251,320		34,469,168
	-		154,626
	6,893,878		18,032,211
\$	8,145,198	\$	52,656,005

(CONCLUDED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended June 30, 2015**

	<b>GENERAL</b>	<b>TENANT BASED SECTION 8</b>	<b>MANAGEMENT FEES</b>
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 4,100,781	\$ -	\$ -
Other	928,058	132,971	359,028
Federal grants	4,986,086	7,921,085	-
Total operating revenues	<u>10,014,925</u>	<u>8,054,056</u>	<u>359,028</u>
<b>OPERATING EXPENSES</b>			
Administration	2,303,510	834,541	55,604
Tenant services	171,899	-	800
Utilities	358,461	-	-
Ordinary maintenance & operations	2,977,960	16,285	6
Protective services	111,922	-	-
General expenses	1,109,451	56,795	30,000
Housing assistance payments	-	6,988,936	-
Depreciation	3,576,405	7,365	-
Total operating expenses	<u>10,609,608</u>	<u>7,903,922</u>	<u>86,410</u>
Income (loss) from Operations	<u>(594,683)</u>	<u>150,134</u>	<u>272,618</u>
<b>Nonoperating revenues (expenses)</b>			
Investment earnings and gains/losses	7,714	8	-
Gains/losses on disposal of capital assets	(222,718)	(5,395)	-
Total nonoperating revenues (expenses)	<u>(215,004)</u>	<u>(5,387)</u>	<u>-</u>
Net Income (Loss) before capital contributions	(809,687)	144,747	272,618
Capital contributions	<u>1,412,244</u>	<u>-</u>	<u>-</u>
Change in net position	602,557	144,747	272,618
NET POSITION AT BEGINNING OF YEAR	<u>43,133,275</u>	<u>35,056</u>	<u>322,554</u>
NET POSITION AT END OF YEAR	<u>\$ 43,735,832</u>	<u>\$ 179,803</u>	<u>\$ 595,172</u>

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

**Statement B**

<b>MONROE HOUSING FACILITIES</b>	<b>TOTAL GOVERNMENT</b>
\$ -	\$ 4,100,781
48,000	1,468,057
-	12,907,171
<u>48,000</u>	<u>18,476,009</u>
3,500	3,197,155
-	172,699
11,423	369,884
13,228	3,007,479
-	111,922
3,963	1,200,209
-	6,988,936
<u>93,067</u>	<u>3,676,837</u>
<u>125,181</u>	<u>18,725,121</u>
<u>(77,181)</u>	<u>(249,112)</u>
21,214	28,936
<u>(1,908)</u>	<u>(230,021)</u>
<u>19,306</u>	<u>(201,085)</u>
(57,875)	(450,197)
-	1,412,244
<u>(57,875)</u>	<u>962,047</u>
<u>8,203,073</u>	<u>51,693,958</u>
<u>\$ 8,145,198</u>	<u>\$ 52,656,005</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2015

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 4,109,504	\$ -	\$ -
Other receipts	958,203	125,159	359,028
Payments to vendors	(3,935,723)	(550,798)	(10,895)
Payments to employees	(3,314,318)	(442,044)	(45,494)
Payments to private landlords	-	(6,997,134)	-
Payments to others	-	-	(30,000)
Federal grants	5,456,390	7,921,085	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>3,274,056</b>	<b>56,268</b>	<b>272,639</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase capital assets	(2,495,076)	-	-
Proceeds from sale of capital assets	2,514	-	-
Contributed capital	1,412,244	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,080,318)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Investment earnings and gains/losses	7,714	7	-
Purchase of investments	(6,347)	-	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ 1,367</b>	<b>\$ 7</b>	<b>\$ -</b>

**Statement C**

	<b>MONROE HOUSING FACILITIES</b>		<b>TOTAL GOVERNMENT</b>
\$	-	\$	4,109,504
	48,000		1,490,390
	(16,476)		(4,513,892)
	(3,519)		(3,805,375)
	-		(6,997,134)
	-		(30,000)
	-		13,377,475
	<hr/>		<hr/>
	28,005		3,630,968
	<hr/>		<hr/>
	(420,000)		(2,915,076)
	-		2,514
	-		1,412,244
	<hr/>		<hr/>
	(420,000)		(1,500,318)
	<hr/>		<hr/>
	21,214		28,935
	(4,242)		(10,589)
	<hr/>		<hr/>
\$	16,972	\$	18,346
	<hr/>		<hr/>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2015

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,195,105	\$ 56,275	\$ 272,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,939,423</u>	<u>513,951</u>	<u>322,554</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>8,134,528</u></u>	<u><u>570,226</u></u>	<u><u>595,193</u></u>
Reconciliation to financial statements:			
Cash	7,783,422	542,708	595,193
Restricted cash (deposits due others)	<u>351,106</u>	<u>27,518</u>	<u>-</u>
	<u><u>8,134,528</u></u>	<u><u>570,226</u></u>	<u><u>595,193</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(594,683)	150,134	272,618
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	3,576,405	7,365	-
Change in assets and liabilities:			
Accounts receivables, net	500,307	(7,812)	-
Notes receivable, net	-	-	-
Interfund receivables	137,097	-	-
Inventories	4,475	-	-
Prepaid items and other assets	(55,461)	-	-
Accounts payable	(480,275)	19,383	21
Accrued expenses	47,745	4,173	-
Unearned revenue	(1,830)	(1,777)	-
Interfund payables	19,123	(137,097)	-
Deposits due others	10,695	(6,421)	-
Compensated absences	<u>110,458</u>	<u>28,320</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 3,274,056</u></u>	<u><u>\$ 56,268</u></u>	<u><u>\$ 272,639</u></u>

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

Statement C

MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
\$ (375,023)	\$ 2,148,996
5,339,475	12,115,403
4,964,452	14,264,399
4,964,452	13,885,775
-	378,624
4,964,452	14,264,399
(77,181)	(249,112)
93,067	3,676,837
-	492,495
29,917	29,917
(19,123)	117,974
-	4,475
-	(55,461)
1,250	(459,621)
-	51,918
-	(3,607)
-	(117,974)
75	4,349
-	138,778
\$ 28,005	\$ 3,630,968

(CONCLUDED)

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

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**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

**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	1522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1548
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
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
Alabama Place, LLP		16
Franciscan Apartments		8

GASB Standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Standards, 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 Standards, 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.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

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 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 and a financial benefit or burden is present.
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 unit should be considered as part of the Housing Authority reporting entity.

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 because operations and administration of the Corporation are handled by the same personnel of the Housing Authority, and no costs are being charged to the Corporation for these services. 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, the resident opportunities and supportive services 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 projects 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.

**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, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

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 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 contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**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 statement of net position. 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.

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

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,500. 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 using a half-year convention method:

Site improvements	15 years
Buildings	15 - 40 years
Furniture and equipment	5 - 7 years

**J. UNEARNED REVENUES** The Housing Authority reports unearned revenues on its statement of net position. Unearned 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 unearned revenue is removed from the statement of net position 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. The Board may approve employees' extended time off prior to their retirement, to use accumulated leave balances above the compensated absence payout policy.

**L. RESTRICTED NET POSITION** Net position is reported as restricted when constraints placed on net position 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 position is available. The restricted net position for housing assistance payments (HAP) reported in the Statement of Net Position is restricted by enabling legislation.

**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, 2015**

**NOTE 2 - CASH AND CASH EQUIVALENTS** The Housing Authority's deposits are recorded at cost. The carrying amount of deposits totaled \$19,919,492, which includes \$5,655,093 held in certificates of deposit that are classified as investments and \$378,624 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 deposit, 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, 2015 the Housing Authority bank balance was \$20,094,495, in which \$19,094,495 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.

**NOTE 3 - ACCOUNTS RECEIVABLE** The receivables at June 30, 2015, are as follows:

Class of Receivables	General	Tenant Based Section 8	Total
Local sources:			
Tenants	\$ 37,655	\$ -	\$ 37,655
Other	122,481	73,755	196,236
Federal sources:			
Due from HUD	136,028	40,480	176,508
Total	<u>\$ 296,164</u>	<u>\$ 114,235</u>	<u>\$ 410,399</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$4,183. 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 \$43,343.

**NOTE 4 - NOTE RECEIVABLE** The Housing Authority entered into a note receivable during the year ended June 30, 2013. The note receivable was between Monroe Housing Facilities and Alabama Place for cost incurred with the construction of the property. The amount of the note receivable at June 30, 2015 was \$482,697. Of this amount, \$30,827 is due within a year to Monroe Housing Facilities. The Housing Authority expects to receive this note in full; and therefore, no allowance for doubtful accounts was recorded.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

**NOTE 5 - CAPITAL ASSETS** The changes in capital assets are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,071,654	\$ 420,000	\$ -	\$ 2,491,654
Construction in progress	3,415,621	2,449,732	4,506,067	1,359,286
Total capital assets, non depreciable	<u>5,487,275</u>	<u>2,869,732</u>	<u>4,506,067</u>	<u>3,850,940</u>
Capital assets, depreciable				
Buildings and site improvements	88,184,917	4,506,067	312,740	92,378,244
Furniture and equipment	2,791,462	45,344	1,155,396	1,681,410
Total capital assets, depreciable	<u>90,976,379</u>	<u>4,551,411</u>	<u>1,468,136</u>	<u>94,059,654</u>
Less accumulated depreciation				
Buildings and site improvements	58,837,836	3,566,918	312,740	62,092,014
Furniture and equipment	2,162,355	109,919	922,862	1,349,412
Total	<u>61,000,191</u>	<u>3,676,837</u>	<u>1,235,602</u>	<u>63,441,426</u>
Net Depreciable Assets	<u>29,976,188</u>	<u>874,574</u>	<u>232,534</u>	<u>30,618,228</u>
Total capital assets, net	<u>\$ 35,463,463</u>	<u>\$ 3,744,306</u>	<u>\$ 4,738,601</u>	<u>\$ 34,469,168</u>

**NOTE 6 - 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 65<sup>th</sup> birthday or after 10 years of participation in the plan.

The Housing Authority's contributions were calculated using the base salary amount of \$2,831,219. The members' contributions were \$17,389 for the year ended June 30, 2015. The Housing Authority made the required contributions of \$371,199 for the year ended June 30, 2015.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

**NOTE 7 - ACCOUNTS PAYABLE** The payables at June 30, 2015, are as follows:

	General	Tenant Based Section 8	Management Fees	Monroe Housing Facilities	Total
Vendors	\$ 103,083	\$ 33,530	\$ 21	\$ 1,250	\$ 137,884
Contract Payable	9,753	-	-	-	9,753
Retainage Payable	54,571	-	-	-	54,571
Total	<u>\$ 167,407</u>	<u>\$ 33,530</u>	<u>\$ 21</u>	<u>\$ 1,250</u>	<u>\$ 202,208</u>

**NOTE 8 - ACCRUED LIABILITIES** The accrued liabilities at June 30, 2015, are as follows:

	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Payments in lieu of taxes	\$ 378,545	\$ -	\$ -	\$ 378,545
Salaries and benefits	87,040	12,181	75	99,296
Total	<u>\$ 465,585</u>	<u>\$ 12,181</u>	<u>\$ 75</u>	<u>\$ 477,841</u>

**NOTE 9 - COMPENSATED ABSENCES** At June 30, 2015, employees of the Housing Authority have accumulated and vested \$1,844,426 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 10 - LONG-TERM LIABILITES** The following is a summary of the long-term liabilities for the year ended June 30, 2015:

	Compensated Absences
Beginning Balance	\$ 1,705,648
Additions	218,503
Deletions	79,725
Ending Balance	<u>\$ 1,844,426</u>
Amounts Due Within One Year	<u>\$ 478,084</u>

**NOTE 11 - INTERFUND TRANSACTIONS**

**Interfund receivables/payables** at June 30, 2015, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
General Fund	\$ 185,603	Tenant Based Section 8	\$ 185,603
Monroe Housing Facilities	29,868	General Fund	29,868
Total	<u>\$ 215,471</u>		<u>\$ 215,471</u>

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

The central office cost center loaned money to the Section 8 fund to help cover the costs of administering the Section 8 program. Additionally the general fund owes Monroe Housing Facilities for rent and fees that have not been reimbursed.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At June 30, 2015, 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. The 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, 2015. These include modernizing rental units at six of the projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. The capital funds 2014 and 2015 are currently open construction projects. The total contracts open at June 30, 2015 were \$2,636,612 in which \$757,690 were outstanding commitments at June 30, 2015.

**NOTE 13 - 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. The current policy limits on most commercial coverage has been in effect for multiple years. Settled claims have not exceeded commercial excess coverage in any of the last three years.

**NOTE 14 - 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 \$14,319,415 to the Housing Authority, which represents approximately 72% of the Housing Authority's total revenue for the year.

**NOTE 15 - OPERATING LEASE** The Housing Authority leases two copiers under noncancelable operating leases. Total costs for such leases were \$6,009 for the year ended June 30, 2015. The minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 6,009
2017	5,007
Total	<u>\$ 11,016</u>



**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2015**

**NOTE 16 - INSURANCE PROCEEDS** In the fiscal year ending June 30, 2015 the Housing Authority received \$43,646 in 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 position.

**NOTE 17 - SUBSEQUENT EVENTS** In September 2015, the Housing Authority entered into a \$1,565,100 contract for kitchen and bath renovations at Burg Jones Plaza.

**NOTE 18 - RESERVES HELD WITH HUD** Due to HUD operating the Section 8 Housing Choice Voucher Program under cash management, HUD maintains reserves for the Housing Authority that have not been utilized. As of June 30, 2015, the Housing Authority had \$346,170 in HUD-Held Reserves.

**Housing Authority of the City of Monroe  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2015**

**Exhibit 1**

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

Mr. Joe Farr, Chairman

Mr. William Smart, Vice Chairman

Mr. Joseph Miller

Mr. Hal Hinchliffe

Ms. Roxie Jackson

**Housing Authority of the City of Monroe**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head (Executive Director)**  
**For the Year Ended June 30, 2015**

**Exhibit 2**

**Agency Head Name: Frank Wilcox, Executive Director**

<u>Purpose</u>	<u>Amount</u>
Salary	\$144,456
Benefits-insurance	10,763
Benefits-retirement	23,304
Benefits – performance incentive	13,001
Car allowance	9,000
Cell phone	739
Dues	45
Reimbursements	838
Registration fees	1,075
Conference travel	4,425

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Balance Sheet**  
**June 30, 2015**

Submission Type: Audited/A-133

	Project Total	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services
111 Cash - Unrestricted	\$7,203,570		\$156,120	\$43
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$351,106			
100 Total Cash	\$7,554,676	\$0	\$156,120	\$43
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$54,571			
124 Accounts Receivable - Other Government				\$81,457
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$41,838			
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,183			
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$17,799			
128.1 Allowance for Doubtful Accounts - Fraud	-\$16,020			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$94,005	\$0	\$0	\$81,457
131 Investments - Unrestricted	\$2,854,244			
132 Investments - Restricted				
142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
150 Total Current Assets	\$10,502,925	\$0	\$156,120	\$81,500
161 Land	\$2,071,654			
162 Buildings	\$91,443,364			
163 Furniture, Equipment & Machinery - Dwellings	\$6,630			
164 Furniture, Equipment & Machinery - Administration	\$682,659			
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$62,579,818			
167 Construction in Progress	\$1,359,286			
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$32,983,775	\$0	\$0	\$0

**Exhibit 3**

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	14.267 Continuum of Care Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$139,918	\$10,992	\$81,051		\$5,559,645	\$579,810	\$13,731,149		\$13,731,149
\$182,144						\$182,144		\$182,144
						\$351,106		\$351,106
\$322,062	\$10,992	\$81,051	\$0	\$5,559,645	\$579,810	\$14,264,399	\$0	\$14,264,399
\$0						\$54,571		\$54,571
\$40,480						\$121,937		\$121,937
\$10,000					\$120,701	\$130,701		\$130,701
						\$41,838		\$41,838
						-\$4,183		-\$4,183
\$0					\$0	\$0		\$0
				\$30,827		\$30,827		\$30,827
\$91,079						\$108,878		\$108,878
-\$27,324						-\$43,344		-\$43,344
\$114,235	\$0	\$0	\$0	\$30,827	\$120,701	\$441,225	\$0	\$441,225
				\$1,418,186	\$1,382,663	\$5,655,093		\$5,655,093
\$3,326					\$284,704	\$288,030		\$288,030
					\$2,631	\$2,631		\$2,631
					\$0	\$0		\$0
				\$29,868	\$267,103	\$296,971	-\$296,971	\$0
\$439,623	\$10,992	\$81,051	\$0	\$7,038,526	\$2,637,612	\$20,948,349	-\$296,971	\$20,651,378
				\$420,000		\$2,491,654		\$2,491,654
				\$1,436,834		\$92,880,198		\$92,880,198
						\$6,630		\$6,630
\$70,148				\$9,060	\$410,963	\$1,172,830		\$1,172,830
-\$55,777				-\$614,574	-\$191,259	-\$63,441,428		-\$63,441,428
						\$1,359,286		\$1,359,286
\$14,371	\$0	\$0	\$0	\$1,251,320	\$219,704	\$34,469,170	\$0	\$34,469,170

(continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Balance Sheet**  
**June 30, 2015**

Submission Type: Audited/A-133

	Project Total	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services
171 Notes, Loans and Mortgages Receivable - Non-Current				
180 Total Non-Current Assets	\$32,983,775	\$0	\$0	\$0
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$43,486,700	\$0	\$156,120	\$81,500
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$84,265			
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$39,995			
322 Accrued Compensated Absences - Current Portion	\$128,390			
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$388,300			
341 Tenant Security Deposits	\$351,106			
342 Unearned Revenue	\$9,814			
345 Other Current Liabilities	\$54,571			
346 Accrued Liabilities - Other				
347 Inter Program - Due To				\$81,500
310 Total Current Liabilities	\$1,056,441	\$0	\$0	\$81,500
354 Accrued Compensated Absences - Non Current	\$250,972			
355 Loan Liability - Non Current				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$250,972	\$0	\$0	\$0
300 Total Liabilities	\$1,307,413	\$0	\$0	\$81,500
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$32,983,775			
511.4 Restricted Net Position				
512.4 Unrestricted Net Position	\$9,195,512	\$0	\$156,120	\$0
513 Total Equity - Net Assets / Position	\$42,179,287	\$0	\$156,120	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$43,486,700	\$0	\$156,120	\$81,500

**Exhibit 3**

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	14.267 Continuum of Care Program	1 Business Activities	COCC	Subtotal	ELIM	Total
				\$451,870		\$451,870		\$451,870
\$14,371	\$0	\$0	\$0	\$1,703,190	\$219,704	\$34,921,040	\$0	\$34,921,040
\$453,994	\$10,992	\$81,051	\$0	\$8,741,716	\$2,857,316	\$55,869,389	-\$296,971	\$55,572,418
\$33,685				\$1,271	\$25,594	\$144,815		\$144,815
\$12,181				\$75	\$40,266	\$92,517		\$92,517
\$103,030					\$246,665	\$478,085		\$478,085
						\$388,300		\$388,300
						\$351,106		\$351,106
\$3,345						\$13,159		\$13,159
\$27,517						\$82,088		\$82,088
\$185,603					\$29,868	\$296,971	-\$296,971	\$0
\$365,361	\$0	\$0	\$0	\$1,346	\$342,393	\$1,847,041	-\$296,971	\$1,550,070
\$156,994					\$958,377	\$1,366,343		\$1,366,343
\$156,994	\$0	\$0	\$0	\$0	\$958,377	\$1,366,343	\$0	\$1,366,343
\$522,355	\$0	\$0	\$0	\$1,346	\$1,300,770	\$3,213,384	-\$296,971	\$2,916,413
\$14,371				\$1,251,320	\$219,704	\$34,469,170		\$34,469,170
\$154,626			\$0			\$154,626		\$154,626
-\$237,358	\$10,992	\$81,051	\$0	\$7,489,050	\$1,336,842	\$18,032,209		\$18,032,209
-\$68,361	\$10,992	\$81,051	\$0	\$8,740,370	\$1,556,546	\$52,656,005	\$0	\$52,656,005
\$453,994	\$10,992	\$81,051	\$0	\$8,741,716	\$2,857,316	\$55,869,389	-\$296,971	\$55,572,418

(continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**As of and For the Year Ended June 30, 2015**

Submission Type: Audited/A-133

	Project Total	14.DVP Disaster Voucher Program	14.IKE DHAP- IKE	14.870 Resident Opportunity and Supportive Services
70300 Net Tenant Rental Revenue	\$4,100,781			
70400 Tenant Revenue - Other	\$390,960			
70500 Total Tenant Revenue	\$4,491,741	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$4,868,854			\$117,232
70610 Capital Grants	\$1,412,244			
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
71100 Investment Income - Unrestricted	\$5,642			
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$69,069			
71500 Other Revenue	\$119,684			
71600 Gain or Loss on Sale of Capital Assets	-\$210,984			
72000 Investment Income - Restricted				
70000 Total Revenue	\$10,756,250	\$0	\$0	\$117,232
91100 Administrative Salaries	\$477,679			\$88,521
91200 Auditing Fees	\$34,912			
91300 Management Fee	\$1,005,169			
91310 Book-keeping Fee	\$134,752			
91400 Advertising and Marketing	\$14,083			
91500 Employee Benefit contributions - Administrative	\$152,887			\$25,955
91600 Office Expenses	\$132,286			
91700 Legal Expense	\$9,922			
91800 Travel	\$4,376			
91900 Other	\$42,384			\$2,060
91000 Total Operating - Administrative	\$2,008,450	\$0	\$0	\$116,536
92000 Asset Management Fee	\$182,160			



**Exhibit 3**

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	14.267 Continuum of Care Program	1 Business Activities	COCC	Subtotal	ELIM	Total
						\$4,100,781		\$4,100,781
						\$390,960		\$390,960
\$0	\$0	\$0	\$0	\$0	\$0	\$4,491,741	\$0	\$4,491,741
\$7,836,644			\$84,441			\$12,907,171		\$12,907,171
						\$1,412,244		\$1,412,244
					\$1,155,157	\$1,155,157	-\$1,155,157	\$0
					\$182,160	\$182,160	-\$182,160	\$0
					\$213,571	\$213,571	-\$213,570	\$1
					\$1,550,888	\$1,550,888	-\$1,550,887	\$1
\$8				\$21,214	\$0	\$26,864		\$26,864
\$68,061						\$137,130		\$137,130
\$64,910				\$407,028	\$634,964	\$1,226,586	-\$523,076	\$703,510
-\$5,395				-\$1,908	-\$11,734	-\$230,021		-\$230,021
					\$2,072	\$2,072		\$2,072
\$7,964,228	\$0	\$0	\$84,441	\$426,334	\$2,176,190	\$21,524,675	-\$2,073,963	\$19,450,712
\$347,080			\$1,562	\$37,397	\$826,605	\$1,778,844		\$1,778,844
\$7,367					\$6,868	\$49,147		\$49,147
\$157,636						\$1,162,805	-\$1,155,157	\$7,648
\$78,818						\$213,570	-\$213,570	\$0
\$146					\$1,469	\$15,698		\$15,698
\$119,565			\$338	\$8,096	\$303,172	\$610,013		\$610,013
\$87,790			\$2,213	\$75	\$143,862	\$366,226		\$366,226
\$897				\$4,321	\$6,660	\$21,800		\$21,800
\$123			\$579		\$20,260	\$25,338		\$25,338
\$30,429				\$9,213	\$1,903	\$85,989		\$85,989
\$829,851	\$0	\$0	\$4,692	\$59,102	\$1,310,799	\$4,329,430	-\$1,368,727	\$2,960,703
						\$182,160	-\$182,160	\$0

(continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**As of and For the Year Ended June 30, 2015**

Submission Type: Audited/A-133

	Project Total	14.DVP Disaster Voucher Program	14.IKE DHAP- IKE	14.870 Resident Opportunity and Supportive Services
92100 Tenant Services - Salaries				
92400 Tenant Services - Other	\$171,899			
92500 Total Tenant Services	\$171,899	\$0	\$0	\$0
93100 Water	\$24,514			
93200 Electricity	\$243,969			
93300 Gas	\$62,791			
93600 Sewer	\$21,804			
93800 Other Utilities Expense	\$741			
93000 Total Utilities	\$353,819	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$675,160			
94200 Ordinary Maintenance and Operations - Materials and Other	\$611,008			
94300 Ordinary Maintenance and Operations Contracts	\$1,474,162			
94500 Employee Benefit Contributions - Ordinary Maintenance	\$225,758			
94000 Total Maintenance	\$2,986,088	\$0	\$0	\$0
95100 Protective Services - Labor	\$61,791			
95200 Protective Services - Other Contract Costs	\$45,402			
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services	\$4,727			
95000 Total Protective Services	\$111,920	\$0	\$0	\$0
96110 Property Insurance	\$164,629			
96120 Liability Insurance	\$99,301			
96130 Workmen's Compensation	\$20,308			
96100 Total insurance Premiums	\$284,238	\$0	\$0	\$0
96200 Other General Expenses				
96210 Compensated Absences	\$67,241			\$696
96300 Payments in Lieu of Taxes	\$378,547			
96400 Bad debt - Tenant Rents	\$144,680			
96000 Total Other General Expenses	\$590,468	\$0	\$0	\$696
96900 Total Operating Expenses	\$6,689,042	\$0	\$0	\$117,232

**Exhibit 3**

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	14.267 Continuum of Care Program	1 Business Activities	COCC	Subtotal	ELIM	Total
				\$800		\$172,699		\$172,699
\$0	\$0	\$0	\$0	\$800	\$0	\$172,699	\$0	\$172,699
				\$650	\$218	\$25,382		\$25,382
				\$8,909	\$3,275	\$256,153		\$256,153
				\$1,594	\$994	\$65,379		\$65,379
				\$270	\$156	\$22,230		\$22,230
						\$741		\$741
\$0	\$0	\$0	\$0	\$11,423	\$4,643	\$369,885	\$0	\$369,885
				\$3,132	\$327,378	\$1,005,670		\$1,005,670
\$3,781				\$2,888	\$47,144	\$664,821		\$664,821
\$12,504				\$6,753	\$5,118	\$1,498,537	-\$523,076	\$975,461
				\$463	\$106,504	\$332,725		\$332,725
\$16,285	\$0	\$0	\$0	\$13,236	\$486,144	\$3,501,753	-\$523,076	\$2,978,677
						\$61,791		\$61,791
						\$45,402		\$45,402
						\$4,727		\$4,727
\$0	\$0	\$0	\$0	\$0	\$0	\$111,920	\$0	\$111,920
\$2,797				\$2,472	\$21,069	\$190,967		\$190,967
\$4,196				\$1,491	\$12,708	\$117,696		\$117,696
\$5,992					\$34,838	\$61,138		\$61,138
\$12,985	\$0	\$0	\$0	\$3,963	\$68,615	\$369,801	\$0	\$369,801
				\$30,000		\$30,000		\$30,000
\$33,305					\$165,434	\$266,676		\$266,676
						\$378,547		\$378,547
						\$144,680		\$144,680
\$33,305	\$0	\$0	\$0	\$30,000	\$165,434	\$819,903	\$0	\$819,903
\$892,426	\$0	\$0	\$4,692	\$118,524	\$2,035,635	\$9,857,551	-\$2,073,963	\$7,783,588

(continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**As of and For the Year Ended June 30, 2015**

Submission Type: Audited/A-133

	Project Total	14.DVP Disaster Voucher Program	14.IKE DHAP- IKE	14.870 Resident Opportunity and Supportive Services
97000 Excess of Operating Revenue over Operating Expenses	\$4,067,208	\$0	\$0	\$0
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized	\$28,800			
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$3,550,432			
97500 Fraud Losses				
90000 Total Expenses	\$10,268,274	\$0	\$0	\$117,232
10010 Operating Transfer In				
10020 Operating transfer Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$487,976	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$41,691,311	\$45,860	\$156,120	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	-\$45,860		
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	18216			
11210 Number of Unit Months Leased	17968			
11270 Excess Cash	\$8,909,624			
11610 Land Purchases	\$0			
11620 Building Purchases	\$2,477,732			
11630 Furniture & Equipment - Dwelling Purchases	\$8,295			
11640 Furniture & Equipment - Administrative Purchases	\$10,238			
11650 Leasehold Improvements Purchases	\$0			

**Exhibit 3**

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	14.267 Continuum of Care Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$7,071,802	\$0	\$0	\$79,749	\$307,810	\$140,555	\$11,667,124	\$0	\$11,667,124
						\$28,800		\$28,800
\$6,849,770			\$79,242			\$6,929,012		\$6,929,012
\$59,924						\$59,924		\$59,924
\$7,365				\$93,067	\$25,973	\$3,676,837		\$3,676,837
\$10,504						\$10,504		\$10,504
\$7,819,989	\$0	\$0	\$83,934	\$211,591	\$2,061,608	\$20,562,628	-\$2,073,963	\$18,488,665
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$144,239	\$0	\$0	\$507	\$214,743	\$114,582	\$962,047	\$0	\$962,047
\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
-\$258,460	\$10,992	\$81,051	\$0	\$8,525,627	\$1,441,964	\$51,694,465		\$51,694,465
\$45,860			-\$507			-\$507		-\$507
-\$222,987						-\$222,987		-\$222,987
\$154,626						\$154,626		\$154,626
18576			261			37053		37053
18404			261			36633		36633
						\$8,909,624		\$8,909,624
					\$0	\$0		\$0
					\$0	\$2,477,732		\$2,477,732
					\$0	\$8,295		\$8,295
					\$6,795	\$17,033		\$17,033
					\$0	\$0		\$0

(concluded)

**Housing Authority of the City of Monroe**

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# STATISTICAL SECTION





**Housing Authority of the City of Monroe  
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This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.		
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.		
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<b>Operating Information</b>		
These schedules contain 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.		
Property Characteristics and Dwelling Unit Composition	7	72
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## HOUSING AUTHORITY OF THE CITY OF MONROE

**Net Position by Component**  
**Fiscal Years Ended June 30, 2006 through June 30, 2015**  
**(Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net investment in capital assets	\$ 29,932,342	\$ 31,382,733	\$ 28,983,087	\$ 30,855,318	\$ 31,420,632	\$ 33,885,659	\$ 36,731,313	\$ 35,644,380	\$ 35,463,463	\$ 34,469,168
Restricted	881,322	924,004	1,025,137	525,379	703,543	607,284	356,954	407,318	18,807	154,626
Unrestricted	5,382,429	5,713,630	8,243,199	10,229,171	12,261,649	14,312,114	13,350,060	15,376,586	16,211,688	18,032,211
Total net position	<u>\$ 36,196,093</u>	<u>\$ 38,020,367</u>	<u>\$ 38,251,423</u>	<u>\$ 41,609,868</u>	<u>\$ 44,385,824</u>	<u>\$ 48,805,057</u>	<u>\$ 50,438,327</u>	<u>\$ 51,428,284</u>	<u>\$ 51,693,958</u>	<u>\$ 52,656,005</u>

## HOUSING AUTHORITY OF THE CITY OF MONROE

**Changes in Net Position**  
**Fiscal Years Ended June 30, 2006 through June 30, 2015**  
**(Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Operating Revenues</b>										
Dwelling rental	\$ 2,841,760	\$ 2,807,100	\$ 3,164,386	\$ 3,211,979	\$ 3,388,086	\$ 3,349,432	\$ 3,395,763	\$ 3,598,384	\$ 3,964,000	\$ 4,100,781
Other	572,762	634,857	802,952	1,302,917	1,119,251	1,228,055	1,458,192	1,635,189	1,565,857	1,468,057
Federal grants	8,927,213	9,425,662	10,750,048	11,666,276	12,374,005	12,685,295	12,281,784	11,902,646	11,823,604	12,907,171
Total operating revenues	<u>12,341,735</u>	<u>12,867,619</u>	<u>14,717,386</u>	<u>16,181,172</u>	<u>16,881,342</u>	<u>17,262,782</u>	<u>17,135,739</u>	<u>17,136,219</u>	<u>17,353,461</u>	<u>18,476,009</u>
<b>Operating Expenses</b>										
Administration	2,379,995	2,382,853	2,635,568	2,542,052	3,530,597	3,248,924	2,919,618	3,048,675	3,138,980	3,197,155
Tenant services	348,551	384,774	215,115	225,417	81,529	66,246	111,297	63,897	117,279	172,699
Utilities	428,884	396,921	433,830	410,348	359,819	393,963	352,448	359,075	409,961	369,884
Ordinary maintenance & operations	1,881,640	2,085,887	2,124,954	2,391,345	2,440,800	2,852,076	3,216,455	3,195,123	3,270,470	3,007,479
Protective services	61,372	80,550	68,711	65,809	73,265	143,627	164,820	166,129	158,283	111,922
General expenses	666,568	667,092	896,368	1,410,402	1,292,643	1,306,456	1,259,721	1,129,036	1,307,706	1,200,209
Housing assistance payments	6,180,218	6,039,930	6,020,167	6,249,980	6,527,216	6,633,258	7,079,337	7,015,090	6,749,646	6,988,936
Nonroutine maintenance	14,592	42,608	29,342	45,717	0	0	0	0	0	0
Depreciation	2,692,332	2,723,296	2,843,882	3,119,499	3,182,945	3,393,658	3,590,084	3,667,184	3,721,468	3,676,837
Total operating expenses	<u>14,654,152</u>	<u>14,803,911</u>	<u>15,267,937</u>	<u>16,460,569</u>	<u>17,488,814</u>	<u>18,038,208</u>	<u>18,693,780</u>	<u>18,644,209</u>	<u>18,873,793</u>	<u>18,725,121</u>
<b>Income (Loss) from Operations</b>	<u>(2,312,417)</u>	<u>(1,936,292)</u>	<u>(550,551)</u>	<u>(279,397)</u>	<u>(607,472)</u>	<u>(775,426)</u>	<u>(1,558,041)</u>	<u>(1,507,990)</u>	<u>(1,520,332)</u>	<u>(249,112)</u>
<b>Nonoperating Revenues (Expenses)</b>										
Investment earnings and gains/losses	236,936	338,999	451,495	260,072	115,285	77,766	50,493	52,697	43,311	28,936
Gain (loss) disposal of capital assets	0	(1,003)	(15,979)	(5,767)	11,515	0	8,965	0	10,590	(230,021)
Total nonoperating revenues (expenses)	<u>236,936</u>	<u>337,996</u>	<u>435,516</u>	<u>254,305</u>	<u>126,800</u>	<u>77,766</u>	<u>59,458</u>	<u>52,697</u>	<u>53,901</u>	<u>(201,085)</u>
<b>Net Income (Loss) before Contributions and Transfers</b>	<u>(2,075,481)</u>	<u>(1,598,296)</u>	<u>(115,035)</u>	<u>(25,092)</u>	<u>(480,672)</u>	<u>(697,660)</u>	<u>(1,498,583)</u>	<u>(1,455,293)</u>	<u>(1,466,431)</u>	<u>(450,197)</u>
Capital Contributions	2,164,117	3,922,570	346,091	3,383,537	3,315,383	5,116,893	3,234,170	2,445,250	1,732,105	1,412,244
Special items	0	(500,000)	0	0	0	0	0	0	0	0
<b>Change in Net Position</b>	<u>\$ 88,636</u>	<u>\$ 1,824,274</u>	<u>\$ 231,056</u>	<u>\$ 3,358,445</u>	<u>\$ 2,834,711</u>	<u>\$ 4,419,233</u>	<u>\$ 1,735,587</u>	<u>\$ 989,957</u>	<u>\$ 265,674</u>	<u>\$ 962,047</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

Table 3

General Fund Revenues by Source  
Fiscal Years Ended June 30, 2006 Through 2015

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
2006	\$ 2,841,760	57.27%	\$ 1,676,316	33.78%	\$ 140,648	2.83%	\$ 303,254	6.11%	\$ 4,961,978	100%
2007	2,807,100	49.54%	2,267,397	40.02%	218,595	3.86%	372,783	6.58%	5,665,875	100%
2008	3,164,386	41.37%	3,754,375	49.09%	182,351	2.38%	546,972	7.15%	7,648,084	100%
2009	3,211,979	35.38%	4,809,740	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%	805,128	8.61%	9,348,241	100%
2012	3,395,763	37.48%	4,613,406	50.92%	43,388	0.48%	1,007,068	11.12%	9,059,625	100%
2013	3,598,384	41.17%	4,143,185	47.41%	32,887	0.38%	965,163	11.04%	8,739,619	100%
2014	3,964,000	40.38%	4,820,440	49.10%	22,070	0.22%	1,010,272	10.29%	9,816,782	100%
2015	4,100,781	40.92%	4,986,066	49.75%	7,714	0.08%	928,058	9.26%	10,022,639	100%

(1) The other amount column includes maintenance charges, late charges, other miscellaneous revenue and gain on sale of capital assets.

(2) The federal sources do not include capital contributions.

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

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:  
Occupancy Ratios by Program  
Fiscal Years Ended June 30, 2006 Through 2015

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
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	1,454	95.53%	1,545	1,497	96.89%	3,067	2,951	96.22%
2012	1,522	1,455	95.62%	1,546	1,530	98.95%	3,068	2,985	97.30%
2013	1,522	1,486	97.63%	1,547	1,514	97.87%	3,069	3,000	97.75%
2014	1,518	1,502	98.95%	1,548	1,487	96.06%	3,066	2,989	97.49%
2015	1,518	1,497	98.62%	1,548	1,534	99.10%	3,066	3,031	98.86%

**Table 5**

**HOUSING AUTHORITY OF THE CITY OF MORNOE  
Monroe, Louisiana**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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
2012	49,183	5,999,437	122	8.1
2013	49,156	6,012,791	122	7.5
2014	49,761	6,308,115	127	6.8
2015	49,601	6,480,620	131	6.6

- (1) Population data obtained from U. S. Census Bureau.
- (2) Personal Income data obtained from [www.bea.gov](http://www.bea.gov).
- (3) Unemployment rate obtained from U. S. Bureau of Labor Statistics.

Table 6

**HOUSING AUTHORITY OF THE CITY OF MONROE  
Monroe, Louisiana**

**Principal Employers**

	2015			2009		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
Century Link (formerly known as CenturyTel)	1	2,500	3.11%	4	1,470	1.81%
Quachita Parish School Board	2	2,242	2.79%			
Ouachita Parish	3	1,954	2.43%			
JP Morgan Chase Bank	4	1,900	2.36%	1	1,800	2.22%
St. Francis Medical Center	5	1,590	1.98%	2	1,600	1.97%
Monroe City School District	6	1,171	1.46%			
Louisiana Depart. Of Health & Hospitals	7	1,157	1.44%			
Glenwood Regional Medical Center	8	1,100	1.37%	6	950	1.17%
Graphic Packaging	9	800	0.99%	3	1,500	1.85%
Walmart	10	912	1.13%			
Foster Farms				5	1,100	1.36%
Entergy				8	470	0.58%
Bancroft Bag				9	450	0.55%
Berry Plastics Corporation (formerly Tyco)				10	420	0.52%
International Paper				7	600	0.74%

Source: North Louisiana Economic Partnership, The News-Star

Notes:

(1) Principal employers information was only available since 2009.

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition  
June 30, 2015

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition						
				Zero	One	Two	Three	Four	Five	Total
LA006-001	Lock - Breece	306 Winnsboro Road	31-Oct-51		26	66	43	15		150
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52		38	87	66	29	3	223
LA006-005	Foster Heights	Swayze and Louberta Sts.	30-Sep-54		8	89	77	6	2	182
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73		10	80	122	71	18	301
LA006-009	Robinson Place	1207 Milliken Drive	30-Sep-73			28	78	68	37	211
LA006-010	Miller Square	4200 Matthew Street	30-Apr-73				74	111	7	192
LA006-011	Frances Tower	300 Harrison Street	31-Aug-78		129					129
LA006-013	McKeen Plaza I	1500 McKeen Place	31-Jan-80		100					100
LA006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84						30	30
<b>Total Units</b>					311	350	460	300	97	1,518
<b>Managed Units</b>										
064-EH150	Ouachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	15-Jun-89		21	70				91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	1-Nov-96		40	1				41
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	1-Nov-98		39					39
Tax Credit Dev	Passman Plaza III, Inc.	235 Lake Passman Dr.	1-Mar-08			60				60
Tax Credit Dev	Claiborne Creek Apartments, LP	200 Claiborne Dr., West Monroe	1-Oct-97		72					72
Tax Credit Dev	Claiborne Creek II, LP	200 Claiborne Dr., West Monroe	1-Oct-99		50	10				60
Tax Credit Dev	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	1-Nov-01		24	50				74
Tax Credit Dev	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	1-Apr-04		65					65
064-EE100	South Pointe I (Mgr. Apt.)	100 South Pointe Drive, Monroe	1-May-02		36	1				37
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	1-Jun-04		44					44
N/A	South Pointe III	100 South Pointe Drive, Monroe	1-Mar-10		36					36
N/A	South Pointe IV	100 South Pointe Drive, Monroe	1-Jun-10			4				4
N/A	Alabama Place	3202 Alabama, Monroe	1-Dec-12			16				16
N/A	Franciscan Apts.	109 South 4th Street, Monroe	7-Dec-14		8					8
<b>Total Managed Units</b>				0	435	212	0	0	0	647

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 2014 and 2005**

	2014			2005		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	37	12	49	34	4	38
Capital Fund	0	0	0	4	1	5
Maintenance	25	11	36	30	6	36
Security Attendants	0	11	11	0	16	16
Trash Pick-Up	0	1	1	0	3	3
Students	0	8	8	0	6	6
	62	43	105	68	36	104

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

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

**Single Audit Report  
For the Year Ended June 30, 2015**



**Housing Authority of the City of Monroe**  
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**Housing Authority of the City of Monroe**

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# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Audit Manager: Margie Williamson, CPA  
Matt Carmichael, CPA  
Diane Ferschoff, CPA

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

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

### **Independent Auditor's Report**

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

We have audited, in accordance with the 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, the financial statements of each major fund of Housing Authority of the City of Monroe as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 30, 2015.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from 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*.

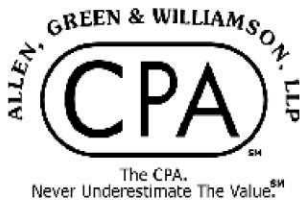
## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 30, 2015



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
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Diane Ferschoff, CPAE

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

## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

### **Independent Auditor's Report**

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

#### **Report on Compliance for Each Major Federal Program**

We have audited Housing Authority of the City of Monroe's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal program for the year ended June 30, 2015. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, 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 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority's response to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 over compliance 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

The Housing Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of each major fund of the Housing Authority, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements. We have issued our report thereon dated December 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 30, 2015

**Housing Authority of the City of Monroe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

FEDERAL GRANTOR/ <u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
<b>CASH FEDERAL AWARDS</b>			
United States Department of Housing and Urban Development			
Direct Programs			
Low Rent Public Housing	14.850	LA 006 (OFND)-A-133	\$ 2,316,476
Low Rent Public Housing	14.850	LA006 (OFND)-Uniform Grant Guidance	
			<u>2,305,100</u>
Low Rent Public Housing Total			\$ 4,621,576
Section 8 Housing Choice Voucher Program	14.871	LA006VO, LA006AF, LA006I2, LA006-IE	7,836,644
Resident Opportunity and Supportive Services	14.870	LA006RPS103A012	117,232
Continuum of Care	14.267	LA0158L6H051204 (SNAP)	84,441
Public Housing Capital Fund Program	14.872	LA48P006501-13, LA48P006501-14	<u>1,659,522</u>
Total Cash Federal Awards			<u><u>\$ 14,319,415</u></u>

**Housing Authority of the City of Monroe**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

**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	\$ 12,907,171
Capital contributions	1,412,244
Total	<u>\$ 14,319,415</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, 2015**

**PART I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unmodified.
- 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 as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were two significant deficiencies required to be disclosed by OMB Circular A-133. These significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed two audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA# 14.850            Low Rent Public Housing
  - CFDA# 14.870            Resident Opportunity and Supportive Services
- 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 \$429,582.
- 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, 2015**

**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:            2015-001            Test of the Waiting List and New Move-ins**

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2015

**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 the Housing Authority’s software was not ranking applicants on the waiting list per the Housing Authority’s admission policy for those applicants that were reflecting a preference.

**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 tests and provisions relating to the waiting list and tenant admissions.

**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.

**View of Responsible Official:** The software that we have did not keep the settings that would have assured the sort process to be correct. The software vendor has been unable to determine the reason for this and considers this to be a problem within the program on our system. We are currently trying to secure proposals for new software that will alleviate this problem. In the meantime, the tenant placement coordinator checks the settings before each draw to ensure that the correct settings are in place. We believe that the applicants that are now on our waiting list are ranked appropriately according to our admission policy.

**Housing Authority of the City of Monroe  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2015**

**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:            2015-002            Test of the Eligibility**

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Resident Opportunity and Supportive Services	14.870	2012

**Criteria or specific requirement:** Based on the application of the grant and the Resident Opportunity and Supportive Services (ROSS) Notice of Funding Availability (NOFA), all residents assisted by ROSS must be residents of conventional public housing.

**Condition found:** During the testing of the ROSS program, it was noted some individuals, that are not residents of conventional public housing, are being provided assisted under this program.

**Possible asserted effect (cause effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** The Housing Authority did not meet all federal requirements regarding eligibility

**Recommendations to prevent future occurrences:** The Housing Authority should establish quality control procedures to ensure that all individuals being assisted using ROSS funding are residents of conventional public housing.

**View of Responsible Official:** The Housing Authority recognizes the value of the Resident Opportunity and Supportive Services Grant to its residents. It has been determined that monetary assistance to people other than residents were less than \$500.00. In the future, participants must have a signed voucher from their manager attesting to their status as a resident of the Housing Authority. This voucher will accompany any requests for testing fees and other services provided by the Resident Opportunity and Supportive Services Grant.

**Housing Authority of the City of Monroe**

**OTHER INFORMATION**



**Housing Authority of the City of Monroe  
Summary Status Of Prior Year Audit Findings and Questioned Costs  
For the Year Ended June 30, 2015**

**Reference # and title:**        **2014-001**        **Late Submission of Audit Report of Legislative Auditor**

**Origination Date:** This finding originated fiscal year ended June 30, 2014.

**Entity-wide or program/department specific:** This finding is entity wide.

**Condition:** The audit report should be filed timely to the Louisiana Legislative Auditors (LLA) within six months after year end, according to the Louisiana R.S. 24:513A (5) (a) (i).

Due to the Housing Authority attempting to receive additional guidance from HUD, the Housing Authority did not submit the audited financials to the LLA by the required timeline of December 31, 2014

**Corrective action taken:** The Housing Authority obtained all necessary information to complete the 2015 audit in a timely manner. This finding is considered cleared.

**Reference # and title:**        **2014-002**        **Public Housing Disbursements**

**Origination Date:** This finding originated fiscal year ended June 30, 2014.

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Low Rent Public Housing	14.850	2014

**Condition:** In accordance with 24 CFR part 990 the Housing Authority must establish a COCC to account for non-project specific costs and charge each project for indirect costs based on a fee-for-service approach. 24 CFR part 990.282(c) gives guidelines for reasonableness of allocations of indirect costs.

PIH notice 2012-2 of January 20, 2012 allowed the use of the portion operating reserves above the HUD recommended minimum operating reserve levels for capital improvements, excluding large modernization projects. PIH notice 2012-2 further stated that all operating reserves used for capital improvements had to be obligated by September 30, 2012. However, HUD extended the obligation deadline in PIH notice 2012-43 to March 31, 2013. Otherwise, the Housing Authority would be required to use the Operating Fund Financing Program (OFFP) for such expenditures.

In testing eighteen payroll disbursements, it was noted that two employees are being allocated to various programs. However based on the activities of these employees and per HUD’s handbook 7475.1Rev in the Chapter 7 these employees should be charged to COCC rather than to the Public Housing program due to the Housing Authority utilizing a central maintenance system. These employees report directly to the central maintenance staff and not to the AMPs.

**Housing Authority of the City of Monroe  
Summary Status Of Prior Year Audit Findings and Questioned Costs  
For the Year Ended June 30, 2015**

In testing sixteen vendor disbursements, the following exceptions were noted:

- One disbursement did not have adequate documentation for the allocation method to be charged to the program.
- Five disbursements related to construction work performed using Public Housing operating reserves. Although the Housing Authority believed they received proper approval for these modernization projects, these contracts were not obligated until September 2013.

In light of the situation, the Housing Authority is working with HUD on this matter.

**Corrective action taken:** The Housing Authority submitted appropriate application information to HUD and still waiting on a response. Additionally, the Housing Authority will continue to monitor the allocation of employees and costs to ensure proper allocation. This finding is considered cleared.

**Reference # and title:**            **2014-003**            **Test of the Waiting List and New Move-ins**

**Origination Date:** This finding originated fiscal year ended June 30, 2014.

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2014

**Condition:** 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. Additionally, in accordance with PIH Notice 2010-19, the Housing Authority is required to run an income verification using the EIV system within 120 days from the PIC submission date to ensure all income was properly reported.

While performing tests over the waiting list, it was noted that the Housing Authority’s software was not ranking applicants on the waiting list per the Housing Authority’s admission policy for those applicants that were reflecting a preference. Additionally, it was noted that the Housing Authority is not performing the EIV system verification within the required 120 days deadline for those individuals that have moved onto the program.

**Corrective action planned:** See current year finding 2015-001.

**Housing Authority of the City of Monroe  
 Corrective Action Plan for the Current Year Findings and Questioned Costs  
 For the Year Ended June 30, 2015**

**Reference # and title:        2015-001        Test of the Waiting List and New Move-ins**

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2015

**Condition:** 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.

While performing tests over the waiting list, it was noted that the Housing Authority’s software was not ranking applicants on the waiting list per the Housing Authority’s admission policy for those applicants that were reflecting a preference.

**Corrective action planned:** New software will be implemented before the next fiscal year. In the meantime, the tenant placement coordinator checks the settings before each draw to verify that the settings are in accordance with the Monroe Housing Authority admissions policy.

**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:** manually verifying settings are currently being done. Requests for Proposals of new software will be complete in January, 2016 with a go-live date to be determined.

**Reference # and title:        2015-002        Test of the Eligibility**

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Resident Opportunity and Supportive Services	14.870	2012

**Condition:** Based on the application of the grant and the Resident Opportunity and Supportive Services (ROSS) Notice of Funding Availability (NOFA), all residents assisted by ROSS must be residents of conventional public housing.

During the testing of the ROSS program, it was noted some individuals, that are not residents of conventional public housing are being provided assisted under this program.

**Housing Authority of the City of Monroe**  
**Corrective Action Plan for the Current Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2015**

**Corrective action planned:** Housing Managers will be giving grant participants vouchers attesting to their status as Housing Authority residents. Unless a participant has one of those vouchers, the participant will not be allowed to receive services under the Resident Opportunity and Supportive Services Grant.

**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:** The current grant has ended. This will be applied to any future grants awarded the Monroe Housing Authority.

**Housing Authority of the City of Monroe  
Status of Prior Year Management Letter Item  
For Year Ended June 30, 2015**

**2014-M001**                      **Accounting Functions**

**Comment:** During the fiscal year ended June 30, 2014, the following item was noted relating to accounting functions:

- When reviewing the unrestricted equity for the Section 8 Housing Choice Voucher program, it was noted that the program has a negative unrestricted equity balance. Therefore, the program's administrative expenses have exceeded the amount received in administrative revenue. It is noted that part of the deficit spending is attributable to budget cuts made at the federal level in the prorated administrative fees received from the U.S. Department of Housing and Urban Development.
- In reviewing the FDS (Financial Data Schedule) to the general ledger, we noted that several adjustments were required to the trial balance to agree to the client's FDS. These adjustments related to splitting of receivables and payables between short term and long term and port-in expense

**Recommendation:** The Housing Authority should review outstanding checks to determine if the check is still owed to the payee, in which any checks that are owed should be submitted to Louisiana Unclaimed Properties in accordance with state statutes. The Housing Authority should perform reviews to ensure leave time taken is entered under the correct classification. In addition, the Housing Authority should ensure that the accounting records are properly reflected on the FDS. Any adjustments made to the FDS should be recorded in the general ledger of the Housing Authority. The Housing Authority should evaluate the expenses of the Section 8 Housing Choice Voucher program and make necessary reductions in order to resulting from reductions in administrative revenues. The reductions in expenses should be set at a level to negate deficit spending.

**Management Response:** The Housing Authority is the Section 8 Housing Choice Voucher program unrestricted net position. We are reviewing this on a regular basis. The Housing Authority also posted the necessary year-end entries. These items are considered cleared.