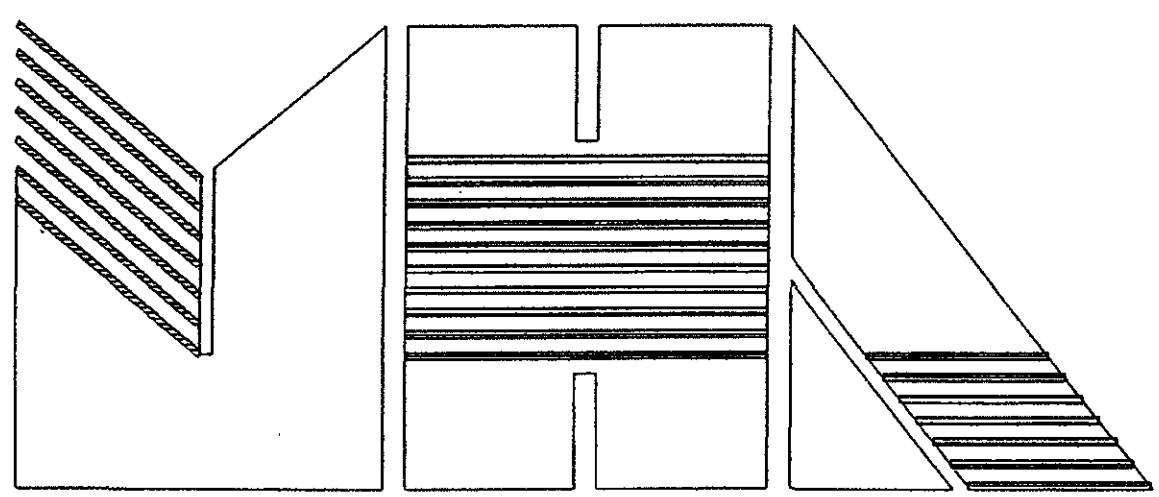


Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

For the Year ended June 30, 2005

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

Release Date 1-11-2006

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

Comprehensive Annual Financial Report

For the Year Ended June 30, 2005

**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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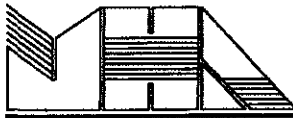
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Housing Authority of the City of Monroe



INTRODUCTORY SECTION





September 15, 2005

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 2005, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

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

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

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

- (3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Housing Authority for the past ten years.

The Housing Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

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

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

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

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

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

D. Major Initiatives The Housing Authority received a 92% PHAS from the Department of Housing and Urban Development. Ninety percent and above qualifies as a "High Performer" by HUD standards. This rating is a result of a lot of hard work by the staff, and management's decision to set the PHAS score as a priority.



Homeownership Program administered by Homeownership placed nine families in newly constructed homes. Homeownership, in cooperation with the City of Monroe's Community Development Department, has assisted 218 homeowners with home purchases totaling over \$8,095,658.



The **Capital Fund Program** provided funds for nearly \$3,000,000 for completing renovations in our Foster Heights development and also totally renovating the George Breece development.



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 Housing Authority now manages a total of 5 Section 202 properties consisting of a total of 250 units of elderly housing. The Housing Authority also manages 4 tax credit properties with a total of 271 units also for elderly housing .



In cooperation with the Ouachita Council on Aging, Operation Independence provides housekeeping services, weekend meals and transportation to Frances Towers and McKeen Plaza. Funding is provided through the ROSS grant. Funding is also provided from the City of Monroe through a Community Block Grant to provide these needed services to our frail and elderly residents at Ouachita Grand Plaza

The Housing Authority is continuing to administer a Neighborhood Networks grant providing computer training and related services to our residents at the community room at Miller Square.

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

We believe the Housing Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2004, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

F. 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.

G. Cash Management All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was \$136,189.

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

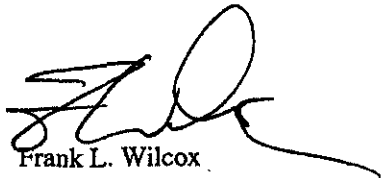
H. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules was performed in accordance 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.

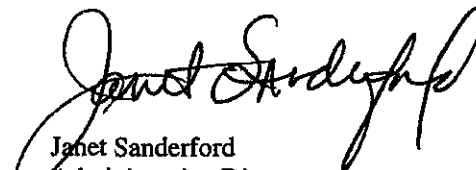
The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005, 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

Housing Authority of the City of Monroe



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, 2004

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



Nancy L. Zelle

President

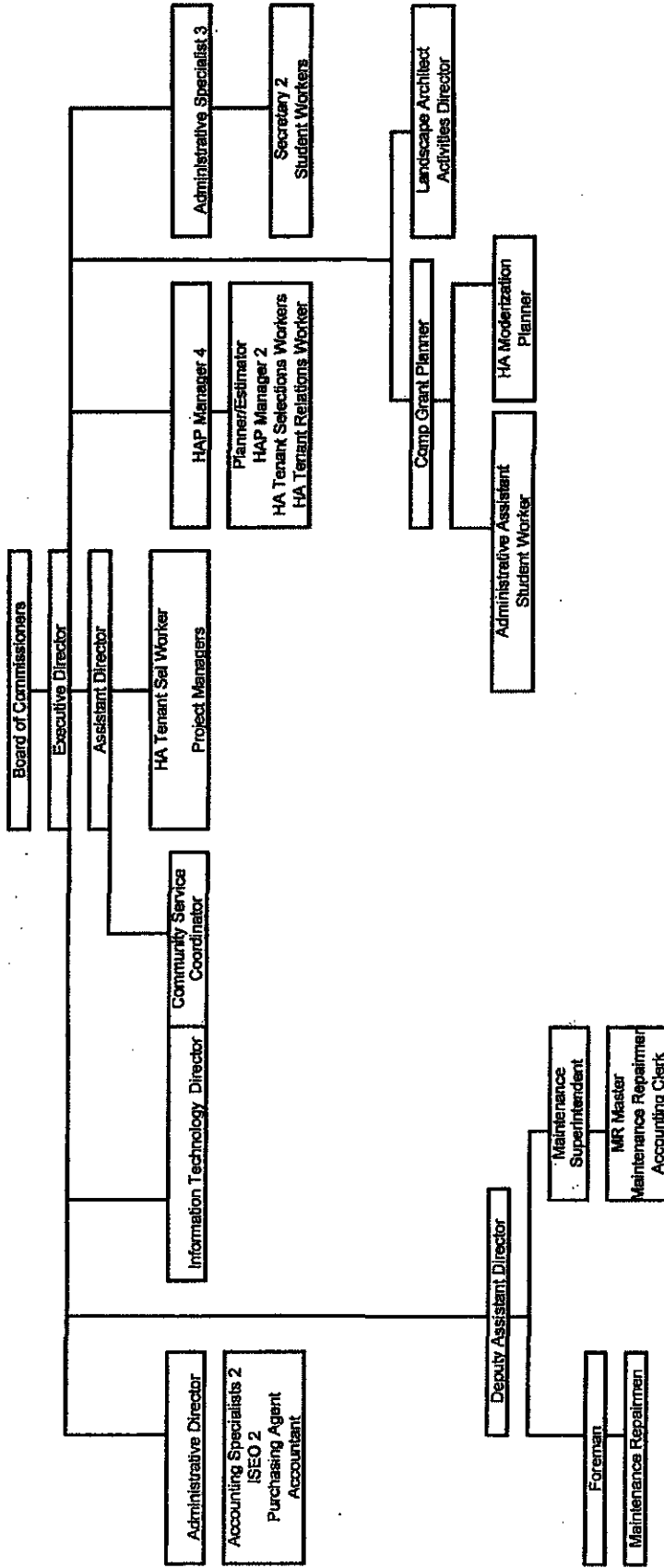
Jeffrey R. Enos

Executive Director

HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



Housing Authority of the City of Monroe

**Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Willie Haynes, Jr.

Assistant Director

Janet Sanderford

Administrative Director

Marieanne Hereford

Comp Grant Planner

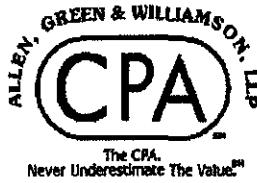
Vickie C. Hunter

Section 8 Director

Bobby Simmons

Deputy Assistant Director/
Maintenance Superintendent

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street

Monroe, LA 71201

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Tim Green, CPA

Margie Williamson, CPA

Diane Ferschoff, CPA

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

INDEPENDENT AUDITORS' REPORT

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the accompanying financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2005, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority as of June 30, 2005, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated September 1, 2005, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on page 5 through 8 is not a required part of the basic financial statements but is required supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information, and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 1, 2005

Housing Authority of the City of Monroe

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

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A) June 30, 2005

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, 2005. 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 i-v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$36,107,457 (*net assets*). Of this amount, \$4,890,489 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets decreased by \$944,917. This mainly due to the Public Housing Program increase in depreciation of approximately \$355,000 and a decrease in federal programs (TANF and Drug Elimination) of approximately \$550,000.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$2,774,760, or 38 percent 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, other enterprise funds and its component unit.

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

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

Housing Authority of the City of Monroe

**Management's Discussion and Analysis (MD&A)
June 30, 2005**

Reporting the Housing Authority's Most Significant Funds

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

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

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$36.107 million at June 30, 2005. Of this amount, \$4.890 million was unrestricted. Restricted net assets of \$.855 million are reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations and enabling legislation that limits the Housing Authority's ability to use those net assets for day-to-day operations.

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, drug elimination, capital fund and economic development programs. The Section 8 voucher program is accounted for in the tenant-based Section 8 fund. The Section 8 new construction and management fees earned on properties managed by the Housing Authority are accounted for in separate funds. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

**Table 1
Net Assets
(in thousands)
June 30**

	<u>2005</u>	<u>2004</u>
Current assets	\$ 7,583	\$ 7,965
Capital assets, net	<u>30,362</u>	<u>31,253</u>
Total assets	<u>37,945</u>	<u>39,218</u>
Current liabilities	1,287	1,570
Long-term liabilities	<u>551</u>	<u>596</u>
Total liabilities	<u>1,838</u>	<u>2,166</u>
Net assets		
Invested in capital assets, net of related debt	30,362	31,253
Restricted	855	
Unrestricted	<u>4,890</u>	<u>5,799</u>
Total net assets	<u>\$36.107</u>	<u>\$37.052</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2005

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

	<u>2005</u>	<u>2004</u>
Beginning net assets	<u>\$37,052</u>	<u>\$35,612</u>
Revenues:		
Operating revenues		
Rental and other	<u>3,503</u>	<u>3,153</u>
Total operating revenues	<u>3,503</u>	<u>3,153</u>
Expenses:		
Operating expenses		
Administration	2,102	2,284
Tenant services	265	316
Utilities	375	367
Ordinary maintenance and operations	1,839	1,846
Protective services	57	160
General expenses	731	649
Housing assistance payments	6,081	6,176
Nonroutine maintenance	4	0
Depreciation	<u>2,555</u>	<u>2,200</u>
Total expenses	<u>14,009</u>	<u>13,998</u>
Non-operating revenues		
Interest earnings	18	128
Federal grants	8,141	8,699
Insurance proceeds	0	20
Capital contributions	<u>1,402</u>	<u>3,438</u>
Total non-operating revenues	<u>9,561</u>	<u>12,285</u>
Increase (decrease) in net assets	<u>(945)</u>	<u>1,440</u>
Ending net assets	<u>\$36,107</u>	<u>\$37,052</u>

Housing Authority of the City of Monroe

**Management's Discussion and Analysis (MD&A)
June 30, 2005**

Total revenues decreased \$2,374 due mainly to:

- decrease in capital contributions of \$2,036 due to decrease in spending in the capital fund program.
- increase in rental income of \$300 due to increase in unit months leased.
- decrease in federal grants of \$558 due mainly to an decrease in operating subsidy for public housing of \$69, a decrease in temporary assistance to needy families funding of \$192, a decrease in drug elimination funds of \$143, decrease in capital fund operating grant of \$50, and a decrease in Section 8 funding of \$114.

Total operating expenses remained fairly consistent to the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the Housing Authority had \$30,362 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 \$891,090 or three percent, from last year.

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

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Land	\$ 2,007	\$ 2,007
Construction in progress	2,635	3,717
Site improvements	8,313	9,021
Buildings	16,849	15,979
Furniture and equipment	<u>558</u>	<u>529</u>
Totals	<u>\$30,362</u>	<u>\$31,253</u>

This year's additions of \$4,321 are mainly the result of the renovation work at Foster Heights and for the Community Pavilions in Robinson Place and Miller Square paid for by the federal and capital fund program. No debt was issued for these additions.

Major capital projects are planned for the 2005-2006 fiscal year at Foster Heights, George Breece, and Johnson-Carver Terrace. We anticipate capital additions will be comparable to the 2004-2005 fiscal year. We present more detailed information about our capital assets in the note to the financial statements.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2005

Debt

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in the notes 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 budgets for 2005-2006 have already been approved by HUD and no major changes are expected.

The capital fund and drug elimination 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 STATEMENT

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2005**

Statement A

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,189,863	\$ 278,853	\$ 1,368,463	\$ 2,837,179	\$ 339,271
Investments	2,057,922	234,999	1,485,466	3,778,387	0
Accounts receivable, net	287,468	26,600	400	314,468	4,353
Interfund receivable	5	0	0	5	0
Prepaid items and other assets	233,016	14,018	0	247,034	0
Inventory	128,000	0	0	128,000	174,600
Restricted assets - investments	<u>122,717</u>	<u>155,402</u>	<u>0</u>	<u>278,119</u>	<u>0</u>
Total Current Assets	<u>4,018,991</u>	<u>709,872</u>	<u>2,854,329</u>	<u>7,583,192</u>	<u>518,224</u>
Capital Assets, net					
Land and construction in progress	4,642,331	0	0	4,642,331	0
Buildings, and equipment (net)	<u>25,597,595</u>	<u>26,932</u>	<u>95,179</u>	<u>25,719,706</u>	<u>0</u>
Total Capital Assets, net	<u>30,239,926</u>	<u>26,932</u>	<u>95,179</u>	<u>30,362,037</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 34,258,917</u>	<u>\$ 736,804</u>	<u>\$ 2,949,508</u>	<u>\$ 37,945,229</u>	<u>\$ 518,224</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2005**

Statement A

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 163,235	\$ 244,506	\$ 38,699	\$ 446,440	106
Interfund payable	0	0	5	5	0
Accrued liabilities	244,206	0	0	244,206	0
Deposits due others	122,717	155,386	0	278,103	0
Deferred revenues	2,992	0	935	3,927	83
Current portion of long term debt	<u>242,801</u>	<u>71,165</u>	<u>0</u>	<u>313,766</u>	<u>0</u>
Total Current Liabilities	775,751	471,057	39,639	1,286,447	189
Noncurrent Liabilities					
Compensated absences payable	<u>468,480</u>	<u>82,845</u>	<u>0</u>	<u>551,325</u>	<u>0</u>
Total Liabilities	<u>1,244,231</u>	<u>553,902</u>	<u>39,639</u>	<u>1,837,772</u>	<u>189</u>
NET ASSETS					
Invested in capital assets	30,239,926	26,932	95,179	30,362,037	0
Restricted	0	0	854,931	854,931	0
Unrestricted	<u>2,774,760</u>	<u>155,970</u>	<u>1,959,759</u>	<u>4,890,489</u>	<u>518,035</u>
NET ASSETS	<u>33,014,686</u>	<u>182,902</u>	<u>2,909,869</u>	<u>36,107,457</u>	<u>518,035</u>
TOTAL LIABILITIES AND NET ASSETS					
	\$ <u>34,258,917</u>	\$ <u>736,804</u>	\$ <u>2,949,508</u>	\$ <u>37,945,229</u>	\$ <u>518,224</u>

(CONCLUDED)

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

Housing Authority of the City of Monroe



HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2005**

Statement B

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
OPERATING REVENUES					
Dwelling rental	\$ 2,823,398	\$ 0	\$ 0	\$ 2,823,398	\$ 0
Other	439,042	2,923	237,314	679,279	383,865
Total operating revenues	3,262,440	2,923	237,314	3,502,677	383,865
OPERATING EXPENSES					
Administration	1,446,753	624,652	30,168	2,101,573	9,214
Tenant services	250,260	0	14,889	265,149	0
Utilities	374,904	0	0	374,904	0
Ordinary maintenance & operations	1,832,687	6,332	0	1,839,019	0
Protective services	56,889	0	0	56,889	0
General expenses	715,441	15,487	0	730,908	0
Housing assistance payments	0	5,701,045	380,411	6,081,456	0
Homeownership	0	0	0	0	537,173
Nonroutine maintenance	3,471	0	0	3,471	0
Depreciation	2,548,481	5,550	1,205	2,555,236	0
Total operating expenses	7,228,886	6,353,046	426,673	14,008,605	546,387
Income (loss) from Operations	(3,966,446)	(6,350,123)	(189,359)	(10,505,928)	(162,522)
Nonoperating revenues (expenses)					
Investment earnings and gains/losses	47,935	(18,175)	(11,894)	17,866	0
Federal grants	1,377,018	6,365,841	398,691	8,141,550	156,622
Total nonoperating revenues (expenses)	1,424,953	6,347,666	386,797	8,159,416	156,622
NET INCOME (Loss) before Contributions and Transfers	(2,541,493)	(2,457)	197,438	(2,346,512)	(5,900)
Capital contributions	1,401,595	0	0	1,401,595	0
Transfers	0	(361,080)	361,080	0	0
Change in net assets	(1,139,898)	(363,537)	558,518	(944,917)	(5,900)
NET ASSETS AT BEGINNING OF YEAR	34,154,584	546,439	2,351,351	37,052,374	523,935
NET ASSETS AT END OF YEAR	\$ 33,014,686	\$ 182,902	\$ 2,909,869	\$ 36,107,457	\$ 518,035

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

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2005**

Statement C

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
CASH FLOWS FROM OPERATING ACTIVITIES					
Rental receipts	\$ 2,818,405	\$ 0	\$ 0	\$ 2,818,405	\$ 0
Other receipts (expenses)	570,679	359,583	236,914	1,167,176	433,503
Payments to vendors	(3,666,393)	(337,398)	(53,040)	(4,056,831)	(723,258)
Payments to employees	(1,474,957)	(328,938)	(13,239)	(1,817,134)	0
Payments to private landlords	0	(5,851,409)	(380,411)	(6,231,820)	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,752,266)	(6,158,162)	(209,776)	(8,120,204)	(289,755)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal grants	1,384,625	6,699,275	439,703	8,523,603	156,622
Transfer from other funds	0	0	361,080	361,080	0
Transfer to funds	0	(361,080)	0	(361,080)	0
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,384,625	6,338,195	800,783	8,523,603	156,622
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase capital assets	(1,625,648)	(18,103)	(96,384)	(1,740,135)	0
Contributed capital	2,486,496	0	0	2,486,496	0
Proceeds from sale of asset	72,831	0	0	72,831	0
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 933,679	\$ (18,103)	\$ (96,384)	\$ 819,192	\$ 0

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2005**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities					
of investments	\$ 1,318,703	\$ 284,260	\$ 600,960	\$ 2,203,923	\$ 0
Investment earnings and gains/losses	135,599	14,183	76,823	226,605	0
Purchase investments	<u>(1,104,761)</u>	<u>(235,743)</u>	<u>(1,022,739)</u>	<u>(2,363,243)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>349,541</u>	<u>62,700</u>	<u>(344,956)</u>	<u>67,285</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	915,579	224,630	149,667	1,289,876	(133,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>274,284</u>	<u>54,223</u>	<u>1,218,796</u>	<u>1,547,303</u>	<u>472,404</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,189,863</u>	<u>278,853</u>	<u>1,368,463</u>	<u>2,837,179</u>	<u>339,271</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(3,966,446)	(6,350,123)	(189,359)	(10,505,928)	(182,522)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	2,548,481	5,550	1,205	2,555,236	0
Change in assets and liabilities:					
Notes receivable	0	361,080	0	361,080	0
Receivables, net	28,295	0	(400)	27,895	49,638
Due from other funds	98,349	0	0	98,349	0
Inventories	(10,929)	0	0	(10,929)	(174,600)
Prepaid items	10,598	(3,289)	0	7,309	0
Accounts payables	(415,084)	(127,224)	(24)	(542,332)	(2,271)
Accrued expenses	(2,842)	(4,424)	0	(7,266)	0
Deferred revenue	(4,568)	0	0	(4,568)	0
Due to other funds	0	(77,151)	(21,198)	(98,349)	0
Compensated absences	<u>(38,120)</u>	<u>37,419</u>	<u>0</u>	<u>(701)</u>	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (1,752,266)</u>	<u>\$ (6,158,162)</u>	<u>\$ (209,776)</u>	<u>\$ (8,120,204)</u>	<u>\$ (289,755)</u>

(CONCLUDED)

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

**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements**

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**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements**

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 safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Monroe, serve a staggered term of four years.

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1,389
Contract Administrator		
Section 8 New Construction	FW 2170	99
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe, LLP		74
South Pointe, LLP		36

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

The Housing Authority is a related organization of the City of Monroe since the City of Monroe appoints a voting majority of the Housing Authority's governing board. The City of Monroe is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Monroe. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Monroe.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

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

Housing Authority of the City of Monroe Notes to the Basic Financial Statements

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 Affordable Homeownership Community Housing Development Organization, Inc., (Homeownership) is a legally separate entity. The City of Monroe appointed the initial members. The Housing Authority can, to a limited degree, impose its will on Homeownership, and the Housing Authority provides office space, and some furnishings to Homeownership. Homeownership is fiscally dependent on the Housing Authority. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The separate financial statements of Homeownership can be obtained from the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone (318)388-1500.

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

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the drug elimination program, the capital fund program and the economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The other enterprise fund accounts for the activity of the Section 8 - New Construction Program for which the Housing Authority is the contract administrator, the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent, and 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 and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' 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.

**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements**

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

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

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of five percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

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

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

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

L. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements**

M. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

All other interfund transfers are reported as transfers. Reimbursements are when one fund incurs a cost, 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.

NOTE 2 - DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2005. Fair value was determined by obtaining "quoted" year-end market prices.

As of June 30, 2005 the Housing Authority has a majority of its assets in U. S. Treasuries managed by a financial institution. The account managed by a financial institution has a fair market value of \$3,615,530 as of June 30, 2005. This amount represents 96% of the Housing Authority's investments as of this date.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. Treasury obligations	\$1,728,020	\$458,580	\$1,269,440
Mortgage backed securities	<u>1,422,277</u>	<u>231,725</u>	<u>1,190,552</u>
Total debt investments	<u>\$3,150,297</u>	<u>\$690,305</u>	<u>\$2,459,992</u>

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

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits, Savings Accounts and U. S. Treasuries 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, 2005 the Housing Authority bank balance of \$4,297,632 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledge securities are considered 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.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority does maintain investment accounts at a financial institution. As of June 30, 2005 the Housing Authority had \$3,150,297 in U. S. Treasuries which are held by the financial institution but not in the Housing Authority's name.

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Mortgage Corp	\$ 791,646	25%
Federal National Mortgage Assn.	<u>630,631</u>	20%
Total	<u>\$1,422,277</u>	

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 3 - ACCOUNTS RECEIVABLE The receivables at June 30, 2005, are as follows:

<u>Class of Receivable</u>	<u>General</u>	<u>Tenant-Based Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Local sources:				
Tenants	\$ 52,795	\$ 0	\$ 0	\$ 52,795
Other	73,375	26,600	400	100,375
Federal sources:				
Due from HUD	<u>161,298</u>	<u>0</u>	<u>0</u>	<u>161,298</u>
Total	<u>\$287,468</u>	<u>\$26,600</u>	<u>\$400</u>	<u>\$314,468</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$4,943. 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 pas rental calculations. The Housing Authority accounts receivable - other is net of an allowance for doubtful accounts of \$36,348.

The receivable balance of \$4,353 for Homeownership, a discretely presented component unit, is a local source receivable from other local governments.

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

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Land	\$ 2,006,932			\$2,006,932
Construction in progress	3,717,476	\$1,401,595	\$2,483,672	2,635,399
Exhaustible capital assets				
Site improvements	13,828,123	5,085	13,384	13,819,824
Buildings	40,422,560	2,690,021	209,821	42,902,760
Furniture and equipment	<u>1,584,476</u>	<u>224,581</u>	<u>121,976</u>	<u>1,687,080</u>
Total	<u>61,559,567</u>	<u>4,321,282</u>	<u>2,828,853</u>	<u>63,051,995</u>
Less accumulated depreciation				
Site improvements	4,806,819	701,495	1,784	5,506,530
Buildings	24,443,902	1,685,616	75,112	26,054,406
Furniture and equipment	<u>1,055,414</u>	<u>168,125</u>	<u>94,518</u>	<u>1,129,022</u>
Total	<u>30,306,135</u>	<u>2,555,236</u>	<u>171,414</u>	<u>32,689,958</u>
Capital assets, net	<u>\$31,253,432</u>	<u>\$1,766,046</u>	<u>\$2,657,439</u>	<u>\$30,362,037</u>

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

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

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

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

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

The Housing Authority's total payroll for year ended June 30, 2005, was \$2,321,261. The Housing Authority's contributions were calculated using the base salary amount of \$1,911,548. The Housing Authority made the required contributions of \$277,226 for the year ended June 30, 2005.

NOTE 6 - ACCOUNTS PAYABLE The payables at June 30, 2005, are as follows:

	<u>General</u>	<u>Tenant-Based Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Vendors	\$ 41,162	\$ 26,136	\$ 5	\$ 67,303
Contract Retentions	<u>122,073</u>			122,073
HUD		<u>218,370</u>	<u>38,694</u>	<u>257,064</u>
Total	<u>\$163,235</u>	<u>\$244,506</u>	<u>\$38,699</u>	<u>\$446,440</u>

The accounts payable balance of \$106 for Homeownership, a discretely presented component unit, is vendor account payables.

NOTE 7 - COMPENSATED ABSENCES At June 30, 2005, employees of the Housing Authority have accumulated and vested \$865,091 of employee leave benefits, including \$61,526 of salary related benefits which was computed in accordance with GASB Codification Section C60. In the past the liability has been liquidated by the general fund.

**Housing Authority of the City of Monroe
Notes to the Basic Financial Statements**

NOTE 8 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2005:

	<u>Compensated Absences</u>
Balance, beginning	\$865,792
Additions	66,202
Deductions	<u>66,903</u>
Balance, ending	<u>\$865,091</u>
Amounts due in one year	<u>\$ 313,766</u>

NOTE 9 - INTERFUND TRANSACTIONS

Interfund receivables/payables at June 30, 2005, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General	Other Enterprise	<u>\$5</u>
Total		<u>\$5</u>

The interfund receivables/payables assist programs to cover cost until grant monies are received.

Interfund transfers at June 30, 2005 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Enterprise	Tenant Based Section 8	<u>\$361,080</u>
Total		<u>\$361,080</u>

The transfer to the other enterprise funds was a transfer from Section 8 Vouchers in November 2005 to the Monroe Housing Facilities Corporation (a non profit corporation governed by the Housing Authority Board of Commissioners) for renovation of a building purchased by the Housing Authority.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2005, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

Construction Projects There are certain construction projects in progress at June 30, 2005. These include modernizing rental units at practically all of the fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 11 - 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.

NOTE 12 - ECONOMIC DEPENDENCE Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$9,543,145 to the Housing Authority, which represents approximately 73.1% of the Housing Authority's total revenue for the year.

**Housing Authority of the City of Monroe
Nonmajor Enterprise Funds**

MANAGEMENT FEES This fund represents management fees earned as contract administrator for a Section 8 New Construction program and as managing agent for two Section 202 Elderly Projects.

SECTION 8 - NEW CONSTRUCTION Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent.

MONROE HOUSING FACILITIES This fund accounts for the activities of the Monroe Housing Facilities Corporation which is a non-profit corporation to expedite renovation of a building purchased by the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2005**

Exhibit 1

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL NONMAJOR FUNDS</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 410,947	\$ 102,580	\$ 854,936	\$ 1,368,463
Investments	1,199,292	286,174	0	1,485,466
Accounts receivable, net	<u>400</u>	<u>0</u>	<u>0</u>	<u>400</u>
Total Current Assets	1,610,639	388,754	854,936	2,854,329
Capital assets, net of accumulated depreciation	<u>0</u>	<u>0</u>	<u>95,179</u>	<u>95,179</u>
TOTAL ASSETS	<u>1,610,639</u>	<u>388,754</u>	<u>950,115</u>	<u>2,949,508</u>
LIABILITIES				
Current liabilities				
Accounts payable	5	38,694	0	38,699
Interfund payable	0	0	5	5
Deferred revenues	<u>0</u>	<u>935</u>	<u>0</u>	<u>935</u>
Total Current Liabilities	<u>5</u>	<u>39,629</u>	<u>5</u>	<u>39,639</u>
NET ASSETS				
Invested in capital assets, net of related debt	0	0	95,179	95,179
Restricted	0	0	854,931	854,931
Unrestricted	<u>1,610,634</u>	<u>349,125</u>	<u>0</u>	<u>1,959,759</u>
Total Net Assets	<u>1,610,634</u>	<u>349,125</u>	<u>950,110</u>	<u>2,909,869</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,610,639</u>	<u>\$ 388,754</u>	<u>\$ 950,115</u>	<u>\$ 2,949,508</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Year Ended June 30, 2005

Exhibit 2

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
OPERATING REVENUES				
Other	\$ 236,432	\$ 882	\$ 0	\$ 237,314
Total operating revenues	236,432	882	0	237,314
OPERATING EXPENSES				
Administration	26,920	3,243	5	30,168
Tenant services	14,889	0	0	14,889
Housing assistance payments	0	380,411	0	380,411
Depreciation expense	0	0	1,205	1,205
Total operating expenses	41,809	383,654	1,210	426,673
Income (loss) from Operations	194,623	(382,772)	(1,210)	(189,359)
<i>Nonoperating revenues (expenses)</i>				
Investment earnings and gains/losses	(23,265)	1,490	9,881	(11,894)
Federal grants	0	398,691	0	398,691
Total nonoperating revenues (expenses)	(23,265)	400,181	9,881	386,797
NET INCOME (Loss) before				
Contributions and transfers	171,358	17,409	8,671	197,438
Transfers	0	0	361,080	361,080
Change in net assets	171,358	17,409	369,751	558,518
NET ASSETS AT BEGINNING OF YEAR	1,439,276	331,716	580,359	2,351,351
NET ASSETS AT END OF YEAR	\$ 1,610,634	\$ 349,125	\$ 950,110	\$ 2,909,869

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2005**

Exhibit 3

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL NONMAJOR FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Other receipts	\$ 236,032	\$ 882	\$ 0	\$ 236,914
Payments to vendors	(50,846)	(2,194)	0	(53,040)
Payments to employees	(12,090)	(1,149)	0	(13,239)
Payments to private landlords	0	(380,411)	0	(380,411)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>173,096</u>	<u>(382,872)</u>	<u>0</u>	<u>(209,776)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal grants	0	439,703	0	439,703
Transfer from other funds	0	0	361,080	361,080
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>439,703</u>	<u>361,080</u>	<u>800,783</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	0	0	(96,384)	(96,384)
NET CASH PROVIDED (USED) BY CAPITAL AND FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>(96,384)</u>	<u>(96,384)</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	597,621	3,339	0	600,960
Investment earnings and gains/losses	64,495	2,447	9,881	76,823
Purchase of investments	(735,980)	(286,759)	0	(1,022,739)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(73,864)</u>	<u>(280,973)</u>	<u>9,881</u>	<u>(344,956)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	99,232	(224,142)	274,577	149,667
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>311,715</u>	<u>326,722</u>	<u>580,359</u>	<u>1,218,796</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 410,947</u>	<u>\$ 102,580</u>	<u>\$ 854,936</u>	<u>\$ 1,368,463</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2005**

Exhibit 3

	<u>MANAGEMENT</u>	<u>SECTION 8</u>	<u>MONROE</u>	<u>TOTAL</u>
	<u>FEEES</u>	<u>NEW</u>	<u>HOUSING</u>	<u>NONMAJOR</u>
	<u>CONSTRUCTION</u>	<u>FACILITIES</u>	<u>FUNDS</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Operating income (loss)	\$ 194,623	\$ (382,772)	\$ (1,210)	\$ (189,359)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
Depreciation expense	0	0	1,205	1,205
Receivables, net	(400)	0	0	(400)
Accounts payables	(24)	0	0	(24)
Due to other funds	(21,103)	(100)	5	(21,198)
NET CASH PROVIDED (USED) BY OPERATING				
ACTIVITIES	\$ 173,096	\$ (382,872)	\$ 0	\$ (209,776)

(CONCLUDED)

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2005**

Exhibit 4

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

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE
June 30, 2005

Exhibit 5

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-48P00650104</u>
Funds Approved	\$ 2,939,138
Funds Expended	<u>2,939,138</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,939,138
Funds Expended	<u>2,939,138</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated July 12, 2005, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

**HOUSING AUTHORITY OF THE CITY OF MONORE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

PHA: LA006 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
111	Cash - Unrestricted	\$1,265,883	\$102,580	\$4,453	\$1,185,196	\$3,297
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$122,717	\$0
100	Total Cash	\$1,265,883	\$102,580	\$4,453	\$1,307,913	\$3,297
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$3,130	\$1,203
124	Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$400	\$0	\$0	\$64,288	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$57,738	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	(\$4,943)	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
128	Fraud Recovery	\$0	\$0	\$0	\$45,435	\$0
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	(\$36,348)	\$0
	Total Receivables, net of allowances for doubtful accounts	\$400	\$0	\$0	\$129,300	\$1,203
131	Investments - Unrestricted	\$1,199,292	\$286,174	\$0	\$2,057,922	\$0
132	Investments Restricted	\$0	\$0	\$0	\$0	\$0
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$233,016	\$0
143	Inventories	\$0	\$0	\$0	\$128,000	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$0	\$34,505	\$0
150	Total Current Assets	\$2,465,575	\$388,754	\$4,453	\$3,890,656	\$4,500
161	Land	\$0	\$0	\$0	\$2,008,932	\$0
162	Buildings	\$96,384	\$0	\$0	\$56,626,200	\$0
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$383,347	\$0
164	Furniture, Equipment & Machinery - Administration	\$0	\$362	\$0	\$1,194,528	\$0
166	Accumulated Depreciation	(\$1,205)	(\$362)	\$0	(\$32,606,480)	\$0
167	Construction In Progress	\$0	\$0	\$0	\$0	\$0
160	Total Fixed Assets, Net of Accumulated Depreciation	\$95,179	\$0	\$0	\$27,804,527	\$0
180	Total Non-Current Assets	\$95,179	\$0	\$0	\$27,804,527	\$0
190	Total Assets	\$2,560,754	\$388,754	\$4,453	\$31,495,183	\$4,500

Exhibit 6

Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Total
\$274,400	\$1,370	\$339,271	\$3,176,450
\$0	\$0	\$0	\$122,717
\$274,400	\$1,370	\$339,271	\$3,299,167
\$0	\$156,965	\$0	\$161,298
\$0	\$0	\$4,353	\$4,353
\$26,600	\$0	\$0	\$91,288
\$0	\$0	\$0	\$57,738
\$0	\$0	\$0	(\$4,943)
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$45,435
\$0	\$0	\$0	(\$36,348)
\$26,600	\$156,965	\$4,353	\$318,821
\$234,999	\$0	\$0	\$3,778,387
\$155,402	\$0	\$0	\$155,402
\$14,018	\$0	\$0	\$247,034
\$0	\$0	\$174,600	\$302,600
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$34,505
\$705,419	\$158,335	\$518,224	\$8,135,916
\$0	\$0	\$0	\$2,006,932
\$0	\$0	\$0	\$56,722,584
\$0	\$0	\$0	\$383,347
\$108,843	\$0	\$0	\$1,303,733
(\$81,911)	\$0	\$0	(\$32,689,958)
\$0	\$2,635,399	\$0	\$2,635,399
\$26,932	\$2,635,399	\$0	\$30,362,037
\$26,932	\$2,635,399	\$0	\$30,362,037
\$732,351	\$2,793,734	\$518,224	\$38,497,953

**HOUSING AUTHORITY OF THE CITY OF MONORE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

PHA: LA006 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
312	Accounts Payable <= 90 Days	\$5	\$0	\$0	\$23,205	\$0
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$11,695	\$0
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$242,601	\$0
331	Accounts Payable - HUD PHA Programs	\$0	\$38,694	\$0	\$0	\$0
341	Tenant Security Deposits	\$0	\$0	\$0	\$122,717	\$0
342	Deferred Revenues	\$0	\$935	\$0	\$2,092	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$244,208	\$0
347	Interprogram Due To	\$5	\$0	\$0	\$0	\$4,500
310	Total Current Liabilities	\$10	\$38,629	\$0	\$647,416	\$4,500
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$468,480	\$0
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$468,480	\$0
300	Total Liabilities	\$10	\$38,629	\$0	\$1,115,896	\$4,500
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$95,179	\$0	\$0	\$27,604,527	\$0
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$854,931	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$1,610,634	\$349,125	\$4,453	\$2,774,760	\$0
513	Total Equity/Net Assets	\$2,560,744	\$349,125	\$4,453	\$30,379,287	\$0
600	Total Liabilities and Equity/Net Assets	\$2,560,754	\$388,754	\$4,453	\$31,495,183	\$4,500

Exhibit 6

Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Total
\$26,136	\$128,335	\$106	\$177,787
\$0	\$0	\$0	\$11,695
\$71,165	\$0	\$0	\$313,766
\$218,370	\$0	\$0	\$257,064
\$0	\$0	\$0	\$122,717
\$0	\$0	\$83	\$4,010
\$155,388	\$0	\$0	\$155,386
\$0	\$0	\$0	\$244,206
\$0	\$30,000	\$0	\$34,505
\$471,057	\$158,335	\$189	\$1,321,136
\$82,845	\$0	\$0	\$551,325
\$82,845	\$0	\$0	\$551,325
\$553,902	\$158,335	\$189	\$1,872,461
\$0	\$0	\$0	\$0
\$26,932	\$2,635,399	\$0	\$30,362,037
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$854,931
\$151,517	\$0	\$518,035	\$5,408,524
\$178,449	\$2,635,399	\$518,035	\$36,625,492
\$732,351	\$2,793,734	\$518,224	\$38,497,953

**HOUSING AUTHORITY OF THE CITY OF MONORE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

PHA: LA006 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$2,823,398	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$231,176	\$0
705	Total Tenant Revenue	\$0	\$0	\$0	\$3,054,574	\$0
706	HUD PHA Operating Grants	\$0	\$398,691	\$70,919	\$865,623	\$58,753
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0
708	Other Government Grants	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	(\$13,384)	\$1,490	\$0	\$47,935	\$0
714	Fraud Recovery	\$0	\$0	\$0	\$45,435	\$0
715	Other Revenue	\$236,432	\$882	\$0	\$105,282	\$0
716	Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$57,149	\$0
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$223,048	\$401,063	\$70,919	\$4,175,998	\$58,753
911	Administrative Salaries	\$12,090	\$1,149	\$4,073	\$595,462	\$0
912	Auditing Fees	\$0	\$1,000	\$0	\$7,880	\$0
913	Outside Management Fees	\$0	\$0	\$0	\$9,981	\$0
914	Compensated Absences	\$0	\$0	\$0	\$59,488	\$0
915	Employee Benefit Contributions - Administrative	\$2,617	\$453	\$1,180	\$292,637	\$0
916	Other Operating - Administrative	\$12,218	\$641	\$0	\$194,362	\$0
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$4,700
922	Relocation Costs	\$0	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$1,511
924	Tenant Services - Other	\$14,889	\$0	\$0	\$25,848	\$52,542
931	Water	\$0	\$0	\$0	\$8,342	\$0
932	Electricity	\$0	\$0	\$0	\$287,643	\$0
933	Gas	\$0	\$0	\$0	\$72,160	\$0
938	Other Utilities Expense	\$0	\$0	\$0	\$6,759	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$781,887	\$0
942	Other	\$0	\$0	\$0	\$350,152	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$0	\$469,592	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$231,056	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$52,847	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$4,042	\$0
961	Insurance Premiums	\$0	\$0	\$0	\$345,012	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$244,208	\$0
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$89,873	\$0
969	Total Operating Expenses	\$41,814	\$3,243	\$5,253	\$4,129,191	\$58,753

Exhibit 6

Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Total
\$0	\$0	\$0	\$2,823,398
\$0	\$0	\$0	\$231,176
\$0	\$0	\$0	\$3,054,574
\$6,294,922	\$452,642	\$0	\$8,141,550
\$0	\$1,401,595	\$0	\$1,401,595
\$0	\$0	\$156,622	\$156,622
(\$18,175)	\$0	\$0	\$17,866
\$972	\$0	\$0	\$46,407
\$1,951	\$0	\$383,665	\$728,412
\$0	\$0	\$0	\$57,149
\$0	\$0	\$0	\$0
\$6,279,670	\$1,854,237	\$540,487	\$13,604,175
\$347,955	\$139,789	\$0	\$1,100,498
\$11,100	\$5,000	\$0	\$24,960
\$0	\$0	\$0	\$9,961
\$7,415	\$0	\$0	\$66,903
\$143,710	\$47,469	\$0	\$488,066
\$109,219	\$70,997	\$9,214	\$398,651
\$0	\$0	\$0	\$4,700
\$0	\$23,748	\$0	\$23,748
\$0	\$0	\$0	\$1,511
\$0	\$165,659	\$537,173	\$796,111
\$0	\$0	\$0	\$8,342
\$0	\$0	\$0	\$287,643
\$0	\$0	\$0	\$72,160
\$0	\$0	\$0	\$6,759
\$0	\$0	\$0	\$781,887
\$6,332	\$0	\$0	\$356,484
\$0	\$0	\$0	\$469,592
\$0	\$0	\$0	\$231,056
\$0	\$0	\$0	\$52,847
\$0	\$0	\$0	\$4,042
\$15,467	\$0	\$0	\$360,479
\$0	\$0	\$0	\$244,208
\$0	\$0	\$0	\$89,873
\$641,198	\$452,642	\$546,387	\$5,878,481

**HOUSING AUTHORITY OF THE CITY OF MONORE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

PHA: LA006 FYED: 06/30/2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
970	Excess Operating Revenue over Operating Expenses	\$181,234	\$397,820	\$65,666	\$46,807	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$3,471	\$0
973	Housing Assistance Payments	\$0	\$380,411	\$65,666	\$0	\$0
974	Depreciation Expense	\$1,205	\$0	\$0	\$2,548,481	\$0
975	Fraud Losses	\$0	\$0	\$0	\$36,348	\$0
900	Total Expenses	\$43,019	\$383,654	\$70,919	\$6,717,491	\$58,753
1001	Operating Transfers In	\$361,080	\$0	\$0	\$0	\$0
1002	Operating Transfers Out	\$0	\$0	\$0	\$0	\$0
1010	Total Other Financing Sources (Uses)	\$361,080	\$0	\$0	\$0	\$0
	Excess (Deficiency) of Operating Revenue Over (Under)					
1000	Expenses	\$541,109	\$17,409	\$0	(\$2,541,493)	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$2,019,635	\$331,716	\$4,453	\$30,437,108	\$0
	Prior Period Adjustments, Equity Transfers and					
1104	Correction of Errors	\$0	\$0	\$0	\$2,483,672	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$507,199	\$0	\$0	\$0
	Prorata Maximum Annual Contributions Applicable to a					
1114	Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$547,290	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$1,054,489	\$0	\$0	\$0
1120	Unit Months Available	0	0	264	17,278	0
1121	Number of Unit Months Leased	0	0	229	17,074	0

Exhibit 6

Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Total
\$5,638,472	\$1,401,585	(\$5,900)	\$7,725,894
\$0	\$0	\$0	\$3,471
\$5,635,379	\$0	\$0	\$6,081,456
\$5,550	\$0	\$0	\$2,555,236
\$0	\$0	\$0	\$38,348
\$6,282,127	\$452,642	\$546,387	\$14,554,992
\$0	\$0	\$0	\$361,080
(\$361,080)	\$0	\$0	(\$361,080)
(\$361,080)	\$0	\$0	\$0
(\$363,537)	\$1,401,585	(\$5,900)	(\$950,817)
\$0	\$0	\$0	\$0
\$541,986	\$3,717,476	\$523,935	\$37,576,309
\$0	(\$2,483,672)	\$0	\$0
\$8,828,872	\$0	\$0	\$7,133,871
\$0	\$0	\$0	\$0
\$474,320	\$0	\$0	\$1,021,810
\$7,100,992	\$0	\$0	\$8,155,481
17,628	0	0	35,170
16,869	0	0	34,172

Housing Authority of the City of Monroe



STATISTICAL SECTION



HOUSING AUTHORITY OF THE CITY OF MONROE

Table 1

General Fund Expenditures/Expenses By Function
Fiscal Years Ended June 30, 1996 Through 2005

Fiscal Year	Administration	Tenant Services	Utilities	Ordinary Maintenance and Operations	Protective Services and General	Non routine Maintenance	Capital Outlay	Depreciation	Total
1996	\$ 530,283	\$ 24,550	\$ 260,056	\$ 1,040,726	\$ 804,755	\$ 12,275	\$ 38,602	\$ 0	\$ 2,711,257
1997	596,104	32,310	255,079	1,009,743	833,688	(1,005)	149,964	0	2,875,863
1998	591,413	14,174	242,189	1,072,709	924,847	35,862	43,486	0	2,924,860
1999	655,729	16,802	251,858	1,173,265	1,077,231	35,386	60,524	0	3,270,795
2000 (1)	1,429,853	31,990	292,397	1,220,846	1,419,470	528,206	0	1,744,301	6,667,163
2001	1,615,349	628,396	375,917	1,678,209	555,543	45,282	0	1,878,217	6,776,913
2002	1,363,800	1,131,795	272,370	1,714,052	814,363	39,776	0	1,987,358	7,323,514
2003	1,418,579	975,514	348,220	1,888,927	876,414	7,278	0	1,935,867	7,460,799
2004	1,618,425	307,347	367,349	1,842,326	781,330	0	0	2,195,734	7,112,511
2005	\$ 1,446,753	\$ 250,260	\$ 374,904	\$ 1,632,687	\$ 772,330	\$ 3,471	\$ 0	\$ 2,548,481	\$ 7,228,866

Notes:

(1) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.

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

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 1986 Through 2005

Fiscal Year	Dwelling rentals		Federal sources		Interest earnings		Other (2)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1986	\$ 1,898,897	63.18%	\$ 847,901	28.22%	\$ 69,373	2.31%	\$ 188,728	6.28%	\$ 3,004,899	100%
1987	1,982,296	64.65%	825,422	26.78%	110,089	3.57%	153,922	4.99%	3,081,729	100%
1988	2,065,622	61.93%	1,009,710	30.27%	132,315	3.97%	127,868	3.83%	3,335,515	100%
1989	2,152,080	50.53%	986,785	23.17%	141,479	3.32%	978,310	22.97%	4,258,654	100%
2000 (1)	2,352,614	51.90%	1,780,911	39.29%	174,677	3.85%	224,741	4.96%	4,532,943	100%
2001	2,340,075	53.34%	1,542,010	35.15%	213,328	4.86%	291,307	6.64%	4,386,718	100%
2002	2,287,079	45.31%	2,345,945	46.46%	172,241	3.41%	242,023	4.80%	5,047,288	100%
2003	2,485,881	43.41%	2,781,522	48.58%	156,426	2.73%	302,381	5.28%	5,726,210	100%
2004	2,700,435	61.25%	1,318,716	29.91%	61,304	1.39%	328,164	7.44%	4,408,619	100%
2005	\$ 2,823,398	60.23%	\$ 1,377,018	29.38%	\$ 47,935	1.02%	\$ 439,042	9.37%	\$ 4,687,393	100%

Notes:

(1) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.

(2) The other amount column includes maintenance charges, late charges and other miscellaneous revenue.

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

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

Fund Balances/Equity - General Fund
Fiscal Years Ended June 30, 1996 Through 2005

Fiscal Year	General Fund
1996	\$ 1,965,893
1997	2,171,759
1998	2,582,563
1999	3,646,642
2000 (1)	2,749,533
2001	2,828,739
2002	2,602,725
2003	2,686,585
2004	2,915,532
2005	\$ 2,774,760

(1) For the years ended June 30, 2000 and thereafter, the numbers reflect unrestricted net assets.

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

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 1996 Through 2005

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
1996	1,522	1,504	98.82%	1,240	1,134	91.45%	2,762	2,638	95.51%
1997	1,522	1,504	98.82%	1,240	1,139	91.85%	2,762	2,643	95.69%
1998	1,522	1,510	99.21%	1,242	1,209	97.34%	2,764	2,719	98.37%
1999	1,522	1,482	98.03%	1,242	1,206	97.10%	2,764	2,688	97.61%
2000	1,522	1,498	98.29%	1,246	1,213	97.35%	2,768	2,709	97.87%
2001	1,522	1,452	95.40%	1,297	1,276	98.38%	2,819	2,728	96.77%
2002	1,522	1,369	89.92%	1,488	1,434	96.37%	3,010	2,803	93.11%
2003	1,522	1,389	91.26%	1,480	1,438	96.51%	3,012	2,827	93.86%
2004	1,426	1,408	98.81%	1,469	1,457	99.18%	2,895	2,866	99.00%
2005	1,440	1,423	98.82%	1,491	1,425	95.57%	2,931	2,848	97.17%

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

Table 5

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition
June 30, 2005

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total	
				Zero	One	Two	Three	Four		Five
LA006-001	George Breece Manor	306 Winnboro Road	10/31/1951		10	20	15	5		50
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	03/31/1952		18	28	24	6		76
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	08/31/1952		20	59	32	14		125
LA006-004	Louis Lock Homes	306 Winnboro Road	08/31/1952		16	46	28	10		100
LA006-005	Foster Heights	Swayze and Louberta Sta.	09/30/1954		8	89	72	6		175
LA006-008	Burg Jones Lane	2601 Burg Jones Lane	08/30/1973		10	80	121	89	20	300
LA006-007	Scattered Sites	Scattered Sites	07/31/1971				20	20	9	49
LA006-008	Scattered Sites	Scattered Sites	02/29/1972				39	38	19	96
LA006-009	Robinson Place	1207 Milliken Drive	09/30/1973				41	41	21	103
LA006-010	Miller Square	4200 Matthew Street	04/30/1973				60	62	30	152
LA006-011	Frances Tower	300 Harrison Street	08/31/1978		130					130
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	03/31/1980			28	8			36
LA006-013	McKeen Plaza I	1500 McKeen Place	01/31/1980		100					100
LA006-014	Group Homes (scattered sites)	Scattered Sites	08/31/1984		30					30
Total Units				342	350	460	271	99		1,522
Managed Units										
064-EH150	Ouechita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	08/15/1989	21	70					91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	11/01/1986		40	1				41
Tax Credit Dev.	Clabome Creek Apartments, LP	200 Clabome Dr., West Monroe	10/01/1997		72					72
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	11/01/1998		39					39
Tax Credit Dev.	Clabome Creek II, LP	200 Clabome Dr., West Monroe	10/01/1999		80	12				92
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monro	11/01/2001		24	50				74
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monro	04/01/2004		65					65
064-EE100	South Pointe I	100 South Pointe Drive, Monro	05/01/2002		36					36
064-EE137	South Pointe II	100 South Pointe Drive, Monro	08/01/2004		44					44
Total Managed Units				21	406	83	0	0	0	490

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

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE

Public Housing Management Assessment Program (PHMAP) SCORES
Fiscal Years Ended June 30, 1996 through June 30, 1999
Public Housing Assessment System (PHAS) SCORES
Fiscal Year Ended June 30, 2000 through June 30, 2005

<u>Fiscal Year</u>	<u>Score</u>
1996	92.37%
1997	98.25%
1998	99.25%
1999	94.75%
2000	92.40%
2001	90.00%
2002	98.00%
2003	98.00%
2004	92.00%
2005	93.00%

Source: Real Estate Assessment Center (REAC)



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

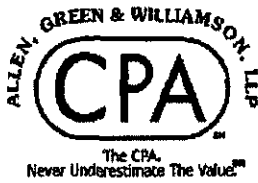
**Single Audit Report
For the Year Ended June 30, 2005**



**Housing Authority of the City of Monroe
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1963 - 2000

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

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

We have audited the financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2005, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 1, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

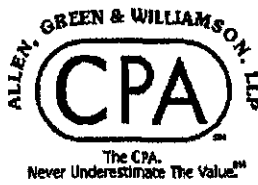
As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 1, 2005



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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

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

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 05-F1.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Housing Authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 05-F1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Housing Authority as of and for the year ended June 30, 2005, and have issued our report thereon dated September 1, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Management Letter Items

We noted matters which we have reported to management of the Housing Authority in a separate letter dated September 1, 2005.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 1, 2005

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing - Operating Subsidy	14.850a	FW2006	\$ 862,493
Public Housing Neighborhood Networks Grant	14.875	N/A	34,273
Resident Opportunity and Support Services	14.870	N/A	27,610
Section 8 Housing Choice Voucher Program	14.871	FW2072(VO)	6,294,922
Section 8 New Construction	14.856	FW2072(VO)	398,691
Shelter Plus Care	14.238	N/A	70,919
Public Housing Capital Fund Program	14.872	N/A	1,854,237
Passed Through the City of Monroe, Louisiana:			
Home Investment Partnerships Program (Home Program)	14.239	N/A	<u>156,622</u>
Total United States Department of Housing and Urban Development			<u>9,699,767</u>
Total Cash Federal Awards			<u>\$9,699,767</u>

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

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 *modified 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:

Federal Sources

General Fund	\$2,778,613
Tenant Based Section 8	6,365,841
Other Enterprise	398,691
Component Unit	<u>156,622</u>
	<u>\$9,699,767</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, 2005**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There was one reportable conditions required to be disclosed by OMB Circular No. A-133. The reportable condition was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed an audit finding which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #14.871 Section 8 Housing Choice Voucher Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005**

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: 05-F1 Test of Resident Files

Federal program and specific federal award identification:

FEDERAL GRANTER/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Award Year</u>
United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers	14.871	2005

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. The following key line items contain critical information: Inspection date, total annual income, payment standard, utility allowance, contract rent, TTP, HAP, along with third party verification of income, student status, childcare expenses and medical expenses.

Condition found: In testing 41 resident files, the following exceptions were noted:

- 28 files where date of last inspection on form 50058 does not agree with inspection sheet in resident file.

Possible asserted effect (cause and effect):

Cause: The auditor could not determine the cause.

Effect: The inspection date on some 50058 forms does not agree to the documentation in the file.

Recommendations to prevent future occurrences: The Housing Authority should establish monitoring procedures to ensure the information in resident files is adequate and agrees to the form 50058.

**Housing Authority of the City of Monroe
Corrective Action Plan for Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2005**

Reference # and title: **05-F1** **Test of Resident Files**

Condition: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary. The Housing Authority is required to submit form 50058 electronically to HUD each time the Housing Authority has an admission or re-examination. The following key line items contain critical information: Inspection date, total annual income, payment standard, utility allowance, contract rent, TTP, HAP, along with third party verification of income, student status, childcare expenses and medical expenses. In testing 41 resident files, the following exceptions were noted:

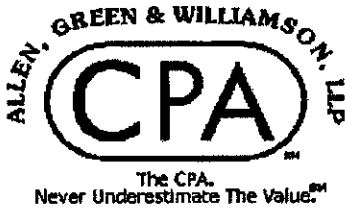
- 28 files where date of last inspection on form 50058 does not agree with inspection sheet in resident file.

Corrective action planned: Housing Authority software was not configured to recognize inspection dates. Re-exam dates had automatically been put in as inspection dates. The software has been re-configured to allow inspectors to put in the actual date of inspections.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director
Housing Authority of the City of Monroe
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Management Letter

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

In planning and performing our audit of the financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe, as of and for the year ended June 30, 2005, which collectively comprise the Housing Authority's basic financial statements, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving other operational matters that are presented for your consideration. This letter does not affect our report dated September 1, 2005, on the basic financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, is intended to result in other operating efficiency. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

05-M1 **Documentation of Re-inspections**

Condition: For units under HAP contract that fail to meet housing quality standards, the Housing Authority requires the owner to correct any life threatening HQS deficiencies within 24 hours after the inspection. In testing ten inspections and re-inspections, two instances were noted where the re-inspection on an emergency item was done but the date of the re-inspection was not noted on the inspection form.

Recommendation: Inspectors should document on the inspection form the date the emergency item was re-inspected.

Management's response: Re-inspections are being done within 24 hours, and proper documentation will show appropriate dates and times of re-inspection.

05-M2

Documentation of Rent Reasonableness

Condition: The Housing Authority is required to determine that rent to the owner is reasonable at the time of initial leasing and comparison information should not be more than two years old. In testing rent reasonableness for ten units it was difficult to determine if the information was less than two years old. The Housing Authority has binders with comparable unit information and some of these amounts are changed but the date of the change is not noted in the binder.

Recommendation: Changes for updated rent for comparable units should be dated to document compliance with the two-year requirement.

Management's response: The comparables were being performed but the documentation was not complete. To enhance the documentation, the Housing Authority has engaged a certified appraiser to update the comparables. The appraiser's report should be completed by December 31, 2005.

* * * * *

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of each major fund, and the aggregate remaining fund information of the Housing Authority, as of and for the year ended June 30, 2005, which collectively comprise the Housing Authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
September 1, 2005