

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1997

Exhibit 16

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	PASS THROUGH GRANTOR NO.	EXPENDITURES
U. S. DEPT. OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS (CONTINUED)			
Section 8 Rental Certificate Program	14.857	FW 2072 (EX)	\$ <u>2,555,820</u>
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation			
MOD Rehab #1	14.856	FW 2072 (MR)	\$ 287,464
MOD Rehab #2	14.856	FW 2072 (MR)	346,679
MOD Rehab #3	14.856	FW 2072 (MR)	107,967
MOD Rehab #4	14.856	FW 2072 (MR)	<u>196,359</u>
TOTAL PROGRAM			\$ <u>938,469</u>
Section 8 Rental Vouchers	14.855	FW 2072 (VO)	\$ <u>762,261</u>
Section 8 New Construction	14.182	FW 2170	\$ <u>519,678</u>
PASSED THROUGH THE CITY OF MONROE, LOUISIANA			
Home Investment Partnerships Program (Home Program)	14.239		\$ <u>107,804</u>
TOTAL U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT			\$ <u>9,899,937</u>
TOTAL PROGRAM			\$ <u>9,936,060</u>

(CONCLUDED)

(1) The Housing Authority is indebted to the U. S. Department of Housing & Urban Development for project notes of \$7,755,904 at year end. Also, the U. S. Department of Housing & Urban Development has guaranteed through the Annual Contribution contract the single issue bonds and federal financing bank notes totaling \$11,082,702 of The Housing Authority at year end.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1997

Exhibit 16

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	PASS THROUGH GRANTOR NO.	EXPENDITURES
U. S. DEPARTMENT OF AGRICULTURE Passed through Louisiana Dept. of Education Child and Adult Care Food Program	10.558		\$ <u>7,788</u>
U.S. DEPARTMENT OF EDUCATION Passed through Louisiana Dept. of Education Adult Education - State Administered Basic Grants (Gateway Grant)	84.002	GC-4-93	\$ <u>23,072</u>
U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES Passed through Louisiana Dept. of Social Services Payments to States for Child Care Assistance	93.575		\$ <u>5,263</u>
U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS			
Public and Indian Housing - Basic Contribution (1)	14.850	FW 2006	\$ 1,478,200
Operating Subsidy	14.850	FW 2006	<u>812,371</u>
TOTAL PROGRAM			\$ <u>2,290,571</u>
Public and Indian Housing - Drug Elimination Program			
Year 4 (1994)	14.854	FW 2006	\$ 139,879
Year 5 (1995)	14.854	FW 2006	179,093
Year 6 (1996)	14.854	FW 2006	<u>155,302</u>
TOTAL PROGRAM			\$ <u>474,274</u>
Public and Indian Housing - Comprehensive Grant Programs	14.852		\$ <u>2,251,060</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GENERAL

COMPENSATION PAID BOARD MEMBERS

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

Mr. Henry Bonner, Jr.	Chairman
Mr. Edward Miller	Vice Chairman
Mr. Van Pardue	
Ms. Gertrude Young	

FEDERAL AWARDS PROGRAMS

In accordance with Office of Management and Budget (OMB) Circular A-133, a Schedule of Expenditures of Federal Awards is presented.

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

TENANTS' SECURITY DEPOSITS AGENCY FUND
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 1997

Exhibit 15

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 6 - 1	\$ 3,330	\$ 550	\$ 550	\$ 3,330
LA 6 - 2	5,050	1,150	1,150	5,050
LA 6 - 3	8,325	2,096	2,046	8,375
LA 6 - 4	6,600	1,601	1,576	6,625
LA 6 - 5	11,951	2,973	3,150	11,774
LA 6 - 6	21,025	5,526	5,401	21,150
LA 6 - 7	3,512	500	625	3,387
LA 6 - 8	6,800	1,171	1,121	6,850
LA 6 - 9	7,281	1,066	966	7,381
LA 6 - 10	10,676	2,050	2,200	10,526
LA 6 - 11	6,825	2,350	2,000	7,175
LA 6 - 12	2,550	500	525	2,525
LA 6 - 13	4,925	850	750	5,025
LA 6 - 14	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>1,500</u>
	<u>\$ 100,350</u>	<u>\$ 22,383</u>	<u>\$ 22,060</u>	<u>\$ 100,673</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

AGENCY FUNDS
Combining Schedule of Changes In Assets and Liabilities
For the Year Ended June 30, 1997

Exhibit 14

	Balance, Beginning	Additions	Deductions	Balance, Ending
*****TENANTS' SECURITY DEPOSITS*****				
ASSETS				
Cash and cash equivalents	\$ 100,350	22,383	22,060	\$ 100,673
LIABILITIES				
Deposits due others	\$ 100,350	22,383	22,060	\$ 100,673
*****DEFERRED COMPENSATION PLAN*****				
ASSETS				
Investments	\$ 135,791	0	18,752	\$ 117,039
LIABILITIES				
Deposits due others	\$ 135,791	0	18,752	\$ 117,039
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 100,350	22,383	22,060	\$ 100,673
Investments	135,791	0	18,752	117,039
TOTAL ASSETS	\$ 236,141	22,383	40,812	\$ 217,712
LIABILITIES				
Deposits due others	\$ 236,141	22,383	40,812	\$ 217,712

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 1997

Exhibit 13

	<u>TENANTS' SECURITY DEPOSITS</u>	<u>DEFERRED COMPENSATION PLAN</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 100,673	\$ 0	\$ 100,673
Investments		117,039	117,039
TOTAL ASSETS	<u>\$ 100,673</u>	<u>\$ 117,039</u>	<u>\$ 217,712</u>
 LIABILITIES			
Deposits due others	\$ 100,673	\$ 117,039	\$ 217,712
TOTAL LIABILITIES	<u>\$ 100,673</u>	<u>\$ 117,039</u>	<u>\$ 217,712</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana
AGENCY FUNDS

TENANTS' SECURITY DEPOSITS AGENCY FUND

The activities of the various tenant security deposits accounts are accounted for in the Tenants' Security Deposit Agency Fund. While the accounts are under the supervision of the Housing Authority, they belong to the tenants and are not available for use by the Housing Authority.

DEFERRED COMPENSATION PLAN AGENCY FUND

The activities of the Deferred Compensation Plan, which was set up for the benefit of the employees of the Housing Authority, is accounted for in the Deferred Compensation Plan Agency Fund.

While the plan is under the supervision of the Housing Authority, the plan's assets belong to the employees and generally are not available for use by the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 1997

Exhibit 12

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (509,786)	\$ 85,399	\$ (424,387)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Changes in operating current assets and liabilities:			
(Increase) Decrease in receivables	(3,143)	(11,242)	(14,385)
(Increase) Decrease in interfund receivables	178	0	178
Increase (Decrease) in accounts payables	(4,405)	(254)	(4,659)
Increase (Decrease) in interfund payables	1,356	0	1,356
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (515,800)	\$ 73,903	\$ (441,897)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal operating grants	\$ 519,678	\$ 0	\$ 519,678
CASH FLOW FROM INVESTING ACTIVITIES:			
(Increase) Decrease in investments	\$ (5,950)	\$ (66,698)	\$ (72,648)
Interest earnings	8,141	33,050	41,191
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 2,191	\$ (33,648)	\$ (31,457)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 6,069	\$ 40,255	\$ 46,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	58,825	0	58,825
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 64,894	\$ 40,255	\$ 105,149

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
For The Year Ended June 30, 1997

Exhibit 11

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
OPERATING REVENUE			
Management fees	\$ 0	\$ 88,794	\$ 88,794
OPERATING EXPENSES			
Administration	\$ 5,424	\$ 3,387	\$ 8,811
General expenditures	1,511	8	1,519
Maintenance & operations	104	0	104
Housing assistance payments	502,747	0	502,747
TOTAL OPERATING EXPENSES	\$ 509,786	\$ 3,395	\$ 513,181
OPERATING INCOME (LOSS)	\$ (509,786)	\$ 85,399	\$ (424,387)
NON-OPERATING REVENUES			
Interest income	\$ 8,141	\$ 33,050	\$ 41,191
Federal operating grants	519,678	0	519,678
TOTAL NON-OPERATING REVENUES	\$ 527,819	\$ 33,050	\$ 560,869
NET INCOME (LOSS)	\$ 18,033	\$ 118,449	\$ 136,482
RETAINED EARNINGS AT BEGINNING OF YEAR	152,694	466,527	619,221
RETAINED EARNINGS AT END OF YEAR	\$ 170,727	\$ 584,976	\$ 755,703

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 1997

Exhibit 10

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 64,894	\$ 40,255	105,149
Investments	103,737	533,479	637,216
Interfund receivables	3,143	11,242	14,385
Land, buildings and equipment	363	0	363
TOTAL ASSETS	\$ 172,137	\$ 584,976	\$ 757,113
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payables	\$ 54	\$ 0	54
Interfund payable	1,356	0	1,356
TOTAL CURRENT LIABILITIES	\$ 1,410	\$ 0	1,410
Retained Earnings	170,727	584,976	755,703
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 172,137	\$ 584,976	\$ 757,113

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

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

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.

MANAGEMENT FEE

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.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 9

	*****SPECIAL PROGRAMS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources:			
Grants	\$ 476,906	\$ 497,346	\$ 20,440
Total revenues	\$ 476,906	\$ 497,346	\$ 20,440
EXPENDITURES			
Current:			
Tenant services	\$ 30,950	\$ 30,950	\$ 0
Protective services	456,909	456,909	0
Total expenditures	\$ 487,859	\$ 487,859	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (10,953)	\$ 9,487	\$ 20,440
FUND BALANCES AT BEGINNING OF YEAR	(9,487)	(9,487)	0
FUND BALANCES AT END OF YEAR	\$ (20,440)	\$ 0	\$ 20,440

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 8

	*****RENTAL VOUCHERS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 8,336	\$ 8,336
Federal sources:			
Annual contributions	793,011	762,261	(30,750)
Total revenues	\$ 793,011	\$ 770,597	\$ (22,414)
EXPENDITURES			
Current:			
General expenditures	\$ 101,967	\$ 88,287	\$ 13,680
Housing assistance payments	691,044	665,132	25,912
Total expenditures	\$ 793,011	\$ 753,419	\$ 39,592
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 17,178	\$ 17,178
FUND BALANCES AT BEGINNING OF YEAR	75,810	75,810	0
FUND BALANCES AT END OF YEAR	\$ 75,810	\$ 92,988	\$ 17,178

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 7

*****MOD REHAB #4*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 2,641	\$ 2,641
Federal sources:			
Annual contributions	197,008	196,359	(649)
Total revenues	\$ 197,008	\$ 199,000	\$ 1,992
EXPENDITURES			
Current:			
General expenditures	\$ 19,744	\$ 17,412	\$ 2,332
Housing assistance payments	177,264	175,871	1,393
Total expenditures	\$ 197,008	\$ 193,283	\$ 3,725
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 5,717	\$ 5,717
FUND BALANCES AT BEGINNING OF YEAR	35,203	35,203	0
FUND BALANCES AT END OF YEAR	\$ 35,203	\$ 40,920	\$ 5,717

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 6

	*****MOD REHAB #3*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 1,800	\$ 1,800
Federal sources:			
Annual contributions	122,231	107,967	(14,264)
Total revenues	\$ 122,231	\$ 109,767	\$ (12,464)
EXPENDITURES			
Current:			
General expenditures	\$ 12,231	\$ 10,071	\$ 2,160
Housing assistance payments	110,000	95,911	14,089
Total expenditures	\$ 122,231	\$ 105,982	\$ 16,249
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 3,785	\$ 3,785
FUND BALANCES AT BEGINNING OF YEAR	23,830	23,830	0
FUND BALANCES AT END OF YEAR	\$ 23,830	\$ 27,615	\$ 3,785

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 5

	*****MOD REHAB #2*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 6,145	\$ 6,145
Federal sources:			
Annual contributions	360,963	346,679	(14,284)
Total revenues	\$ 360,963	\$ 352,824	\$ (8,139)
EXPENDITURES			
Current:			
General expenditures	\$ 28,395	\$ 49,289	\$ (20,894)
Housing assistance payments	332,568	309,193	23,375
Total expenditures	\$ 360,963	\$ 358,482	\$ 2,481
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (5,658)	\$ (5,658)
FUND BALANCES AT BEGINNING OF YEAR	93,398	93,398	0
FUND BALANCES AT END OF YEAR	\$ 93,398	\$ 87,740	\$ (5,658)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 4

*****MOD REHAB #1*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 5,442	\$ 5,442
Federal sources:			
Annual contributions	302,452	287,464	(14,988)
Total revenues	\$ 302,452	\$ 292,906	\$ (9,546)
EXPENDITURES			
Current:			
General expenditures	\$ 22,684	\$ 27,765	\$ (5,081)
Housing assistance payments	279,768	256,277	23,491
Facilities acquisition and construction	0	0	0
Total expenditures	\$ 302,452	\$ 284,042	\$ 18,410
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 8,864	\$ 8,864
FUND BALANCES AT BEGINNING OF YEAR	100,967	100,967	0
FUND BALANCES AT END OF YEAR	\$ 100,967	\$ 109,831	\$ 8,864

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 1997

Exhibit 3

	*****RENTAL CERTIFICATES*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 23,694	\$ 23,694
Federal sources:			
Annual contributions	2,501,457	2,555,820	54,363
Total revenues	\$ 2,501,457	\$ 2,579,514	\$ 78,057
EXPENDITURES			
Current:			
General expenditures	\$ 267,087	\$ 267,768	(681)
Housing assistance payments	2,234,370	2,282,495	(48,125)
Facilities acquisition and construction	0	0	0
Total expenditures	\$ 2,501,457	\$ 2,550,263	\$ (48,806)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 29,251	\$ 29,251
FUND BALANCES AT BEGINNING OF YEAR	322,221	322,221	0
FUND BALANCES AT END OF YEAR	\$ 322,221	\$ 351,472	\$ 29,251

Exhibit 2

MOD REHAB #4	RENTAL VOUCHERS	SPECIAL PROGRAMS	TOTAL
\$ 2,641	\$ 8,336	0	\$ 48,058
196,359	762,261	0	4,256,550
0	0	497,346	497,346
<u>\$ 199,000</u>	<u>\$ 770,597</u>	<u>\$ 497,346</u>	<u>\$ 4,801,954</u>
\$ 12,759	\$ 65,580	0	\$ 356,663
0	0	30,950	30,950
273	1,340	0	6,129
0	0	456,909	456,909
4,380	21,367	0	97,800
175,871	665,132	0	3,784,879
<u>\$ 193,283</u>	<u>\$ 753,419</u>	<u>\$ 487,859</u>	<u>\$ 4,733,330</u>
\$ 5,717	\$ 17,178	9,487	\$ 68,624
35,203	75,810	(9,487)	641,942
<u>\$ 40,920</u>	<u>\$ 92,988</u>	<u>0</u>	<u>\$ 710,566</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
REVENUES				
Local sources:				
Interest earnings	\$ 23,694	\$ 5,442	\$ 6,145	\$ 1,800
Federal sources:				
Annual contributions	2,555,820	287,464	346,679	107,967
Grants	0	0	0	0
TOTAL REVENUES	\$ 2,579,514	\$ 292,906	\$ 352,824	\$ 109,767
EXPENDITURES				
Current				
Administration	\$ 209,864	\$ 20,567	\$ 40,515	\$ 7,378
Tenant services	0	0	0	0
Ordinary maintenance & operations	3,328	472	558	158
Protective services	0	0	0	0
General expenditures	54,576	6,726	8,216	2,535
Housing assistance payments	2,282,495	256,277	309,193	95,911
TOTAL EXPENDITURES	\$ 2,550,263	\$ 284,042	\$ 358,482	\$ 105,982
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 29,251	\$ 8,864	(\$ 5,658)	\$ 3,785
FUND BALANCES AT BEGINNING OF YEAR	322,221	100,967	93,398	23,830
FUND BALANCES AT END OF YEAR	\$ 351,472	\$ 109,831	\$ 87,740	\$ 27,615

Exhibit 1

MOD REHAB #4	RENTAL VOUCHERS	SPECIAL PROGRAMS	TOTAL
\$ 45,142	\$ 45,936	0	\$ 290,490
53,581	78,454	0	707,766
664	972	20,440	82,328
0	0	0	6,392
<u>\$ 99,387</u>	<u>\$ 125,362</u>	<u>\$ 20,440</u>	<u>\$ 1,086,976</u>
\$ 58,467	\$ 32,374	12,331	368,301
0	0	8,109	8,109
<u>\$ 58,467</u>	<u>\$ 32,374</u>	<u>\$ 20,440</u>	<u>\$ 376,410</u>
\$ 0	\$ 0	0	6,392
40,920	92,988	0	704,174
<u>\$ 40,920</u>	<u>\$ 92,988</u>	<u>\$ 0</u>	<u>\$ 710,566</u>
<u>\$ 99,387</u>	<u>\$ 125,362</u>	<u>\$ 20,440</u>	<u>\$ 1,086,976</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
ASSETS				
Cash and cash equivalents	\$ 38,860	\$ 76,121	\$ 33,500	\$ 50,931
Investments	250,324	214,237	84,709	26,461
Receivables	57,464	2,654	102	32
Prepaid insurance	6,392	0	0	0
TOTAL ASSETS	\$ 353,040	\$ 293,012	\$ 118,311	\$ 77,424
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payables	\$ 1,568	\$ 183,181	\$ 30,571	\$ 49,809
Interfund payable	0	0	0	0
Total Liabilities	\$ 1,568	\$ 183,181	\$ 30,571	\$ 49,809
Fund balances:				
Reserved for prepaid insurance	\$ 6,392	\$ 0	\$ 0	\$ 0
Unreserved-undesignated	345,080	109,831	87,740	27,615
Total Fund Balances (Deficit)	\$ 351,472	\$ 109,831	\$ 87,740	\$ 27,615
TOTAL LIABILITIES AND FUND BALANCES (Deficit)	\$ 353,040	\$ 293,012	\$ 118,311	\$ 77,424

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS (Continued)

SPECIAL PROGRAMS (Continued)

DRUG ELIMINATION (Continued)

Grant funds may be used for the following activities designed to reduce drug-related crime: (1) employment of security personnel; (2) reimbursement of local law enforcement agencies for additional security and protective services; (3) physical improvements designed to enhance security; (4) the employment of one or more individuals to investigate drug-related crime; (5) training, communications equipment, and other related equipment; (6) programs designed to reduce use of drugs in and around Public and Indian housing projects, including drug prevention, intervention, referral, and treatment programs, and; (7) providing funding to develop security and drug abuse prevention programs involving site residents.

GATEWAY

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS

RENTAL CERTIFICATES

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice, however, a public housing agency may also attach up to 15 percent of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

MOD REHAB #1, #2, #3 AND #4

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. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 10 percent of gross family income, or the portion of welfare assistance designated for housing toward rent.

RENTAL VOUCHERS

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 generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

SPECIAL PROGRAMS

DRUG ELIMINATION

The purposes of the Public Housing Drug Elimination Program are to: (a) eliminate drug-related crime in and around the real property comprising public housing projects; (b) encourage Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to develop a plan that includes initiatives that can be sustained over a period of several years for addressing the problem of drug-related crime in and around the premises of the Public and Indian housing projects proposed for funding under this part, and; (c) make available federal grants to help PHAs and IHAs carry out their plans.

HOUSING AUTHORITY OF THE CITY OF MONROE
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**COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES**

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 16 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Housing Authority maintains two enterprise funds. The New Construction program accounts for the activity contract administration of a Section 8 New Construction project. The Management Fees program accounts for the activity of Managing Agent of a Section 202 Elderly Housing Project. Selected segment information for the year ended June 30, 1997 is as follows:

	<u>New Construction</u>	<u>Management Fee</u>	<u>Total</u>
Operating revenues	\$ -	\$ 88,794	\$ 88,794
Operating income (loss)	(509,786)	85,399	424,387
Operating grants	519,678	-	519,678
Net income	18,033	118,449	136,482
Net working capital	170,364	584,976	755,340
Total assets	172,137	584,976	757,113
Total equity	170,727	584,976	755,703

HOUSING AUTHORITY OF THE CITY OF MONROE
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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 15 - 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. The Housing Authority established a risk management program for workers' compensation insurance in 1994. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the general fund. As of June 30, 1997, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$125,000. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the general fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the past year are as follows:

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims (including IBNRs)	24,693	3,574
Claim payments	<u>24,693</u>	<u>3,574</u>
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Litigation

At June 30, 1997, the Housing Authority is involved in one threatened litigation. It is the opinion of the legal advisor for the Housing Authority that it would not materially affect the financial statements.

Construction Projects

There are certain major construction projects in progress at June 30, 1997. These include modernizing rental units at practically all of the fourteen projects. As approved by HUD, these projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Self-Insurance

The Housing Authority is partially self-insured for workers' compensation, and health insurance coverage. Claims are funded through employee contributions and operating funds of the Housing Authority. The Housing Authority maintains stop-loss coverage with an insurance company for claims in excess of \$125,000 per occurrence for each employee for workers' compensation insurance coverage. All known claims filed and an estimate of incurred but not reported claims based on experience of the Housing Authority are made and accrued as necessary in 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.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 12 - GENERAL LONG-TERM OBLIGATIONS (Continued)

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes and the interest unpaid at the time of the Act. The timing of the official cancellation of the notes and the interest due at the date of the Act is unknown. The Housing Authority has not accrued interest on Project Notes -Non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project Notes - Non HUD.

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from U. S. Department of Housing and Urban Development. At June 30, 1997, the Housing Authority has accumulated \$1,479,165 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 1998	\$ 883,514	\$ 595,156	\$ 1,478,670
June 30, 1999	934,231	543,202	1,477,433
June 30, 2000	862,785	488,208	1,350,993
June 30, 2001	898,161	438,335	1,336,496
June 30, 2002	669,049	386,366	1,055,415
June 30, 2003 to maturity	<u>6,834,963</u>	<u>2,083,985</u>	<u>8,918,948</u>
	<u>\$11,082,703</u>	<u>\$4,535,252</u>	<u>\$15,617,955</u>

NOTE 13 - INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 1997 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds:	
	Special Programs	\$ 8,109
	Capital Project Funds:	37,739
	Proprietary Fund	
	New Construction	<u>1,356</u>
		<u>\$47,204</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 12 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Interest Payable - Long-Term</u>	<u>Total</u>
Balance, July 1, 1996	\$402,760	\$19,673,165	\$3,755,311	\$23,831,236
Additions	51,590	-	-	51,590
Deductions	-	834,559	-	834,559
 Balance, June 30, 1997	 <u>\$454,350</u>	 <u>\$18,838,606</u>	 <u>\$3,755,311</u>	 <u>\$23,048,267</u>

The following notes and bonds are outstanding at June 30, 1997, are HUD-guaranteed with maturities from 1998 to 2014 and interest rates from 5.0 to 6.6 percent. Bond principal and interest payable in the next fiscal year are \$883,514 and \$595,156 respectively. The individual issues are as follows:

<u>Project</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Balance June 30, 1997</u>
<u>Project Notes - Non-HUD (A)</u>					<u>\$ 7,755,904</u>
<u>Single Issue Bonds</u>					
LA 6-6	6-1-70	2011	5.125%	\$ 5,860,000	\$ 3,412,248
LA 6-7	6-1-73	2011	5.0%	1,109,737	663,409
LA 6-8	6-1-73	2011	5.0%	2,197,576	1,313,727
LA 6-9	6-1-73	2014	5.125%	2,260,000	1,517,910
LA 6-10	6-1-72	2013	5.125%	<u>3,600,000</u>	<u>2,294,380</u>
Total Bonds				<u>15,027,313</u>	<u>9,201,674</u>
<u>Federal Financing Bank Notes</u>					
LA 6-901	9-7-83	1998	6.6 %	1,270,961	\$ 225,714
LA 6-903	9-7-83	1999	6.6 %	211,014	52,660
LA 6-904	9-7-83	2000	6.6 %	3,086,716	965,500
LA 6-905	9-7-83	2001	6.6 %	<u>1,728,115</u>	<u>637,154</u>
Total Federal Financing Bank Notes				<u>6,296,806</u>	<u>1,881,028</u>
Total - Bonds and Notes				<u>\$21,324,119</u>	<u>\$18,838,606</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 9 - ACCOUNTS PAYABLES

The payables of \$619,980 at June 30, 1997, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
Vendors	\$101,238	\$ 14,987	\$ 8,442	\$54	\$124,721
Contract Retentions	-	-	141,945	-	141,945
Due to Other Governments					
Payable to HUD	-	353,314	-	-	353,314
Total	<u>\$101,238</u>	<u>\$368,301</u>	<u>\$150,387</u>	<u>\$54</u>	<u>\$619,980</u>

NOTE 10 - COMPENSATED ABSENCES

At June 30, 1997, employees of the Housing Authority have accumulated and vested \$454,350 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$454,350 is recorded within the general long-term obligations account group.

NOTE 11 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
Agency funds:				
Tenants Security Deposit	\$100,350	\$22,383	\$22,060	\$100,673
Deferred Compensation Plan	135,791	-	18,752	117,039
Total	<u>\$236,141</u>	<u>\$22,383</u>	<u>\$40,812</u>	<u>\$217,712</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 7 - RETIREMENT SYSTEM

The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing 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.

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.

The Housing Authority's total payroll for year ended June 30, 1997 was \$1,650,688. The Housing Authority's contributions were calculated using the base salary amount of \$1,315,514. The Housing Authority made the required contributions of \$184,172 for the year ended June 30, 1997.

NOTE 8 - DEFERRED COMPENSATION

The Housing Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and is administered by State of Louisiana Deferred Compensation Plan. The deferred compensation plan, available to all Housing Authority employees, permits them to defer up to \$7,500 of their annual salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred compensation plan is fully funded from employee contributions. The total fair market value of IRC 457 assets at June 30, 1997 was \$117,039.

All amounts of compensation deferred under the plan and all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Housing Authority, subject only to the claims of the Housing Authority general creditors. Participants' rights under the plans are equal to those of general creditors of the Housing Authority in an amount equal to the fair market value of the deferred account of each participant.

It is the opinion of the Housing Authority's legal counsel that the Housing Authority has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor. The Housing Authority believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 4 - INVESTMENTS (Continued)

Due to higher cash flows at certain times during the year, the Housing Authority's investment in U. S. treasury bills for which the underlying securities were held by the Housing Authority, increased significantly. As a result, the amounts that were in category 1 at those times were substantially higher than at year end.

NOTE 5 - RECEIVABLES

The receivables of \$1,867,393 at June 30, 1997, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Proprietary Funds - Enterprise Funds</u>	<u>Total</u>
Local sources:						
Tenants	\$133,754	\$ -	\$ -	\$ -	\$ -	\$ 133,754
Other	76,510	7,525	-	-	12,240	96,275
Other governments	16,805	-	-	-	-	16,805
Federal sources:						
Due from HUD	<u>986</u>	<u>74,803</u>	<u>1,467,128</u>	<u>75,497</u>	<u>2,145</u>	<u>1,620,559</u>
Total	<u>\$228,055</u>	<u>\$82,328</u>	<u>\$1,467,128</u>	<u>\$75,497</u>	<u>\$14,385</u>	<u>\$1,867,393</u>

NOTE 6 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 2,110,146	\$ -	\$ -	\$ 2,110,146
Site improvements	3,976,658	-	-	3,976,658
Buildings	44,217,224	1,870	-	44,219,094
Furniture and equipment	1,937,879	89,019	80,886	1,946,012
Construction in progress	<u>12,563,280</u>	<u>2,251,060</u>	<u>-</u>	<u>14,814,340</u>
Total	<u>\$64,805,187</u>	<u>\$2,341,949</u>	<u>\$80,886</u>	<u>\$67,066,250</u>

The following is a summary of fixed assets for the proprietary funds-enterprise funds:

Furniture and equipment	<u>\$363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$363</u>
Total	<u>\$363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$363</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

At year-end, the Housing Authority's carrying amount of deposits was \$686,360 and the bank balance was \$74,484. Of the bank balance, \$74,484 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1).

Even though the pledged securities are considered uncollateralized (Category 3) 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 demand.

NOTE 4 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Housing Authority or its agent in the Housing Authority's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Housing Authority's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Housing Authority's name.

At year end, the Housing Authority's investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>			<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	
U.S. Treasury Securities	\$3,200,265	\$ -	\$ -	\$3,200,265	\$ -	\$ -	\$3,200,265
Subtotal	\$3,200,265	\$ -	\$ -				
Less amounts reclassified to cash equivalents (Note 3)				435,372	-	-	435,372
Investments not subject to categorization:							
Deferred compensation plan				117,039	-	-	117,039
Total investments (Statement A)				\$2,881,932	\$ -	\$ -	\$2,881,932

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues, expenditures, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1997:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Fund			
Rental Certificates	\$2,501,457	\$2,550,263	\$48,806

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the Housing Authority has cash and cash equivalents (book balances) totaling \$1,134,267 as follows:

Demand deposit	\$ 3,447
Interest-bearing demand deposits	682,911
Time deposits	-
Other	<u>12,537</u>
Total	698,895
Add:	
Investments reclassified as cash equivalents (Note 4)	<u>435,372</u>
Total cash and cash equivalents (Statement A)	<u>\$1,134,267</u>

Deposits and investments of the primary government, other than the deferred compensation plan, are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. INTERFUND TRANSACTIONS (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Q. ADOPTION OF GASB PRONOUNCEMENTS

In September 1993, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), which discusses the application of authoritative accounting pronouncements for proprietary accounting and other funds that use proprietary accounting.

The Housing Authority was required to adopt GASB 20 in fiscal year 1995. GASB 20 allows the Housing Authority to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The Housing Authority has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

R. NEW APPLICABLE GASB PRONOUNCEMENTS

In November 1994, the GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plan. The Housing Authority sponsors a multiple-employer defined contribution plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The Housing Authority has not yet determined the effects of adoption.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. PREPAID ITEMS

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

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

L. 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 cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

N. FUND EQUITY

Reserves — Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. BUDGETS (Continued)

5. The Executive Director is authorized to transfer amounts between line items within any fund, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the Housing Authority in an open meeting as required by Louisiana Revised Statute. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
6. HUD approves all budgets adopted by the Housing Authority.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

G. 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.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. 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.

I. INVENTORY

All purchased inventory items are valued at cost using first-in, first-out method. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenditures are charged when the items are consumed.

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. BASIS OF ACCOUNTING (Continued)

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

Expenditures --- Salaries are recorded as expenditures when incurred.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are consumed.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Principal and interest on general long-term debt are recognized when incurred.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses) --- Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended June 30, 1997:

1. The Housing Authority adopted budgets for the general fund, the special revenue funds and the capital project funds. The capital project funds budget to actual comparison has not been included since the capital project is a multiple-year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary control purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. FUND ACCOUNTING (Continued)

4. **Capital Projects Funds** — account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

Proprietary Funds — Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The enterprise funds consist of the Housing Authority being a contract administrator for a Section 8 - New Construction Program and the managing agent for a Section 202 Elderly Housing Project.

Fiduciary Funds — Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. Fiduciary funds include:

1. **Tenant's Security Deposits Agency Fund** — accounts for assets held by the Housing Authority as an agent for the individual tenants.
2. **Deferred Compensation Plan Agency Fund** — accounts for assets held by the Housing Authority as an agent for the employees.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues — Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (Continued)

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

C. FUND ACCOUNTING

The Housing Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Housing Authority are classified into three categories: governmental, proprietary and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds — Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** — the general operating fund of the Housing Authority accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low rent housing assistance programs.
2. **Special revenue funds** — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special revenue funds contain transactions of the various Section 8 Housing Assistance programs administered by the Housing Authority.
3. **Debt Service Fund** — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes, federal financing bonds, and bonds payable (if applicable).

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY (Continued)

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 Housing Authority 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 Housing Authority.
2. Organizations for which the Housing Authority does not appoint a voting majority but are fiscally dependent on the Housing Authority.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Monroe Homeownership, Inc. is a legally separate entity. The Housing Authority appointed the initial members. The Housing Authority can, to a limited degree, impose its will on the Monroe Homeownership, Inc. and the Housing Authority provides office space, and some furnishings to the Monroe Homeownership, Inc. Also, the Housing Authority provided initial funding for start up cost. Monroe Homeownership, Inc. provides no direct services to the Housing Authority. Based on the above, it has been determined that the Monroe Homeownership, Inc. 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 the Monroe Homeownership, Inc. can be obtained from the Housing Authority of the City of Monroe.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Housing Authority of the City of Monroe have been prepared in conformity with generally accepted accounting principles (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.

B. REPORTING ENTITY

Housing Authorities are chartered as public corporations under the laws (LSA-RS 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 of the City of Monroe 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		
Rental Certificates	FW 2072 (EX)	599
Moderate Rehab #1	FW 2072 (MR)	99
Moderate Rehab #2	FW 2072 (MR)	113
Moderate Rehab #3	FW 2072 (MR)	30
Moderate Rehab #4	FW 2072 (MR)	51
Rental Vouchers	FW 2072 (VO)	249
Contract Administrator		
Section 8 New Construction	FW 2170	99
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza		91
Passman Plaza		41

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE -ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended June 30, 1997

Statement E

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (424,387)
<i>Adjustments to reconcile net income (loss) to net cash provided by operating activities</i>	
<i>Changes in operating current assets and liabilities:</i>	
(Increase) Decrease in receivables	(14,385)
(Increase) Decrease in interfund receivables	178
Increase (Decrease) in accounts payables	(4,659)
Increase (Decrease) in interfund payables	1,356
Increase (Decrease) in deferred revenue	<u>0</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(441,897)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal operating grants	\$ <u>519,678</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
(Increase) Decrease in investments	\$ (72,648)
Interest earnings	<u>41,191</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ <u>(31,457)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 46,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>58,825</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 105,149</u>

HOUSING AUTHORITY THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 1997

Statement D

OPERATING REVENUE	
Management fees	\$ 88,794
OPERATING EXPENSES	
Administration	\$ 8,811
General expenditures	1,519
Maintenance & operations	104
Housing assistance payments	<u>502,747</u>
TOTAL OPERATING EXPENSES	\$ <u>513,181</u>
OPERATING INCOME (LOSS)	\$ <u>(424,387)</u>
NON-OPERATING REVENUES	
Interest income	\$ 41,191
Federal operating grants	<u>519,678</u>
TOTAL NON-OPERATING REVENUES	\$ <u>560,869</u>
NET INCOME (LOSS)	\$ 136,482
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>619,221</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 755,703</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

VARIANCE
FAVORABLE

	BUDGET	ACTUAL	(UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 48,058	48,058
Federal sources:			
Annual contributions	4,277,122	4,256,550	(20,572)
Grants	497,346	497,346	0
Total revenues	<u>\$ 4,774,468</u>	<u>\$ 4,801,954</u>	<u>27,486</u>
EXPENDITURES			
Current:			
General expenditures	\$ 939,967	\$ 948,451	(8,484)
Housing assistance payments	3,825,014	3,784,879	40,135
Total expenditures	<u>\$ 4,764,981</u>	<u>\$ 4,733,330</u>	<u>31,651</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 9,487	\$ 68,624	59,137
FUND BALANCES AT BEGINNING OF YEAR	<u>641,942</u>	<u>641,942</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 651,429</u>	<u>\$ 710,566</u>	<u>59,137</u>

(CONCLUDED)

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

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

VARIANCE
FAVORABLE
(UNFAVORABLE)

	BUDGET	ACTUAL	(UNFAVORABLE)
REVENUES			
Local sources:			
Dwelling rental	\$ 1,979,660	\$ 1,992,296	\$ 12,636
Interest earnings	48,220	110,089	61,869
Other	158,500	153,922	(4,578)
Federal sources:			
Operating subsidy	812,371	812,371	0
Grants	0	13,051	13,051
Total revenues	\$ 2,998,751	\$ 3,081,729	\$ 82,978
EXPENDITURES			
Current:			
Administration	\$ 578,260	\$ 596,104	\$ (17,844)
Tenant services	22,000	32,310	(10,310)
Utilities	219,730	255,079	(35,349)
Ordinary maintenance & operations	1,035,130	965,971	69,159
Protective services	53,040	43,772	9,268
General expenditures	902,180	833,668	68,512
Nonroutine maintenance	25,000	(1,005)	26,005
Facilities acquisition and construction	85,500	149,964	(64,464)
Total expenditures	\$ 2,920,840	\$ 2,875,863	\$ 44,977
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 77,911	\$ 205,866	\$ 127,955
FUND BALANCES AT BEGINNING OF YEAR	1,672,252	1,965,893	293,641
FUND BALANCES AT END OF YEAR	\$ 1,750,163	\$ 2,171,759	\$ 421,596

(CONTINUED)

Statement B

CAPITAL PROJECT	TOTAL (MEMORANDUM) ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMORANDUM) ONLY) REPORTING ENTITY
\$ 0	\$ 1,992,296	\$ 0	\$ 1,992,296
0	158,147	0	158,147
0	153,922	11,755	165,677
0	812,371	0	812,371
0	5,734,750	0	5,734,750
2,251,060	2,761,457	107,804	2,869,261
<u>\$ 2,251,060</u>	<u>\$ 11,612,943</u>	<u>\$ 119,559</u>	<u>\$ 11,732,502</u>
\$ 0	\$ 952,767	\$ 0	\$ 952,767
0	63,260	0	63,260
0	255,079	0	255,079
0	972,100	0	972,100
0	500,681	0	500,681
0	931,468	0	931,468
0	(1,005)	0	(1,005)
0	3,784,879	0	3,784,879
0	0	137,716	137,716
2,251,060	2,401,024	0	2,401,024
0	834,558	0	834,558
0	644,599	0	644,599
<u>\$ 2,251,060</u>	<u>\$ 11,339,410</u>	<u>\$ 137,716</u>	<u>\$ 11,477,126</u>
\$ 0	\$ 273,533	\$ (18,157)	\$ 255,376
0	4,087,957	21,604	4,109,561
<u>\$ 0</u>	<u>\$ 4,361,490</u>	<u>\$ 3,447</u>	<u>\$ 4,364,937</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES			
Local sources:			
Dwelling rental	\$ 1,992,296	\$ 0	\$ 0
Interest earnings	110,089	48,058	0
Other	153,922	0	0
Federal sources:			
Operating subsidy	812,371	0	0
Annual contributions	0	4,256,550	1,478,200
Grants	13,051	497,346	0
Total revenues	\$ 3,081,729	\$ 4,801,954	\$ 1,478,200
EXPENDITURES			
Current:			
Administration	\$ 596,104	\$ 356,663	\$ 0
Tenant services	32,310	30,950	0
Utilities	255,079	0	0
Ordinary maintenance & operations	965,971	6,129	0
Protective services	43,772	456,909	0
General expenditures	833,668	97,800	0
Nonroutine maintenance	(1,005)	0	0
Housing assistance payments	0	3,784,879	0
Homeownership	0	0	0
Facilities acquisition and construction	149,964	0	0
Debt service:			
Principal retirement	0	0	834,558
Interest and bank charges	0	0	644,599
Total expenditures	\$ 2,875,863	\$ 4,733,330	\$ 1,479,157
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 205,866	\$ 68,624	\$ (957)
FUND BALANCES AT BEGINNING OF YEAR	1,965,893	641,942	1,480,122
FUND BALANCES AT END OF YEAR	\$ 2,171,759	\$ 710,566	\$ 1,479,165

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

Statement A

PROPRIETARY FUNDS- ENTERPRISE	FIDUCIARY FUNDS - AGENCY	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS			
\$ 105,149	\$ 100,673	\$ 0	\$ 0	\$ 1,130,820	\$ 3,447	\$ 1,134,267
637,216	117,039	0	0	2,881,932	0	2,881,932
14,385	0	0	0	1,867,393	0	1,867,393
0	0	0	0	47,204	0	47,204
0	0	0	0	165,071	0	165,071
0	0	0	0	124,502	0	124,502
363	0	67,066,250	0	67,066,613	0	67,066,613
0	0	0	1,479,165	1,479,165	0	1,479,165
0	0	0	21,569,102	21,569,102	0	21,569,102
<u>\$ 757,113</u>	<u>\$ 217,712</u>	<u>\$ 67,066,250</u>	<u>\$ 23,048,267</u>	<u>\$ 96,331,802</u>	<u>\$ 3,447</u>	<u>\$ 96,335,249</u>
\$ 54	\$ 0	\$ 0	\$ 0	\$ 619,980	\$ 0	\$ 619,980
1,356	0	0	0	47,204	0	47,204
0	217,712	0	0	217,712	0	217,712
0	0	0	0	215,196	0	215,196
0	0	0	454,350	454,350	0	454,350
0	0	0	18,838,606	18,838,606	0	18,838,606
0	0	0	3,755,311	3,755,311	0	3,755,311
<u>\$ 1,410</u>	<u>\$ 217,712</u>	<u>\$ 0</u>	<u>\$ 23,048,267</u>	<u>\$ 24,148,359</u>	<u>\$ 0</u>	<u>\$ 24,148,359</u>
\$ 755,703	\$ 0	\$ 67,066,250	\$ 0	\$ 67,066,250	\$ 0	\$ 67,066,250
0	0	0	0	755,703	0	755,703
0	0	0	0	165,071	0	165,071
0	0	0	0	124,502	0	124,502
0	0	0	0	1,479,165	0	1,479,165
0	0	0	0	2,592,752	3,447	2,596,199
<u>\$ 755,703</u>	<u>\$ 0</u>	<u>\$ 67,066,250</u>	<u>\$ 0</u>	<u>\$ 72,183,443</u>	<u>\$ 3,447</u>	<u>\$ 72,186,890</u>
<u>\$ 757,113</u>	<u>\$ 217,712</u>	<u>\$ 67,066,250</u>	<u>\$ 23,048,267</u>	<u>\$ 96,331,802</u>	<u>\$ 3,447</u>	<u>\$ 96,335,249</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1997

*****GOVERNMENTAL FUNDS*****

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 509,842	\$ 290,490	\$ 12,037	\$ 112,629
Investments	1,419,911	707,766	0	0
Receivables	228,055	82,328	1,467,128	75,497
Interfund receivable	47,204	0	0	0
Prepaid insurance	158,679	6,392	0	0
Inventory	124,502	0	0	0
Land, buildings, and equipment	0	0	0	0
Other debits				
Amount available in debt service funds	0	0	0	0
Amount to be provided for retirement of general Long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,488,193	\$ 1,086,976	\$ 1,479,165	\$ 188,126
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payables	\$ 101,238	\$ 368,301	\$ 0	\$ 150,387
Interfund payable	0	8,109	0	37,739
Deposits due others	0	0	0	0
Accrued Liabilities	215,196	0	0	0
Compensated absences payable	0	0	0	0
Notes and bonds payable	0	0	0	0
Long-term interest payable	0	0	0	0
Total Liabilities	\$ 316,434	\$ 376,410	\$ 0	\$ 188,126
Equity and Other Credits				
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	0
Retained earnings	0	0	0	0
Fund balances:				
Reserved for prepaid insurance	158,679	6,392	0	0
Reserved for inventory	124,502	0	0	0
Reserved for debt payment			1,479,165	
Unreserved and undesignated	1,888,578	704,174	0	0
Total Equity and Other Credits	\$ 2,171,759	\$ 710,566	\$ 1,479,165	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 2,488,193	\$ 1,086,976	\$ 1,479,165	\$ 188,126

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

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

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority of the City of Monroe, Monroe, Louisiana, taken as a whole. The accompanying combining and individual fund and account group statements and schedules, including the schedule of expenditures of federal awards, is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Supplemental Information Schedules - HUD Prescribed Format, are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1997

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

**GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION**

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

**GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION**

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HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION

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

**GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION**

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

Release Date 3-4-98

Board Members
Housing Authority of the City of Monroe
Monroe, Louisiana
Page 4

This report is intended solely for the use of the Board Members, management, the Department of Housing and Urban Development and other applicable federal agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1997

Year 2000 Compliance (Continued)

Software and even hardware vendors should be contacted immediately to determine the requirements of making the computer system Year 2000 compliant. Plans should be drawn up with the assistance of vendors and/or a consultant in Year 2000 compliance and closely monitored to assure that the Housing Authority's system will not suffer a crisis. We would suggest that agreements or assurances should be attained from the software/hardware vendors regarding their ability to make their systems Year 2000 compliant. It may be that your system is Year 2000 compliant.

Section 403(b) Tax-Sheltered Annuities

Certain governmental entities offer Section 403(b) tax-sheltered annuities to their employees. The IRS has developed an examination program for employers who offer these annuities. To date, examinations have uncovered many deficiencies in employers' plans. These deficiencies have included exceeding the various contribution limits, noncompliance with distribution requirements, inadequate salary reduction agreements, and failure to offer universal availability of salary reduction programs (due to impermissible eligibility restrictions, mandatory contributions, and participant exclusions). Sizable assessments against these employers have been common as a remedy to prevent the programs from being declared taxable.

The IRS's Tax-Sheltered Annuity Voluntary Correction (TVC) program, which began in 1995, gives plan sponsors of Section 403(b) annuity plans the opportunity to voluntarily correct any plan defects. The program was scheduled to conclude October 1996. However, the IRS has recently announced that the program has been extended until December 31, 1998. Use of the TVC program may result in significantly reduced settlements with the IRS, compared to assessments based on deficiencies discovered during audits performed by the IRS.

IRC Section 457 Deferred Compensation Plans

Many state and local governments have established deferred compensation plans for their employees under the provisions of IRC Section 457. The recently passed Small Business Job Protection Act of 1996 includes a provision that will require these plans to hold all assets in trust for the exclusive benefit of participants and their beneficiaries. This new requirement generally is effective for assets and income held by IRC Section 457 plans on or after August 20, 1996. However, for plans in existence before August 20, 1996, a trust need not be established before January 1, 1999. Before this new legislation, the amounts deferred under an IRC Section 457 plan were, much to the dismay of the employees, legally the property of the governmental employer.

Again, the above items are matters we believe you should be aware of that could assist in the operations of the Housing Authority. The inclusion of items are informational and does not indicate that the situation exists at the Housing Authority.

We hope the suggestions on the previous pages are useful to you.

The following items are matters we believe you should be aware of that could assist in the operations of the Housing Authority. The inclusion of items are informational and does not indicate that the situation exists at the Housing Authority.

OMB Circular A-133

All Housing Authorities became subject to U. S. Office of Management and Budget (OMB) Circular A-133 and OMB Circular A-133 Provisional Compliance Supplement for the first time for the fiscal year that recently ended. As part of these audit regulations which resulted from the passage of the Single Audit Act Amendment of 1996, there is a De Facto incentive to the Housing Authority. More audit work will be required annually in the federal program area for a government that falls outside the low-risk auditee classification as defined by OMB. Items that prevent a Housing Authority from being treated as a low-risk auditee is if the Housing Authority had reportable conditions (internal control weaknesses) that were considered material weaknesses and material compliance (violations of laws, regulations, contract provisions, etc.) findings. It would be to the Housing Authority's benefit to correct the current-year findings reflected in the Schedule of Findings and Questioned Costs included in the single audit report, particularly any finding that is considered a material weakness.

Another matter resulting from the change in audit regulations from OMB Circular A-128 (old audit regulations) to OMB Circular A-133 is the establishment of a \$10,000 threshold for reporting questioned costs. Previously there was no minimum requirements which resulted in some findings being reported that were fairly insignificant in the scheme of the Housing Authority's operation. The establishment of the \$10,000 threshold will result in less findings in the single audit reports. That is the good news! The bad news is that the findings that are included in the report will take on increased importance. There will be more interaction between the federal agency that provided the funding for the federal program and the Housing Authority and the auditors. In fact the new Data Collection Form (transmittal form that is submitted with all single audit reports) will include name, address, telephone and E-mail addresses for both the Housing Authority and the auditor. Included with each finding in the single audit report is this same information for the person assigned responsibility for the corrective action planned for each finding.

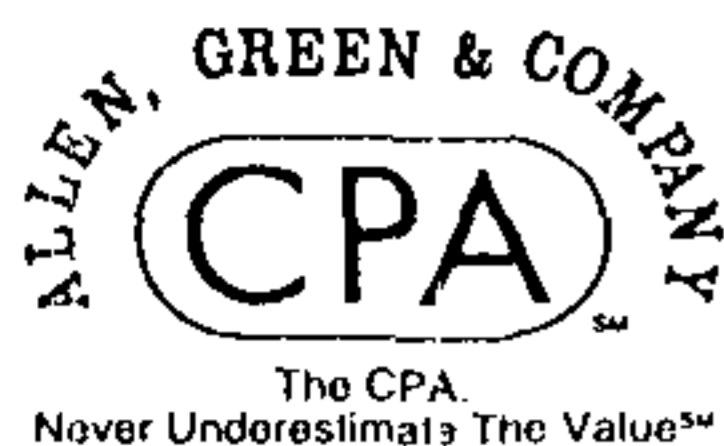
Finally, the Single Audit Act Amendments of 1996 included a provision that the federal agency has access to the auditor's work paper in order to resolve audit findings. Previously, auditors were somewhat reluctant to release audit work papers that could be used by the federal agency to the detriment of the Housing Authority for matters involving questioned costs charged to a federal program. However, now there is no choice by the auditor. The federal agency has access as per federal law.

Year 2000 Compliance

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans are made concerning year 2000 compliance for many Housing Authority's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two digits to represent the last two years of the 19XX dates, therefore the programs are conditioned to expect dates between the year 1900 and 1999. If dates for the year 2000 are entered into these noncompliant programs, the programs will assume the year 2000 to be the year 1900. Many arithmetic calculations, such as due dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems in important areas such as accounts payable and payroll just to name a few.

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Margie Williamson, CPA

Management Letter

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

Dear Board:

In planning and performing our audit of the general-purpose financial statements of the Housing Authority of the City of Monroe (the Housing Authority) for the year ended June 30, 1997, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 15, 1997 on the general-purpose financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

1. Credits to Tenant's Accounts Receivable

Condition: We tested ten credits to accounts receivable for proper authorization. Of the ten items tested, four did not have proper authorization.

Reason Improvement Needed: To improve internal control and reporting ability of the Housing Authority in regard to non-cash transactions.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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 were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #14.850 Public and Indian Housing
 - CFDA #14.854 Drug Elimination Program
 - CFDA #14.852 Comprehensive Grant Program

Cluster (as defined by OMB Circular No. A-133 Provisional Compliance Supplement)

 - CFDA #14.857 Section 8 Rental Certificate Program
 - CFDA #14.856 Section 8 Moderate Rehabilitation
 - CFDA #14.855 Section 8 Rental Voucher
 - CFDA #14.182 Section 8 New Construction
- 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 qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

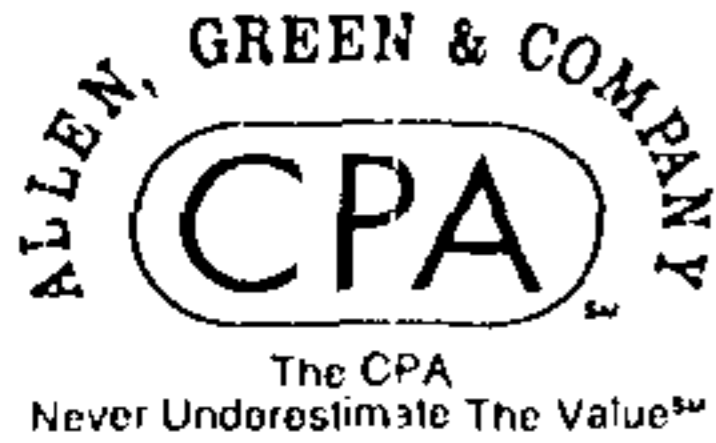
Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1997

ALLEN, GREEN & COMPANY, LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH (OMB) CIRCULAR 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, Monroe, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The Housing Authority of the City of Monroe'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 of the City of Monroe's management. Our responsibility is to express an opinion on the Housing Authority of the City of Monroe's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and (OMB) Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Monroe'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 of the City of Monroe's compliance with those requirements.

In our opinion, the Housing Authority of the City of Monroe 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, 1997.

Internal Control Over Compliance

The management of the Housing Authority of the City of Monroe 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 of the City of Monroe'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 A-133.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

OTHER REPORT REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain information on internal control and compliance with laws, regulations, contracts and grants required by OMB Circular A-133. The report on internal controls relates to matters that would be significant and/or material to federal awards programs. The report on compliance with laws, regulations, contracts and grants is, likewise, related to tests of compliance with laws, regulations, contracts and grants relating to federal awards programs.

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

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

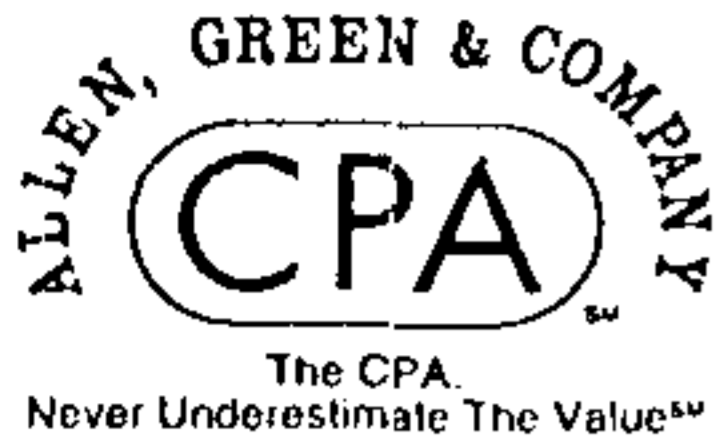
Allen Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1997

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 general-purpose financial statements of the Housing Authority of the City of Monroe, Monroe, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 15, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Monroe's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Monroe'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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Housing Authority of the City of Monroe in a separate letter dated October 15, 1997.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following page is a report on internal control and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the general-purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented general-purpose financial statements and presents, where applicable, compliance matters that would be material to the presented general-purpose financial statements.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ACTUAL COMPREHENSIVE GRANT
COST CERTIFICATE
June 30, 1997

Exhibit 20

1. The actual Comprehensive Grant costs is as follows:

	PROJECT <u>LA-48P00670495</u>
Funds Approved	\$ 3,232,511
Funds Expended	<u>3,232,511</u>
Excess of Funds Approved	\$ <u>0</u>
Funds Advanced	\$ 3,232,511
Funds Expended	<u>3,232,511</u>
Excess of Funds Advanced	\$ <u>0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Grant expenditures dated February 25, 1997, accompanying the actual Comprehensive Grant cost certificate submitted to HUD for approval is in agreement with the PHA's records.

3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ACTUAL COMPREHENSIVE GRANT
COST CERTIFICATE
June 30, 1997

Exhibit 19

1. The actual Comprehensive Grant costs is as follows:

	PROJECT <u>LA-48P00670293</u>
Funds Approved	\$ 3,326,197
Funds Expended	<u>3,326,197</u>
Excess of Funds Approved	\$ <u>0</u>
Funds Advanced	\$ 3,326,197
Funds Expended	<u>3,326,197</u>
Excess of Funds Advanced	\$ <u>0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Grant expenditures dated February 27, 1997, accompanying the actual Comprehensive Grant cost certificate submitted to HUD for approval is in agreement with the PHA's records.

3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

Exhibit 18

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ 91,804	\$ 2,465,243	\$ 169,947
0	(73,808)	0
<u>(19,332)</u>	<u>476,468</u>	<u>(52,062)</u>
\$ <u>72,472</u>	\$ <u>2,867,903</u>	\$ <u>117,885</u>
\$ 2,250,708	\$ 4,605,393	\$ 6,922,861
0	0	0
<u>196,359</u>	<u>762,261</u>	<u>519,678</u>
\$ <u>2,447,067</u>	\$ <u>5,367,654</u>	\$ <u>7,442,539</u>
\$ <u>44,451</u>	\$ <u>101,144</u>	\$ <u>170,727</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

**ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1997**

SECTION 8 (ACC FW 2072 & 2170)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
PROJECT ACCOUNT UNFUNDED				
BALANCE, BEGINNING	\$ 4,551,670	\$ 294,068	\$ 582,894	\$ 81,462
HUD adjustments	(468,211)	150,413	(582,894)	11,737
Provision for (Reduction of) Project Account Unfunded	<u>245,135</u>	<u>(41,068)</u>	<u>0</u>	<u>(5,725)</u>
BALANCE, ENDING	<u>\$ 4,328,594</u>	<u>\$ 403,413</u>	<u>\$ 0</u>	<u>\$ 87,474</u>
CUMULATIVE HUD CONTRIBUTION				
BALANCE, BEGINNING	\$ 22,153,832	\$ 6,437,931	\$ 6,312,703	\$ 1,376,242
HUD adjustments	93,664	0	0	0
Annual Contribution Earned Section 8	<u>2,555,820</u>	<u>287,464</u>	<u>346,679</u>	<u>107,967</u>
BALANCE, ENDING	<u>\$ 24,803,316</u>	<u>\$ 6,725,395</u>	<u>\$ 6,659,382</u>	<u>\$ 1,484,209</u>
TOTAL SURPLUS	<u>\$ 367,890</u>	<u>\$ 121,499</u>	<u>\$ 107,524</u>	<u>\$ 27,615</u>

Exhibit 18

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ (2,337,962)	\$ (7,062,479)	\$ (7,092,445)
(191,660)	(745,083)	(501,645)
0	73,808	0
(5,718)	(17,176)	(18,033)
<u>19,332</u>	<u>(476,468)</u>	<u>52,062</u>
\$ <u>(2,516,008)</u>	\$ <u>(8,227,398)</u>	\$ <u>(7,560,061)</u>
\$ 35,202	\$ 75,809	\$ 152,331
5,718	17,176	18,033
<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>40,920</u>	\$ <u>92,985</u>	\$ <u>170,364</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1997

SECTION 8 (ACC FW 2072 & 2170)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
UNRESERVED SURPLUS				
Balance Per Prior Audit	\$ (26,689,086)	\$ (6,717,019)	\$ (6,891,756)	\$ (1,457,013)
NET LOSS	(2,514,548)	(281,913)	(336,394)	(104,873)
HUD adjustments	374,548	(150,413)	582,894	(11,737)
(Provision for) Reduction of:				
Operating Reserve	(79,453)	(8,864)	5,658	(3,785)
Project Account	(245,135)	41,068	0	5,725
BALANCE, ENDING	<u>\$ (29,153,674)</u>	<u>\$ (7,117,141)</u>	<u>\$ (6,639,598)</u>	<u>\$ (1,571,683)</u>
OPERATING RESERVE				
BALANCE, BEGINNING	\$ 322,222	\$ 100,968	\$ 93,398	\$ 23,830
Provision for (Reduction of)				
Operating Reserve	79,453	8,864	(5,658)	3,785
Cash redeposit (withdrawal)	(12,021)	0	0	0
BALANCE, ENDING	<u>\$ 389,654</u>	<u>\$ 109,832</u>	<u>\$ 87,740</u>	<u>\$ 27,615</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1997

Exhibit 17

PHA OWNED HOUSING (ACC FW 2006)

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED
CUMULATIVE HUD CONTRIBUTION				
BALANCE, BEGINNING	\$ 61,241,976	\$ 0	\$ 0	\$ 61,241,976
Annual Contribution	1,478,200	0	0	1,478,200
Operating Subsidy	<u>812,371</u>	<u>0</u>	<u>0</u>	<u>812,371</u>
BALANCE ENDING	<u>\$ 63,532,547</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 63,532,547</u>
CUMULATIVE HUD GRANTS				
BALANCE, BEGINNING	\$ 5,424,932	\$ 1,494,216	\$ 12,563,280	\$ 19,482,428
Comprehensive Grants	<u>0</u>	<u>497,346</u>	<u>2,251,060</u>	<u>2,748,406</u>
BALANCE, ENDING	<u>\$ 5,424,932</u>	<u>\$ 1,991,562</u>	<u>\$ 14,814,340</u>	<u>\$ 22,230,834</u>
CUMULATIVE CONTRIBUTIONS				
BALANCE, BEGINNING AND ENDING	<u>\$ 271,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 271,079</u>
TOTAL SURPLUS	<u>\$ 33,265,302</u>	<u>\$ 0</u>	<u>\$ 14,814,340</u>	<u>\$ 48,079,642</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1997

Exhibit 17

PHA OWNED HOUSING (ACC FW 2006)

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED HOUSING
UNRESERVED SURPLUS				
Balance Per Prior Audit	\$ (36,750,486)	\$ (1,503,703)	\$ 0	\$ (38,254,189)
Prior Audit Adjustments	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance Per Books, Beginning	\$ (36,750,486)	\$ (1,503,703)	\$ 0	\$ (38,254,189)
NET (LOSS) INCOME	(1,183,790)	(487,859)	0	\$ (1,671,649)
(Provision for) Reduction of Operating Reserve	<u>(177,792)</u>	<u>0</u>	<u>0</u>	<u>(177,792)</u>
BALANCE, ENDING	<u>\$ (38,112,068)</u>	<u>\$ (1,991,562)</u>	<u>\$ 0</u>	<u>\$ (40,103,630)</u>
OPERATING RESERVE				
BALANCE, BEGINNING	\$ 1,971,020	\$ 0	\$ 0	\$ 1,971,020
Provision for (Reduction of) Operating Reserve	<u>177,792</u>	<u>0</u>	<u>0</u>	<u>177,792</u>
BALANCE, ENDING	<u>\$ 2,148,812</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,148,812</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES -
HUD PRESCRIBED FORMAT

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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 general-purpose 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 general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows

Federal Sources

General Fund	\$ 825,422
Special Revenue Funds:	
Rental Certificates	2,555,820
Mod Rehab #1	287,464
Mod Rehab #2	346,679
Mod Rehab #3	107,967
Mod Rehab #4	196,359
Rental Vouchers	762,261
Special Programs	497,346
Debt Service	1,478,200
Capital Project	2,251,060
Proprietary Funds - Enterprise Fund	519,678
Component Unit	<u>107,804</u>
	<u>\$9,936,060</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 generally accepted accounting principles.