

**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, 1996**

Schedule 12

	<u>NEW CONSTRUCTION</u>	<u>MANAGEMENT FEES</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (508,477)	\$ 81,799	\$ (426,677)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Changes in operating current assets and liabilities:			
(Increase) Decrease in receivables	1,157	2,331	3,488
(Increase) Decrease in interfund receivables	(179)	0	(179)
Increase (Decrease) in accounts payables	1,960	80	2,040
Increase (Decrease) in interfund payables	(85)	0	(85)
Increase (Decrease) in deferred revenue	0	0	0
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (505,623)</u>	<u>\$ 84,210</u>	<u>\$ (421,413)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal operating grants	<u>\$ 520,539</u>	<u>\$ 0</u>	<u>\$ 520,539</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
(Increase) Decrease in investments	\$ 345	\$ (237,329)	\$ (236,983)
Interest earnings	<u>4,782</u>	<u>14,860</u>	<u>19,642</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>\$ 5,127</u>	<u>\$ (222,469)</u>	<u>\$ (217,342)</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 \$ 20,042	 \$ (138,258)	 \$ (118,216)
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>38,782</u>	 <u>138,258</u>	 <u>177,040</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u>\$ 58,824</u>	 <u>\$ 0</u>	 <u>\$ 58,824</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 11 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

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, 1996, the Housing Authority has accumulated \$1,480,122 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, 1997	\$ 834,558	\$ 644,598	\$ 1,479,156
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 to maturity	<u>7,504,012</u>	<u>2,470,351</u>	<u>9,974,363</u>
	<u>\$11,917,261</u>	<u>\$5,179,850</u>	<u>\$17,097,111</u>

**NOTE 12 - INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables/payables at June 30, 1996 are as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$158,530	
Special Revenue Funds:		
Rental Certificates		\$ 53
MOD Rehab #1		8
MOD Rehab #2		10
MOD Rehab #3		3
MOD Rehab #4		5
Rental Vouchers		22
Special Programs		8,976
Capital Project Funds		149,631
Proprietary Fund:		
New Construction	<u>178</u>	
	<u>\$158,708</u>	<u>\$158,708</u>

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

At June 30, 1996, 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.

HOUSING AUTHORITY OF THE CITY OF MONROE  
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AGENCY FUNDS  
Combining Schedule of Assets and Liabilities  
June 30, 1996

Schedule 13

	<u>TENANTS' SECURITY DEPOSITS</u>	<u>DEFERRED COMPENSATION PLAN</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 100,350	\$ 0	\$ 100,350
Investments		<u>135,791</u>	<u>135,791</u>
<b>TOTAL ASSETS</b>	<u>\$ 100,350</u>	<u>\$ 135,791</u>	<u>\$ 236,141</u>
<b>LIABILITIES</b>			
Deposits due others	<u>\$ 100,350</u>	<u>\$ 135,791</u>	<u>\$ 236,141</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 100,350</u>	<u>\$ 135,791</u>	<u>\$ 236,141</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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.

**HOUSING AUTHORITY OF THE CITY OF MONROE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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 changes in cash flows in conformity 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 plans. The Housing Authority sponsors a multiple-employer defined contribution plan which has some characteristics of a defined benefit pension plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The Housing Authority has not yet determined when GASB 27 will be adopted or determined the effects of adoption.

**HOUSING AUTHORITY OF THE CITY OF MONROE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 2 - FUND DEFICITS**

The following individual fund had a deficit in unreserved fund balance at June 30, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds	
Special Programs	\$9,487

The deficit in the above fund will be cleared by receipt of federal grants.

**NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Fund			
Rental Certificates	\$2,114,680	\$2,129,539	\$ 14,859

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Deposits and investments of the primary government, other than the deferred compensation plan, are stated at cost, which approximates market. The deferred compensation plan investments are recorded at market value. Under state law, 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.

**HOUSING AUTHORITY OF THE CITY OF MONROE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

At year-end, the Housing Authority's carrying amount of deposits was \$590,661 and the bank balance was \$672,979. Of the bank balance, \$290,370 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). The remaining balance, \$382,609 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

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.

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 counterparty's trust department or agent in the Housing Authority's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Housing Authority's name.

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

	Category			Carrying Amount	Market Value
	1	2	3		
<b>CATEGORIZED</b>					
Money Market Account	\$ 616			\$ 616	\$ 616
U. S. Treasury Bills	97,787			97,787	99,242
U. S. Treasury Bills	752,514			752,514	756,377
U. S. Treasury Bills	244,644			244,644	247,335
U. S. Treasury Bills	341,751			341,751	344,845
U. S. Treasury Bills	306,959			306,959	307,336
U. S. Treasury Bills	667,743			667,743	671,251
U. S. Treasury Securities	<u>226,641</u>			<u>226,641</u>	<u>226,642</u>
<b>Total</b>	<b><u>\$2,638,655</u></b>			<b><u>\$2,638,655</u></b>	<b><u>\$2,653,644</u></b>
<b>NON-CATEGORIZED</b>					
Deferred Compensation Plan				<u>\$ 135,791</u>	<u>\$ 135,791</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 4 - DEPOSITS AND 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 GASB Category 1 at those times were substantially higher than at year end.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the reporting entity follows:

Carrying amount of deposits	\$ 590,661
Carrying amount of investments	<u>2,774,446</u>
Total	<u>\$3,365,107</u>
Cash and cash equivalents	\$ 590,661
Investments	<u>2,774,446</u>
Total	<u>\$3,365,107</u>

**NOTE 5 - RECEIVABLES**

The receivables of \$2,455,693 at June 30, 1996, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Local sources:					
Tenants	\$142,579	\$ -	\$ -	\$ -	\$ 142,579
Other	106,185	-	-	-	106,185
Other governments	14,989	-	-	-	14,989
Federal sources:					
Due from HUD	<u>986</u>	<u>73,172</u>	<u>1,467,128</u>	<u>650,654</u>	<u>2,191,940</u>
Total	<u>\$264,739</u>	<u>\$73,172</u>	<u>\$1,467,128</u>	<u>\$650,654</u>	<u>\$2,455,693</u>



**HOUSING AUTHORITY OF THE CITY OF MONROE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 6 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Land	\$ 2,110,146	\$ -	\$ -	\$ 2,110,146
Site improvements	3,976,658	-	-	3,976,658
Buildings 44,217,224		44,395,795	-	178,571
Furniture and equipment	1,711,094	281,945	55,160	1,937,879
Construction in progress	<u>8,644,254</u>	<u>3,919,026</u>	<u>-</u>	<u>12,563,280</u>
Total	<u>\$60,837,947</u>	<u>\$4,200,971</u>	<u>\$233,731</u>	<u>\$64,805,187</u>

**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, 1996 was \$1,621,210. The Housing Authority's contributions were calculated using the base salary amount of \$1,318,196. The Housing Authority made the required contributions of \$184,553 for the year ended June 30, 1996.

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, 1996 was \$135,791.

**HOUSING AUTHORITY OF THE CITY OF MONROE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. BASIS OF ACCOUNTING (Continued)**

Rental income is recorded in the month earned.

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.

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

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 11 - GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1996:

	<u>Interest Payable - Long-Term</u>	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Total</u>
Balance, July 1, 1995	\$3,755,310	\$136,867	\$20,464,765	\$24,356,942
Additions	-	265,893	-	265,893
Deductions	-	-	791,600	791,600
Balance, June 30, 1996	<u>\$3,755,310</u>	<u>\$402,760</u>	<u>\$19,673,165</u>	<u>\$23,831,235</u>

The following notes and bonds are outstanding at June 30, 1996, 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 \$834,558 and \$644,598 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, 1996</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	\$ 3,575,935
LA 6-7	6-1-73	2011	5. %	1,109,737	696,158
LA 6-8	6-1-73	2011	5. %	2,197,576	1,378,580
LA 6-9	6-1-73	2014	5.125%	2,260,000	1,574,129
LA 6-10	6-1-72	2013	5.125%	<u>3,600,000</u>	<u>2,383,914</u>
Total Bonds				<u>\$15,027,313</u>	<u>\$ 9,608,716</u>
<u>Federal Financing Bank Notes</u>					
LA 6-901	9-7-83	1998	6.6 %	\$ 1,270,961	\$ 328,147
LA 6-903	9-7-83	1999	6.6 %	211,014	68,074
LA 6-904	9-7-83	2000	6.6 %	3,086,716	1,170,519
LA 6-905	9-7-83	2001	6.6 %	<u>1,728,115</u>	<u>741,805</u>
Total Federal Financing Bank Notes				<u>\$ 6,296,806</u>	<u>\$ 2,308,545</u>
Total - Bonds and Notes				<u>\$21,324,119</u>	<u>\$19,673,165</u>

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. The timing of the official cancellation of the remaining notes 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. FUND ACCOUNTING (Continued)**

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).
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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

**Construction Projects**

There are certain major construction projects in progress at June 30, 1996. 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.

**NOTE 14 - 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, 1996, 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)	3,574	2,603
Claim payments	<u>3,574</u>	<u>2,603</u>
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 15 - RESTATEMENT OF FUND BALANCE**

The fund balance of the general fund was restated to reflect an error which occurred at June 30, 1995 and in the conversion of the HUD basis financial statements to GAAP (generally accepted accounting principles) basis. Receivables and the fund balance were understated by \$10,603.

**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, 1996 is as follows:

	<u>New Construction</u>	<u>Management Fee</u>	<u>Total</u>
Operating revenues	\$ -	\$ 91,219	\$ 91,219
Operating income (loss)	(508,477)	81,799	(426,677)
Operating grants	520,539	-	520,539
Net income	16,844	96,659	113,503
Net working capital	152,330	466,527	619,220
Total assets	157,152	466,781	623,933
Total equity	152,693	466,527	619,220

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

**SUPPLEMENTAL INFORMATION SCHEDULES -**  
**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS**

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

**SUPPLEMENTAL INFORMATION SCHEDULES**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**SPECIAL REVENUE FUNDS**

**RENTAL CERTIFICATES**

(Section 8 - Rental Certificates, CFDA #14.857)

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**

(Lower Income Housing Assistance - Section 8 Moderate Rehabilitation, CFDA #14.856)

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**

(Section 8 Rental Vouchers, CFDA #14.855)

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.



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

**SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**SPECIAL REVENUE FUNDS**

**SPECIAL PROGRAMS**

**DRUG ELIMINATION YEAR 2, YEAR 3, YEAR 4, YEAR 5 AND YOUTH SPORTS PROGRAM**

(Public and Indian Housing Drug Elimination Program, CFDA #14,854)

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.

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**

(Adult Education - State Administered Basic Grant, CFDA #84.002)

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**  
**Combining Balance Sheet**  
**June 30, 1996**

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,596	\$ 103,845	\$ 26,570	\$ 31,882
Investments at amortized cost	238,735	204,744	80,000	25,000
Receivables	72,544	0	141	0
Interfund receivable	0	0	0	0
Prepaid insurance	6,567	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 323,442</b>	<b>\$ 308,589</b>	<b>\$ 106,710</b>	<b>\$ 56,882</b>
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payables	\$ 1,168	\$ 207,613	\$ 13,302	\$ 33,049
Interfund payable	53	9	10	3
Deferred revenues	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 1,222</b>	<b>\$ 207,622</b>	<b>\$ 13,312</b>	<b>\$ 33,052</b>
 <b>Fund equity</b>				
<b>Fund balances:</b>				
Reserved for prepaid insurance	\$ 6,567	\$ 0	\$ 0	\$ 0
Unreserved-undesignated	315,654	100,967	93,398	23,830
<b>Total Equity</b>	<b>\$ 322,220</b>	<b>\$ 100,967</b>	<b>\$ 93,398</b>	<b>\$ 23,830</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 323,442</b>	<b>\$ 308,589</b>	<b>\$ 106,710</b>	<b>\$ 56,882</b>

Schedule 1

MOD REHAB #4	RENTAL VOUCHERS	SPECIAL PROGRAMS	TOTAL
\$ 39,331	\$ 33,254	\$ 0	\$ 240,477
51,327	74,551	0	674,357
487	0	0	73,172
0	0	0	0
0	0	0	6,567
<u>\$ 91,144</u>	<u>\$ 107,805</u>	<u>\$ 0</u>	<u>\$ 994,572</u>

\$ 55,937	\$ 31,973	\$ 511	\$ 343,555
5	22	8,976	9,077
0	0	0	0
<u>\$ 55,942</u>	<u>\$ 31,996</u>	<u>\$ 9,487</u>	<u>\$ 352,632</u>

\$ 0	\$ 0	\$ 0	\$ 6,567
35,202	75,810	(9,487)	635,374
<u>\$ 35,202</u>	<u>\$ 75,810</u>	<u>\$ (9,487)</u>	<u>\$ 641,941</u>
<u>\$ 91,144</u>	<u>\$ 107,805</u>	<u>\$ 0</u>	<u>\$ 994,572</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, 1996**

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
<b>REVENUES</b>				
<b>Local sources:</b>				
Interest earnings	\$ 10,091	\$ 0	\$ 2,678	\$ 0
Other	25,268	0	0	0
<b>Federal sources:</b>				
Annual contributions	2,183,010	437,546	473,394	113,696
Grants	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 2,218,368</b>	<b>\$ 437,546</b>	<b>\$ 476,073</b>	<b>\$ 113,696</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Administration	\$ 141,269	\$ 28,648	\$ 29,677	\$ 7,159
Tenant services	0	0	0	0
Ordinary maintenance & operations	6,603	1,423	1,448	344
Protective services	0	0	0	0
General expenditures	48,364	9,837	10,277	2,497
Housing assistance payments	1,931,435	393,767	427,010	102,095
Facilities acquisition and construction	1,869	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,129,539</b>	<b>\$ 433,676</b>	<b>\$ 468,412</b>	<b>\$ 112,094</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 88,829</b>	<b>\$ 3,870</b>	<b>\$ 7,661</b>	<b>\$ 1,602</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>233,391</b>	<b>97,097</b>	<b>85,738</b>	<b>22,228</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 322,220</b>	<b>\$ 100,967</b>	<b>\$ 93,398</b>	<b>\$ 23,830</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 7 - RETIREMENT SYSTEM (Continued)**

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.

**NOTE 8 - ACCOUNTS PAYABLES**

The payables of \$969,072 at June 30, 1996, 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	\$ 61,293	\$ 2,752	\$ 18	\$ 254	\$ 64,317
Contract Retentions	-	-	501,000	-	501,000
Due to Other Governments					
Payable to HUD	-	340,802	-	4,459	345,261
Other	<u>58,439</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>58,494</u>
Total	<u>\$119,732</u>	<u>\$343,554</u>	<u>\$501,073</u>	<u>\$4,713</u>	<u>\$969,072</u>

**NOTE 9 - COMPENSATED ABSENCES**

At June 30, 1996, employees of the Housing Authority have accumulated and vested \$402,760 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 \$402,760 is recorded within the general long-term obligations account group.

**NOTE 10 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
Agency funds:				
Tenants Security Deposit	\$100,344	\$ 19,850	\$ 19,844	\$100,350
Deferred Compensation Plan	<u>103,320</u>	<u>32,471</u>	<u>-</u>	<u>135,791</u>
Total	<u>\$203,664</u>	<u>\$ 52,321</u>	<u>\$ 19,844</u>	<u>\$236,141</u>

Statement B

CAPITAL PROJECT FUNDS	TOTAL (MEMO ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMO ONLY) REPORTING ENTITY
\$ 0	\$ 1,898,897	\$ 0	\$ 1,898,897
0	84,797	0	84,797
0	213,996	9,563	223,559
0	831,667	0	831,667
0	5,659,780	0	5,659,780
3,919,026	4,417,367	128,429	4,545,796
\$ 3,919,026	\$ 13,106,503	\$ 137,992	\$ 13,244,495

\$ 0	\$ 810,697	\$ 0	\$ 810,697
0	38,629	0	38,629
0	260,056	0	260,056
0	1,011,616	0	1,011,616
0	422,005	0	422,005
0	901,032	0	901,032
0	12,275	0	12,275
0	3,709,914	0	3,709,914
0	0	123,861	123,861
3,919,026	3,959,497	0	3,959,497
0	791,600	0	791,600
0	690,622	0	690,622
\$ 3,919,026	\$ 12,607,943	\$ 123,861	\$ 12,731,804

\$ 0	\$ 498,560	\$ 14,131	\$ 512,691
0	3,589,397	7,473	3,596,870
\$ 0	\$ 4,087,956	\$ 21,604	\$ 4,109,560

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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, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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 DEC 18 1996

**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, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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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, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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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, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
HOUSING AUTHORITY OF THE  
CITY OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana, as of and for the year ended June 30, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Monroe, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Housing Authority of the City of Monroe. The accompanying supplemental information identified as:

A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis and including the Schedule of Federal Financial Assistance has been subjected to the 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.

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY OF MONROE  
Monroe, Louisiana

B. Supplemental Information Schedules - HUD Prescribed Format, which is an Other Comprehensive Basis of Accounting, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the following differences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole:

	<u>GAAP Basis</u>	<u>HUD Prescribed Format</u>
<b>FINANCIAL STATEMENT PRESENTATION</b>		
Fund accounting	Used	Not used
Facilities acquisition and construction	Expenditure	Capitalized
Prior year adjustments	Beginning fund balance adjusted	Current expenditure or receipt
Principal payments on notes and bonds	Expenditure	Reduction of the liability
<b>BASIS OF ACCOUNTING</b>		
Federal Grants for Capital Projects	Modified Accrual	Cash
Expenditures	Modified Accrual	Accrual

In accordance with Government Auditing Standards, we have also issued a report dated August 28, 1996 on our consideration of the Housing Authority's internal control structure and a report dated August 28, 1996 on its compliance with laws and regulations.

*Allen Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996

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

**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**JUNE 30, 1996**

	*****GOVERNMENTAL FUNDS*****			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 156,362	\$ 240,477	\$ 12,994	\$ 50
Investments at amortized cost	1,399,731	674,357	0	0
Receivables	264,739	73,172	1,467,128	650,654
Interfund receivable	158,530	0	0	0
Prepaid insurance	198,248	6,567	0	0
Inventory	111,083	0	0	0
Land, buildings, and equipment	0	0	0	0
<b>Other debits</b>				
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
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 2,288,693</b>	<b>\$ 994,572</b>	<b>\$ 1,480,122</b>	<b>\$ 650,704</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts payables	\$ 119,732	\$ 343,555	\$ 0	\$ 501,073
Interfund payable	0	9,077	0	149,631
Deposits due others	0	0	0	0
Accrued Liabilities	203,067	0	0	0
Deferred revenues	0	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
<b>Total Liabilities</b>	<b>\$ 322,799</b>	<b>\$ 352,632</b>	<b>\$ 0</b>	<b>\$ 650,704</b>
<b>Equity and Other Credits</b>				
Investment in general fixed assets	\$	\$	\$	\$
<b>Fund balances:</b>				
Reserved for prepaid insurance	198,248	6,567	0	0
Reserved for inventory	111,083	0	0	0
Reserved for debt payment			1,480,122	
Unreserved and undesignated	1,656,562	635,374	0	0
<b>Total Equity and Other Credits</b>	<b>\$ 1,965,893</b>	<b>\$ 641,941</b>	<b>\$ 1,480,122</b>	<b>\$ 0</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 2,288,693</b>	<b>\$ 994,572</b>	<b>\$ 1,480,122</b>	<b>\$ 650,704</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. BUDGETS**

The following summarizes the budget activities of the Housing Authority during the year ended June 30, 1996:

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.
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.

**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, 1996**

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 1,898,897	\$ 0	0
Interest earnings	69,373	15,424	0
Other	188,728	25,268	0
Federal sources:			
Operating subsidy	831,667	0	0
Annual contributions	0	4,181,580	1,478,200
Grants	16,234	482,106	0
<b>Total revenues</b>	<b>\$ 3,004,899</b>	<b>\$ 4,704,377</b>	<b>\$ 1,478,200</b>
 <b>EXPENDITURES</b>			
Current:			
Administration	\$ 530,293	\$ 280,405	0
Tenant services	24,550	14,079	0
Utilities	260,056	0	0
Ordinary maintenance & operations	998,297	13,318	0
Protective services	42,429	379,576	0
General expenditures	804,755	96,277	0
Nonroutine maintenance	12,275	0	0
Housing assistance payments	0	3,709,914	0
Homeownership	0	0	0
Facilities acquisition and construction	38,602	1,869	0
Debt service:			
Principal retirement	0	0	791,600
Interest and bank charges	0	0	690,622
<b>Total expenditures</b>	<b>\$ 2,711,257</b>	<b>\$ 4,495,438</b>	<b>\$ 1,482,222</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 293,642</b>	<b>\$ 208,940</b>	<b>\$ 4,022</b>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED</b>	<b>1,672,252</b>	<b>433,001</b>	<b>1,484,144</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,965,893</b>	<b>\$ 641,941</b>	<b>\$ 1,480,122</b>

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

**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, 1996**

Schedule 4

	*****MOD REHAB #1*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	0
Other	0	0	0
Federal sources:			
Annual contributions	641,148	437,546	(203,602)
Total revenues	\$ 641,148	\$ 437,546	\$ (203,602)
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 49,710	\$ 39,909	9,801
Housing assistance payments	590,578	393,767	196,811
Facilities acquisition and construction	0	0	0
Total expenditures	\$ 640,288	\$ 433,676	\$ 206,612
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ 860	\$ 3,870	3,010
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	0	97,097	97,097
<b>FUND BALANCES AT END OF YEAR</b>	\$ 860	\$ 100,967	\$ 100,107



**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, 1996**

Statement C

VARIANCE  
 FAVORABLE  
 (UNFAVORABLE)

**REVENUES**

Local sources:

	BUDGET	ACTUAL	(UNFAVORABLE)
Dwelling rental	\$ 1,868,800	\$ 1,898,897	\$ 30,097
Interest earnings	50,060	69,373	19,313
Other	153,800	188,728	34,928

Federal sources:

Operating subsidy	831,667	831,667	0
Annual contributions	0	0	0
Grants	0	16,234	16,234

<b>Total revenues</b>	<b>\$ 2,904,327</b>	<b>\$ 3,004,899</b>	<b>\$ 100,572</b>
-----------------------	---------------------	---------------------	-------------------

**EXPENDITURES**

Current:

Administration	\$ 549,720	\$ 530,293	\$ 19,427
Tenant services	22,000	24,550	(2,550)
Utilities	216,260	260,056	(43,796)
Ordinary maintenance & operations	1,078,840	998,297	80,543
Protective services	53,040	42,429	10,611
General expenditures	825,250	804,755	20,495
Nonroutine maintenance	109,000	12,275	96,725
Facilities acquisition and construction	31,850	38,602	(6,752)

<b>Total expenditures</b>	<b>\$ 2,885,960</b>	<b>\$ 2,711,257</b>	<b>\$ 174,703</b>
---------------------------	---------------------	---------------------	-------------------

**EXCESS (Deficiency) OF REVENUES  
 OVER EXPENDITURES**

	<b>\$ 18,367</b>	<b>\$ 293,642</b>	<b>\$ 275,275</b>
--	------------------	-------------------	-------------------

**FUND BALANCES AT BEGINNING OF YEAR**

	<b>1,329,414</b>	<b>1,672,252</b>	<b>342,838</b>
--	------------------	------------------	----------------

**FUND BALANCES AT END OF YEAR**

	<b>\$ 1,347,781</b>	<b>\$ 1,965,893</b>	<b>\$ 618,113</b>
--	---------------------	---------------------	-------------------

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

**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, 1996**

Statement D

VARIANCE  
FAVORABLE  
(Unfavorable)

	BUDGET	ACTUAL	(UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 15,424	15,424
Other	0	25,268	25,268
Federal sources:			
Annual contributions	4,438,223	4,181,580	(256,643)
Grants	482,106	482,106	0
Total revenues	\$ 4,920,329	\$ 4,704,377	\$ (215,952)
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 879,357	\$ 783,655	95,702
Housing assistance payments	3,951,661	3,709,914	241,747
Facilities acquisition and construction	0	1,869	(1,869)
Total expenditures	\$ 4,831,018	\$ 4,495,438	\$ 335,580
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 89,311	\$ 208,940	\$ 119,629
FUND BALANCES AT BEGINNING OF YEAR	0	433,001	433,001
FUND BALANCES AT END OF YEAR	\$ 89,311	\$ 641,941	\$ 552,630

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

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, 1996

Statement E

OPERATING REVENUE	
Management fees	\$ <u>91,219</u>
OPERATING EXPENSES	
Administration	\$ 12,881
General expenditures	1,182
Maintenance & operations	226
Housing assistance payments	<u>503,608</u>
TOTAL OPERATING EXPENSES	\$ <u>517,897</u>
OPERATING INCOME (LOSS)	\$ <u>(426,677)</u>
NON-OPERATING REVENUES	
Interest income	\$ 19,642
Federal operating grants	<u>520,539</u>
TOTAL NON-OPERATING REVENUES	\$ <u>540,180</u>
NET INCOME (LOSS)	\$ 113,503
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>505,717</u>
RETAINED EARNINGS AT END OF YEAR	\$ <u>619,220</u>

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, 1996

Statement F

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (426,677)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Changes in operating current assets and liabilities:	
(Increase) Decrease in receivables	3,488
(Increase) Decrease in interfund receivables	(179)
Increase (Decrease) in accounts payables	2,040
Increase (Decrease) in interfund payables	(85)
Increase (Decrease) in deferred revenue	<u>0</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (421,413)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal operating grants	<u>\$ 520,539</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
(Increase) Decrease in investments	\$ (236,983)
Interest earnings	<u>19,642</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (217,342)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (118,216)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>177,040</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 58,824</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**INTRODUCTION**

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.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

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 Project		91

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. REPORTING ENTITY**

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. REPORTING ENTITY (Continued)**

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.

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.



Statement A

*****ACCOUNT GROUPS*****							
PROPRIETARY FUNDS-ENTERPRISE FUNDS	FIDUCIARY FUNDS-AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMO ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMO ONLY) REPORT- ING ENTITY	
\$ 58,824	\$ 100,350	\$ 0	\$ 0	\$ 569,057	\$ 21,604	\$ 590,661	
564,567	135,791	0	0	2,774,446	0	2,774,446	
0	0	0	0	2,455,693	0	2,455,693	
179	0	0	0	158,708	0	158,708	
0	0	0	0	204,815	0	204,815	
0	0	0	0	111,083	0	111,083	
363	0	64,805,187	0	64,805,550	0	64,805,550	
0	0	0	1,480,122	1,480,122	0	1,480,122	
0	0	0	22,351,113	22,351,113	0	22,351,113	
<u>\$ 623,933</u>	<u>\$ 236,141</u>	<u>\$ 64,805,187</u>	<u>\$ 23,831,235</u>	<u>\$ 94,910,588</u>	<u>\$ 21,604</u>	<u>\$ 94,932,192</u>	
\$ 4,713	\$ 0	\$ 0	\$ 0	\$ 969,072	\$ 0	\$ 969,072	
0	0	0	0	158,708	0	158,708	
0	236,141	0	0	236,141	0	236,141	
0	0	0	0	203,067	0	203,067	
0	0	0	0	0	0	0	
0	0	0	402,760	402,760	0	402,760	
0	0	0	19,673,165	19,673,165	0	19,673,165	
0	0	0	3,755,311	3,755,311	0	3,755,311	
<u>\$ 4,713</u>	<u>\$ 236,141</u>	<u>\$ 0</u>	<u>\$ 23,831,235</u>	<u>\$ 25,398,224</u>	<u>\$ 0</u>	<u>\$ 25,398,224</u>	
\$	\$	\$ 64,805,187	\$	\$ 64,805,187	\$	\$ 64,805,187	
				204,815	0	204,815	
				111,083	0	111,083	
				1,480,122		1,480,122	
619,220	0		0	2,932,760	21,604	2,954,364	
<u>\$ 619,220</u>	<u>\$ 0</u>	<u>\$ 64,805,187</u>	<u>\$ 0</u>	<u>\$ 69,512,364</u>	<u>\$ 21,604</u>	<u>\$ 69,533,968</u>	
<u>\$ 623,933</u>	<u>\$ 236,141</u>	<u>\$ 64,805,187</u>	<u>\$ 23,831,235</u>	<u>\$ 94,910,588</u>	<u>\$ 21,604</u>	<u>\$ 94,932,192</u>	



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana, as of and for the year ended June 30, 1996 and have issued our report thereon dated August 28, 1996.

We have applied procedures to test the Housing Authority of the City of Monroe, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/ cost principles, Drug-free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Monroe, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Monroe, Louisiana had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996

Exhibit A(2)

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ 132,460	\$ 1,930,457	\$ 222,870
<u>(40,656)</u>	<u>534,786</u>	<u>(52,923)</u>
\$ <u>91,804</u>	\$ <u>2,465,243</u>	\$ <u>169,947</u>
\$ 2,056,478	\$ 3,825,689	\$ 6,402,322
<u>194,229</u>	<u>779,704</u>	<u>520,539</u>
\$ <u>2,250,708</u>	\$ <u>4,605,393</u>	\$ <u>6,922,861</u>
\$ <u>39,752</u>	\$ <u>83,966</u>	\$ <u>152,693</u>

(CONCLUDED)

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

**OTHER REPORTS REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance 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 basic financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance is, likewise, based solely on the audit of the basic financial statements and presents, where applicable, compliance matters that would be material to the basic financial statements.



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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Housing Authority of the City of Monroe is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the City of Monroe for the year ended June 30, 1996, obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. The results of our tests disclosed no instance of reportable conditions that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Housing Authority is the responsibility of the Housing Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996

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

**OTHER REPORTS REQUIRED BY**  
**OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on internal control and compliance required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The report on compliance is, likewise, related to tests of compliance relating to federal financial assistance programs.





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## INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996. We have also audited the compliance of the Housing Authority of the City of Monroe with requirements applicable to major federal financial assistance programs and have issued our report thereon dated August 28, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Housing Authority of the City of Monroe, Louisiana complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the Housing Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana and on the compliance of the Housing Authority of the City of Monroe, Louisiana with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 28, 1996.

Schedule 2

MOD REHAB #4	RENTAL VOUCHERS	SPECIAL PROGRAMS	TOTAL
\$ 0	\$ 2,655	\$ 0	\$ 15,424
0	0	0	25,268
194,229	779,704	0	4,181,580
0	0	482,106	482,106
<u>\$ 194,229</u>	<u>\$ 782,359</u>	<u>\$ 482,106</u>	<u>\$ 4,704,377</u>
\$ 12,395	\$ 61,257	\$ 0	\$ 280,405
0	0	14,079	14,079
593	2,908	0	13,318
0	0	379,576	379,576
4,319	20,984	0	96,277
174,446	681,161	0	3,709,914
0	0	0	1,869
<u>\$ 191,752</u>	<u>\$ 766,309</u>	<u>\$ 393,655</u>	<u>\$ 4,495,438</u>
\$ 2,477	\$ 16,050	\$ 88,451	\$ 208,940
<u>32,725</u>	<u>59,760</u>	<u>(97,938)</u>	<u>433,001</u>
<u>\$ 35,202</u>	<u>\$ 75,810</u>	<u>\$ (9,487)</u>	<u>\$ 641,941</u>

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority of the City of Monroe, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. The results of our tests disclosed no instance of reportable conditions that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this letter is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996

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

**ANALYSIS OF SURPLUS  
STATUTORY BASIS  
For the Year Ended June 30, 1996**

**SECTION 8 (ACC FW 2072 & 2170)**

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
<b>UNRESERVED SURPLUS</b>				
Balance Per Prior Audit	\$ (23,832,974)	\$ (6,632,084)	\$ (6,080,506)	\$ (1,368,993)
NET LOSS	(2,117,580)	(430,362)	(465,734)	(111,403)
 (Provision for) Reduction of:				
Operating Reserve	(63,563)	(3,872)	(7,660)	(1,602)
Project Account	<u>(674,969)</u>	<u>349,299</u>	<u>(337,855)</u>	<u>24,985</u>
 BALANCE, ENDING	 <u>\$ (26,689,086)</u>	 <u>\$ (6,717,019)</u>	 <u>\$ (6,891,754)</u>	 <u>\$ (1,457,013)</u>
 <b>OPERATING RESERVE</b>				
BALANCE, BEGINNING	\$ 233,391	\$ 97,097	\$ 85,738	\$ 22,228
Provision for (Reduction of)				
Operating Reserve	63,563	3,872	7,660	1,602
Cash redeposit (withdrawal)	<u>25,268</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
 BALANCE, ENDING	 <u>\$ 322,222</u>	 <u>\$ 100,968</u>	 <u>\$ 93,398</u>	 <u>\$ 23,830</u>



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We have also audited the Housing Authority of the City of Monroe, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Housing Authority of the City of Monroe, Louisiana, is responsible for the Housing Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Monroe, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in findings #1, #2, #3 and #4 of the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Housing Authority of the City of Monroe, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT  
Housing Management Division  
1661 Canal Street  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

In connection with our audit of the general purpose financial statements of the Housing Authority of the City of Monroe, Louisiana, and with our consideration of the Housing Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; special reporting requirements; and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Monroe, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Monroe, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
August 28, 1996

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

**STATUS OF PRIOR AUDIT FINDINGS  
JUNE 30, 1996**

**FINDINGS FROM THE PRIOR YEAR SCHEDULE OF REPORTABLE CONDITIONS**

**1. Reconciliation of Requests to General Ledger**

This finding has been considered resolved.

**FINDINGS FROM THE PRIOR YEAR SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**1. Reconciliation of Requests to General Ledger**

This finding has been considered resolved.

**2. Section 8 - Tenant Files**

See Finding #2, #3 and #4 of the Schedule of Findings and Questioned Costs.

**3. Low-Rent Tenant Files**

See Finding #1 of the Schedule of Findings and Questioned Costs.



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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1996**

**1. Low-Rent Tenant Files**  
(Public and Indian Housing, CFDA #14.850)

**CONDITION:** Out of thirty Low Rent tenant files selected, the following conditions were found:

1. Three instances of tenant's date of birth incorrectly reported on the HUD Form 50058.
2. Two instances of tenant's social security number incorrectly reported on the HUD Form 50058.
3. Two instances of no verification for both date of birth and social security number for the same tenant.
4. Two instances of no verification for a tenant's date of birth.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

**CAUSE OF CONDITION:** For conditions one and two, the information was keypunched incorrectly. For condition three and four, project managers did not obtain the necessary information when the file was started or when tenants were added.

**EFFECT OF CONDITION:** Noncompliance with HUD guidelines.

**RECOMMENDATION:** One person should keypunch the information and another person should check for accuracy and completeness before transmitting Form 50058 to HUD.

**MANAGEMENT'S REPLY:** Management will put in place a system of checking information filed on future HUD Form 50058.

**2. Section 8 - Tenant Files**  
(Lower Income Housing Assistance - Moderate Rehabilitation, CFDA #14.856)

**CONDITION:** Out of ten lower income Housing Assistance - Moderate Rehabilitation, CFDA #14.856 tenant files selected, the following conditions were found:

1. One instance of tenant's date of birth incorrectly reported on the HUD Form 50058.
2. One instance of tenant's social security number incorrectly reported on the HUD Form 50058.
3. One instance of no verification for one tenant's social security number or date of birth.
4. Two instances of no verification of a tenant's date of birth.
5. One instance of incorrect income calculation.
6. One instance of incorrect utilities allowance calculation.
7. One instance of missing application for housing.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

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

**STATUS OF PRIOR AUDIT FINDINGS  
JUNE 30, 1996**

**FINDINGS FROM THE PRIOR YEAR SCHEDULE OF REPORTABLE CONDITIONS**

**1. Reconciliation of Requests to General Ledger**

This finding has been considered resolved.

**FINDINGS FROM THE PRIOR YEAR SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**1. Reconciliation of Requests to General Ledger**

This finding has been considered resolved.

**2. Section 8 - Tenant Files**

See Finding #2, #3 and #4 of the Schedule of Findings and Questioned Costs.

**3. Low-Rent Tenant Files**

See Finding #1 of the Schedule of Findings and Questioned Costs.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1996**

**1. Low-Rent Tenant Files**

(Public and Indian Housing, CFDA #14.850)

**CONDITION:** Out of thirty Low Rent tenant files selected, the following conditions were found:

1. Three instances of tenant's date of birth incorrectly reported on the HUD Form 50058.
2. Two instances of tenant's social security number incorrectly reported on the HUD Form 50058.
3. Two instances of no verification for both date of birth and social security number for the same tenant.
4. Two instances of no verification for a tenant's date of birth.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

**CAUSE OF CONDITION:** For conditions one and two, the information was keypunched incorrectly. For condition three and four, project managers did not obtain the necessary information when the file was started or when tenants were added.

**EFFECT OF CONDITION:** Noncompliance with HUD guidelines.

**RECOMMENDATION:** One person should keypunch the information and another person should check for accuracy and completeness before transmitting Form 50058 to HUD.

**MANAGEMENT'S REPLY:** Management will put in place a system of checking information filed on future HUD Form 50058.

**2. Section 8 - Tenant Files**

(Lower Income Housing Assistance - Moderate Rehabilitation, CFDA #14.856)

**CONDITION:** Out of ten lower income Housing Assistance - Moderate Rehabilitation, CFDA #14.856 tenant files selected, the following conditions were found:

1. One instance of tenant's date of birth incorrectly reported on the HUD Form 50058.
2. One instance of tenant's social security number incorrectly reported on the HUD Form 50058.
3. One instance of no verification for one tenant's social security number or date of birth.
4. Two instances of no verification of a tenant's date of birth.
5. One instance of incorrect income calculation.
6. One instance of incorrect utilities allowance calculation.
7. One instance of missing application for housing.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1996**

**2. Section 8 - Tenant Files (Continued)**

**CAUSE OF CONDITION:** For Conditions one and two, the information was keypunched incorrectly. For Condition three and four, tenants were added to the lease but verification of information was not acquired. For condition five, pay checks were averaged to get a monthly figure, but the wrong number of months was used. For condition six, the wrong figure was used from a utilities allowance chart. For condition seven, the application was left out of the file by mistake.

**EFFECT OF CONDITION:** Noncompliance with HUD guidelines.

**RECOMMENDATION:** One person should keypunch the information and another person should check for accuracy and completeness before transmitting Form 50058 to HUD. Supervisors should review tenants' files for accuracy and completeness after processing.

**MANAGEMENT'S REPLY:** Management will put in place a system of checking the information filed on future HUD Form 50058. The Supervisors will review tenants' files for accuracy and completeness after processing.

**3. Section 8 - Tenant Files**  
**(Section 8 - Rental Certificates, CFDA #14.857)**

**CONDITION:** Out of ten Rental Certificates, CFDA #14.857 tenant files selected, the following conditions were found:

1. Two instances of tenants' date of birth incorrectly reported on the HUD Form 50058.
2. One instance where the tenant's application for housing was not signed by the tenant.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

**CAUSE OF CONDITION:** For Conditions one and two, the information was keypunched incorrectly. For condition two, the application was not checked carefully during processing.

**EFFECT OF CONDITION:** Noncompliance with HUD guidelines.

**RECOMMENDATION:** One person should keypunch the information and another person should check for accuracy and completeness before transmitting Form 50058 to HUD. A supervisor should review all files for accuracy and completeness after processing.

**MANAGEMENT'S REPLY:** Management will put in place a system of checking the information filed on future HUD Form 50058. The Supervisors will review tenants' files for accuracy and completeness after processing.

Board of Commissioners  
HOUSING AUTHORITY OF THE CITY  
OF MONROE  
Monroe, Louisiana

The management of the Housing Authority of the City of Monroe, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting controls:

1. Cash
2. Expenditures for goods and accounts payable
3. Payroll and related liabilities
4. Property, equipment and capital
5. Single audit and similar grant programs

Administrative controls:

- |                                    |  |
|------------------------------------|--|
| 1. Political activity              | 8. Administrative requirements             |
| 2. Davis-Bacon Act compliance      | 9. Eligibility                             |
| 3. Civil rights                    | 10. Types of services                      |
| 4. Cash management                 | 11. Reporting                              |
| 5. Federal financial reports       | 12. Special provisions                     |
| 6. Allowable costs/cost principles | 13. Claims for advances and reimbursements |
| 7. Drug-Free Workplace Act         |  |

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Housing Authority of the City of Monroe, Louisiana expended 99% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the Housing Authority of the City of Monroe, Louisiana's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

**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, 1996**

Schedule 15

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 6 - 1	\$ 3,305	\$ 825	\$ 800	\$ 3,330
LA 6 - 2	5,050	1,135	1,135	5,050
LA 6 - 3	8,500	1,575	1,750	8,325
LA 6 - 4	6,650	1,539	1,589	6,600
LA 6 - 5	11,951	2,845	2,845	11,951
LA 6 - 6	20,900	4,700	4,575	21,025
LA 6 - 7	3,512	150	150	3,512
LA 6 - 8	6,875	1,100	1,175	6,800
LA 6 - 9	7,376	1,105	1,200	7,281
LA 6 - 10	10,650	2,551	2,525	10,676
LA 6 - 11	6,525	1,400	1,100	6,825
LA 6 - 12	2,525	225	200	2,550
LA 6 - 13	5,025	650	750	4,925
LA 6 - 14	<u>1,500</u>	<u>50</u>	<u>50</u>	<u>1,500</u>
	<u>\$ 100,344</u>	<u>\$ 19,850</u>	<u>\$ 19,844</u>	<u>\$ 100,350</u>

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1996**

**4. Section 8 - Tenant Files**  
(Section 8 - Rental Vouchers, CFDA #14.855)

**CONDITION:** Out of ten Rental Vouchers, CFDA #14.855 tenant files selected, the following conditions were found:

1. Verification of one tenant over the age of six was obtained but not reported on the HUD form 50058.
2. Two instances of tenants' social security number incorrectly reported on the HUD form 50058.
3. One instance where the tenant's name on the social security card and date of birth verification were identical, but incorrect on the HUD form 50058.

**REASON IMPROVEMENT NEEDED:** To ensure the information required on the HUD Form 50058 matches the information in the file and all required information is obtained from the tenants.

**CAUSE OF CONDITION:** For condition one, the information was not keypunched into the system. For conditions two and three, the information was keypunched incorrectly.

**EFFECT OF CONDITION:** Noncompliance with HUD guidelines.

**RECOMMENDATION:** One person should keypunch the information and another person should check for accuracy and completeness before transmitting Form 50058 to HUD. A supervisor should review all files for accuracy and completeness after processing.

**MANAGEMENT'S REPLY:** Management will put in place a system of checking the information filed on future HUD Form 50058. The Supervisors will review tenants' files for accuracy and completeness after processing.

**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, 1996**

Schedule 5

	*****MOD REHAB #2*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 2,678	\$ 2,678
Other	0	0	0
Federal sources:			
Annual contributions	486,465	473,394	(13,071)
Total revenues	\$ 486,465	\$ 476,073	\$ (10,392)
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 45,931	\$ 41,402	\$ 4,529
Housing assistance payments	440,534	427,010	13,524
Total expenditures	\$ 486,465	\$ 468,412	\$ 18,053
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 7,661	\$ 7,661
FUND BALANCES AT BEGINNING OF YEAR	0	85,738	85,738
FUND BALANCES AT END OF YEAR	\$ 0	\$ 93,398	\$ 93,398



**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, 1996**

Schedule 6

	*****MOD REHAB #3*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Other	0	0	0
Federal sources:			
Annual contributions	145,359	113,696	(31,663)
<b>Total revenues</b>	\$ 145,359	\$ 113,696	\$ (31,663)
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 11,938	\$ 9,999	\$ 1,939
Housing assistance payments	133,421	102,095	31,326
<b>Total expenditures</b>	\$ 145,359	\$ 112,094	\$ 33,265
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ 0	\$ 1,602	\$ 1,602
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	0	22,228	22,228
<b>FUND BALANCES AT END OF YEAR</b>	\$ 0	\$ 23,830	\$ 23,830

**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, 1996**

Schedule 7

	*****MOD REHAB #4*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	0
Other	0	0	0
Federal sources:			
Annual contributions	249,046	194,229	(54,817)
Total revenues	\$ 249,046	\$ 194,229	\$ (54,817)
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 20,298	\$ 17,306	2,992
Housing assistance payments	228,748	174,446	54,302
Total expenditures	\$ 249,046	\$ 191,752	\$ 57,294
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 2,477	2,477
FUND BALANCES AT BEGINNING OF YEAR	0	32,725	32,725
FUND BALANCES AT END OF YEAR	\$ 0	\$ 35,202	\$ 35,202

**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, 1996**

Schedule 8

	<b>*****RENTAL VOUCHERS*****</b>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 2,655	\$ 2,655
Other	0	0	0
Federal sources:			
Annual contributions	<u>801,525</u>	<u>779,704</u>	<u>(21,821)</u>
Total revenues	<u>\$ 801,525</u>	<u>\$ 782,359</u>	<u>\$ (19,166)</u>
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 100,476	\$ 85,149	\$ 15,327
Housing assistance payments	<u>701,049</u>	<u>681,161</u>	<u>19,888</u>
Total expenditures	<u>\$ 801,525</u>	<u>\$ 766,309</u>	<u>\$ 35,216</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 16,050	\$ 16,050
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>59,760</u>	<u>59,760</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 75,810</u>	<u>\$ 75,810</u>

**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, 1996**

Schedule 9

*****SPECIAL PROGRAMS*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Other	0	0	0
Federal sources:			
Annual contributions	0	0	0
Grants	482,106	482,106	0
Total revenues	\$ 482,106	\$ 482,106	\$ 0
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 0	\$ 0	\$ 0
Tenant services	14,079	14,079	0
Ordinary maintenance & operations	0	0	0
Protective services	379,576	379,576	0
General expenditures	0	0	0
Total expenditures	\$ 393,655	\$ 393,655	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 88,451	\$ 88,451	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	0	(97,938)	(97,938)
FUND BALANCES AT END OF YEAR	\$ 88,451	\$ (9,487)	\$ (97,938)

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

**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**Combining Balance Sheet**  
**June 30, 1996**

Schedule 10

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 58,824	\$ 0	\$ 58,824
Investments	97,787	466,781	564,567
Interfund receivables	179	0	179
Land, structures and equipment	363	0	363
<b>TOTAL ASSETS</b>	<b>\$ 157,152</b>	<b>\$ 466,781</b>	<b>\$ 623,933</b>
 <b>LIABILITIES AND RETAINED EARNINGS</b>			
<b>Current Liabilities</b>			
Accounts payables	\$ 4,459	\$ 254	\$ 4,713
Interfund payable	0	0	0
Deferred revenue	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 4,459</b>	<b>\$ 254</b>	<b>\$ 4,713</b>
Retained Earnings	152,693	466,527	619,220
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 157,152</b>	<b>\$ 466,781</b>	<b>\$ 623,933</b>

**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, 1996**

**Schedule 11**

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
<b>OPERATING REVENUE</b>			
Management fees	\$ 0	\$ 91,219	\$ 91,219
<b>OPERATING EXPENSES</b>			
Administration	\$ 3,811	\$ 9,070	\$ 12,881
General expenditures	832	350	1,182
Maintenance & operations	226	0	226
Housing assistance payments	503,608	0	503,608
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 508,477</b>	<b>\$ 9,420</b>	<b>\$ 517,897</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (508,477)</b>	<b>\$ 81,799</b>	<b>\$ (426,677)</b>
<b>NON-OPERATING REVENUES</b>			
Interest income	\$ 4,782	\$ 14,860	\$ 19,642
Federal operating grants	520,539	0	520,539
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$ 525,320</b>	<b>\$ 14,860</b>	<b>\$ 540,180</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 16,844</b>	<b>\$ 96,659</b>	<b>\$ 113,503</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>135,850</b>	<b>369,868</b>	<b>505,717</b>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>\$ 152,693</b>	<b>\$ 466,527</b>	<b>\$ 619,220</b>

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

**ANALYSIS OF SURPLUS**  
**STATUTORY BASIS**  
**For the Year Ended June 30, 1996**

**SECTION 8 (ACC FW 2072 & 2170)**

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
<b>PROJECT ACCOUNT UNFUNDED</b>				
BALANCE, BEGINNING	\$ 3,876,701	\$ 643,367	\$ 245,039	\$ 106,447
Provision for (Reduction of ) Project Account Unfunded	<u>674,969</u>	<u>(349,299)</u>	<u>337,855</u>	<u>(24,985)</u>
BALANCE, ENDING	<u>\$ 4,551,670</u>	<u>\$ 294,068</u>	<u>\$ 582,894</u>	<u>\$ 81,462</u>
<b>CUMULATIVE HUD CONTRIBUTION</b>				
BALANCE, BEGINNING	\$ 19,970,822	\$ 6,000,385	\$ 5,839,309	\$ 1,262,546
Annual Contribution Earned Section 8	<u>2,183,010</u>	<u>437,546</u>	<u>473,394</u>	<u>113,696</u>
BALANCE, ENDING	<u>\$ 22,153,832</u>	<u>\$ 6,437,931</u>	<u>\$ 6,312,703</u>	<u>\$ 1,376,242</u>
TOTAL SURPLUS	<u>\$ 338,638</u>	<u>\$ 115,948</u>	<u>\$ 97,241</u>	<u>\$ 24,521</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, 1996**

Schedule 14

	Balance, Beginning	Additions	Deductions	Balance, Ending
<b>*****TENANTS' SECURITY DEPOSITS*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ <u>100,345</u>	<u>19,850</u>	<u>19,844</u>	\$ <u>100,350</u>
<b>LIABILITIES</b>				
Deposits due others	\$ <u>100,345</u>	<u>19,850</u>	<u>19,844</u>	\$ <u>100,350</u>
<b>*****DEFERRED COMPENSATION PLAN*****</b>				
<b>ASSETS</b>				
Investments	\$ <u>103,320</u>	<u>32,471</u>	<u>0</u>	\$ <u>135,791</u>
<b>LIABILITIES</b>				
Deposits due others	\$ <u>103,320</u>	<u>32,471</u>	<u>0</u>	\$ <u>135,791</u>
<b>*****ALL AGENCY FUNDS*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 100,345	19,850	19,844	\$ 100,350
Investments	<u>103,320</u>	<u>32,471</u>	<u>          </u>	<u>135,791</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>203,665</u></b>	<b><u>52,321</u></b>	<b><u>19,844</u></b>	<b>\$ <u>236,141</u></b>
<b>LIABILITIES</b>				
Deposits due others	\$ <u>203,665</u>	<u>52,321</u>	<u>19,844</u>	\$ <u>236,141</u>



Exhibit A(2)

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ (2,185,407)	\$ (5,747,990)	\$ (6,624,830)
(190,733)	(763,655)	(503,695)
(2,477)	(16,049)	(16,844)
<u>40,656</u>	<u>(534,786)</u>	<u>52,923</u>
<u>\$ (2,337,962)</u>	<u>\$ (7,062,479)</u>	<u>\$ (7,092,446)</u>
\$ 32,725	\$ 59,760	\$ 135,487
2,477	16,049	16,844
<u>35,202</u>	<u>75,809</u>	<u>152,331</u>

(CONTINUED)

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

**SUPPLEMENTAL INFORMATION SCHEDULES**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**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. R. D. Farr, Jr.	Vice Chairman
Mr. Edward Miller	
Mr. Van Pardue	
Ms. Gertrude Young	

**FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

In accordance with Office of Management and Budget (OMB) Circular A-128, a schedule of federal financial assistance is presented.

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

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Year Ended June 30, 1996**

Schedule 16

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Dept. of Education Child and Adult Care Food Program	10.558		\$ <u>9,507</u>
<b>U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
Passed through Louisiana Dept. of Social Services Payments to States for Child Care Assistance	93.575		\$ 6,024
Job Opportunities and Basic Skills Training (Jobs) (Project Independence)	93.561		<u>704</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>\$ 6,728</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Louisiana Dept. of Education Adult Education - State Administered Basic Grants (Gateway Grant)	84.002	GC-4-93	\$ <u>21,391</u>
<b>U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS</b>			
Public and Indian Housing - Basic Contribution (1)	14.850	FW 2006	\$ 1,478,200
Operating Subsidy	14.850	FW 2006	<u>831,667</u>
<b>TOTAL PROGRAM</b>		*	<u>\$ 2,309,867</u>
Public and Indian Housing - Drug Elimination Program			
Year 2 (1992)	14.854	FW 2006	\$ 26,015
Year 3 (1993)	14.854	FW 2006	164,117
Year 4 (1994)	14.854	FW 2006	227,425
Year 5 (1995)	14.854	FW 2006	<u>43,159</u>
<b>TOTAL PROGRAM</b>		*	<u>\$ 460,716</u>
Public and Indian Housing Comprehensive Grant Programs	14.852	*	<u>\$ 3,919,026</u>

(CONTINUED)

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

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**For the Year Ended June 30, 1996**

Schedule 16

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
<b>U. S. DEPT. OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS (CONTINUED)</b>			
Section 8 Rental Certificate Program	14.857	* FW 2072 (EX)	\$ <u>2,183,010</u>
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation			
MOD Rehab #1	14.856	FW 2072 (MR)	\$ 437,546
MOD Rehab #2	14.856	FW 2072 (MR)	473,394
MOD Rehab #3	14.856	FW 2072 (MR)	113,696
MOD Rehab #4	14.856	FW 2072 (MR)	<u>194,229</u>
<b>TOTAL PROGRAM</b>		*	\$ <u>1,218,866</u>
Section 8 Rental Vouchers	14.855	* FW 2072 (VO)	\$ <u>779,704</u>
<b>PASSED THROUGH TO SUBRECEPIENT - BRENTWOOD APARTMENTS (A PARTNERSHIP), HUD PROJECT NO. 059-35197</b>			
Section 8 New Construction	14.182	* FW 2170	\$ <u>520,539</u>
<b>PASSED THROUGH THE CITY OF MONROE, LOUISIANA</b>			
Home Investment Partnerships Program (Home Program)	14.239		\$ <u>128,429</u>
<b>TOTAL U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT</b>			\$ <u>11,520,157</u>
<b>TOTAL PROGRAM</b>			\$ <u>11,557,781</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 \$11,917,261 of The Housing Authority at year end.

\* Indicates Major Program

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

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

**SUPPLEMENTAL INFORMATION SCHEDULES -**  
**HUD PRESCRIBED FORMAT**

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

**ANALYSIS OF SURPLUS  
STATUTORY BASIS  
For the Year Ended June 30, 1996**

Exhibit A(1)

**PHA OWNED HOUSING (ACC FW 2006)**

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED HOUSING
<b>UNRESERVED SURPLUS</b>				
Balance Per Prior Audit	\$ (35,223,069)	\$ (1,110,049)	\$ 0	\$ (36,333,118)
Prior Audit Adjustments	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance Per Books, Beginning	\$ (35,223,069)	\$ (1,110,049)	\$ 0	\$ (36,333,118)
 NET (LOSS) INCOME	 (538,025)	 (393,655)	 0	 \$ 931,680
 (Provision for) Reduction of Operating Reserve	 <u>(298,769)</u>	 <u>0</u>	 <u>0</u>	 <u>(298,769)</u>
 BALANCE, ENDING	 <u>\$ (36,059,864)</u>	 <u>\$ (1,503,703)</u>	 <u>\$ 0</u>	 <u>\$ (35,700,207)</u>
 <b>OPERATING RESERVE</b>				
BALANCE, BEGINNING	\$ 1,672,252	\$ 0	\$ 0	\$ 1,672,252
Provision for (Reduction of) Operating Reserve	<u>298,769</u>	<u>0</u>	<u>0</u>	<u>298,769</u>
 BALANCE, ENDING	 <u>\$ 1,971,021</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 1,971,021</u>

(CONTINUED)

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

**ANALYSIS OF SURPLUS  
STATUTORY BASIS  
For the Year Ended June 30, 1996**

Exhibit A(1)

**PHA OWNED HOUSING (ACC FW 2006)**

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED
<b>CUMULATIVE HUD CONTRIBUTION</b>				
BALANCE, BEGINNING	\$ 58,932,109	\$ 0	\$ 0	\$ 58,932,109
Annual Contribution	0	0	0	0
Operating Subsidy	<u>831,667</u>	<u>0</u>	<u>0</u>	<u>831,667</u>
BALANCE ENDING	<u>\$ 59,763,776</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,763,776</u>
<b>CUMULATIVE HUD GRANTS</b>				
BALANCE, BEGINNING	\$ 5,424,932	\$ 1,012,110	\$ 8,644,254	\$ 15,081,296
Comprehensive Grants	<u>0</u>	<u>482,106</u>	<u>3,919,026</u>	<u>4,401,132</u>
BALANCE, ENDING	<u>\$ 5,424,932</u>	<u>\$ 1,494,216</u>	<u>\$ 12,563,280</u>	<u>\$ 19,482,428</u>
<b>CUMULATIVE CONTRIBUTIONS</b>				
BALANCE, BEGINNING AND ENDING	<u>\$ 271,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 271,079</u>
TOTAL SURPLUS	<u>\$ 31,370,944</u>	<u>\$ (9,487)</u>	<u>\$ 12,563,280</u>	<u>\$ 45,788,097</u>

(CONCLUDED)



**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, 1996**

Schedule 3

\*\*\*\*\*RENTAL CERTIFICATES\*\*\*\*\*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 10,091	\$ 10,091
Other	0	25,268	25,268
Federal sources:			
Annual contributions	<u>2,114,680</u>	<u>2,183,010</u>	<u>68,330</u>
Total revenues	<u>\$ 2,114,680</u>	<u>\$ 2,218,368</u>	<u>\$ 103,688</u>
<b>EXPENDITURES</b>			
Current:			
General expenditures	\$ 257,349	\$ 196,236	\$ 61,113
Housing assistance payments	1,857,331	1,931,435	(74,104)
Facilities acquisition and construction	<u>0</u>	<u>1,869</u>	<u>(1,869)</u>
Total expenditures	<u>\$ 2,114,680</u>	<u>\$ 2,129,539</u>	<u>\$ (14,859)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 88,829	\$ 88,829
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>233,391</u>	<u>233,391</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 322,220</u>	<u>\$ 322,220</u>

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

**SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

**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.