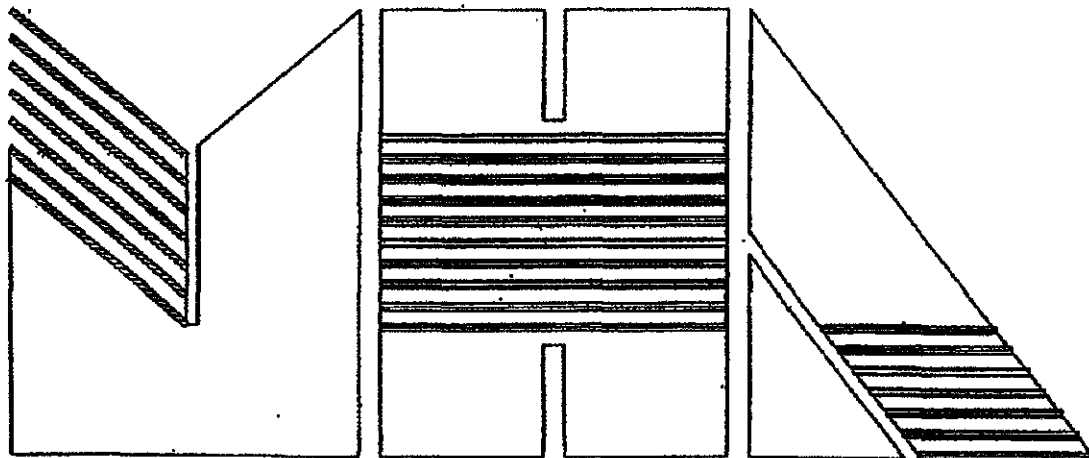


Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

For the Year ended June 30, 2007

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

Release Date 4/2/08

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

Comprehensive Annual Financial Report

For the Year Ended June 30, 2007

**Frank L. Wilcox
Executive Director**

**Janet Sanderford
Administrative Director**

Prepared by the Accounting Department

**Housing Authority of the City of Monroe
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INTRODUCTORY SECTION



December 5, 2007

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 2007, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

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

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

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

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

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

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

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

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

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

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

D. Major Initiatives The Housing Authority received a 96% PHAS from the Department of Housing and Urban Development. Ninety percent and above qualifies as a "High Performer" by HUD standards. This rating is a result of a lot of hard work by the staff, and management's decision to set the PHAS score as a priority.



Homeownership Program administered by Homeownership placed nine families in newly constructed homes. Homeownership, in cooperation with the City of Monroe's Community Development Department, has assisted 221 homeowners with home purchases totaling over \$8.2 million.



The Capital Fund Program provided funds for almost \$2.8 million for renovations in our Johnson-Carver development. Further renovations of this development are planned for the upcoming fiscal year with total renovations exceeding 7 million dollars.

Renovations exceeding \$7 million dollars will be completed in the upcoming fiscal year.



The Housing Authority has **rental assistance** programs that were created under Section 8 of the 1974 federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe.



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



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

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

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

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

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2007, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

H. Cash Management All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was over \$200,000.

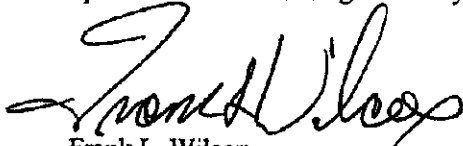
The Housing Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by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

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

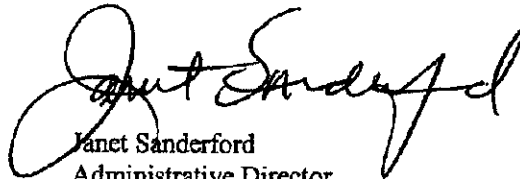
J. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable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

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

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



Frank L. Wilcox
Executive Director



Janet Sanderford
Administrative Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the
City of Monroe, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

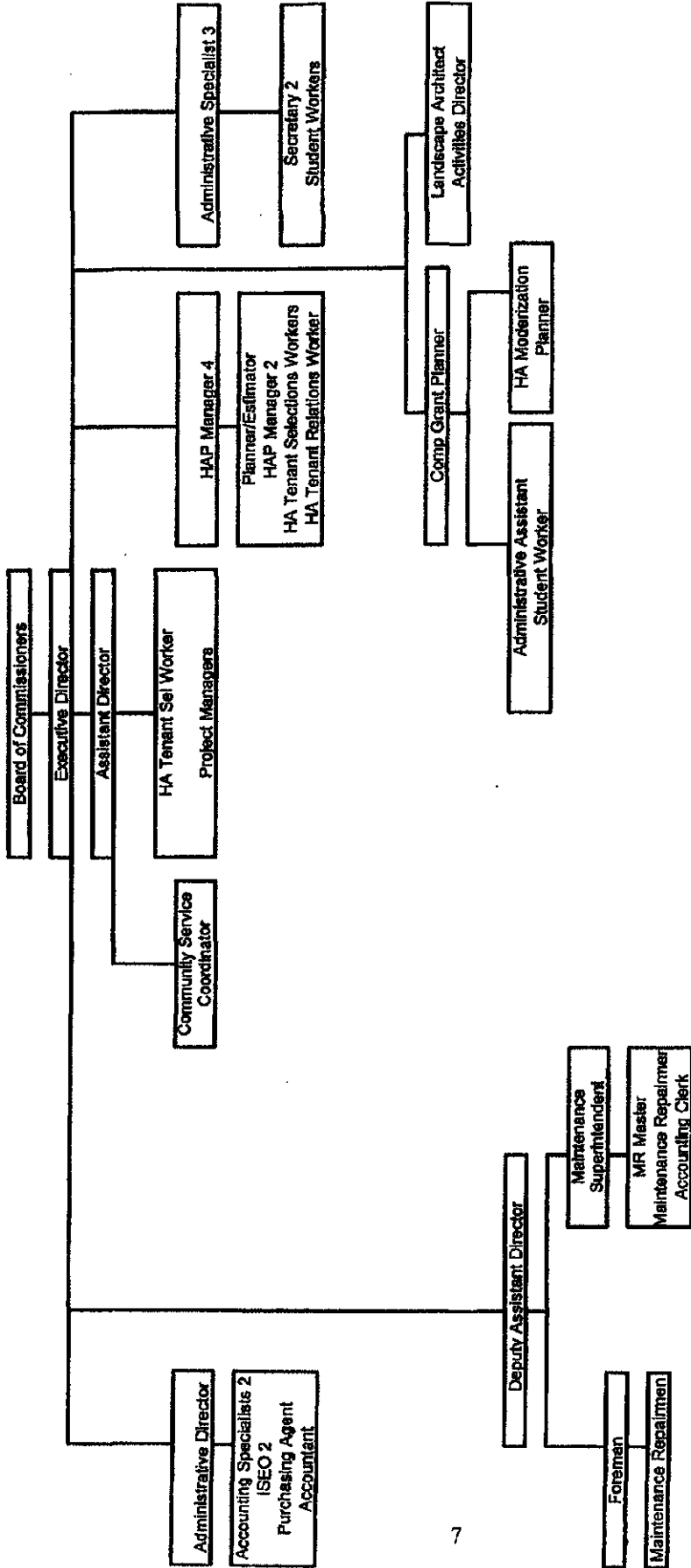
Executive Director

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HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



Housing Authority of the City of Monroe

**Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Janet Sanderford

Administrative Director

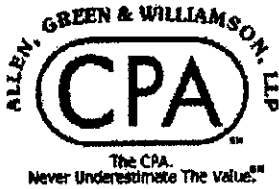
Maricanne Hereford

Comp Grant Planner

Naomi Jackson

Section 8 Director

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority as of June 30, 2007, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated December 5, 2007, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on page 12 through 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 5, 2007

Housing Authority of the City of Monroe

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

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)

June 30, 2007

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 4 of this report. Dollar amounts presented in the MD&A are presented in thousands. The audit report for the Homeownership component unit can be obtained from the Housing Authority at 300 Harrison Street, Monroe, Louisiana 71201.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$38,020 (*net assets*). Of this amount, \$5,714 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets increased by \$1,824 for the current year. This is mainly due to an increase in operating subsidy and capital grants.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$2,851, or 36% of the general fund total operating expenses.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

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

FUND FINANCIAL STATEMENTS A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as proprietary funds.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consist of financial statements that show information about the Housing Authority's most significant funds – such as the Housing Authority's general fund, tenant-based Section 8 fund, other enterprise funds and its component unit.

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

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

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)

June 30, 2007

Reporting the Housing Authority's Most Significant Funds

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

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

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$38,020 at June 30, 2007. Of this amount, \$5,714 was unrestricted. Restricted net assets of \$924 are reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limits the Housing Authority's ability to use those net assets for day-to-day operations.

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

Table 1
Net Assets
(in thousands)
June 30

	<u>2007</u>	<u>2006</u>
Current assets	\$ 9,779	\$ 8,225
Capital assets, net	<u>31,383</u>	<u>29,932</u>
Total assets	<u>41,162</u>	<u>38,157</u>
Current liabilities	2,594	1,377
Long-term liabilities	<u>548</u>	<u>584</u>
Total liabilities	<u>3,142</u>	<u>1,961</u>
Net assets		
Invested in capital assets, net of related debt	31,382	29,932
Restricted	924	881
Unrestricted	<u>5,714</u>	<u>5,383</u>
Total net assets	<u>\$38,020</u>	<u>\$36,196</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2007

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

	<u>2007</u>	<u>2006</u>
Beginning net assets	\$36,196	\$36,107
Revenues:		
Operating revenues		
Rental and other	3,442	3,415
Federal grants	<u>9,426</u>	<u>8,927</u>
Total operating revenues	<u>12,868</u>	<u>12,342</u>
Expenses:		
Operating expenses		
Administration	2,383	2,379
Tenant services	385	349
Utilities	397	429
Ordinary maintenance and operations	2,086	1,882
Protective services	81	61
General expenses	667	667
Housing assistance payments	6,040	6,180
Nonroutine maintenance	42	15
Depreciation	<u>2,723</u>	<u>2,692</u>
Total expenses	<u>14,804</u>	<u>14,654</u>
Non-operating revenues		
Interest earnings	339	237
Gain(Loss) on sale of equipment	<u>(1)</u>	<u>0</u>
Total non-operating revenues	<u>338</u>	<u>237</u>
Net income (loss) before capital contributions	(1,598)	(2,075)
Capital contributions	3,922	2,164
Special item	<u>(500)</u>	<u>0</u>
Increase (decrease) in net assets	<u>1,824</u>	<u>89</u>
Ending net assets	<u>\$38,020</u>	<u>\$36,196</u>

Housing Authority of the City of Monroe

**Management's Discussion and Analysis (MD&A)
June 30, 2007**

Total revenues increased \$2,386 due mainly to:

- increase in capital contributions of \$1,758 due to increased funding under the capital fund program.
- increase in operating subsidy of \$603 due to new operating subsidy formula.

Total operating expenses increased \$150 due mainly to:

- increase of \$204 in ordinary maintenance and operations expense due to increases in salaries and benefits.

Special item of \$500 was a transfer to a non-profit corporation for construction of an elderly housing complex in Monroe.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007, the Housing Authority had \$31,383 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$1,451 or 4.8 percent, from last year.

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

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Land	\$ 2,007	\$ 2,007
Construction in progress	6,230	2,308
Site improvements	7,514	8,235
Buildings	14,973	16,821
Furniture and equipment	<u>659</u>	<u>561</u>
Totals	<u>\$31,383</u>	<u>\$29,932</u>

This year's additions of \$4,188 are mainly the result of additions to construction in progress from the capital fund program.

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

Major capital projects are planned for the 2007-2008 fiscal year at Johnson-Carver development.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2007

Debt

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in the note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2007-2008 have already been approved by HUD and no major changes are expected.

The capital fund programs are multiple year budgets and have remained relatively stable. Capital fund programs are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Janet Sanderford, Administrative Director, at the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone number (318) 388-1500.

Housing Authority of the City of Monroe

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2007**

Statement A

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 40,636	\$ 16,936	\$ 276,169	\$ 333,741	\$ 361,225
Investments	3,309,948	237,953	2,428,659	5,976,560	0
Accounts receivable, net	1,591,102	83,316	137,753	1,812,171	78,456
Interfund receivable	6,537	870,250	10,309	887,096	0
Prepaid items and other assets	264,317	6,035	0	270,352	0
Inventory	211,669	0	0	211,669	95,750
Restricted assets - investments	154,908	133,068	0	287,976	0
Total Current Assets	5,579,117	1,347,558	2,852,890	9,779,565	535,431
Capital Assets, net					
Land and construction					
In progress	8,237,358	0	0	8,237,358	0
Buildings, and equipment (net)	23,028,402	26,614	90,359	23,145,375	0
Total Capital Assets, net	31,265,760	26,614	90,359	31,382,733	0
TOTAL ASSETS	\$ 36,844,877	\$ 1,374,172	\$ 2,943,249	\$ 41,162,298	\$ 535,431

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2007**

Statement A

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 662,210	\$ 46,787	\$ 0	\$ 708,997	\$ 0
Interfund payable	870,250	16,822	24	887,096	0
Accrued liabilities	265,531	16,372	0	281,903	0
Deposits due others	154,908	133,068	0	287,976	0
Unearned revenue	2,806	0	12,583	15,389	0
Current portion of long term debt	<u>309,656</u>	<u>103,351</u>	<u>0</u>	<u>413,007</u>	<u>0</u>
Total Current Liabilities	2,265,361	316,400	12,607	2,594,368	0
Noncurrent Liabilities					
Compensated absences payable	<u>462,665</u>	<u>84,898</u>	<u>0</u>	<u>547,563</u>	<u>0</u>
Total Liabilities	<u>2,728,026</u>	<u>401,298</u>	<u>12,607</u>	<u>3,141,931</u>	<u>0</u>
NET ASSETS					
Invested in capital assets	31,265,760	26,614	90,359	31,382,733	0
Restricted	0	0	924,004	924,004	0
Unrestricted	<u>2,851,091</u>	<u>946,260</u>	<u>1,916,279</u>	<u>5,713,630</u>	<u>535,431</u>
NET ASSETS	<u>34,116,851</u>	<u>972,874</u>	<u>2,930,642</u>	<u>38,020,367</u>	<u>535,431</u>
TOTAL LIABILITIES AND NET ASSETS					
	\$ <u>36,844,877</u>	\$ <u>1,374,172</u>	\$ <u>2,943,249</u>	\$ <u>41,182,298</u>	\$ <u>535,431</u>

(CONCLUDED)

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

Housing Authority of the City of Monroe



HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Revenues Expenses and Changes in Fund Net Assets
For the Year Ended June 30 2007

Statement B

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
OPERATING REVENUES					
Dwelling rental	\$ 2 807 100	\$ 0	\$ 0	\$ 2 807 100	\$ 0
Other	372 783	20 296	241 778	634 857	202 446
Federal grants	2,267,397	6,738,443	419,822	9,425,662	78,456
Total operating revenues	\$ 5,447,280	\$ 6,758,739	\$ 661,600	\$ 12,867,619	\$ 280,902
OPERATING EXPENSES					
Administration	1 645 434	699 755	37 664	2 382 853	9 018
Tenant services	349 447	0	35 327	384 774	0
Utilities	396 921	0	0	396 921	0
Ordinary maintenance & operations	2 056 724	30 163	0	2 085 887	0
Protective services	80 550	0	0	80 550	0
General expenses	647 857	19 235	0	667 092	0
Housing assistance payments	0	5 638 388	401 542	6 039 930	0
Homeownership	0	0	0	0	309 159
Nonroutine maintenance	42 608	0	0	42 608	0
Depreciation	2,714,702	6,184	2,410	2,723,296	0
Total operating expenses	7,933,243	6,393,725	476,943	14,803,911	318,177
Income (loss) from Operations	(2,485,963)	365,014	184,657	(1,936,292)	(37,275)
Nonoperating revenues (expenses)					
Investment earnings and gains/losses	218 595	14 979	105 425	338 999	0
Gain (loss) on sale of equipment for \$1 003	(7,067)	6,064	0	(1,003)	0
Total nonoperating revenues (expenses)	211,528	21,043	105,425	337,996	0
NET INCOME (Loss) before Contributions and Transfers	(2 274 435)	386 057	290 082	(1 598 296)	(37 275)
Capital contributions	3 922 570	0	0	3 922 570	0
Special items	0	0	(500,000)	(500,000)	0
Change in net assets	1 648 135	386 057	(209 918)	1 824 274	(37 275)
NET ASSETS AT BEGINNING OF YEAR	32,468,716	586,817	3,140,560	36,196,093	572,706
NET ASSETS AT END OF YEAR	\$ 34,116,851	\$ 972,874	\$ 2,930,642	\$ 38,020,367	\$ 535,431

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

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30 2007**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Rental receipts	\$ 2 812 466	\$ 0	\$ 0	\$ 2 812 466	\$ 0
Other receipts (expenses)	332 676	(849 954)	153 493	(363 785)	202 446
Payments to vendors	(2 407 672)	(289 039)	(54 199)	(2 750 910)	(235 818)
Payments to employees	(1 618 329)	(408 748)	(18 996)	(2 046 073)	0
Payments to private landlords	0	(5 638 388)	(401 542)	(6 039 930)	0
Federal grants	<u>1 054 158</u>	<u>6 591 782</u>	<u>392 776</u>	<u>8 038 716</u>	<u>0</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>173,299</u>	 <u>(594,347)</u>	 <u>71,532</u>	 <u>(349,516)</u>	 <u>(33,372)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Special items	<u>0</u>	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
 NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	 <u>0</u>	 <u>0</u>	 <u>(500,000)</u>	 <u>(500,000)</u>	 <u>0</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase capital assets	(4 188 428)	0	0	(4 188 428)	0
Contributed capital	3 922 570	0	0	3 922 570	0
Proceeds from sale of asset	<u>0</u>	<u>9,100</u>	<u>0</u>	<u>9,100</u>	<u>0</u>
 NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>\$ (255,858)</u>	 <u>\$ 9,100</u>	 <u>\$ 0</u>	 <u>\$ (256,758)</u>	 <u>\$ 0</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2007**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	\$ (145,162)	\$ 0	\$ 442,806	\$ 297,644	\$ 0
Investment earnings and gains/losses	218,595	14,979	103,303	336,877	0
Purchase investments	<u>0</u>	<u>(12,897)</u>	<u>(40,846)</u>	<u>(53,743)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>73,433</u>	<u>2,082</u>	<u>505,263</u>	<u>580,778</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,126)	(583,165)	76,795	(525,496)	(33,372)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>59,762</u>	<u>600,101</u>	<u>199,374</u>	<u>859,237</u>	<u>394,597</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>40,636</u>	<u>16,936</u>	<u>276,169</u>	<u>333,741</u>	<u>361,225</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(2,485,963)	365,014	184,657	(1,936,292)	(37,275)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	2,714,702	6,184	2,410	2,723,296	0
Change in assets and liabilities:					
Receivables, net	(1,241,671)	(56,716)	(77,976)	(1,376,363)	(78,456)
Due from other funds	(66,283)	(870,250)	(10,309)	(946,842)	0
Inventories	(14,743)	0	0	(14,743)	126,796
Prepaid items	(6,309)	9,218	0	2,909	0
Accounts payables	402,727	(97,104)	(5,457)	300,166	(44,353)
Accrued expenses	24,234	15,372	0	40,606	0
Deferred revenue	0	0	(21,589)	(21,589)	0
Due to other funds	870,250	16,822	(204)	886,868	(84)
Compensated absences	<u>(23,645)</u>	<u>16,113</u>	<u>0</u>	<u>(7,532)</u>	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 173,299</u>	<u>\$ (594,347)</u>	<u>\$ 71,532</u>	<u>\$ (349,516)</u>	<u>\$ (33,372)</u>

(CONCLUDED)

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing affordable housing. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Monroe, serve a staggered term of four years.

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1,469
Contract Administrator		
Section 8 New Construction	FW 2170	99
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe, LLP		65
South Pointe, LLP		44

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

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

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

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

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

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

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

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

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

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the capital fund program and the economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The other enterprise fund accounts for the activity of the Section 8 - New Construction Program for which the Housing Authority is the contract administrator, the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent, and the Monroe Housing Facilities Corporation.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

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

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

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited by LSA-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All other interfund transfers are reported as transfers. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

NOTE 2 - DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2007. Fair value was determined by obtaining "quoted" year-end market prices.

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

As of June 30, 2007 the Housing Authority has a majority of its assets in U. S. Treasuries managed by a financial institution. The account managed by a financial institution has a fair market value of \$3,510,446 as of June 30, 2007. The mortgage backed securities are rated B plus. This amount represents 58.7% of the Housing Authority's investments as of this date.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment</u>	
		<u>Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
U.S. Treasury obligations	\$1,944,932	\$345,016	\$1,599,916
Mortgage backed securities	<u>1,565,514</u>	<u>392,055</u>	<u>1,173,459</u>
Total debt investments	<u>3,510,446</u>	<u>\$737,071</u>	<u>\$2,773,375</u>
Certificates of deposit	<u>2,466,114</u>		
Total investments	<u>\$5,976,560</u>		

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

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits, Savings Accounts and U. S. Treasuries which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007 the Housing Authority bank balance of \$3,313,095 (which includes \$2,466,114 in certificates of deposits classified as investment along with \$287,976 classified as restricted investments for tenant security deposits and family self-sufficiency deposits) was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

The Monroe Affordable Homeownership Community Housing Development Organization, Inc. has a bank balance of \$361,225 as of June 30, 2007. Of this amount, \$262,648 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Homeownership's name.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority does maintain investment accounts at a financial institution. As of June 30, 2007 the Housing Authority had \$3,510,446 in U. S. Treasuries which are held by the financial institution but not in the Housing Authority's name.

Concentration of Credit Risk-Investments:

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Mortgage Corp	\$ 814,069	13.6%
Federal National Mortgage Assn.	<u>751,445</u>	12.6%
Total	<u>\$1,565,514</u>	

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

NOTE 3 - ACCOUNTS RECEIVABLE The receivables at June 30, 2007, are as follows:

Class of Receivables	General	Tenant-Based Section 8	Other Enterprise	Total
Local sources:				
Tenants	\$ 27,535	\$ 0	\$ 0	\$ 27,535
Other	89,929	26,600	137,753	254,282
Federal sources:				
Due from HUD	1,473,638	56,716	0	1,530,354
Total	<u>\$ 1,591,102</u>	<u>\$ 83,316</u>	<u>\$ 137,753</u>	<u>\$ 1,812,171</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$3,123. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development and repayment agreements for fraudulently reporting wrong income amounts for past rental calculations. The Housing Authority accounts receivable - other is net of an allowance for doubtful accounts of \$8,747.

The accounts receivable balance of \$78,456 for Homeownership, discretely presented component unit, is from the City of Monroe and expected to be paid in full.

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,006,932	\$ 0	\$ 0	\$ 2,006,932
Construction in progress	2,307,855	3,922,571	0	6,230,426
Total capital assets, non depreciable	<u>4,314,787</u>	<u>3,922,571</u>	<u>0</u>	<u>8,237,358</u>
Capital assets, depreciable				
Site improvements	14,458,740	6,886	0	14,465,626
Buildings	44,696,678	0	0	44,696,678
Furniture and equipment	1,786,305	258,971	64,679	1,980,597
Total capital assets, depreciable	<u>60,941,723</u>	<u>265,857</u>	<u>64,679</u>	<u>61,142,901</u>
Less accumulated depreciation				
Site improvements	6,223,782	728,308	0	6,952,090
Buildings	27,875,213	1,848,711	0	29,723,924
Furniture and equipment	1,225,176	146,277	49,941	1,321,512
Total	<u>35,324,171</u>	<u>2,723,296</u>	<u>49,941</u>	<u>37,997,526</u>
Net Depreciable Assets	<u>\$ 25,617,552</u>	<u>\$ (2,457,439)</u>	<u>\$ 14,738</u>	<u>\$ 23,145,375</u>

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

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

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

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

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

The Housing Authority's total payroll for year ended June 30, 2007, was \$2,664,748. The Housing Authority's contributions were calculated using the base salary amount of \$2,194,970. The Housing Authority made the required contributions of \$312,158 for the year ended June 30, 2007.

NOTE 6 - ACCOUNTS PAYABLE The payables at June 30, 2007, are as follows:

	General	Tenant-Based Section 8	Total
Vendors	\$ 297,279	\$ 46,787	\$ 344,066
Contract Retentions	364,931	-	364,931
Total	<u>\$ 662,210</u>	<u>\$ 46,787</u>	<u>\$ 708,997</u>

NOTE 7 - COMPENSATED ABSENCES At June 30, 2007, employees of the Housing Authority have accumulated and vested \$960,570 of employee leave benefits, including \$73,484 of salary related benefits which was computed in accordance with GASB Codification Section C60. In the past the liability has been liquidated by the general fund.

NOTE 8 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2007:

	Compensated Absences
Beginning Balance	\$968,102
Additions	413,007
Deletions	420,539
Ending Balance	<u>\$960,570</u>
Amounts Due Within One Year	<u>\$413,007</u>

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

NOTE 9 - INTERFUND TRANSACTIONS

Interfund receivables/payables at June 30, 2007, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General	Other Enterprise	\$ 24
	Section 8	6,513
Section 8	General	870,250
Other Enterprise	Section 8	10,309
		<u>\$ 887,096</u>

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

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2007, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

Construction Projects There are certain construction projects in progress at June 30, 2007. These include modernizing rental units at practically all of the fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

NOTE 11 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

NOTE 12 - ECONOMIC DEPENDENCE Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$13,348,232 to the Housing Authority, which represents approximately 78% of the Housing Authority's total revenue for the year.

NOTE 13 - SPECIAL ITEMS The Housing Authority transferred \$500,000 to Passman Plaza III, a non-profit corporation. This corporation is constructing an elderly housing complex in Monroe. The management fees fund contributed \$215,000 and the Section 8 New Construction fund contributed \$285,000.

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

MANAGEMENT FEES This fund represents management fees earned as contract administrator for a Section 8 New Construction program and as managing agent for five Section 202 Elderly Projects and four tax credit elderly properties.

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

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

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2007**

Exhibit 1

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL NONMAJOR FUNDS</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 201,699	\$ 8,259	\$ 66,211	\$ 276,169
Investments	1,463,637	107,205	857,817	2,428,659
Accounts receivable, net	137,753	0	0	137,753
Interfund receivable	0	10,309	0	10,309
Total Current Assets	1,803,089	125,773	924,028	2,852,890
Capital assets, net of accumulated depreciation	0	0	90,359	90,359
TOTAL ASSETS	1,803,089	125,773	1,014,387	2,943,249
LIABILITIES				
Current liabilities				
Interfund payable	0	0	24	24
Unearned revenue	0	12,583	0	12,583
Total Current Liabilities	0	12,583	24	12,607
NET ASSETS				
Invested in capital assets, net of related debt	0	0	90,359	90,359
Restricted	0	0	924,004	924,004
Unrestricted	1,803,089	113,190	0	1,916,279
Total Net Assets	1,803,089	113,190	1,014,363	2,930,642
TOTAL LIABILITIES AND NET ASSETS	\$ 1,803,089	\$ 125,773	\$ 1,014,387	\$ 2,943,249

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Year Ended June 30, 2007

Exhibit 2

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
OPERATING REVENUES				
Other	\$ 236,321	\$ 5,457	\$ 0	\$ 241,778
Federal grants	0	419,822	0	419,822
Total operating revenues	<u>236,321</u>	<u>425,279</u>	<u>0</u>	<u>661,600</u>
OPERATING EXPENSES				
Administration	33,868	3,543	253	37,664
Tenant services	35,327	0	0	35,327
Housing assistance payments	0	401,542	0	401,542
Depreciation expense	0	0	2,410	2,410
Total operating expenses	<u>69,195</u>	<u>405,085</u>	<u>2,663</u>	<u>476,943</u>
Income (loss) from Operations	<u>167,126</u>	<u>20,194</u>	<u>(2,663)</u>	<u>184,657</u>
Nonoperating revenues (expenses)				
Investment earnings and gains/losses	<u>45,463</u>	<u>17,027</u>	<u>42,935</u>	<u>105,425</u>
Total nonoperating revenues (expenses)	<u>45,463</u>	<u>17,027</u>	<u>42,935</u>	<u>105,425</u>
NET INCOME (Loss) before				
Contributions and transfers	212,589	37,221	40,272	290,082
Special items	<u>(215,000)</u>	<u>(285,000)</u>	<u>0</u>	<u>(500,000)</u>
Change in net assets	(2,411)	(247,779)	40,272	(209,918)
NET ASSETS AT BEGINNING OF YEAR	<u>1,805,500</u>	<u>360,969</u>	<u>974,091</u>	<u>3,140,560</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,803,089</u>	<u>\$ 113,190</u>	<u>\$ 1,014,363</u>	<u>\$ 2,930,642</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2007**

Exhibit 3

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES				
Other receipts	\$ 158,345	\$ (4,852)	\$ 0	\$ 153,493
Payments to vendors	(51,255)	(2,487)	(457)	(54,199)
Payments to employees	(17,940)	(1,056)	0	(18,996)
Payments to private landlords	0	(401,542)	0	(401,542)
Federal grants	0	392,776	0	392,776
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>89,150</u>	<u>(17,161)</u>	<u>(457)</u>	<u>71,532</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Speical items	<u>(215,000)</u>	<u>(285,000)</u>	<u>0</u>	<u>(500,000)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(215,000)</u>	<u>(285,000)</u>	<u>0</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CASH PROVIDED (USED) BY CAPITAL AND FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	169,050	273,756	0	442,806
Investment earnings and gains/losses	39,861	20,507	42,935	103,303
Purchase of investments	0	0	(40,846)	(40,846)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>208,911</u>	<u>294,263</u>	<u>2,089</u>	<u>505,263</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,061	(7,898)	1,632	76,795
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>118,638</u>	<u>18,157</u>	<u>64,579</u>	<u>199,374</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 201,699</u>	<u>\$ 8,259</u>	<u>\$ 66,211</u>	<u>\$ 276,169</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2007**

Exhibit 3

	<u>MANAGEMENT</u>	<u>SECTION 8</u>	<u>MONROE</u>	<u>TOTAL</u>
	<u>FEES</u>	<u>NEW</u>	<u>HOUSING</u>	<u>NONMAJOR</u>
	<u>CONSTRUCTION</u>	<u>FACILITIES</u>	<u>FUNDS</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Operating income (loss)	\$ 167,126	\$ 20,194	\$ (2,663)	\$ 184,657
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	0	0	2,410	2,410
Change in assets and liabilities:				
Receivables, net	(77,976)	0	0	(77,976)
Interfund receivables	0	(10,309)	0	(10,309)
Accounts payables	0	(5,457)	0	(5,457)
Deferred revenue	0	(21,589)	0	(21,589)
Interfund payables	0	0	(204)	(204)
	<u>0</u>	<u>0</u>	<u>(204)</u>	<u>(204)</u>
NET CASH PROVIDED (USED) BY OPERATING				
ACTIVITIES	<u>\$ 89,150</u>	<u>\$ (17,161)</u>	<u>\$ (457)</u>	<u>\$ 71,532</u>

(CONCLUDED)

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2007**

Exhibit 4

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

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

Housing Authority of the City of Monroe



**Housing Authority of the City of Monroe
Financial Data Schedule
For the Year Ended June 30, 2007**

PHA: LA006 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
111	Cash - Unrestricted	\$267,910	\$8,259	\$5,015	\$40,631	\$0
114	Cash - Tenant Security Deposits	0	0	0	154,908	0
100	Total Cash	267,910	8,259	5,015	195,539	0
122	Accounts Receivable - HUD Other Projects	0	0	0	0	14,384
124	Accounts Receivable - Other Government	0	0	0	0	0
125	Accounts Receivable - Miscellaneous	137,753	0	0	88,959	0
126	Accounts Receivable - Tenants - Dwelling Rents	0	0	0	30,658	0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	0	0	0	(3,123)	0
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0	0
128	Fraud Recovery	0	0	0	9,717	0
128.1	Allowance for Doubtful Accounts - Fraud	0	0	0	(8,747)	0
	Total Receivables, net of allowances for doubtful 120 accounts	137,753	0	0	117,464	14,384
131	Investments - Unrestricted	2,321,454	107,205	0	3,309,948	0
132	Investments Restricted	0	0	0	0	0
142	Prepaid Expenses and Other Assets	0	0	0	284,317	0
143	Inventories	0	0	0	211,669	0
143.1	Allowance for Obsolete Inventories	0	0	0	0	0
144	Interprogram Due From	0	10,309	0	20,921	0
150	Total Current Assets	2,727,117	125,773	5,015	4,119,858	14,384
161	Land	0	0	0	2,006,932	0
162	Buildings	96,384	0	0	59,065,920	0
163	Furniture, Equipment & Machinery - Dwellings	0	0	0	405,542	0
164	Furniture, Equipment & Machinery - Administration	0	362	0	1,461,386	0
165	Leasehold Improvements	0	0	0	0	0
166	Accumulated Depreciation	(6,025)	(362)	0	(37,904,446)	0
167	Construction In Progress	0	0	0	0	0
	Total Fixed Assets, Net of Accumulated 180 Depreciation	90,359	0	0	25,035,334	0
180	Total Non-Current Assets	90,359	0	0	25,035,334	0
190	Total Assets	2,817,476	125,773	5,015	29,155,192	14,384

Exhibit 5

Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Component Units	Other Federal Program 1	Total
\$11,921	\$5	\$0	\$361,225	\$0	\$694,966
0	0	0	0	0	154,908
11,921	5	0	361,225	0	849,874
0	1,459,254	27,539	0	29,177	1,530,354
0	0	0	78,456	0	78,456
26,600	0	0	0	0	253,312
0	0	0	0	0	30,658
0	0	0	0	0	(3,123)
0	0	0	0	0	0
0	0	0	0	0	9,717
0	0	0	0	0	(8,747)
26,600	1,459,254	27,539	78,456	29,177	1,880,627
237,953	0	0	0	0	5,976,560
133,068	0	0	0	0	133,068
6,035	0	0	0	0	270,352
0	0	0	95,750	0	307,419
0	0	0	0	0	0
903,940	0	0	0	0	935,170
1,319,517	1,459,259	27,539	535,431	29,177	10,363,070
0	0	0	0	0	2,006,932
0	0	0	0	0	59,182,304
0	0	0	0	0	405,542
113,306	0	0	0	0	1,575,054
0	0	0	0	0	0
(86,692)	0	0	0	0	(37,997,525)
0	6,230,426	0	0	0	6,230,426
26,814	6,230,426	0	0	0	31,382,733
26,814	6,230,426	0	0	0	31,382,733
1,346,131	7,689,685	27,539	535,431	29,177	41,745,803

(continued)

**Housing Authority of the City of Monroe
Financial Data Schedule
For the Year Ended June 30, 2007**

PHA: LA006 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
312	Accounts Payable <= 90 Days	0	0	0	59,412	0
321	Accrued Wage/Payroll Taxes Payable	0	0	0	38,293	0
322	Accrued Compensated Absences - Current Portion	0	0	0	309,656	0
341	Tenant Security Deposits	0	0	0	154,908	0
342	Deferred Revenues	0	12,583	0	2,806	0
345	Other Current Liabilities	0	0	0	0	0
346	Accrued Liabilities - Other	0	0	0	241,027	0
347	Interprogram Due To	24	0	0	0	14,384
310	Total Current Liabilities	24	12,583	0	806,102	14,384
354	Accrued Compensated Absences - Non Current	0	0	0	462,665	0
350	Total Noncurrent Liabilities	0	0	0	462,665	0
300	Total Liabilities	24	12,583	0	1,268,767	14,384
508	Total Contributed Capital	0	0	0	0	0
508.1	Invested in Capital Assets, Net of Related Debt	90,359	0	0	25,035,334	0
511	Total Reserved Fund Balance	0	0	0	0	0
511.1	Restricted Net Assets	924,004	0	0	0	0
512.1	Unrestricted Net Assets	1,803,089	113,190	5,015	2,851,091	0
513	Total Equity/Net Assets	2,817,452	113,190	5,015	27,886,425	0
600	Total Liabilities and Equity/Net Assets	2,817,476	125,773	5,015	29,155,192	14,384

Exhibit 5

Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Component Units	Other Federal Program 1	Total
46,787	589,009	0	0	0	695,208
16,372	0	0	0	0	54,866
103,351	0	0	0	0	413,007
0	0	0	0	0	154,908
0	0	0	0	0	15,389
133,068	0	0	0	0	133,068
0	0	0	0	0	241,027
16,822	870,250	8,350	0	25,340	935,170
316,400	1,459,259	8,350	0	25,340	2,842,442
84,898	0	0	0	0	547,563
84,898	0	0	0	0	547,563
401,298	1,459,259	8,350	0	25,340	3,190,005
0	0	0	0	0	0
26,614	6,230,426	0	0	0	31,382,733
0	0	0	0	0	0
0	0	0	0	0	924,004
918,219	0	19,189	535,431	3,837	6,249,061
944,833	6,230,426	19,189	535,431	3,837	38,555,798
1,346,131	7,689,885	27,539	535,431	29,177	41,745,803

(continued)

**Housing Authority of the City of Monroe
Financial Data Schedule
For the Year Ended June 30, 2007**

PHA: LA006 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
703	Net Tenant Rental Revenue	0	0	0	2,782,735	0
704	Tenant Revenue - Other	0	0	0	265,512	0
705	Total Tenant Revenue	0	0	0	3,048,247	0
706	HUD PHA Operating Grants	0	419,822	69,234	1,611,055	237,758
706.1	Capital Grants	0	0	0	0	0
708	Other Government Grants	0	0	0	0	0
711	Investment Income - Unrestricted	88,398	17,027	0	218,595	0
713.1	Cost of Sale of Assets	0	0	0	0	0
714	Fraud Recovery	0	0	0	0	0
715	Other Revenue	238,321	5,457	0	131,636	0
716	Gain/Loss on Sale of Fixed Assets	0	0	0	(7,067)	0
720	Investment Income - Restricted	0	0	0	0	0
700	Total Revenue	324,719	442,308	69,234	5,002,488	237,758
911	Administrative Salaries	17,940	1,056	3,541	722,801	0
912	Auditing Fees	0	1,000	0	7,880	0
913	Outside Management Fees	0	0	0	4,635	0
914	Compensated Absences	0	0	0	26,835	0
915	Employee Benefit Contributions - Administrative	3,884	421	1,025	288,834	0
916	Other Operating - Administrative	12,297	1,086	0	228,838	0
921	Tenant Services - Salaries	0	0	0	0	27,606
922	Relocation Costs	0	0	0	0	0
923	Employee Benefit Contributions - Tenant Services	0	0	0	0	6,915
924	Tenant Services - Other	35,327	0	0	58,736	203,237
931	Water	0	0	0	10,451	0
932	Electricity	0	0	0	305,338	0
933	Gas	0	0	0	74,069	0
938	Other Utilities Expense	0	0	0	7,063	0
941	Ordinary Maintenance and Operations - Labor	0	0	0	779,087	0
942	Ordinary Maintenance and Operations - Materials and Other	0	0	0	423,372	0
943	Ordinary Maintenance and Operations - Contract Costs	0	0	0	531,014	0
945	Employee Benefit Contributions - Ordinary Maintenance	0	0	0	322,251	0
951	Protective Services - Labor	0	0	0	56,981	0
955	Employee Benefit Contributions - Protective Services	0	0	0	23,569	0
961	Insurance Premiums	0	0	0	318,433	0
963	Payments in Lieu of Taxes	0	0	0	241,018	0
964	Bad Debt - Tenant Rents	0	0	0	86,406	0
969	Total Operating Expenses	69,448	3,543	4,566	4,519,591	237,758

Exhibit 5

Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Component Units	Other Federal Program 1	Total
0	0	0	0	0	2,782,735
0	0	0	0	0	265,512
0	0	0	0	0	3,048,247
6,465,507	418,584	213,702	0	0	9,425,662
0	3,922,570	0	0	0	3,922,570
0	0	0	78,456	0	78,456
9,355	0	0	0	0	333,375
0	0	0	0	0	0
9,117	0	0	0	0	9,117
11,179	0	0	202,448	0	587,039
6,064	0	0	0	0	(1,003)
5,624	0	0	0	0	5,624
6,496,846	4,341,154	213,702	280,902	0	17,409,087
398,104	124,810	10,930	0	0	1,279,182
11,100	5,000	0	0	0	24,960
0	0	0	0	0	4,635
28,658	0	0	0	0	55,493
152,164	44,271	3,164	0	0	493,763
91,069	191,550	0	9,018	0	533,838
0	0	0	0	0	27,606
0	51,085	0	0	0	51,085
0	0	0	0	0	6,915
0	1,868	0	309,159	0	608,327
0	0	0	0	0	10,451
0	0	0	0	0	305,338
0	0	0	0	0	74,069
0	0	0	0	0	7,063
0	0	0	0	0	779,087
4,303	0	0	0	0	427,675
25,860	0	0	0	0	556,874
0	0	0	0	0	322,261
0	0	0	0	0	56,981
0	0	0	0	0	23,569
19,235	0	0	0	0	337,668
0	0	0	0	0	241,018
0	0	0	0	0	88,406
730,493	418,584	14,094	318,177	0	6,316,254

(continued)

**Housing Authority of the City of Monroe
Financial Data Schedule
For the Year Ended June 30, 2007**

PHA: LA006 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Resident Opportunity and Supportive Services
	Excess Operating Revenue over Operating					
970	Expenses	255,271	438,763	64,668	482,875	0
972	Casualty Losses - Non-Capitalized	0	0	0	42,608	0
973	Housing Assistance Payments	0	401,542	64,106	0	0
974	Depreciation Expense	2,410	0	0	2,714,702	0
900	Total Expenses	71,858	405,085	68,672	7,276,901	237,758
1008	Special Items (net gain/loss)	(215,000)	(285,000)	0	0	0
1010	Total Other Financing Sources (Uses)	(215,000)	(285,000)	0	0	0
	Excess (Deficiency) of Operating Revenue Over					
1000	(Under) Expenses	37,861	(247,779)	562	(2,274,435)	0
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0
1103	Beginning Equity	2,779,591	360,969	4,453	30,160,860	0
	Prior Period Adjustments, Equity Transfers and					
1104	Correction of Errors	0	0	0	0	0
1120	Unit Months Available	0	1,188	252	17,001	0
1121	Number of Unit Months Leased	0	1,161	230	16,605	0
1117	Administrative Fee Equity	0	0	0	0	0
1118	Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0

Exhibit 5

Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Component Units	Other Federal Program 1	Total
5,766,353	3,922,570	199,608	(37,275)	0	11,092,833
0	0	0	0	0	42,608
5,375,868	0	198,414	0	0	6,039,930
6,184	0	0	0	0	2,723,296
6,112,545	418,584	212,508	318,177	0	15,122,088
0	0	0	0	0	(500,000)
0	0	0	0	0	(500,000)
384,301	3,922,570	1,194	(37,275)	0	1,786,999
0	0	0	0	0	0
569,709	2,307,856	17,995	572,706	(25,340)	36,768,799
(29,177)	0	0	0	29,177	0
17,628	0	386	0	0	36,455
16,811	0	386	0	0	35,193
129,070	0	0	0	0	129,070
\$815,763	\$0	\$0	\$0	\$0	\$815,763

(concluded)

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE
June 30, 2007

Exhibit 6

1. The actual Capital Fund costs is as follows:

	PROJECT <u>LA-48P006501-05</u>
Funds Approved	\$ 2,882,545
Funds Expended	<u>2,882,545</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,882,545
Funds Expended	<u>2,882,545</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated February 13, 2007, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.

Net Assets by Component
Changes in Net Assets

	Table Number	Page Number
1	1	50
2	2	51

Revenue Capacity

This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.

General Fund Revenues by Source

3	3	52
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Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.

Tenant Demographics

4	4	53
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Operating Information

This schedule contains service and infrastructure data to help the reader understand how the information in the Housing Authority's financial report relates to the services the Housing Authority provides and the activities it performs.

Property Characteristics and Dwelling Unit Composition

5	5	54
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Table 1

HOUSING AUTHORITY OF THE CITY OF MONROE

Net Assets by Component
Fiscal Years Ended June 30, 2000 through June 30, 2007
(Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007
Investment in capital assets, net of related debt	\$ 24,668,218	\$ 25,854,247	\$ 28,972,582	\$ 29,949,795	\$ 31,253,432	\$ 30,362,037	\$ 28,932,342	\$ 31,382,733
Restricted	0	165,000	0	6,068	0	854,931	887,322	924,004
Unrestricted	4,836,362	4,833,739	5,214,258	5,658,555	5,798,942	4,880,489	5,382,429	5,713,630
Total net assets	\$ 29,505,580	\$ 30,852,986	\$ 34,186,851	\$ 35,612,418	\$ 37,052,374	\$ 36,107,457	\$ 36,196,093	\$ 38,020,367

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2000.

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Assets
Fiscal Years Ended June 30, 2000 through June 30, 2007
(Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007
Operating Revenues								
Dwelling rental	\$ 2,362,614	\$ 2,340,075	\$ 2,287,079	\$ 2,485,881	\$ 2,700,435	\$ 2,823,398	\$ 2,841,760	\$ 2,807,100
Other	391,458	370,554	348,811	448,266	452,648	679,279	572,762	634,857
Federal grants	6,707,319	6,592,826	8,555,787	9,325,504	8,698,898	8,141,550	8,927,213	9,425,862
Total operating revenues	<u>9,461,391</u>	<u>9,303,455</u>	<u>11,191,677</u>	<u>12,259,651</u>	<u>11,851,981</u>	<u>11,644,227</u>	<u>12,341,735</u>	<u>12,867,819</u>
Operating Expenses								
Administration	1,931,378	2,241,287	1,952,449	2,010,953	2,284,121	2,101,573	2,379,995	2,382,853
Tenant services	31,980	628,396	1,131,795	975,514	315,873	265,149	348,551	384,774
Utilities	292,397	375,917	272,370	348,220	367,349	374,904	428,884	396,921
Ordinary maintenance & operations	1,224,788	1,680,801	1,716,338	1,902,738	1,846,220	1,839,019	1,881,640	2,085,867
Protective services	423,330	54,035	310,812	321,709	160,231	56,889	61,372	80,850
General expenses	1,117,905	507,428	520,014	570,111	648,536	730,908	686,588	667,092
Nonroutine maintenance	528,208	45,282	39,776	7,278	0	3,471	14,592	42,808
Housing assistance payments	4,425,125	4,487,508	5,558,039	5,780,292	6,176,385	6,081,456	6,180,218	6,039,830
Depreciation	1,744,301	1,878,217	1,988,055	1,936,858	2,195,908	2,555,236	2,692,332	2,723,296
Total operating expenses	<u>11,619,421</u>	<u>11,908,867</u>	<u>13,488,648</u>	<u>13,853,673</u>	<u>13,988,623</u>	<u>14,008,605</u>	<u>14,654,152</u>	<u>14,803,911</u>
Income (Loss) from Operations	<u>(2,158,030)</u>	<u>(2,605,412)</u>	<u>(2,297,971)</u>	<u>(1,594,022)</u>	<u>(2,146,642)</u>	<u>(2,364,378)</u>	<u>(2,312,417)</u>	<u>(1,936,292)</u>
Nonoperating Revenues (Expenses)								
Investment earnings	250,680	300,405	265,686	240,946	128,127	17,866	236,936	338,999
Insurance proceeds	0	0	0	0	20,350	0	0	(1,003)
Total nonoperating revenues (expenses)	<u>250,680</u>	<u>300,405</u>	<u>265,686</u>	<u>240,946</u>	<u>148,477</u>	<u>17,866</u>	<u>236,936</u>	<u>337,996</u>
Net Income (Loss) before Contributions and Transfers	<u>(1,917,352)</u>	<u>(2,305,007)</u>	<u>(2,032,285)</u>	<u>(1,353,076)</u>	<u>(1,998,165)</u>	<u>(2,346,512)</u>	<u>(2,075,481)</u>	<u>(1,598,296)</u>
Capital Contributions	1,446,580	3,652,417	5,366,150	2,778,844	3,438,120	1,401,595	2,164,117	3,922,570
Special items	0	0	0	0	0	0	0	(500,000)
Change in Net Assets	<u>\$ (470,772)</u>	<u>\$ 1,347,410</u>	<u>\$ 3,333,865</u>	<u>\$ 1,425,568</u>	<u>\$ 1,439,955</u>	<u>\$ (944,917)</u>	<u>\$ 88,636</u>	<u>\$ 1,824,274</u>

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2000.

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 1998 Through 2007

Fiscal Year	Dwelling rentals		Federal sources		Interest earnings		Other (2)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1998	\$ 2,065,622	61.93%	1,008,710	30.27%	132,315	3.97%	127,868	3.83%	\$ 3,335,515	100%
1999	2,152,080	50.53%	988,785	23.17%	141,479	3.32%	978,310	22.97%	4,258,654	100%
2000 (1)	2,352,614	51.90%	1,780,911	39.29%	174,877	3.89%	224,741	4.96%	4,532,943	100%
2001	2,340,075	53.34%	1,542,010	35.16%	213,326	4.86%	291,307	6.64%	4,386,718	100%
2002	2,287,079	45.31%	2,345,945	46.48%	172,241	3.41%	242,023	4.80%	5,047,288	100%
2003	2,485,881	43.41%	2,781,522	48.58%	158,428	2.73%	302,381	5.28%	5,728,210	100%
2004	2,700,435	61.25%	1,318,716	29.91%	61,304	1.39%	328,164	7.44%	4,408,619	100%
2005	2,823,398	60.23%	1,377,018	29.38%	47,835	1.02%	439,042	9.37%	4,687,393	100%
2006	2,841,760	57.27%	1,676,316	33.78%	140,648	2.83%	303,254	6.11%	4,961,978	100%
2007	\$ 2,807,100	49.54%	2,287,387	40.02%	216,565	3.86%	372,783	6.58%	\$ 5,685,875	100%

Notes:

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

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

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

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 1998 Through 2007

Fiscal Year	General Fund			Section 8 Program			Total		
	Number of Units	Average occupied units	Occupied ratio	Number of units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio
1998	1,522	1,510	99.21%	1,242	1,209	97.34%	2,764	2,719	98.37%
1999	1,522	1,492	98.03%	1,242	1,206	97.10%	2,764	2,698	97.61%
2000	1,522	1,496	98.29%	1,246	1,213	97.35%	2,768	2,709	97.87%
2001	1,522	1,462	95.40%	1,297	1,276	98.38%	2,819	2,728	96.77%
2002	1,522	1,369	89.92%	1,488	1,434	96.37%	3,010	2,803	93.11%
2003	1,522	1,389	91.26%	1,490	1,438	96.51%	3,012	2,827	93.86%
2004	1,428	1,409	98.81%	1,469	1,457	99.18%	2,895	2,866	99.00%
2005	1,440	1,423	98.82%	1,491	1,425	95.57%	2,931	2,848	97.17%
2006	1,448	1,414	97.65%	1,471	1,404	95.45%	2,919	2,818	96.54%
2007	1,423	1,384	97.26%	1,469	1,401	95.37%	2,892	2,785	96.30%

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

Table 5

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition
June 30, 2007

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total	
				Zero	One	Two	Three	Four		Five
LA006-001	George Sneece Manor	306 Winnboro Road	31-Oct-51		10	20	15	5		50
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52		18	28	24	6		76
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Aug-52		20	59	32	14		125
LA006-004	Louis Lock Homes	306 Winnboro Road	31-Aug-52		16	46	28	10		100
LA006-005	Foster Heights	Swayze and Louberta Sts.	30-Sep-54		8	89	72	6		175
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73		10	80	121	69	20	300
LA006-007	Scattered Sites	Scattered Sites	31-Jul-71				20	20	9	49
LA006-008	Scattered Sites	Scattered Sites	29-Feb-72				39	38	19	86
LA006-009	Robinson Place	1207 Milliken Drive	30-Sep-73				41	41	21	103
LA006-010	Miller Square	4200 Matthew Street	30-Apr-73				60	62	30	152
LA006-011	Frances Tower	300 Harrison Street	31-Aug-78		130					130
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	31-Mar-80			28	8			36
LA006-013	McKeen Plaza I	1600 McKeen Place	31-Jan-80		100					100
LA006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84		30					30
Total Units				342	350	271	460	99		1,522
Managed Units										
064-EH150	Ouachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	15-Jun-89	21	70					91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSard Plaza Dr., #101-141	1-Nov-86		40	1				41
Tax Credit Dev.	Clabome Creek Apartments, LP	200 Clabome Dr., West Monroe	1-Oct-87		72					72
064-EE050	Passman Plaza II, Inc.	230 DeSard Plaza Dr.	1-Nov-88		39					39
Tax Credit Dev.	Clabome Creek II, LP	200 Clabome Dr., West Monroe	1-Oct-89		80	12				72
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	1-Nov-01		24	50				74
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	1-Apr-04		66					65
064-EE100	South Pointe I	100 South Pointe Drive, Monroe	1-May-02		36					36
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	1-Jun-04		44					44
Total Managed Units				21	450	63	0	0	0	534

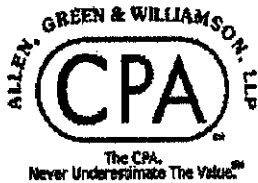
Source: Records of the Housing Authority of the City of Monroe.

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

**Single Audit Report
For the Year Ended June 30, 2007**

**Housing Authority of the City of Monroe
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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075
Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

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

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

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

We have audited the financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and

grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards

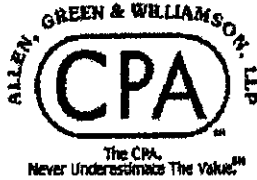
We noted certain matters that we reported to management of the Housing Authority in a separate letter dated December 5, 2007.

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

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 5, 2007



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

Phone: (318) 388-4422

Fax: (318) 388-4864

2414 Ferrand Street
Monroe, LA 71201

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
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Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07-F1 and 07-F2.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-F1 and 07-F2 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Housing Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Housing Authority as of and for the year ended June 30, 2007, and have issued our report thereon dated December 5, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 5, 2007

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
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CASH FEDERAL AWARDS

United States Department of Housing and Urban Development

Direct Programs

Low Rent Public Housing	14.850a	FW2006	\$ 1,611,055
Resident Opportunity and Support Services	14.870	N/A	237,758
Section 8 Housing Choice Voucher Program	14.871	FW2072(VO)	6,455,507
Disaster Voucher Program	14.DVP	N/A	213,702
Section 8 New Construction	14.182	FW2072(VO)	419,822
Shelter Plus Care	14.238	N/A	69,234
Public Housing Capital Fund Program	14.872	N/A	<u>4,341,154</u>

Total Cash Federal Awards

\$13,348,232

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Monroe, Monroe, Louisiana. The Housing Authority of the City of Monroe (the Housing Authority) reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

Federal Sources

Federal grants	\$ 9,425,662
Capital contributions	<u>3,922,570</u>
Total	<u>\$13,348,232</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were two significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed two audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA # 14.850a Low Rent Public Housing
 - CFDA # 14.871 Section 8 Housing Choice Vouchers
 - CFDA # 14.182 Section 8 New Construction
 - CFDA # 14.872 Public Housing Capital Fund Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$400,447.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

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

Reference # and title: **07-F1** **Test of Resident Files**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/		
PASS THROUGH GRANTOR/PROGRAM NAME		
United States Department of Housing and Urban Development		
Section 8 Housing Choice Vouchers	14.871	2007
Section 8 New Construction	14.182	2007

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the resident rent and housing assistance payment as necessary using the documentation from third party verification. Changes in the rent calculation resulting from the re-examination should be reflected on the HAP register. The resident must sign an authorization for release of information (Form 9886). The Housing Authority must submit Form 50058 or 50059, Family Report, electronically to HUD each time the Housing Authority completes an admission or re-examination or other change of unit for a family. This report includes, among other information, name, birth date and social security numbers for all members of the household.

Condition found in Section 8 Vouchers files: Forty resident files were tested for various attributes. The following exceptions were noted in testing Form 50058:

- 33 instances were noted in which the date of the last annual HQS inspection on Form 50058 did not agree to the inspection form in the resident's file.
- 1 instance was noted in which the date of the unit inspection per Form 50058 did not agree to the inspection form.
- 5 instances were noted in which the food stamp income was not reported on the 50058.
- 1 instance was noted in which the date of birth did not agree with the support in the resident's file.
- 2 instances were noted in which the household member's name did not agree to supporting documents.

The following are other exceptions noted in testing of resident files:

- 2 instances in which income verification was dated prior to 90 days before re-exam.
- 1 instance was noted in which the income information used in the rent calculation did not agree to documentation.
- 1 instance was noted in which rent reasonableness documentation for leased address was not in the resident's file.

Condition found in Section 8 New Construction files: In testing 10 resident files the following were noted:

- 1 instance was noted in which child support income was not verified by third party.

Possible asserted effect (cause effect):

Cause: The problem with the inspection dates on Form 50058 is a software issue. Changes in personnel are a contributing factor in the other exceptions noted.

Effect: The Housing Authority may not meet some federal requirements concerning documentation in resident files.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

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

Recommendations to prevent future occurrences: Employees in the Section 8 Department should receive as much training as possible in requirements for Form 50058 and documentation requirements for resident files. Quality control procedures for review of resident files should be reviewed and strengthened as needed.

Reference # and title: **07-F2** **Test of Inspections**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Section 8 New Construction	14.182	2007

Criteria or specific requirement: The Housing Authority or owner must provide housing that is decent, safe, and sanitary. In order to achieve this, the Housing Authority must perform housing quality inspections at the time of initial occupancy and at least annually. If it was determined that repairs are needed from the inspection report, the Housing Authority must perform a re-inspection to ensure repairs were completed timely.

Condition found: In testing 5 files in which the original inspection reflected repairs needed, we were unable to determine if a re-inspection was performed timely.

Possible asserted effect (cause effect):

Cause: Three employees are doing inspections and the maintenance staff makes the repairs – no one is following through with documenting the date of the re-inspection.

Effect: The re-inspection date is not documented.

Recommendations to prevent future occurrences: Someone should be assigned the responsibility of documenting the date of re-inspection.

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings**

Reference # and title: **06-F1** **Test of Resident Files**

Origination Date: This finding originated in fiscal year 2005.

Condition: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent (Public & Indian Housing Operating Subsidy) or resident rent and housing assistance payment (Section 8 Housing Choice Vouchers and Section 8 New Construction) as necessary using the documentation from third party verification. Changes in the rent calculation resulting from the re-examination should be reflected on the rental register. The resident must sign an authorization for release of information (Form 9886). The Housing Authority must submit Form 50058 or 50059, Family Report, electronically to HUD each time the Housing Authority completes an admission or re-examination or other change of unit for a family. This report includes, among other information, name, birth date and social security numbers for all members of the household.

Condition found in Public & Indian Housing Operating Subsidy files: In testing 40 resident files the following exceptions were noted:

- 1 instance was noted where resident application was not in the file.
- 4 instances were noted of keypunch errors on HUD 50058 when tracing information submitted on Form 50058 to documentation in the file for names, birth dates, or social security numbers.
- 1 instance was noted where the computation of income and rent was incorrect because a source of income was not included in the calculation.

Condition found in Section 8 Vouchers files: In testing 40 resident files the following exceptions were noted:

- 1 instance was noted where resident application was not signed by the head of household.
- 4 instances was noted where the files did not have supporting documentation for information on Form 50058 or there was a keypunch error in entering the information on Form 50058.
- 1 instance was noted where income information was not verified by a third party.
- 1 instance was noted where a signed HUD 9886 was not noted in the file.
- 1 instance was noted where rent reasonableness documentation was not noted in the file.

Condition found in Section 8 New Construction files: In testing 10 resident files the following was noted:

- 1 instance was noted where the birth date on HUD Form 50059 did not agree to documentation in the file.
- 1 instance was noted where income information was not verified by a third party.

Corrective action taken for Public & Indian Housing: The condition noted concerning Public and Indian Housing Operating Subsidy files has been resolved.

Corrective action planned for Section 8 Vouchers: See corrective action for current year finding 07-F1.

Corrective action planned for Section 8 New Construction: See corrective action for current year finding 07-F1.

**Housing Authority of the City of Monroe
 Corrective Action Plan for the Current-Year Findings and Questioned Costs
 For the Year Ended June 30, 2007**

Reference # and title: **07-F1** **Test of Resident Files**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME		
United States Department of Housing and Urban Development		
Section 8 Housing Choice Vouchers	14.871	2007
Section 8 New Construction	14.182	2007

Condition: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the resident rent and housing assistance payment as necessary using the documentation from third party verification. Changes in the rent calculation resulting from the re-examination should be reflected on the HAP register. The resident must sign an authorization for release of information (Form 9886). The Housing Authority must submit Form 50058 or 50059, Family Report, electronically to HUD each time the Housing Authority completes an admission or re-examination or other change of unit for a family. This report includes, among other information, name, birth date and social security numbers for all members of the household.

Section 8 Vouchers files: Forty resident files were tested for various attributes. The following exceptions were noted in testing Form 50058:

- 33 instances were noted in which the date of the last annual HQS inspection on Form 50058 did not agree to the inspection form in the resident's file.
- 1 instance was noted in which the date of the unit inspection per Form 50058 did not agree to the inspection form.
- 5 instances were noted in which the food stamp income was not reported on the 50058.
- 1 instance was noted in which the date of birth did not agree with the support in the resident's file.
- 2 instances were noted in which the household member's name did not agree to supporting documents.

The following are other exceptions noted in testing of resident files:

- 2 instances in which income verification was dated prior to 90 days before re-exam.
- 1 instance was noted in which the income information used in the rent calculation did not agree to documentation.
- 1 instance was noted in which rent reasonableness documentation for leased address was not in the resident's file.

Section 8 New Construction files: In testing 10 resident files the following were noted:

- 1 instance was noted in which child support income was not verified by third party.

Corrective action planned: New software for the Section 8 module is being phased in. This software addresses inspection dates, income sources, etc. During training for the new software, it was noted to pay special attention to the items that have caused exceptions. Regarding the Section 8 New Construction files, Monroe Housing Authority is no longer the contract administrator.

**Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2007**

Person responsible for corrective action:

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

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

Anticipated completion date: Immediately.

Reference # and title: 07-F2 Test of Inspections

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Section 8 New Construction	14.182	2007

Condition: The Housing Authority or owner must provide housing that is decent, safe, and sanitary. In order to achieve this, the Housing Authority must perform housing quality inspections at the time of initial occupancy and at least annually. If it was determined that repairs are needed from the inspection report, the Housing Authority must perform a re-inspection to ensure repairs were completed timely.

In testing 5 files in which the original inspection reflected repairs needed, we were unable to determine if a re-inspection was performed timely.

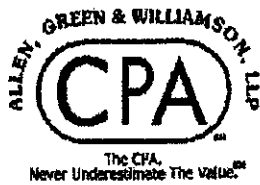
Corrective action planned: Monroe Housing Authority is no longer contract administrator for this federal program and will have no further inspections to make at this property.

Person responsible for corrective action:

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

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

Anticipated completion date: Immediately.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Marge Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

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

Management Letter

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

In planning and performing our audit of the financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe, as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority's basic financial statements, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted a certain matter involving other operational matters that are presented for your consideration. This letter does not affect our report dated December 5, 2007, on the basic financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, is intended to result in other operating efficiency. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

07-M1

Advertisement of Emergency Declaration

Comment: The Housing Authority had deemed the installation of the cooling tower at McKeen Plaza as an emergency. According to LA R.S. 38:2212 the declaration of an emergency should be advertised within 10 days of the declaration. The Housing Authority did not publish within the 10 day requirement.

Recommendation: Emergency declarations should be published within 10 days of the declaration in the official journal.

Management's response: We were not aware of the requirement to publish and advertise the declaration of emergency repairs. We will make sure that any future emergency repairs will be published in our local paper within 10 days.

* * * * *

Also included are management's responses to our current-year management letter items. We have performed no audit work to verify the content of the responses.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority, as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

Allen, Green + Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 5, 2007