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

Comprehensive Annual Financial Report

For the Year Ended June 30, 2000

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

Release Date 03/21/01

**Frank L. Wilcox
Executive Director**

**Charlene VanVliet
Administrative Director**

**Housing Authority of the City of Monroe
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MONROE HOUSING AUTHORITY-300 Harrison St.-Monroe, LA 71201-318-388-1500

Frank L. Wilcox, Exec. Director Henry Bonner, Jr., Chairman Edward L. Miller, Vice Chair. Gertrude Young Van Pardue Joseph Miller

February 22, 2001

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, 2000, 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.

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, account groups and component units 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 of the City of Monroe 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 the internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

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

C. Reporting Entity This report includes all funds and account groups 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. (the Organization), a legally separate entity. The Housing Authority can, to a limited degree, impose its will on this Organization. The Housing Authority also provides office space and some furnishings to the Organization. Based on the above, it has been determined that the Organization is a component unit of the Housing Authority.

D. Major Initiatives The Housing Authority received a 92.4% PHAS score 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.



The Monroe Homeownership Program administered by Monroe Affordable Homeownership Community Housing Development Organization, Inc. (the Organization) placed three families in newly constructed homes on Polk Street. This new construction was made possible with HUD Home funds allocated through the City of Monroe to the Monroe Homeownership Board of Directors. Since this time seven new homes have been constructed on Hickory Street and are for sale under the program.

The city and the Homeownership Program will be working to clear title on land that has been adjudicated for back taxes. These lots will be cleared and used for rejuvenation of the targeted neighborhoods.



The Family Self-Sufficiency Program had another recipient who was awarded a check in the amount of \$633. To assist the participant in becoming financially independent, money is placed in an escrow account in the amount equal to the increase in the tenant's rent which has resulted from an increased income. These matched funds are then given to the program participant when he/she no longer needs public assistance. There were thirty-eight Section 8 recipients participating in this program during the year.



The Comprehensive Grant Program provided funds for interior renovation of Burg Jones Lane and replacement of floors, doors, roofing and exterior painting. The interior renovation of Burg Jones Lane will continue. Under the capital fund program interior renovation of Robinson Place will begin including replacement of kitchen cabinets, floors, doors and outside lighting.



The Monroe Housing Authority has three 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 Voucher and Certificate Programs are the most popular with most tenants who can utilize them to find their own units and live in whatever neighborhood they wish. Many take advantage of these programs' portability to transfer to other parts of the country.



Passman Plaza I, which opened November 1, 1996, and **Passman Plaza II**, which opened November 1, 1998, is a joint effort of the Monroe Housing Authority and the Ouachita Council on Aging. Passman Plaza I consists of 41 units and Passman Plaza II consists of 39 units.

The total cost of both phases funded by the Department of Housing and Urban Development is approximately \$5,000,000. The city of Monroe contributed \$50,000 to the lovely landscaping surrounding phase I and will be used for paved walking trails and a large pavilion for family picnics in phase II.



Monroe Housing Authority is the recipient of a \$2,020,249 Section 202 funding for **South Pointe**, 37 units of new elderly housing to be located at 3200 Wilson Street in Monroe. This area which is surrounded by the Enterprise Community will allow easy access to public transportation, medical facilities and shopping.

Sponsored by the Ouachita Council on Aging, this development will consist of 36 single-story, one-bedroom apartments for the elderly that will have approximately 560 square feet of living space and one two-bedroom manager's apartment with 875 square feet. Each apartment will contain a kitchen complete with range, refrigerator, range hood, pantry, ample storage area and washer and dryer hookups. Construction of this development is expected to begin in early 2001.



Claiborne Creek Retirement Center is Monroe Housing Authority's fifth elderly complex and is a joint effort of the Housing Authority and the Ouachita Council on Aging. The first phase which opened November 1, 1997 consists of 11 multiplex buildings (72 units).



Claiborne Creek II opened October 1, 1999. There are ten two-bedroom units and 50 one-bedroom units available.



The Ouachita Council on Aging, in conjunction with the Monroe Housing Authority, received tax credit funding from the Louisiana Housing Finance Agency for a new elderly complex to be called **Chauvin Pointe**. This new complex will be managed by Monroe Housing Authority and will consist of 74 units. Construction began January 2001.

E. Internal Control Management of the Housing Authority is responsible for establishing and maintaining internal control designed to ensure that the assets of the Housing Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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 judgements 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, 2000, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

F. Budgetary Controls In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. The level of budgetary control

applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2000, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

G. Cash Management All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was \$250,680.

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

H. Risk Management The Housing Authority maintains a combination of self-insurance and stop-loss coverage for workers' compensation insurance. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$125,000.

I. Independent Audits The report of our independent certified public accountants, Allen, Green & Company, 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 generally accepted auditing standards and, accordingly, included a review of the Housing Authority's system of budgetary and accounting controls.

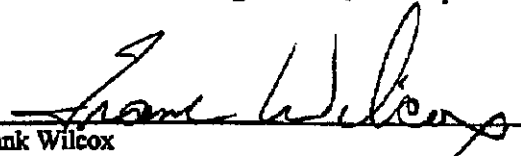


J. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles 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, 2000, 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 Wilcox
Executive Director


Charlene VanVliet
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, 1999

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.



Anne Spray Kinney

President

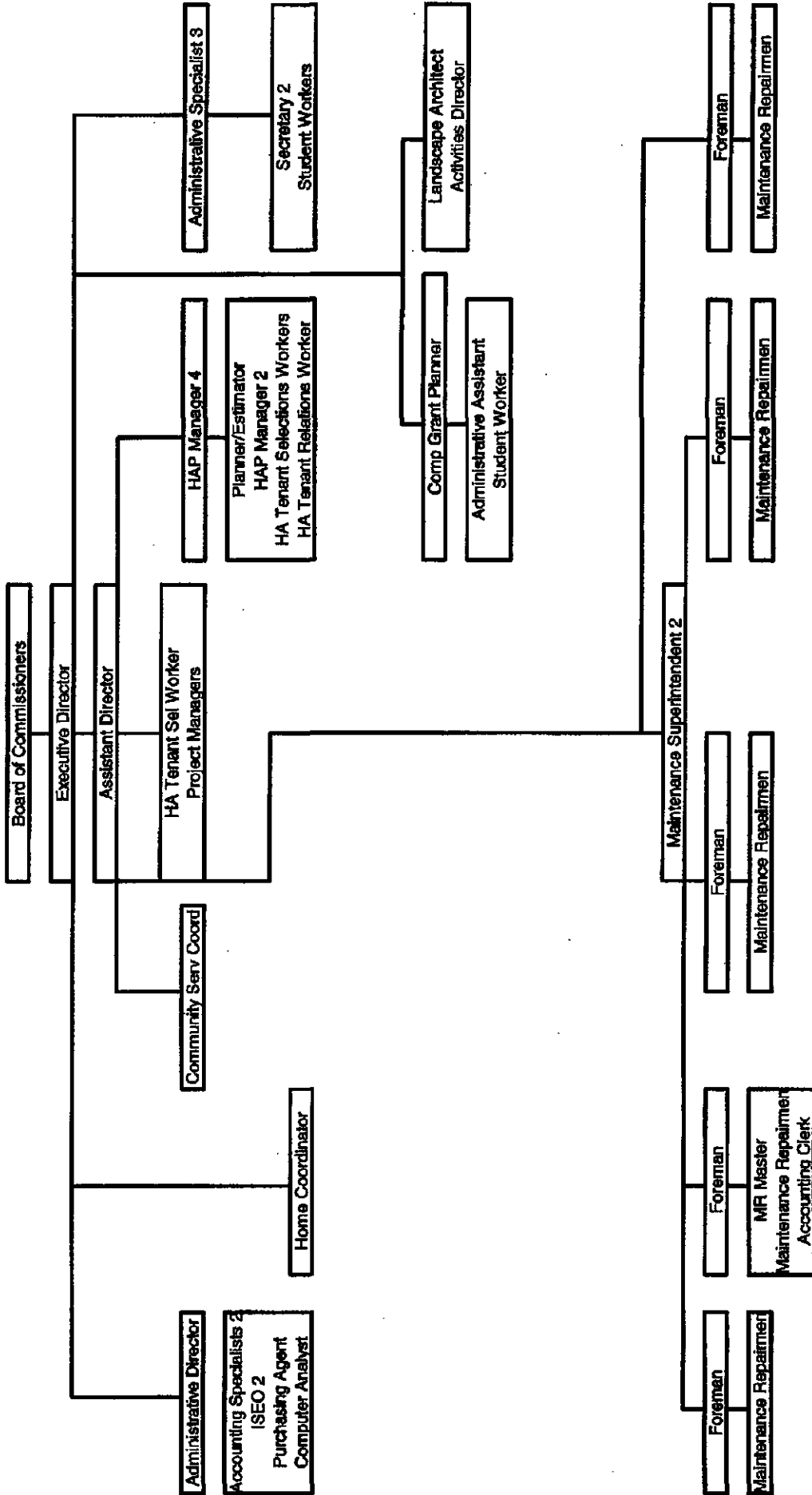
Jeffrey L. Esdell

Executive Director

HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



**Housing Authority of the City of Monroe
Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Gertrude Young

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Willie Haynes, Jr.

Assistant Director

Charlene VanVliet

Administrative Director

Marieanne Hereford

Comp Grant Planner

Vickie C. Hunter

Housing Assistance Payments Manager



ALLEN, GREEN & COMPANY, LLP

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1963 - 2000

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Housing Authority of the City of Monroe, Monroe, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in note 14 to the financial statements, the Housing Authority changed the accounting treatment of all funds from governmental fund type to proprietary type reporting.

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 basic financial statements and Management's Discussion and Analysis - for State and Local Governments in June 1999. The Statement, commonly referred to as the new reporting model, retained much of the old reporting under the present reporting model, with modifications and added new information. The most significant addition is the Management's Discussion and Analysis which follows this independent auditor's report. The most apparent change is the display of major funds in the financial statements. The Housing Authority is a special purpose government engaged only in business type activities and presents only the financial statements for enterprise funds.

Also adopted for the year ended June 30, 2000, was GASB Statement No. 33 - Accounting and Financial Reporting for Nonexchange Transactions. The principal issue in this standard is the timing of recognition of nonexchange transactions. There was not a significant effect to the Housing Authority in adopting this Statement. This Statement was implemented early because of the stipulation in GASB Statement No. 34 that required Statement No. 33 to be adopted at the same time Statement No. 34 was adopted.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated February 22, 2001, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in

accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority taken as a whole. The accompanying information identified in the table of contents as supplemental 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 is 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 & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
February 22, 2001

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, 2000

Our discussion and analysis of the Housing Authority of the City of Monroe's financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended June 30, 2000. Please read it in conjunction with the transmittal letter included in the introductory section of this report and the Housing Authority's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Housing Authority has elected to exclude the information in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

Total spending for all our programs was over \$11 million for the year. Rentals, interest and other income furnished \$3 million of this, with HUD grants and subsidies covering the balance. The public housing subsidy provided by HUD for the year ended June 30, 2000 was reduced by 7.5%.

A major expense for the Housing Authority was the beginning of complete renovation of all 300 units of the Burg Jones Lane development.

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, and other enterprise funds.

Comprehensive Annual Financial Report
<i>Introductory Section</i> Transmittal Letter Certificate of Excellence in Financial Reporting Organizational Chart Appointed Officials and Selected Administrative Officials
<i>Financial Section</i> (Details outlined in the next chart)
<i>Statistical Section</i> Ten Years of Historical Financial Operating Data Ten Years of Fund Balances/Equity for Owned Property Occupancy Ratios by Program Property Characteristics and Dwelling Unit Composition Public Housing Management Assessment Program Scores
(Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above)

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)
June 30, 2000

Financial Section

Required Supplemental Information (Part A)
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Fund
Financial Statements**

**Notes to the Basic Financial
Statements**

Supplemental Information

Nonmajor Funds Combining Statements
Capital Assets by Source and Function
Schedule of Compensation Paid Board Members
Comprehensive Grant Cost Certificates
Financial Data Schedule

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

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

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:

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)

June 30, 2000

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. 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 \$29.5 million at June 30, 2000. Of this amount, \$4.8 million was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Housing Authority's ability to use those net assets for day-to-day operations.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, drug elimination, comprehensive grant and economic development programs. Section 8 certificates and voucher programs are accounted for in the tenant based section 8 fund. The section 8 moderate rehabilitation, 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 Housing Authority as a whole.

Table 1
Net Assets
June 30, 2000
(in thousands)

Current assets	\$ 5,903
Restricted assets	315
Capital assets, net	<u>24,669</u>
Total assets	<u>30,887</u>
Current liabilities	684
Current liabilities payable from current restricted assets	150
Long-term liabilities	<u>548</u>
Total liabilities	<u>1,382</u>
Net assets	
Invested in capital assets, net of related debt	24,669
Unrestricted	4,836
Total net assets	<u>\$29,505</u>

Table 2
Changes in Net Assets
Year Ended June 30, 2000
(in thousands)

Revenues/capital contributions:	
Operating revenues	
Rental and other	\$ 2,744
Nonoperating revenues	
Interest earnings	251
Federal grants and subsidies	6,707
Capital contributions	<u>1,447</u>
Total revenues	<u>11,149</u>

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)
June 30, 2000

Expenses:

Operating expenses	
Administration	1,832
Tenant services	33
Utilities	292
Ordinary maintenance and operations	1,225
Protective services	423
General expenses	1,118
Nonroutine maintenance	528
Housing assistance payments	4,425
Depreciation	<u>1,744</u>
Total expenses	<u>11,620</u>
Increase (decrease) in net assets	<u>\$(471)</u>

Operating revenues decreased by \$546,886 due to an insurance receipt of \$763,119 in the fiscal year ended June 30, 1999. Of these insurance proceeds received in the June 30, 1999 year, \$459,181 was spent on repairs in the current year which is reflected in nonroutine maintenance. Federal grants and subsidies decreased approximately \$500,000 due mainly to a decrease in funds under the comprehensive grant program. Funding for the Section 8 programs remained relatively stable.

Expenses remained relatively stable from the prior year except as noted in the paragraph above.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2000, the Housing Authority had \$24.7 million 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 \$.3 million, or two percent, from last year.

Capital Assets at Year-end

	<u>Governmental Activities</u>	
	<u>2000</u>	<u>1999</u>
Land	\$ 2,000,932	\$ 2,000,932
Site improvements	1,541,576	260,710
Buildings	18,028,757	18,615,395
Furniture and equipment	385,375	467,521
Construction in progress	<u>2,712,578</u>	<u>3,689,474</u>
Totals	<u>\$24,669,218</u>	<u>\$25,034,032</u>

This year's additions of \$4,060,979 are mainly the result of the renovation work at Burg Jones Lane paid for by the federal Comprehensive Grant. No debt was issued for these additions.

Major capital projects are planned for the 2000-2001 fiscal year at Robinson Place. We anticipate capital additions will be comparable to the 1999-2000 fiscal year. We present more detailed information about our capital assets in the note to the financial statements.

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)
June 30, 2000

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The election of a new president and all the changes in staffing which occurred as a result could have an effect on our budget for the 2001-2002 year. The budgets for 2000-2001 have already been approved by HUD and no major changes are expected.

The comprehensive grant and drug elimination programs are multiple year budgets and have remained relatively stable. Comprehensive grants are used for the modernization of public housing properties including administrative fees involved in the modernization. Drug elimination funds are used to pay for drug elimination initiatives.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, 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 Charlene VanVliet, Administrative Director, at the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone number (318) 388-1500.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

**Balance Sheet
June 30, 2000**

Statement A

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,167	\$ 112,698	\$ 163,430	\$ 277,296	\$ 219,140
Investments	3,223,212	70,603	780,444	4,074,259	0
Notes receivable	0	361,080	0	361,080	0
Accounts receivable, net	397,280	95,703	130,869	623,852	39,943
Interfund receivable	0	0	258,885	258,885	0
Prepaid items and other assets	171,278	5,487	0	176,765	0
Inventory	131,303	0	0	131,303	0
Total Current Assets	3,924,240	646,872	1,333,628	5,903,440	259,083
Restricted Assets					
Investments	100,108	214,725	0	314,831	0
Capital Assets					
Land	2,000,932	0	0	2,000,932	0
Buildings, and equipment (net)	22,668,286	0	0	22,668,286	0
Total Capital Assets, net	24,669,218	0	0	24,669,218	0
TOTAL ASSETS	\$ 28,893,564	\$ 860,297	\$ 1,333,628	\$ 30,687,489	\$ 259,083

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2000**

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	\$ 92,404	\$ 10,868	\$ 46,503	\$ 149,775	\$ 24,914
Interfund payable	258,885	0	0	258,885	0
Accrued liabilities	209,171	0	0	209,171	0
Current portion of long term debt	66,307	0	0	66,307	0
Total Current Liabilities	626,767	10,868	46,503	684,138	24,914
Current Liabilities Payable From Current Restricted Assets					
Deposits due others	100,108	49,725	0	149,831	0
Total Current Liabilities Payable From Current Restricted Assets	100,108	49,725	0	149,831	0
Noncurrent Liabilities					
Compensated absences payable	547,940	0	0	547,940	0
Total Noncurrent Liabilities	547,940	0	0	547,940	0
Total Liabilities	1,274,813	60,593	46,503	1,381,909	24,914
NET ASSETS					
Invested in capital assets, net of related debt	24,669,218	0	0	24,669,218	0
Unrestricted	2,749,533	799,704	1,287,125	4,836,362	234,169
NET ASSETS	27,418,751	799,704	1,287,125	29,505,580	234,169
TOTAL LIABILITIES AND NET ASSETS	\$ 28,693,564	\$ 860,297	\$ 1,333,628	\$ 30,887,489	\$ 259,083

(CONCLUDED)

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

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, 2000

Statement B

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
OPERATING REVENUES					
Dwelling rental	\$ 2,352,614	\$ 0	\$ 0	\$ 2,352,614	\$ 0
Other	224,741	1,370	165,345	391,456	199,608
Total operating revenues	2,577,355	1,370	165,345	2,744,070	199,608
OPERATING EXPENSES					
Administration	1,429,953	385,851	15,674	1,831,378	3,529
Tenant services	31,990	0	0	31,990	0
Utilities	292,397	0	0	292,397	0
Ordinary maintenance & operations	1,220,846	3,942	0	1,224,788	0
Protective services	423,330	0	0	423,330	0
General expenses	996,140	120,659	1,106	1,117,905	0
Nonroutine maintenance	528,208	0	0	528,208	0
Housing assistance payments	0	3,969,681	455,445	4,425,126	0
Homeownership	0	0	0	0	493,441
Depreciation	1,744,301	0	0	1,744,301	0
Total operating expenses	6,667,163	4,480,133	472,125	11,619,421	496,970
Income (loss) from Operations	(4,089,808)	(4,478,763)	(306,780)	(8,875,351)	(297,362)
Nonoperating revenues (expenses)					
Interest earnings	174,677	28,538	47,465	250,680	0
Federal grants	1,780,911	4,453,741	472,667	6,707,319	454,268
Total nonoperating revenues (expenses)	1,955,588	4,482,279	520,132	6,957,999	454,268
NET INCOME (Loss) before Contributions and Transfers	(2,134,220)	3,516	213,352	(1,917,352)	156,906
Capital contributions	1,446,580	0	0	1,446,580	0
Transfers	0	165,000	(165,000)	0	0
Change in net assets	\$ (687,640)	\$ 168,516	\$ 48,352	\$ (470,772)	\$ 158,808

(CONTINUED)

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, 2000**

					Statement B
	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
NET ASSETS AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 3,648,642	\$ 631,188	\$ 1,238,773	\$ 5,518,603	\$ 77,263
Cumulative effect of change in accounting principle	<u>24,457,749</u>	<u>0</u>	<u>0</u>	<u>24,457,749</u>	<u>0</u>
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	<u>26,106,391</u>	<u>631,188</u>	<u>1,238,773</u>	<u>29,976,352</u>	<u>77,263</u>
NET ASSETS AT END OF YEAR	<u>\$ 27,418,751</u>	<u>\$ 799,704</u>	<u>\$ 1,287,125</u>	<u>\$ 29,505,580</u>	<u>\$ 234,169</u>

(CONCLUDED)

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, 2000**

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	\$ 2,497,825	\$ 0	\$ 0	\$ 2,497,825	\$ 0
Other receipts	222,103	4,968	95,694	322,765	213,748
Payments to vendors	(3,501,728)	(372,234)	(19,719)	(3,893,681)	(481,868)
Payments to employees	(1,408,132)	(259,395)	(3,019)	(1,670,546)	0
Other receipts (payments)	0	0	(58,365)	(58,365)	0
Housing assistance payments	0	(3,969,681)	(455,445)	(4,425,126)	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,190,132)</u>	<u>(4,596,342)</u>	<u>(440,854)</u>	<u>(7,227,328)</u>	<u>(267,916)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal grants	<u>1,801,065</u>	<u>4,539,440</u>	<u>554,381</u>	<u>6,894,886</u>	<u>454,268</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,801,065</u>	<u>4,539,440</u>	<u>554,381</u>	<u>6,894,886</u>	<u>454,268</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase fixed assets	(1,348,518)	0	0	(1,348,518)	0
Increase in compensated absences	54,880	0	0	54,880	0
Contributed capital	<u>1,446,580</u>	<u>0</u>	<u>0</u>	<u>1,446,580</u>	<u>0</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 152,942</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,942</u>	<u>\$ 0</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2000**

Statement C

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
CASH FLOW FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	\$ 4,902	\$ 0	\$ 71,258	\$ 76,158	\$ 0
Interest and dividends	143,287	32,259	53,712	229,238	
Purchase investments	0	(14,372)	(299,075)	(313,447)	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	148,189	17,887	(174,107)	(8,051)	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,958)	(39,015)	(60,580)	(187,551)	186,350
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	89,123	151,714	224,010	464,847	32,780
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,167	112,699	163,430	277,296	219,140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(4,089,808)	(4,476,763)	(306,780)	(8,875,351)	(297,382)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	1,744,301	0	0	1,744,301	0
Change in assets and liabilities:					
Receivables, net	(28,031)	(75,505)	(128,017)	(231,553)	29,444
Due from other funds	87,638	0	0	87,638	0
Inventories	(1,880)	226	0	(1,654)	0
Prepaid items	(5,709)	0	0	(5,709)	0
Tenant deposits	467	0	0	467	0
Accounts payables	15,612	(43,275)	(6,057)	(33,720)	0
Accrued expenses	(1,044)	975	0	(69)	0
Due to other funds	88,322	0	0	88,322	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (2,190,132)	\$ (4,598,342)	\$ (440,854)	\$ (7,227,328)	\$ (267,918)

(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 of the City of Monroe have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Rental Certificates	FW 2072 (EX)	798
Moderate Rehab #1	FW 2072 (MR)	7
Moderate Rehab #2	FW 2072 (MR)	8
Moderate Rehab #3	FW 2072 (MR)	30
Moderate Rehab #4	FW 2072 (MR)	51
Rental Vouchers	FW 2072 (VO)	249
Contract Administrator		
Section 8 New Construction	FW 2170	99
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Claiborne Creek Apartments, LP		72
Claiborne Creek II, LP		60

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

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Housing Authority to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.

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

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

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

Monroe 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 Monroe Homeownership and the Housing Authority provides office space, and some furnishings to Monroe Homeownership. Also, the Housing Authority provided initial funding for start up cost. Monroe Homeownership provides no direct services to the Housing Authority. Based on the above, it has been determined that the Monroe Affordable Homeownership Community Housing Development Organization, Inc., is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The separate financial statements of Monroe Homeownership can be obtained from the Housing Authority of the City of Monroe.

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 are maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The general fund accounts for the transactions of the public housing low rent program, the drug elimination program, the comprehensive grant 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 and the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent.

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.

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:

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

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. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources," even though they are a component of total assets. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

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

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). 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;

Imposed by law through constitutional provisions or enabling legislation.

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

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

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS At June 30, 2000, the Housing Authority has cash and cash equivalents (book balances) totaling \$277,296 as follows:

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

At year-end, the Housing Authority's carrying amount of deposits was \$592,127 (which includes \$314,831 of time deposits) and the bank balance was \$726,274. Of the bank balance, \$200,668 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remainder of \$525,606 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Included in the time deposits above is a \$165,000 certificate of deposit which is held by Bank One as collateral on a construction loan for Claiborne Creek II, Inc., a Section 202 elderly housing project for which the Housing Authority will be the managing agent and time deposits of \$149,831 restricted for tenant security deposits and family self sufficiency escrow.

The carrying amount of deposits for Monroe Homeownership, a discretely presented component unit, was \$219,140 and the bank balance was \$219,369. The bank balance was covered by federal depository insurance or by collateral held by homeownership's agent in homeownership's name (GASB Category 1).

Investments are categorized into these three categories of credit risk:

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

At year end, the Housing Authority investment balances included the following:

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

<u>Type of investment</u>	<u>Category</u> <u>1</u>	<u>Carrying Amount</u> <u>Fair Value</u>
U. S. Treasuries	<u>\$4,074,259</u>	<u>\$4,074,259</u>

NOTE 3 - NOTE RECEIVABLE The note receivable at June 30, 2000, of \$361,080 is a note from Chauvin Pointe, Inc. made to purchase a tract of land. The interest rate is 4% per annum. The Housing Authority considers the note receivable to be fully collectible; therefore, no allowance for doubtful accounts is required.

NOTE 4 - ACCOUNTS RECEIVABLE The receivables at June 30, 2000, are as follows:

<u>Class of Receivable</u>	<u>General</u>	<u>Tenant-Based</u> <u>Section 8</u>	<u>Other</u> <u>Enterprise</u>	<u>Total</u>
Local sources:				
Tenants	\$ 4,483	\$ 0	\$ 0	\$ 4,483
Other	121,134	16,600	130,869	268,603
Federal sources:				
Due from HUD	<u>271,663</u>	<u>79,103</u>	<u>0</u>	<u>350,766</u>
Total	<u>\$397,280</u>	<u>\$95,703</u>	<u>\$130,869</u>	<u>\$623,852</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$38,800. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development. The Housing Authority expects to collect those balances in full.

The receivable balance of \$39,943 for Monroe Homeownership, a discretely presented component unit, is a local sources receivable from other governments.

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

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Land	\$ 2,000,932	\$ 0	\$ 0	\$ 2,000,932
Exhaustable capital assets				
Site improvements	3,976,658	1,440,552	0	5,417,210
Buildings	35,115,696	892,175	0	36,007,871
Furniture and equipment	1,149,862	23,656	0	1,173,518
Construction in progress	<u>3,689,474</u>	<u>1,704,596</u>	<u>2,681,492</u>	<u>2,712,578</u>
Total	<u>45,932,622</u>	<u>4,060,979</u>	<u>2,681,492</u>	<u>47,312,109</u>
Less accumulated depreciation				
Site improvements	3,715,948	159,686	0	3,875,634
Buildings	16,500,301	1,478,813	0	17,979,114
Furniture and equipment	<u>682,341</u>	<u>105,802</u>	<u>0</u>	<u>788,143</u>
Total	<u>20,898,590</u>	<u>1,744,301</u>	<u>0</u>	<u>22,642,891</u>
Capital assets, net	<u>\$25,034,032</u>	<u>\$2,316,678</u>	<u>\$2,681,492</u>	<u>\$24,669,218</u>

NOTE 6 - RETIREMENT SYSTEM The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through

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

this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

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

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

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, 2000, was \$2,321,777. The Housing Authority's contributions were calculated using the base salary amount of \$1,756,937. The Housing Authority made the required contributions of \$251,928 for the year ended June 30, 2000.

NOTE 7 - ACCOUNTS PAYABLE The payables at June 30, 2000, are as follows:

	<u>General</u>	<u>Tenant- Based Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Vendors	\$90,804	\$ 2,083	\$ 17	\$ 92,904
Contract Retentions	1,600	0	0	1,600
Due to Other Governments				
Payable to HUD	<u>0</u>	<u>8,785</u>	<u>46,486</u>	<u>55,271</u>
Total	<u>\$92,404</u>	<u>\$10,868</u>	<u>\$46,503</u>	<u>\$149,775</u>

The accounts payable balance of \$24,914 for Monroe Homeownership, Inc., a discretely presented component unit, is contract retentions.

NOTE 8 - COMPENSATED ABSENCES At June 30, 2000, employees of the Housing Authority have accumulated and vested \$614,247 of employee leave benefits, including \$43,651 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 9 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2000:

	<u>Compensated Absences</u>
Balance, June 30, 1999	\$559,367
Additions	54,880
Deductions	<u>0</u>
Balance, June 30, 2000	<u>\$614,247</u>

NOTE 10 - INTERFUND RECEIVABLES/PAYABLES Interfund receivables/payables at June 30, 2000, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Management fees	General	\$162,365

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

Section 8 New Construction
 Total

General

96,520
\$258,885

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2000, the Housing Authority was not involved in any threatened litigation.

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 major construction projects in progress at June 30, 2000. 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.

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

NOTE 12 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The Housing Authority established a risk management program for workers' compensation insurance in 1994. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expense reported in the general fund. As of June 30, 2000, such interfund premiums did not exceed reimbursable expenses. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenses in the individual funds.

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

	<u>1999-2000</u>	<u>1998-1999</u>
Unpaid claims, beginning of fiscal year	\$ 2,200	\$ 12,519
Incurred claims (including IBNRs)	18,662	2,615
Claim payments	<u>(13,775)</u>	<u>(12,934)</u>
Unpaid claims, end of fiscal year	<u>\$ 7,087</u>	<u>\$ 2,200</u>

The Housing Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 - SEGMENT INFORMATION - OTHER ENTERPRISE FUNDS The Housing Authority maintains three enterprise funds which are included in the other enterprise column. The management fees program accounts for the activity of managing agent fees for a Section 8 New Construction and for two Section 202 Elderly Housing Projects. The new construction program accounts for the activity of contract administration of a Section 8 New Construction project. The Section 8 mod rehab program accounts for the activity of the Section 8 Moderate Rehabilitation Program. Selected segment information for the year ended June 30, 2000, is as follows:

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

<u>Fund</u>	<u>Management Fees</u>	<u>Section 8 New Construction</u>	<u>Section 8 Mod Rehab</u>
Operating revenues	\$127,190	\$ 38,155	\$ 0
Operating income (loss)	116,369	(422,729)	420
Operating grants	0	472,247	420
Transfer out	165,000	0	0
Changes in net assets	(15,344)	(62,399)	1,297
Net working capital	973,808	269,009	44,308
Total assets	973,808	315,512	44,308
Net assets	973,808	269,009	44,308

NOTE 14 - CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE Prior to the current fiscal year, the Housing Authority's books were maintained on a HUD-prescribed basis of accounting. Journal entries were made at year-end to convert to generally accepted accounting principles (GAAP). The funds of the Housing Authority were previously reported as governmental funds for annual financial reporting. For the current fiscal year, HUD required that the Housing Authority convert from the HUD-prescribed basis of accounting to GAAP with use of enterprise funds being preferred by HUD. The beginning fund balance was restated to reflect reporting on an enterprise fund as follows:

Fund balance at beginning of year, as originally stated	<u>General</u> \$ 3,648,642
Capital assets, net of depreciation at July 1, 1999	25,034,032
Long-term obligations at July 1, 1999	<u>(576,283)</u>
Total equity, restated	<u>\$28,106,391</u>

Housing Authority of the City of Monroe

Nonmajor Enterprise Funds

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

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

SECTION 8 - MOD REHAB Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 10 percent of gross family income, or the portion of welfare assistance designated for housing toward rent.

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2000**

Exhibit 1

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	SECTION 8 MOD REHAB	TOTAL NONMAJOR FUNDS
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 22,199	\$ 96,923	\$ 44,308	\$ 163,430
Investments	658,375	122,069	0	780,444
Accounts receivable, net	130,869	0	0	130,869
Interfund receivable	162,365	96,520	0	258,885
Prepaid items and other assets	0	0	0	0
Total Current Assets	973,808	315,512	44,308	1,333,628
Capital Assets				
Land	0	0	0	0
Buildings, and equipment (net)	0	0	0	0
TOTAL ASSETS	973,808	315,512	44,308	1,333,628
LIABILITIES				
Current Liabilities				
Accounts payable	0	46,503	0	46,503
Total Current Liabilities	0	46,503	0	46,503
Total Liabilities	0	46,503	0	46,503
NET ASSETS				
Unrestricted	973,808	269,009	44,308	1,287,125
NET ASSETS	973,808	269,009	44,308	1,287,125
TOTAL LIABILITIES AND NET ASSETS	\$ 973,808	\$ 315,512	\$ 44,308	\$ 1,333,628

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, 2000

Exhibit 2

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>SECTION 8 MOD REHAB</u>	<u>TOTAL NONMAJOR FUNDS</u>
OPERATING REVENUES				
Other	\$ 127,190	\$ 38,155	\$ 0	\$ 165,345
Total operating revenues	<u>127,190</u>	<u>38,155</u>	<u>0</u>	<u>165,345</u>
OPERATING EXPENSES				
Administration	10,821	4,721	32	15,574
General expenses	0	1,097	9	1,106
Housing assistance payments	0	455,066	379	455,445
Total operating expenses	<u>10,821</u>	<u>460,884</u>	<u>420</u>	<u>472,125</u>
Operating Income (Loss)	<u>116,369</u>	<u>(422,729)</u>	<u>(420)</u>	<u>(306,780)</u>
Nonoperating revenues (expenses)				
Interest earnings	33,287	12,881	1,297	47,465
Federal grants	0	472,247	420	472,667
Total nonoperating revenues (expenses)	<u>33,287</u>	<u>485,128</u>	<u>1,717</u>	<u>520,132</u>
NET INCOME (Loss) before Contributions and Transfers	149,656	62,399	1,297	213,352
Transfers	<u>(165,000)</u>	<u>0</u>	<u>0</u>	<u>(165,000)</u>
Change in net assets	(15,344)	62,399	1,297	48,352
NET ASSETS AT BEGINNING OF YEAR	<u>989,152</u>	<u>206,610</u>	<u>43,011</u>	<u>1,238,773</u>
NET ASSETS AT END OF YEAR	<u>\$ 973,808</u>	<u>\$ 269,009</u>	<u>\$ 44,308</u>	<u>\$ 1,287,125</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2000**

Exhibit 3

	<u>MANAGEMENT</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>SECTION 8 MOD REHAB</u>	<u>TOTAL NONMAJOR FUNDS</u>
	<u>FEES</u>			
CASH FLOWS FROM OPERATING ACTIVITIES				
Other receipts	\$ 95,894	\$ 0	\$ 0	\$ 95,894
Payments to vendors	(10,822)	(2,808)	(6,089)	(19,719)
Payments to employees	0	(2,993)	(26)	(3,019)
Other receipts (payments)	0	(58,365)	0	(58,365)
Housing Assistance payments	0	(455,066)	(379)	(455,445)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>84,872</u>	<u>(519,232)</u>	<u>(6,494)</u>	<u>(440,854)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal grants	0	504,876	49,505	554,381
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>504,876</u>	<u>49,505</u>	<u>554,381</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	71,256	0	0	71,256
Interest and dividends	42,396	10,019	1,297	53,712
Purchase of investments	(295,869)	(3,206)	0	(299,075)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(182,217)</u>	<u>6,813</u>	<u>1,297</u>	<u>(174,107)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(97,345)</u>	<u>(7,543)</u>	<u>44,308</u>	<u>(60,580)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>118,544</u>	<u>104,466</u>	<u>0</u>	<u>224,010</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 22,199</u>	<u>\$ 96,923</u>	<u>\$ 44,308</u>	<u>\$ 163,430</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2000**

Exhibit 3

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>SECTION 8 MOD REHAB</u>	<u>TOTAL NONMAJOR FUNDS</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 116,369	\$ (422,728)	\$ (420)	\$ (306,780)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
Receivables, net	(31,497)	(96,520)	0	(128,017)
Accounts payables	0	17	(6,074)	(6,057)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 84,872</u>	<u>\$ (519,232)</u>	<u>\$ (6,494)</u>	<u>\$ (440,854)</u>

(CONCLUDED)

Housing Authority of the City of Monroe

General

Exhibit 4

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2000**

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. Gertrude Young

HOUSING AUTHORITY OF THE CITY OF MONROE

**ACTUAL COMPREHENSIVE GRANT
COST CERTIFICATE
June 30, 2000**

Exhibit 5

1. The actual Comprehensive Grant costs is as follows:

	<u>PROJECT</u> <u>LA-48P006706-97</u>
Funds Approved	\$ 2,681,492
Funds Expended	<u>2,681,492</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,681,492
Funds Expended	<u>2,681,492</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Grant expenditures dated February 7, 2000, accompanying the actual Comprehensive Grant cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MONROE

**ACTUAL COMPREHENSIVE GRANT
COST CERTIFICATE
June 30, 2000**

Exhibit 6

1. The actual Comprehensive Grant costs is as follows:

	<u>PROJECT</u> <u>LA-48P006707-98</u>
Funds Approved	\$ 2,845,585
Funds Expended	<u>2,845,585</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,845,585
Funds Expended	<u>2,845,585</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Grant expenditures dated August 31, 2000, accompanying the actual Comprehensive Grant cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2000

Line Item #	Account Description	Child Food Program	N/C S/R Section 8 Programs	Component Unit	Low Rent Housing	PHDEP
111	Cash - Unrestricted	\$0	\$98,824	\$218,140	\$500	\$0
100	Total Cash	0	98,824	218,140	500	0
122	Accounts Receivable - HUD Other Projects	0	0	0	0	0
124	Accounts Receivable - Other Government	0	0	39,843	0	0
125	Accounts Receivable - Miscellaneous	0	0	0	121,194	0
126	Accounts Receivable - Tenants - Dwelling Rents	0	0	0	43,283	0
128	Allowance for Doubtful Accounts - Dwelling Rents	0	0	0	-38,800	0
126	Allowance for Doubtful Accounts - Other	0	0	0	0	0
129	Accrued Interest Receivable	0	3,749	0	84,559	0
120	Total Receivables, net of allowances for doubtful accounts	0	3,749	39,843	210,178	0
131	Investments - Unrestricted	6,628	118,320	0	3,114,615	0
132	Investments Restricted	0	0	0	100,108	0
142	Prepaid Expenses and Other Assets	0	0	0	171,278	0
143	Inventories	0	0	0	131,303	0
143	Allowance for Obsolete Inventories	0	0	0	0	0
144	Interprogram Due From	0	96,519	0	86,215	0
150	Total Current Assets	6,628	315,512	269,083	3,614,183	0
161	Land	0	0	0	2,000,932	0
162	Buildings	0	0	0	36,007,872	0
163	Furniture, Equipment & Machinery - Dwellings	0	0	0	693,987	0
164	Furniture, Equipment & Machinery - Administration	0	362	0	216,261	0
165	Leasehold Improvements	0	0	0	5,417,210	0
166	Accumulated Depreciation	0	-362	0	-22,579,622	0
167	Construction In Progress	0	0	0	0	0
160	Total Fixed Assets, Net of Accumulated Depreciation	0	0	0	21,958,840	0
180	Total Non-Current Assets	0	0	0	21,958,840	0
190	Total Assets	\$6,628	\$315,512	\$259,083	\$25,770,833	\$0

Exhibit 7

Vouchers	Certificates	Comp Grant	EDSS	Adult Education State Grant Program	Child Care Block Grant	MR 4	Business Activities	Total
\$67,738	\$44,981	\$0	\$668	\$0	\$0	\$44,308	\$22,199	\$496,438
67,738	44,981	0	668	0	0	44,308	22,199	496,438
0	79,102	271,663	0	0	0	0	0	350,765
0	0	0	0	0	0	0	0	99,943
0	377,680	0	0	0	0	0	130,868	629,682
0	0	0	0	0	0	0	0	43,283
0	0	0	0	0	0	0	0	-38,800
0	0	0	0	0	0	0	0	0
1,659	0	0	0	0	0	0	11,195	101,162
1,659	456,782	271,663	0	0	0	0	142,063	1,128,036
68,944	0	0	0	0	17,412	0	647,180	3,973,097
108,868	105,858	0	0	0	0	0	0	314,832
0	5,488	0	0	0	0	0	0	176,766
0	0	0	0	0	0	0	0	191,303
0	0	0	0	0	0	0	0	0
0	0	720	0	0	0	0	162,366	345,820
247,209	613,089	272,383	668	0	17,412	44,308	973,808	6,564,291
0	0	0	0	0	0	0	0	2,000,932
0	0	0	0	0	0	0	0	36,007,872
0	0	0	0	0	0	0	0	893,987
25,367	33,681	0	0	0	0	3,837	0	279,528
0	0	0	0	0	0	0	0	5,417,210
-25,367	-33,681	0	0	0	0	-3,837	0	-22,842,889
0	0	2,712,577	0	0	0	0	0	2,712,577
0	0	2,712,577	0	0	0	0	0	24,569,217
0	0	2,712,577	0	0	0	0	0	24,569,217
\$247,209	\$613,089	\$2,984,960	\$668	\$0	\$17,412	\$44,308	\$973,808	\$31,233,508

(Continued)

HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2000

Line Item #	Account Description	Child Food Program	N/C S/R Section 8 Programs	Component Unit	Low Rent Housing	PHDEP
312	Accounts Payable <= 90 Days	\$0	\$17	\$24,914	\$34,400	\$10,650
321	Accrued Wage/Payroll Taxes Payable	0	0	0	34,317	0
322	Accrued Compensated Absences	0	0	0	66,307	0
331	Accounts Payable - HUD PHA Programs	0	46,486	0	0	0
341	Tenant Security Deposits	0	0	0	100,108	0
342	Deferred Revenues	0	0	0	0	0
345	Other Current Liabilities	0	0	0	209,171	0
346	Accrued Liabilities - Other	0	0	0	0	0
347	Interprogram Due To	0	0	0	62,365	1,683
310	Total Current Liabilities	0	46,503	24,914	606,666	12,633
353	Noncurrent Liabilities - Other	0	0	0	547,940	0
350	Total Noncurrent Liabilities	0	0	0	547,940	0
300	Total Liabilities	0	46,503	24,914	1,054,606	12,633
504	Net HUD PHA Contributions	0	0	0	16,260,630	0
505	Other HUD Contributions	0	0	0	5,424,932	0
507	Other Contributions	0	0	0	271,079	0
508	Total Contributed Capital	0	0	0	21,956,641	0
511	Total Reserved Fund Balance	0	0	0	0	0
512	Undesignated Fund Balance/Retained Earnings	6,626	269,009	234,169	2,759,586	-12,633
513	Total Equity	6,626	269,009	234,169	24,716,227	-12,633
600	Total Liabilities and Equity	\$6,626	\$315,512	\$259,083	\$25,770,833	\$0

Exhibit 7

Vouchers	Certificates	Comp Grant	EDSS	Adult Education State Grant Program	Child Care Block Grant	MR 4	Business Activities	Total
\$1,594	\$489	\$11,138	\$0	\$0	\$0	\$0	\$0	\$83,502
0	0	0	0	0	0	0	0	34,317
0	0	0	0	0	0	0	0	66,307
8,788	0	0	0	0	0	0	0	55,272
0	0	0	0	0	0	0	0	100,106
0	0	0	0	0	0	0	0	0
49,728	0	0	0	0	0	0	0	258,897
0	0	1,600	0	0	0	0	0	1,600
0	0	259,645	22,127	0	0	0	0	345,820
60,106	489	272,383	22,127	0	0	0	0	945,821
0	0	0	0	0	0	0	0	547,940
0	0	0	0	0	0	0	0	547,940
60,106	489	272,383	22,127	0	0	0	0	1,493,761
0	0	2,712,577	0	0	0	0	0	18,973,207
0	0	0	0	0	0	0	0	5,424,932
0	0	0	0	0	0	0	0	271,079
0	0	2,712,577	0	0	0	0	0	24,669,218
0	0	0	0	0	0	0	0	0
187,103	612,600	0	-21,459	0	17,412	44,308	973,808	5,070,529
187,103	612,600	2,712,577	-21,459	0	17,412	44,308	973,808	29,739,747
\$247,209	\$813,089	\$2,984,960	\$668	\$0	\$17,412	\$44,308	\$973,808	\$31,233,508

(Continued)

HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2000

Line Item #	Account Description	Child Food Program	N/C S/R Section II Programs	Component Unit	Low Rent Housing	PHDEP
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$2,340,766	\$0
704	Tenant Revenue - Other	0	0	199,608	11,848	0
705	Total Tenant Revenue	0	0	199,608	2,352,614	0
706	HUD PHA Grants	0	472,247	454,268	785,519	358,220
708	Other Government Grants	11,724	0	0	0	0
711	Investment Income - Unrestricted	0	12,882	0	174,677	0
715	Other Revenue	0	38,155	0	210,341	0
716	Gain/Loss on Sale of Fixed Assets	0	0	0	0	0
720	Investment Income - Restricted	0	0	0	0	0
700	Total Revenue	11,724	523,284	663,676	3,623,161	358,220
911	Administrative Salaries	0	2,893	0	491,230	0
912	Auditing Fees	0	1,000	0	7,766	0
914	Compensated Absences	0	0	0	57,137	0
915	Employee Benefit Contributions - Administrative	0	1,097	0	209,703	0
916	Other Operating - Administrative	0	729	3,529	241,868	0
921	Tenant Services - Salaries	5,178	0	0	0	0
923	Employee Benefit Contributions - Tenant Services	1,450	0	0	0	0
924	Tenant Services - Other	5,098	0	0	17,453	370,863
931	Water	0	0	0	7,760	0
932	Electricity	0	0	0	235,283	0
933	Gas	0	0	0	40,548	0
938	Other Utilities Expense	0	0	0	6,493	0
941	Ordinary Maintenance and Operations - Labor	0	0	0	768,820	0
942	Ordinary Maintenance and Operations - Materials and Other	0	0	0	301,403	0
943	Ordinary Maintenance and Operations - Contract Costs	0	0	0	150,623	0
945	Employee Benefit Contributions - Ordinary Maintenance	0	0	0	274,008	0
951	Protective Services - Labor	0	0	0	52,478	0
955	Employee Benefit Contributions - Protective Services	0	0	0	4,195	0
961	Insurance Premiums	0	0	0	261,929	0
962	Other General Expenses	0	0	493,441	0	0
963	Payments in Lieu of Taxes	0	0	0	209,172	0
964	Bad Debt - Tenant Rents	0	0	0	43,133	0
969	Total Operating Expenses	\$11,724	\$5,819	\$498,970	\$3,374,811	\$370,863

Exhibit 7

Vouchers	Certificates	Comp Grant	EDSS	Adult Education State Grant Program	Child Care Block Grant	MR 4	Business Activities	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,340,766
0	0	0	0	0	14,400	0	0	225,856
0	0	0	0	0	14,400	0	0	2,586,622
2,422,908	2,030,833	469,594	124,839	0	0	420	0	7,118,848
0	0	0	0	14,536	16,479	0	0	42,739
27,098	2,811	0	0	0	0	1,287	33,287	252,052
0	0	0	0	0	0	0	127,189	375,685
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,450,006	2,033,644	469,594	124,839	14,536	30,879	1,717	160,478	10,355,948
99,453	159,842	0	0	0	0	26	0	753,653
1,898	3,792	4,000	0	0	0	4	0	18,460
0	0	0	0	0	0	0	0	67,137
37,006	60,484	0	0	0	0	9	0	302,301
64,966	67,232	399,042	0	0	939	2	10,822	778,828
0	0	0	0	0	46,928	0	0	52,104
0	0	0	0	0	13,371	0	0	14,821
0	0	0	146,298	14,536	1,947	0	0	568,185
0	0	0	0	0	99	0	0	7,859
0	0	0	0	0	3,379	0	0	238,662
0	0	0	0	0	661	0	0	41,109
0	0	0	0	0	594	0	0	7,087
0	0	0	0	0	0	0	0	768,820
831	1,333	0	0	0	2,015	0	0	305,682
116	234	0	0	0	777	0	0	151,750
0	0	0	0	0	0	0	0	274,008
0	0	0	0	0	0	0	0	52,478
0	0	0	0	0	0	0	0	4,185
9,007	14,160	0	0	0	2,663	0	0	287,779
0	0	0	0	0	0	0	0	493,441
0	0	0	0	0	0	0	0	209,172
0	0	0	0	0	0	0	0	49,133
\$203,278	\$307,177	\$403,042	\$146,298	\$14,536	\$73,293	\$41	\$10,822	\$5,418,664

(Continued)

HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2000

Line Item #	Account Description	Child Food Program	N/C S/R Section 8 Programs	Component Unit	Low Rent Housing	PHDEP
970	Excess Operating Revenue over Operating Expenses	\$0	\$517,465	\$166,906	\$148,340	-\$12,633
971	Extraordinary Maintenance	0	0	0	490,185	0
972	Casualty Losses - Non-Capitalized	0	0	0	38,021	0
973	Housing Assistance Payments	0	455,066	0	0	0
974	Depreciation Expense	0	0	0	1,744,301	0
900	Total Expenses	11,724	460,685	496,970	5,647,318	370,853
1,002	Operating Transfers Out	0	0	0	0	0
1,003	Operating Transfers from/to Primary Government	6,626	0	0	0	0
1,010	Total Other Financing Sources (Uses)	6,626	0	0	0	0
1,000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	6,626	62,399	166,906	-2,124,167	-12,633
1,101	Capital Outlays Enterprise Fund	0	0	0	0	0
1,102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0
1,103	Beginning Equity	0	208,610	77,263	26,864,941	0
1,104	Prior Period Adjustments, Equity Transfers and Correction of Errors	0	0	0	-114,547	0
1,112	Depreciation Add Back	0	0	0	1,744,301	0
1,113	Maximum Annual Contributions Commitment (Per ACC)	0	889,469	0	0	0
1,114	Prorate Maximum Annual Contributions Applicable to a Period of less than Twelve Months	0	0	0	0	0
1,115	Contingency Reserve, ACC Program Reserve	0	417,222	0	0	0
1,116	Total Annual Contributions Available	0	1,306,691	0	0	0
1,120	Unit Months Available	0	1,188	0	18,264	0
1121	Number of Unit Months Leased	0	1188	0	17947	0

Exhibit 7

Vouchers	Certificates	Comp Grant	EDSS	Adult Education State Grant Program	Child Care Block Grant	MR 4	Business Activities	Total
\$2,246,728	\$1,726,467	\$66,552	-\$21,459	\$0	-\$42,414	\$1,678	\$149,654	\$4,937,282
0	0	0	0	0	0	0	0	490,185
0	0	0	0	0	100	0	0	38,121
2,202,254	1,767,427	0	0	0	0	379	0	4,425,128
0	0	0	0	0	0	0	0	1,744,301
2,405,532	2,074,604	403,042	146,298	14,536	73,383	420	10,822	12,116,397
0	0	-66,552	0	0	0	0	-165,000	-231,552
59,142	105,858	0	0	0	59,926	0	0	231,552
59,142	105,858	-66,552	0	0	59,926	0	-165,000	0
103,616	64,898	0	-21,459	0	17,412	1,297	-16,348	-1,760,451
0	0	1,446,581	0	0	0	0	0	1,446,581
0	0	0	0	0	0	0	0	0
83,487	547,702	1,265,897	0	0	0	43,011	989,154	30,168,165
0	0	0	0	0	0	0	0	-114,547
0	0	0	0	0	0	0	0	1,744,301
1,568,930	2,131,037	0	0	0	0	420	0	4,589,856
862,764	0	0	0	0	0	0	0	862,764
437,654	538,499	0	0	0	0	0	0	1,383,375
2,869,348	2,669,536	0	0	0	0	420	0	6,845,995
6,782	7,514	0	0	0	0	1	0	33,729
8067	7300	0	0	0	0	1	0	\$32,503

(Concluded)

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

Table 1

General Fund Expenditures By Function
Fiscal Years Ended June 30, 1991 through June 30, 2000

Fiscal Year (1)	Administration	Tenant Services	Utilities	Ordinary Maintenance and Operations		Protective Services and General		Non routine Maintenance	Capital Outlay (1)	Total
				Operations	Maintenance	General	Services			
1991	445,596	6,950	195,907	1,005,851	631,614	65,700	0	2,351,618		
1992	467,392	19,020	224,776	1,123,631	716,776	57,270	0	2,608,865		
1993	496,361	20,718	229,348	1,105,853	803,149	6,739	0	2,662,167		
1994	513,009	19,462	252,276	1,103,969	770,324	40,628	119,929	2,819,597		
1995	518,750	18,720	240,965	1,015,575	804,454	104,812	53,628	2,756,904		
1996	530,293	24,550	260,056	1,040,726	804,755	12,275	38,602	2,711,257		
1997	596,104	32,310	255,079	1,009,743	833,668	(1,005)	149,964	2,875,863		
1998	591,413	14,174	242,189	1,072,709	924,847	35,862	43,496	2,924,690		
1999	655,729	16,802	251,858	1,173,265	1,077,231	35,386	60,524	3,270,795		
2000	1,429,953	17,453	292,397	1,220,846	1,419,470	528,206	0	4,908,325		

Notes

(1) The financial statements for the fiscal years 1989 through 1993 were prepared in conformity with the accounting practices prescribed by the U. S. Department of Housing and Urban Development for public housing authorities. Fixed asset purchases were capitalized. Beginning with the fiscal year 1994 through 1999 the financial statements were prepared in accordance with generally accepted accounting principles. The funds of the Housing Authority were reported as enterprise funds for the 2000 ye

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana
General Fund Revenues by Source
Fiscal Years Ended June 30, 1991 through June 30, 2000

Fiscal Year (1)	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
1991	1,461,960	62.91%	667,944	28.74%	53,665	2.31%	140,177	6.03%	2,323,746	100%
1992	1,581,687	61.44%	777,482	30.20%	33,304	1.29%	181,930	7.07%	2,574,403	100%
1993	1,707,758	51.87%	866,853	26.33%	26,388	0.80%	691,481	21.00%	3,292,480	100%
1994	1,754,123	61.94%	912,989	32.24%	25,722	0.91%	139,246	4.92%	2,832,080	100%
1995	1,840,540	61.77%	878,075	29.47%	42,592	1.43%	218,468	7.33%	2,979,675	100%
1996	1,898,897	63.19%	847,901	28.22%	69,373	2.31%	188,728	6.28%	3,004,899	100%
1997	1,992,296	64.65%	825,422	26.78%	110,089	3.57%	153,922	4.99%	3,081,729	100%
1998	2,065,622	61.93%	1,009,710	30.27%	132,315	3.97%	127,868	3.83%	3,335,515	100%
1999	2,152,080	50.53%	986,785	23.17%	141,479	3.32%	978,310	22.97%	4,258,654	100%
2000	2,352,614	39.44%	3,212,954	53.86%	174,677	2.93%	224,741	3.77%	5,964,986	100%

Note

(1) The financial statements for the fiscal years 1989 through 1993 were prepared in conformity with the accounting practices prescribed by the U. S. Department of Housing and Urban Development for public housing authorities.

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

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Fund Balances/Equity - Owned Properties
Fiscal Years Ended June 30, 1991 through June 30, 2000

Fiscal Year	General Fund
1990-91	645,812
1991-92	653,430
1992-93	1,319,190
1993-94	1,438,878
1994-95	1,661,649
1995-96	1,965,893
1996-97	2,171,759
1997-98	2,582,583
1998-99	3,648,642
1999-00	4,836,362 (1)

(1) For the year ended June 30, 2000 this number reflects unrestricted net assets.

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

**Tenant Demographics:
 Occupancy Ratios by Program
 Fiscal Years Ended June 30,**

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
1991	1,522	1,488	97.77%	1,102	1,063	96.46%	2,624	2,551	97.22%
1992	1,522	1,497	98.36%	1,118	1,020	91.23%	2,640	2,517	95.34%
1993	1,522	1,478	97.11%	1,192	1,184	99.33%	2,714	2,662	98.08%
1994	1,522	1,511	99.28%	1,192	1,079	90.52%	2,714	2,590	95.43%
1995	1,522	1,513	99.41%	1,238	1,196	96.61%	2,760	2,709	98.15%
1996	1,522	1,504	98.82%	1,240	1,134	91.45%	2,762	2,638	95.51%
1997	1,522	1,504	98.82%	1,240	1,139	91.85%	2,762	2,643	95.69%
1998	1,522	1,510	99.21%	1,242	1,209	97.34%	2,764	2,719	98.37%
1999	1,522	1,492	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%

Table 5

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Property Characteristics and Dwelling Unit Composition
June 30, 2000

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total	
				Zero	One	Two	Three	Four		Five
LA006-001	George Breeca Manor	306 Winnboro Road	10/31/51		10	20	15	5		50
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	03/31/52		18	28	24	6		76
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	08/31/52		20	59	32	14		125
LA006-004	Louis Lock Homes	306 Winnboro Road	08/31/52		16	46	28	10		100
LA006-005	Foster Heights	Swayze and Louberta Sts.	09/30/54		8	89	72	6		175
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	06/30/73		10	79	120	71	20	300
LA006-007	Scattered Sites	Scattered Sites	07/31/71				20	20	9	49
LA006-008	Scattered Sites	Scattered Sites	02/28/72				39	38	19	96
LA006-009	Robinson Place	1207 Miliken Drive	09/30/73				41	41	21	103
LA006-010	Miller Square	4200 Matthew Street	04/30/73				60	62	30	152
LA006-011	Francois Tower	300 Harrison Street	08/31/78		130					130
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	03/31/80			28	8			36
LA006-013	McKeen Plaza I	1500 McKeen Place	01/31/80		100					100
LA006-014	Group Homes (scattered sites)	Scattered Sites	08/31/84		30					30
Total Units				342	349	459	273	69		1,522
Managed Units										
064-EH150	Quachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	08/15/89	21	70					91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	11/01/98		40	1				41
Tax Credit Dev.	Cialborne Creek Apartments, LP	200 Cialborne Dr., West Monroe	10/01/97		72					72
064-EE060	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	11/01/98		39					39
Tax Credit Dev.	Cialborne Creek II, LP	200 Cialborne Dr., West Monroe	10/01/99		50	10				60
Total Managed Units				21	271	11	0	0	0	303

Note: All units were modernized from 1995 through 1997.

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Public Housing Management Assessment Program (PHMAP) SCORES
Fiscal Years Ended June 30, 1992 through June 30, 1999
Public Housing Assessment System (PHAS) SCORES
Fiscal Year Ended June 30, 2000

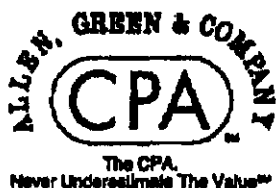
<u>FISCAL YEAR</u>	<u>SCORE</u>
06/30/92	90.46%
06/30/93	95.71%
06/30/94	95.24%
06/30/95	94.74%
06/30/96	92.37%
06/30/97	99.25%
06/30/98	99.25%
06/30/99	94.75%
06/30/00	92.40%

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

**Single Audit Report
And Management Letter Items
For the Year Ended June 30, 2000**

**Housing Authority of the City of Monroe
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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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

We have audited the basic financial statements of the Housing Authority of the City of Monroe, Monroe, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated February 22, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
February 22, 2001



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

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

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe, Monroe, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and (OMB) Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and (OMB) Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority of the City of Monroe complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Housing Authority as of and for the year ended June 30, 2000, and have issued our report thereon dated February 22, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
February 22, 2001

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture Passed through Louisiana Department of Education: Child and Adult Care Food Program	10.558	N/A	\$ <u>11,724</u>
United States Department of Education Passed Through Louisiana Department of Education: Adult Education - State Administered Basic Grant Program (Gateway Grant)	84.002	GC-4-93	<u>14,537</u>
United States Department of Health & Human Services Passed Through Louisiana Department of Social Services: Payments to States for Child Care Assistance	93.575	N/A	<u>16,479</u>
United States Department of Housing and Urban Development Direct Programs			
Public and Indian Housing - Operating Subsidy	14.850	FW2006	785,519
Public and Indian Housing Drug Elimination Program	14.854	FW2006	358,220
Public and Indian Housing Comprehensive Grant Programs	14.852	N/A	1,916,174
Section 8 Rental Certificate Program	14.857	FW2072(EX)	2,030,833
Section 8 Moderate Rehabilitation	14.856	FW2072(MR)	420
Section 8 Rental Vouchers Program	14.855	FW2072(VO)	2,422,908
Section 8 New Construction	14.182	FW2072(VO)	472,247
Economic Development and Supportive Services	14.864	N/A	124,838
Passed Through the City of Monroe, Louisiana:			
Home Investment Partnerships Program (Home Program)	14.239	N/A	<u>454,268</u>
Total United States Department of Housing and Urban Development			<u>8,565,427</u>
Total Cash Federal Awards			<u>\$8,608,167</u>

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards

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

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

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

<u>Federal Sources</u>	
General Fund	\$3,227,491
Tenant Based Section 8	4,453,741
Other Enterprise	472,667
Component Unit	<u>454,268</u>
	<u>\$8,608,167</u>

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

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
As of and for the Year Ended June 30, 2000**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA #14.864	Economic Development and Supportive Services
CFDA #14.854	Public and Indian Housing Drug Elimination Program
CFDA #14.852	Public and Indian Housing Comprehensive Grant Programs
CFDA #14.850	Public and Indian Housing - Operating Subsidy
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.



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1963 - 2000

Management Letter Report

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

Following this letter is a status of prior management letter items which is required by the Legislative Auditor. This information has not been audited by Allen, Green & Company, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the status of the prior management letter item prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Company, LLP, concludes that the status of the prior management letter item materially misrepresents the status of any prior management letter item.

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.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
February 22, 2001

Housing Authority of the City of Monroe
Status of Prior Management Letter Items
June 30, 2000

Conversion to generally accepted accounting principles for reporting.

For the June 30, 2000 fiscal year-end the Housing Authority will be required to file financial statements electronically with HUD. These statements must be prepared in conformity with generally accepted accounting principles (GAAP). The Housing Authority's books are presently on the basis of accounting prescribed by HUD. The conversion from the HUD basis to the GAAP basis of accounting will require extensive research and numerous journal entries by accounting staff. Accounting staff should begin planning for this conversion in order to have the books converted for the June 30, 2000 year-end.

Corrective Action Taken: The Housing Authority has converted from HUD basis of accounting to GAAP basis of accounting. Financial statements prepared in accordance with GAAP were filed electronically with the Real Estate Assessment Center (REAC) for the June 30, 2000 year end.