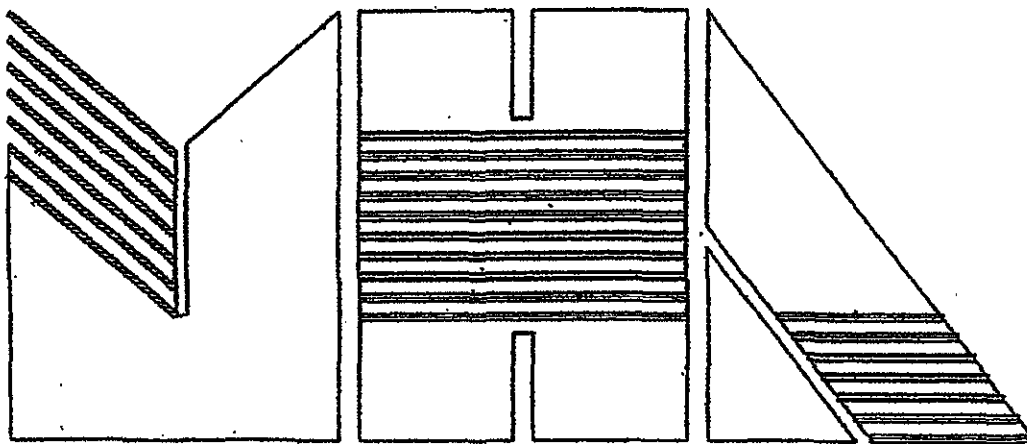


# Housing Authority of the City of Monroe

Monroe, Louisiana



## Comprehensive Annual Financial Report

**As Of And For the Year Ended June 30, 2010**

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

3/16/11

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

**Comprehensive Annual Financial Report**

**As of And For the Year Ended June 30, 2010**

**Frank L. Wilcox  
Executive Director**

**Janet Sanderford  
Administrative Director**

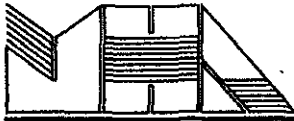
**Prepared by the Accounting Department**

**Housing Authority of the City of Monroe  
Table of Contents**

|   | <u>Statement</u> | <u>Page</u> |
|---|------------------|-------------|
| <b>INTRODUCTORY SECTION</b>   |                  |             |
| Letter of Transmittal   |                  | 1-4         |
| Government Finance Officers Association Certificate<br>of Achievement for Excellence in Financial Reporting |                  | 5           |
| Organizational Chart  |                  | 7           |
| Appointed Officials   |                  |             |
| Board of Commissioners  |                  | 8           |
| Selected Administrative Officials   |                  | 8           |
| <b>FINANCIAL SECTION</b>  |                  |             |
| INDEPENDENT AUDITORS' REPORT  |                  | 9-10        |
| REQUIRED SUPPLEMENTAL INFORMATION   |                  | 11          |
| Management's Discussion and Analysis (MD&A)   |                  | 12-16       |
| BASIC FINANCIAL STATEMENTS:   |                  | 17          |
| Balance Sheet   | A                | 18-21       |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets   | B                | 22-25       |
| Statement of Cash Flows   | C                | 26-29       |
| Notes to the Basic Financial Statements   |                  |             |
| Index   |                  | 30          |
| Notes   |                  | 31-39       |
| <br>Supplementary Information   |                  |             |
|   | <u>Exhibit</u>   |             |
| Schedule of Compensation Paid Board Members   | 1                | 41          |
| HUD REQUIRED SCHEDULES:   |                  |             |
| Financial Data Schedule   | 2                | 40-51       |
| Actual Capital Fund Cost Certificate  | 3                | 52          |
| <br><u>Table</u>  |                  |             |
| <b>STATISTICAL SECTION</b>  |                  |             |
| Contents  |                  | 53          |
| Net Assets by Component   | 1                | 54          |
| Changes in Net Assets   | 2                | 55          |
| General Fund Revenues by Source   | 3                | 56          |
| Tenant Demographics: Occupancy Ratios By Program  | 4                | 57          |
| Demographic and Economic Statistics   | 5                | 58          |
| Principal Employers   | 6                | 59          |
| Property Characteristics and Dwelling Composition   | 7                | 60          |
| Government Employees  | 8                | 61          |

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# INTRODUCTORY SECTION



December 29, 2010

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, 2010, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

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

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

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

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

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

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

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

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

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

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

**D. Major Initiatives** The Housing Authority once again received a designation of "High Performer" from the Department of Housing and Urban Development. This rating is a result of a lot of hard work by the staff, and management's decision to set a High Performer rating.



The **Capital Fund Program** provided funds for the completion of Miller Square Development Renovations. Renovations were also completed for the Standifer Village portion of our Robinson Place development and to our Cooley Homes development. Major renovations are under way for Frances Tower.



The Housing Authority has rental assistance programs that were created under Section 8 of the 1974 federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe. The Department of Housing & Urban Development assesses Section 8 programs thru its SEMAP assessment. Monroe Housing Authority received a score of 99 for this fiscal year.



The Housing Authority now manages a total of 5 Section 202 properties consisting of a total of 286 units of elderly housing. The Housing Authority also manages 5 tax credit properties with a total of 335 units also for elderly housing.



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

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

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

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2010, provided no instances of material weaknesses in internal control.

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

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

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

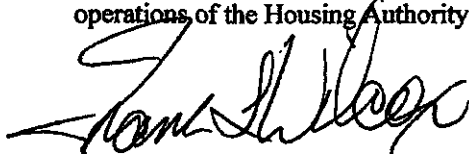
The Housing Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by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

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

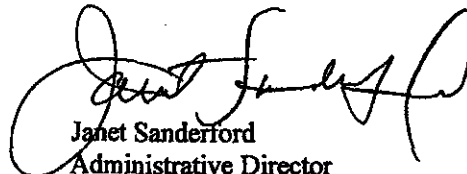
**J. Award** The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily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

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

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



Frank L. Wilcox  
Executive Director



Janet Sanderford  
Administrative Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the City  
of Monroe, Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

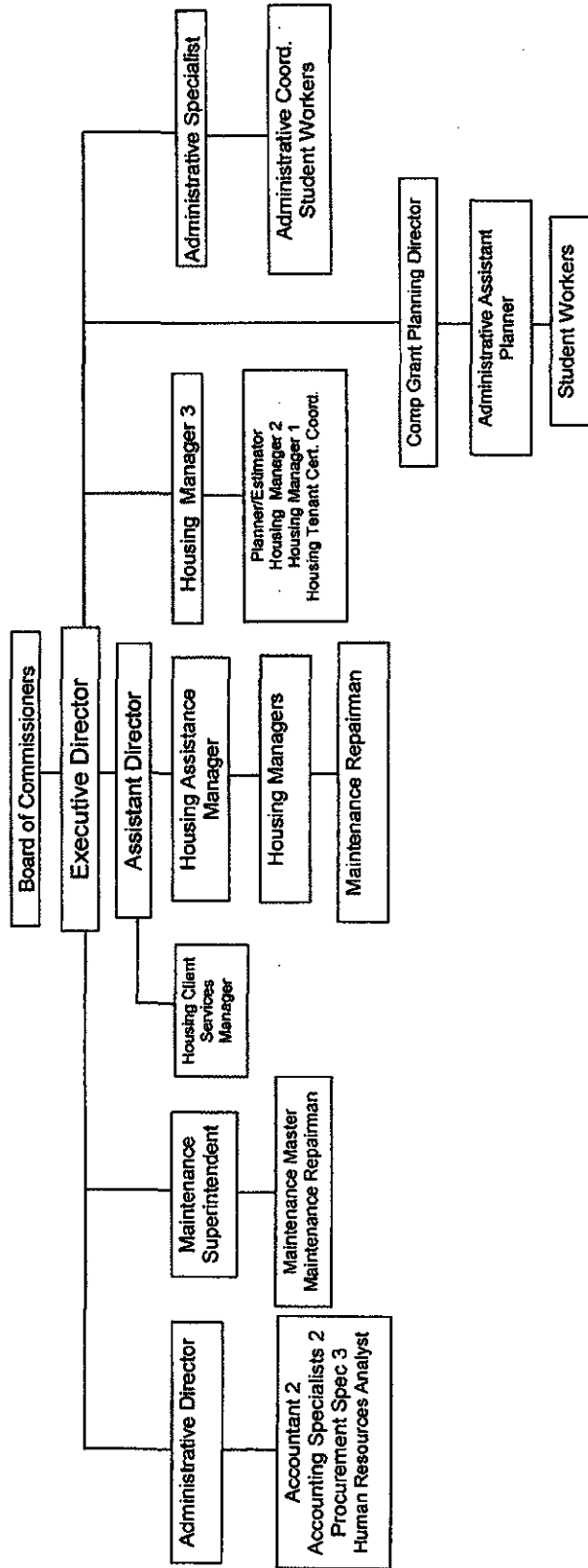
**Monroe Housing Authority**

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# HOUSING AUTHORITY OF THE CITY OF MONROE

## Organizational Chart

### Administrative Office



**Housing Authority of the City of Monroe**

**Appointed Officials  
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Joe Farr

Ms. Roxie Jackson

**Selected Administrative Officials**

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Janet Sanderford

Administrative Director

Marieanne Hereford

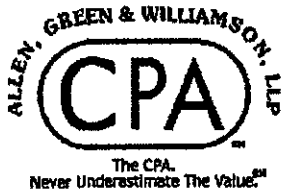
Comp Grant Planner

Naomi Jackson

Section 8 Director

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# FINANCIAL SECTION



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

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Jaime Esswein, CPA  
Diane Ferschoff, CPA  
Joshua Legg, CPA  
Brian McBride, CPA  
Jaumica Mercer, CPA  
Cindy Thomason, CPA

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

## INDEPENDENT AUDITORS' REPORT

### Board Members

Housing Authority of the City of Monroe  
Monroe, Louisiana

We have audited the accompanying financial statements of the discretely presented component unit and each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2010, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit and each major fund of the Housing Authority as of June 30, 2010, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued, under separate cover, our report dated December 29, 2010, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

Monroe, Louisiana  
December 29, 2010

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



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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2010**

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As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 4 of this report. Dollar amounts presented in the MD&A are presented in thousands. The Homeownership component unit did not issue a separate audit report.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$44,386 (*net assets*). Of this amount, \$12,262 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets increased by \$2,835, for the current year. This is mainly due to an increase in federal grants.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$9,660, or 98.9% of the general fund total operating expenses.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

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

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

### **USING THIS ANNUAL REPORT**

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

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

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

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**Housing Authority of the City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2010**

---

**Reporting the Housing Authority's Most Significant Funds**

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

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

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$44,386 at June 30, 2010. Of this amount, \$12,262 was unrestricted. Restricted net assets of \$703 are reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use for items other than the housing assistance payments (HAP) for the Section 8 Tenant Based program.

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

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

|                            | 2010             | 2009             | Variance        |
|----------------------------|------------------|------------------|-----------------|
| Current assets             | \$ 16,312        | \$ 13,587        | \$ 2,725        |
| Capital assets, net        | 31,421           | 30,855           | 566             |
| Total assets               | <u>47,733</u>    | <u>44,442</u>    | <u>3,291</u>    |
| Current liabilities        | 2,465            | 2,017            | 448             |
| Long-term liabilities      | 882              | 815              | 67              |
| Total liabilities          | <u>3,347</u>     | <u>2,832</u>     | <u>515</u>      |
| Net assets                 |                  |                  |                 |
| Invested in capital assets | 31,421           | 30,855           | 566             |
| Restricted                 | 703              | 526              | 177             |
| Unrestricted               | 12,262           | 10,229           | 2,033           |
| Total net assets           | <u>\$ 44,386</u> | <u>\$ 41,610</u> | <u>\$ 2,776</u> |

**Housing Authority of the City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2010**

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

|  | 2010      | 2009      | Variance |
|--|-----------|-----------|----------|
| Beginning net assets                           | \$ 41,610 | \$ 38,251 | \$ 3,359 |
| Prior period adjustment                        | (59)      | -         | (59)     |
| Beginning net assets, as restated              | 41,551    | 38,251    | 3,300    |
| Revenues:                                      |           |           |          |
| Operating revenues                             |           |           |          |
| Rental and other                               | 4,507     | 4,515     | (8)      |
| Federal grants                                 | 12,374    | 11,666    | 708      |
| Total operating revenues                       | 16,881    | 16,181    | 700      |
| Expenses:                                      |           |           |          |
| Operating expenses                             |           |           |          |
| Administration                                 | 3,530     | 2,542     | 988      |
| Tenant services                                | 81        | 225       | (144)    |
| Utilities                                      | 360       | 410       | (50)     |
| Ordinary maintenance and operations            | 2,441     | 2,391     | 50       |
| Protective services                            | 73        | 66        | 7        |
| General expenses                               | 1,293     | 1,410     | (117)    |
| Housing assistance payments                    | 6,527     | 6,250     | 277      |
| Nonroutine maintenance                         | -         | 46        | (46)     |
| Depreciation                                   | 3,183     | 3,120     | 63       |
| Total expenses                                 | 17,488    | 16,460    | 1,028    |
| Non-operating revenues                         |           |           |          |
| Interest earnings                              | 115       | 260       | (145)    |
| Gain(Loss) on sale of equipment                | 12        | (6)       | 18       |
| Total non-operating revenues                   | 127       | 254       | (127)    |
| Net income (loss) before capital contributions | (480)     | (25)      | (455)    |
| Capital contributions                          | 3,315     | 3,384     | (69)     |
| Increase (decrease) in net assets              | 2,835     | 3,359     | (524)    |
| Ending net assets                              | \$ 44,386 | \$ 41,610 | \$ 2,776 |

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2010**

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Total operating revenues increased \$700:

- The general fund's operating revenue decreased \$2 due to an increase in operating subsidy, stimulus grant, and increased rental income, yet offset with a decrease in other operating.
- The Section 8 fund's operating revenue increased \$652 due to an increase in the number of vouchers we were able to issue.
- The management fees' operating revenue increased \$5 due to an increase in management fees received.
- The Monroe housing facilities' operating revenue increased \$45 due to an increase in office rental income.

Total operating expenses increased \$1,028:

- The general fund's operating expenses increased \$531. This change was due to increased salaries, maintenance and construction costs.
- The Section 8 funds operating expenses increased \$421 which was mainly due to increased salaries and Housing Assistance Payments (HAP) costs due to an increase of vouchers issued.
- The management fees' operating expenses increased \$31 due to a grant to the Ouachita Council on Aging.
- The Monroe housing facilities' operating expenses increased \$45 due to costs associated with the Annex Building.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### *Capital Assets*

At June 30, 2010, the Housing Authority had \$31,421 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$566 or 1.8%, from last year.

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

|                                 | 2010             | 2009             |
|---------------------------------|------------------|------------------|
| Land                            | \$ 2,016         | \$ 2,007         |
| Construction in progress        | 3,915            | 2,893            |
| Buildings and site improvements | 24,629           | 25,237           |
| Furniture and equipment         | 861              | 718              |
| <b>Totals</b>                   | <b>\$ 31,421</b> | <b>\$ 30,855</b> |

This year's additions of \$3,751 are mainly the result of an increase in capital improvements.

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

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2010**

---

***Debt***

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in the Note 9 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2010-2011 have already been approved by HUD and no major changes are expected.

The capital fund programs are multiple year budgets and have remained relatively stable. However due to the American Reinvestment and Recovery Act, the Housing Authority has received additional capital fund monies. Capital fund programs are used for the modernization of public housing properties including administrative fees involved in the modernization.

**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

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

**Housing Authority of the City of Monroe**

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS**

**Balance Sheet  
June 30, 2010**

|                                      | <u>GENERAL</u>       | <u>TENANT<br/>BASED<br/>SECTION 8</u> | <u>MANAGEMENT<br/>FEES</u> |
|--------------------------------------|----------------------|---------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                      |                                       |                            |
| <b>Current Assets</b>                |                      |                                       |                            |
| Cash and cash equivalents            | \$ 2,759,569         | \$ 955,486                            | \$ 1,933,188               |
| Investments                          | 7,439,716            | 0                                     | 587,204                    |
| Accounts receivable, net             | 1,195,148            | 155,211                               | 130,512                    |
| Interfund receivable                 | 0                    | 0                                     | 370,814                    |
| Prepaid items and other assets       | 287,621              | 7,490                                 | 0                          |
| Inventory                            | 28,855               | 0                                     | 0                          |
| <b>Restricted assets</b>             |                      |                                       |                            |
| Cash                                 | 222,218              | 110,682                               | 0                          |
| <b>Total Current Assets</b>          | <u>11,933,127</u>    | <u>1,228,869</u>                      | <u>3,021,718</u>           |
| <b>Capital Assets, net</b>           |                      |                                       |                            |
| Land and construction<br>in progress | 5,931,233            | 0                                     | 0                          |
| Buildings and equipment (net)        | 24,129,625           | 56,223                                | 0                          |
| <b>Total Capital Assets, net</b>     | <u>30,060,758</u>    | <u>56,223</u>                         | <u>0</u>                   |
| <b>TOTAL ASSETS</b>                  | <u>\$ 41,993,885</u> | <u>\$ 1,285,092</u>                   | <u>\$ 3,021,718</u>        |

**Statement A**

| <u>MONROE<br/>HOUSING<br/>FACILITIES</u> | <u>TOTAL<br/>PRIMARY<br/>GOVERNMENT</u> | <u>COMPONENT<br/>UNIT<br/>HOMEOWNERSHIP</u> |
|--|---|---|
| \$ 128,744                               | \$ 5,776,987                            | \$ 489,389                                  |
| 0  | 8,026,920                               | 0   |
| 0  | 1,480,871                               | 0   |
| 0  | 370,814                                 | 0   |
| 0  | 295,111                                 | 0   |
| 0  | 28,855                                  | 0   |
| 0  | 332,900                                 | 0   |
| <u>128,744</u>                           | <u>16,312,458</u>                       | <u>489,389</u>                              |
| 0  | 5,931,233                               | 0   |
| <u>1,303,651</u>                         | <u>25,489,399</u>                       | <u>0</u>                                    |
| <u>1,303,651</u>                         | <u>31,420,632</u>                       | <u>0</u>                                    |
| <u>\$ 1,432,395</u>                      | <u>\$ 47,733,090</u>                    | <u>\$ 489,389</u>                           |

(CONTINUED)



**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS**

**Balance Sheet**

**June 30, 2010**

|   | <u>GENERAL</u>       | <u>TENANT<br/>BASED<br/>SECTION 8</u> | <u>MANAGEMENT<br/>FEES</u> |
|---|----------------------|---------------------------------------|----------------------------|
| <b>LIABILITIES</b>                                  |                      |                                       |                            |
| <b>Current Liabilities</b>                          |                      |                                       |                            |
| Accounts payable                                    | \$ 121,908           | \$ 83,226                             | \$ 325,790                 |
| Interfund payable                                   | 0                    | 0                                     | 0                          |
| Accrued liabilities                                 | 429,092              | 19,920                                | 0                          |
| Deferred revenue                                    | 9,363                | 1,184                                 | 0                          |
| Current portion of long term debt                   | <u>682,019</u>       | <u>88,447</u>                         | <u>0</u>                   |
| <br>  |                      |                                       |                            |
| Current liabilities paid with<br>Restricted Assets: |                      |                                       |                            |
| Deposits due others                                 | <u>222,218</u>       | <u>110,671</u>                        | <u>0</u>                   |
| <br>  |                      |                                       |                            |
| Total Current Liabilities                           | 1,464,600            | 303,448                               | 325,790                    |
| <br>  |                      |                                       |                            |
| <b>Noncurrent Liabilities</b>                       |                      |                                       |                            |
| Compensated absences payable                        | <u>808,391</u>       | <u>74,223</u>                         | <u>0</u>                   |
| <br>  |                      |                                       |                            |
| Total Liabilities                                   | <u>2,272,991</u>     | <u>377,671</u>                        | <u>325,790</u>             |
| <br>  |                      |                                       |                            |
| <b>NET ASSETS</b>                                   |                      |                                       |                            |
| Invested in capital assets                          | 30,080,758           | 56,223                                | 0                          |
| Restricted for HAP                                  | 0                    | 703,543                               | 0                          |
| Unrestricted  | <u>9,660,136</u>     | <u>147,655</u>                        | <u>2,695,928</u>           |
| <br>  |                      |                                       |                            |
| NET ASSETS  | <u>39,720,894</u>    | <u>907,421</u>                        | <u>2,695,928</u>           |
| <br>  |                      |                                       |                            |
| TOTAL LIABILITIES AND NET ASSETS                    | <u>\$ 41,993,885</u> | <u>\$ 1,285,092</u>                   | <u>\$ 3,021,718</u>        |

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

**Statement A**

| <b>MONROE<br/>HOUSING<br/>FACILITIES</b> | <b>TOTAL<br/>PRIMARY<br/>GOVERNMENT</b> | <b>COMPONENT<br/>UNIT<br/>HOMEOWNERSHIP</b> |
|--|---|---|
| \$ 0                                     | \$ 530,924                              | \$ 16,600                                   |
| 370,814                                  | 370,814                                 | 0   |
| 0  | 449,012                                 | 0   |
| 0  | 10,547                                  | 0   |
| 0  | 770,466                                 | 0   |
| <hr/>                                    |   |   |
| 0  | 332,889                                 | 0   |
| <hr/>                                    |   |   |
| 370,814                                  | 2,464,652                               | 16,600                                      |
| <hr/>                                    |   |   |
| 0  | 882,614                                 | 0   |
| <hr/>                                    |   |   |
| 370,814                                  | 3,347,266                               | 16,600                                      |
| <hr/>                                    |   |   |
| 1,303,651                                | 31,420,632                              | 0   |
| 0  | 703,543                                 | 0   |
| (242,070)                                | 12,261,649                              | 472,789                                     |
| <hr/>                                    |   |   |
| 1,061,581                                | 44,385,824                              | 472,789                                     |
| <hr/>                                    |   |   |
| \$ 1,432,395                             | \$ 47,733,090                           | \$ 489,389                                  |

(CONCLUDED)

**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, 2010**

|   | <b>GENERAL</b>      | <b>TENANT<br/>BASED<br/>SECTION 8</b> | <b>MANAGEMENT<br/>FEES</b> |
|---|---------------------|---------------------------------------|----------------------------|
| <b>OPERATING REVENUES</b>                     |                     |                                       |                            |
| Dwelling rental                               | \$ 3,388,086        | \$ 0                                  | \$ 0                       |
| Other   | 745,776             | 30,392                                | 294,867                    |
| Federal grants                                | 4,883,093           | 7,490,912                             | 0                          |
| <b>Total operating revenues</b>               | <b>9,016,955</b>    | <b>7,521,304</b>                      | <b>294,867</b>             |
| <b>OPERATING EXPENSES</b>                     |                     |                                       |                            |
| Administration                                | 2,620,176           | 856,344                               | 50,290                     |
| Tenant services                               | 47,946              | 0                                     | 33,583                     |
| Utilities                                     | 348,217             | 0                                     | 0                          |
| Ordinary maintenance & operations             | 2,396,653           | 35,927                                | 360                        |
| Protective services                           | 73,265              | 0                                     | 0                          |
| General expenses                              | 1,202,968           | 64,675                                | 25,000                     |
| Housing assistance payments                   | 0                   | 6,527,216                             | 0                          |
| Depreciation                                  | 3,071,094           | 17,511                                | 0                          |
| <b>Total operating expenses</b>               | <b>9,760,319</b>    | <b>7,501,673</b>                      | <b>109,233</b>             |
| <br>  |                     |                                       |                            |
| <b>Income (loss) from Operations</b>          | <b>(743,364)</b>    | <b>19,631</b>                         | <b>185,634</b>             |
| <b>Nonoperating revenues (expenses)</b>       |                     |                                       |                            |
| Investment earnings<br>and gains/losses       | 97,692              | 5,048                                 | 12,245                     |
| Gain (loss) on sale of equipment              | 11,515              | 0                                     | 0                          |
| <b>Total nonoperating revenues (expenses)</b> | <b>109,207</b>      | <b>5,048</b>                          | <b>12,245</b>              |
| <br>  |                     |                                       |                            |
| <b>Net Income (Loss) before contributions</b> | <b>(634,157)</b>    | <b>24,679</b>                         | <b>197,879</b>             |
| <br>  |                     |                                       |                            |
| Capital contributions                         | 3,315,383           | 0                                     | 0                          |
| <b>Total contributions</b>                    | <b>3,315,383</b>    | <b>0</b>                              | <b>0</b>                   |
| <br>  |                     |                                       |                            |
| <b>Change in net assets</b>                   | <b>\$ 2,681,226</b> | <b>\$ 24,679</b>                      | <b>\$ 197,879</b>          |

**Statement B**

| <b>MONROE<br/>HOUSING<br/>FACILITIES</b> | <b>TOTAL<br/>PRIMARY<br/>GOVERNMENT</b> | <b>COMPONENT<br/>UNIT<br/>HOMEOWNERSHIP</b> |
|--|---|---|
| \$ 0                                     | \$ 3,388,086                            | \$ 0  |
| 48,216                                   | 1,119,251                               | 5   |
| 0  | 12,374,005                              | 0   |
| <u>48,216</u>                            | <u>16,861,342</u>                       | <u>5</u>                                    |
| 3,787                                    | 3,530,597                               | 554   |
| 0  | 81,529                                  | 0   |
| 11,602                                   | 359,819                                 | 0   |
| 7,860                                    | 2,440,800                               | 0   |
| 0  | 73,265                                  | 0   |
| 0  | 1,292,643                               | 15,124                                      |
| 0  | 6,527,216                               | 0   |
| 94,340                                   | 3,182,945                               | 0   |
| <u>117,589</u>                           | <u>17,488,814</u>                       | <u>15,678</u>                               |
| <u>(69,373)</u>                          | <u>(607,472)</u>                        | <u>(15,673)</u>                             |
| 300                                      | 115,285                                 | 1,711                                       |
| 0  | 11,515                                  | 0   |
| <u>300</u>                               | <u>126,800</u>                          | <u>1,711</u>                                |
| (69,073)                                 | (480,672)                               | (13,962)                                    |
| <u>0</u>                                 | <u>3,315,383</u>                        | <u>0</u>                                    |
| <u>0</u>                                 | <u>3,315,383</u>                        | <u>0</u>                                    |
| <u>\$ (69,073)</u>                       | <u>\$ 2,834,711</u>                     | <u>\$ (13,962)</u>                          |

(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, 2010**

|   | <u>GENERAL</u>       | <u>TENANT<br/>BASED<br/>SECTION 8</u> | <u>MANAGEMENT<br/>FEES</u> |
|---|----------------------|---------------------------------------|----------------------------|
| NET ASSETS AT BEGINNING OF YEAR                 | \$ 36,915,873        | \$ 965,618                            | \$ 2,597,723               |
| PRIOR PERIOD ADJUSTMENT                         | 123,795              | (82,876)                              | (99,674)                   |
| NET ASSETS AT BEGINNING OF YEAR,<br>AS RESTATED | <u>37,039,668</u>    | <u>882,742</u>                        | <u>2,498,049</u>           |
| NET ASSETS AT END OF YEAR                       | <u>\$ 39,720,894</u> | <u>\$ 907,421</u>                     | <u>\$ 2,695,928</u>        |

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

**Statement B**

| <b>MONROE<br/>HOUSING<br/>FACILITIES</b> | <b>TOTAL<br/>PRIMARY<br/>GOVERNMENT</b> | <b>COMPONENT<br/>UNIT<br/>HOMEOWNERSHIP</b> |
|--|---|---|
| \$ 1,130,654                             | \$ 41,609,868                           | \$ 486,751                                  |
| 0  | (58,755)                                | 0   |
| <u>1,130,654</u>                         | <u>41,551,113</u>                       | <u>488,751</u>                              |
| <u>\$ 1,081,581</u>                      | <u>\$ 44,385,824</u>                    | <u>\$ 472,789</u>                           |

(CONCLUDED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2010**

|   | <u>GENERAL</u>      | <u>TENANT<br/>BASED<br/>SECTION 8</u> | <u>MANAGEMENT<br/>FEES</u> |
|---|---------------------|---------------------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                     |                                       |                            |
| Rental receipts   | \$ 3,377,802        | \$ 0                                  | \$ 0                       |
| Other receipts (expenses)   | 772,246             | 30,392                                | 519,248                    |
| Payments to vendors   | (3,456,051)         | (434,240)                             | (58,833)                   |
| Payments to employees   | (3,177,781)         | (464,026)                             | (25,400)                   |
| Payments to private landlords   | 0                   | (6,527,216)                           | 0                          |
| Payments to others  | 0                   | 0                                     | (25,000)                   |
| Federal grants  | 4,536,092           | 7,443,549                             | 0                          |
| <b>NET CASH PROVIDED (USED) BY<br/>OPERATING ACTIVITIES</b>                     | <u>2,052,108</u>    | <u>48,459</u>                         | <u>410,015</u>             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>             |                     |                                       |                            |
| Purchase capital assets   | (3,747,426)         | (833)                                 | 0                          |
| Contributed capital   | 3,315,383           | 0                                     | 0                          |
| Sale of capital assets  | 11,515              | 0                                     | 0                          |
| <b>NET CASH PROVIDED (USED) BY CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b> | <u>(420,528)</u>    | <u>(833)</u>                          | <u>0</u>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                     |                     |                                       |                            |
| Proceeds from sales and maturities<br>of investments                            | 645,000             | 225,000                               | 536,663                    |
| Investment earnings and gains/losses  | 97,692              | 5,048                                 | 12,245                     |
| Purchase investments  | (1,520,280)         | (43,772)                              | 0                          |
| <b>NET CASH PROVIDED (USED) BY<br/>INVESTING ACTIVITIES</b>                     | <u>\$ (777,588)</u> | <u>\$ 186,276</u>                     | <u>\$ 548,908</u>          |

**Statement C**

| <b>MONROE<br/>HOUSING<br/>AUTHORITY</b> | <b>TOTAL<br/>PRIMARY<br/>GOVERNMENT</b> | <b>COMPONENT<br/>UNIT<br/>HOMEOWNERSHIP</b> |
|---|---|---|
| \$ 48,216                               | \$ 3,425,818                            | \$ 0  |
| 103,477                                 | 1,425,363                               | 15,129                                      |
| (22,609)                                | (3,971,733)                             | (15,678)                                    |
| (640)                                   | (3,667,847)                             | 0   |
| 0                                       | (6,527,216)                             | 0   |
| 0                                       | (25,000)                                | 0   |
| 0                                       | 11,979,641                              | 0   |
| <hr/>                                   |   |   |
| 128,444                                 | 2,639,026                               | (649)                                       |
| <hr/>                                   |   |   |
| 0                                       | (3,748,259)                             | 0   |
| 0                                       | 3,315,383                               | 0   |
| 0                                       | 11,515                                  | 0   |
| <hr/>                                   |   |   |
| 0                                       | (421,361)                               | 0   |
| <hr/>                                   |   |   |
| 0                                       | 1,406,663                               | 0   |
| 300                                     | 115,285                                 | 1,711                                       |
| 0                                       | (1,564,052)                             | 0   |
| <hr/>                                   |   |   |
| \$ 300                                  | \$ (42,104)                             | \$ 1,711                                    |

(CONTINUED)



**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2010**

|  | <u>GENERAL</u>      | <u>TENANT<br/>BASED<br/>SECTION 8</u> | <u>MANAGEMENT<br/>FEES</u> |
|--|---------------------|---------------------------------------|----------------------------|
| NET INCREASE (DECREASE) IN CASH AND<br>CASH EQUIVALENTS  | \$ 853,992          | \$ 233,902                            | \$ 958,923                 |
| CASH AND CASH EQUIVALENTS AT<br>BEGINNING OF YEAR  | <u>2,127,795</u>    | <u>832,266</u>                        | <u>974,265</u>             |
| CASH AND CASH EQUIVALENTS AT END<br>OF YEAR  | <u>2,981,787</u>    | <u>1,066,168</u>                      | <u>1,933,188</u>           |
| Reconciliation to financial statements:  |                     |                                       |                            |
| Cash   | 2,759,569           | 955,486                               | 1,933,188                  |
| Restricted cash (deposits due others)  | <u>222,218</u>      | <u>110,682</u>                        | <u>0</u>                   |
|  | <u>2,981,787</u>    | <u>1,066,168</u>                      | <u>1,933,188</u>           |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES  |                     |                                       |                            |
| Operating income (loss)  | (743,364)           | 19,631                                | 185,634                    |
| Adjustments to reconcile operating income<br>to net cash provided (used) by operating<br>activities: |                     |                                       |                            |
| Depreciation expense   | 3,071,094           | 17,511                                | 0                          |
| Change in assets and liabilities:  |                     |                                       |                            |
| Receivables, net   | (268,393)           | (75,134)                              | 128,888                    |
| Interfund receivables  | 0                   | 0                                     | (230,297)                  |
| Inventories  | (5,197)             | 0                                     | 0                          |
| Prepaid items  | 665                 | (1,845)                               | 0                          |
| Accounts payables  | (236,768)           | 45,603                                | 325,790                    |
| Accrued expenses   | 51,215              | 3,877                                 | 0                          |
| Deferred revenue   | (65,802)            | 1,031                                 | 0                          |
| Interfund payables   | 0                   | 0                                     | 0                          |
| Deposits due others  | 31,375              | 4,488                                 | 0                          |
| Compensated absences   | <u>217,283</u>      | <u>33,297</u>                         | <u>0</u>                   |
| NET CASH PROVIDED BY OPERATING<br>ACTIVITIES   | <u>\$ 2,052,108</u> | <u>\$ 48,459</u>                      | <u>\$ 410,015</u>          |

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

Statement C

| MONROE<br>HOUSING<br>AUTHORITY | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>HOMEOWNERSHIP |
|--------------------------------|--------------------------------|------------------------------------|
| \$ 128,744                     | \$ 2,175,561                   | \$ 1,162                           |
| <u>0</u>                       | <u>3,934,326</u>               | <u>488,227</u>                     |
| <u>128,744</u>                 | <u>6,109,887</u>               | <u>489,389</u>                     |
| 128,744                        | 5,776,987                      | 489,389                            |
| <u>0</u>                       | <u>332,900</u>                 | <u>0</u>                           |
| <u>128,744</u>                 | <u>6,109,887</u>               | <u>489,389</u>                     |
| (69,373)                       | (607,472)                      | (15,873)                           |
| 94,340                         | 3,182,945                      | 0                                  |
| 0                              | (214,639)                      | 15,124                             |
| 0                              | (230,297)                      | 0                                  |
| 0                              | (5,197)                        | 0                                  |
| 0                              | (1,180)                        | 0                                  |
| (126,820)                      | 7,805                          | 0                                  |
| 0                              | 55,092                         | 0                                  |
| 0                              | (64,771)                       | 0                                  |
| 230,297                        | 230,297                        | 0                                  |
| 0                              | 35,863                         | 0                                  |
| <u>0</u>                       | <u>250,580</u>                 | <u>0</u>                           |
| <u>\$ 128,444</u>              | <u>\$ 2,639,026</u>            | <u>\$ (549)</u>                    |

(CONCLUDED)

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**INDEX**

|  | <u>Page</u> |
|--|-------------|
| NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES..... | 31          |
| A. REPORTING ENTITY.....                                 | 31          |
| B. FUNDS .....   | 32          |
| C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING .....       | 32          |
| Proprietary Funds .....                                  | 32          |
| D. CASH AND CASH EQUIVALENTS.....                        | 33          |
| E. INVESTMENTS.....                                      | 33          |
| F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES.....        | 33          |
| G. INVENTORY .....                                       | 33          |
| H. PREPAID ITEMS .....                                   | 33          |
| I. CAPITAL ASSETS .....                                  | 34          |
| J. DEFERRED REVENUES .....                               | 34          |
| K. COMPENSATED ABSENCES.....                             | 34          |
| L. RESTRICTED NET ASSETS .....                           | 34          |
| M. INTERFUND ACTIVITY .....                              | 34          |
| N. USE OF ESTIMATES.....                                 | 34          |
| NOTE 2 - DEPOSITS AND INVESTMENTS .....                  | 35          |
| NOTE 3 - ACCOUNTS RECEIVABLE.....                        | 36          |
| NOTE 4 - CAPITAL ASSETS.....                             | 37          |
| NOTE 5 - RETIREMENT SYSTEM .....                         | 37          |
| NOTE 6 - ACCOUNTS PAYABLE .....                          | 38          |
| NOTE 7 - ACCRUED LIABILITIES .....                       | 38          |
| NOTE 8 - COMPENSATED ABSENCES .....                      | 38          |
| NOTE 9 - GENERAL LONG-TERM OBLIGATIONS .....             | 38          |
| NOTE 10 - INTERFUND TRANSACTIONS .....                   | 38          |
| NOTE 11 - COMMITMENTS AND CONTINGENCIES.....             | 39          |
| NOTE 12 - RISK MANAGEMENT .....                          | 39          |
| NOTE 13 - ECONOMIC DEPENDENCE.....                       | 39          |
| NOTE 14 - PRIOR PERIOD ADJUSTMENT .....                  | 39          |
| NOTE 15 - SUBSEQUENT EVENTS.....                         | 39          |

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

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

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

The Housing Authority has the following units:

|   |              |       |
|---|--------------|-------|
| PHA Owned Housing                                     | FW 2006      | 1,522 |
| Section 8   |              |       |
| Housing Choice Vouchers                               | FW 2072 (VO) | 1,537 |
| Managing Agent (Section 202 Elderly Housing Projects) |              |       |
| Ouachita Grand Plaza, Inc.                            |              | 91    |
| Passman Plaza, Inc.                                   |              | 40    |
| Passman Plaza II, Inc.                                |              | 39    |
| Passman Plaza III, Inc.                               |              | 60    |
| Claiborne Creek Apartments, LLP                       |              | 72    |
| Claiborne Creek II, LLP                               |              | 60    |
| Chauvin Pointe, LLP                                   |              | 74    |
| Chauvin Pointe II, LLP                                |              | 65    |
| South Pointe, LLP                                     |              | 37    |
| South Pointe II, LLP                                  |              | 44    |
| South Pointe III, LLP                                 |              | 36    |
| South Pointe IV, LLP                                  |              | 4     |

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

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

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

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

Monroe Affordable Homeownership Community Housing Development Organization, Inc., (Homeownership) is a legally separate entity. The City of Monroe appointed the initial members. The Housing Authority can, to a limited degree, impose its will on Homeownership, and the Housing Authority provides office space and some furnishings to Homeownership. Homeownership is fiscally dependent on the Housing Authority. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The Homeownership component does not issue separate financial statements.

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

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

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the capital fund program and the economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The management fees fund accounts for the activity of the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent and the Monroe housing facilities fund accounts for the activity of the Monroe Housing Facilities Corporation.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Proprietary Funds** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

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

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

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

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

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

**Definitions:**

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

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

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

**G. INVENTORY** All purchased inventory items are valued at cost using just-in-time method. Materials and supplies at the project level are expensed as they are purchased.

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

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**L. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. 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   |

In 2010, the Housing Authority implemented GASB51, Accounting and Financial Reporting for Intangible Assets. Although the Housing Authority's implementation was retroactive, the Housing Authority's intangible assets (software) were determined to be fully depreciated as of June 30, 2009. Therefore, no restatement was considered necessary.

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

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

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

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

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

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

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

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

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**NOTE 2 - DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2010. Fair value was determined by obtaining "quoted" year-end market prices.

As of June 30, 2010 the Housing Authority has a majority of its assets in U. S. Treasuries managed by a financial institution. The account managed by a financial institution has a fair market value of \$3,937,852 as of June 30, 2010. The mortgage backed securities are rated A-1 plus according to Standard and Poor's. The debt investments represent 49.1% of the Housing Authority's investments as of this date.

| <u>Type of Debt Investment</u> | <u>Fair Value</u>   | <u>Investment</u>            |                     |
|--------------------------------|---------------------|------------------------------|---------------------|
|                                |                     | <u>Maturities (in Years)</u> |                     |
|                                |                     | <u>Less than 1</u>           | <u>1-5</u>          |
| U.S. Treasury obligations      | \$ 2,916,371        | \$ 2,532,902                 | \$ 383,469          |
| Mortgage backed securities     | 1,021,481           | 397,379                      | 624,102             |
| Total debt investments         | <u>3,937,852</u>    | <u>\$ 2,930,281</u>          | <u>\$ 1,007,571</u> |
| Certificates of deposit        | 4,089,068           |                              |                     |
| Total investments              | <u>\$ 8,026,920</u> |                              |                     |

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

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

**Custodial Credit Risk-Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2010 the Housing Authority bank balance was \$10,624,148 (which includes \$4,089,068 in certificates of deposits classified as investment along with \$332,900 classified as restricted cash for tenant security deposits and family self-sufficiency deposits). Of this amount, \$3,839,067 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

The Monroe Affordable Homeownership Community Housing Development Organization, Inc. has a bank balance of \$489,389 as of June 30, 2010. The entire bank balance was covered by FDIC insurance.

**Custodial Credit Risk-Investments:** For an investment, this is the risk that, in the event of the failure of the counter party, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority does maintain investment accounts at a financial institution. As of June 30, 2010 the Housing Authority had \$3,937,852 in U. S. Treasuries which are held by the financial institution but not in the Housing Authority's name.



**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**Concentration of Credit Risk-Investments:**

| <u>Issuer</u>                   | <u>Amount</u>              | <u>% of Total<br/>Investments</u> |
|---------------------------------|----------------------------|-----------------------------------|
| Federal Home Mortgage Corp      | \$ 427,053                 | 5.3                               |
| Federal National Mortgage Assn. | 594,428                    | 7.4                               |
| <b>Total</b>                    | <b><u>\$ 1,021,481</u></b> |                                   |

**NOTE 3 - ACCOUNTS RECEIVABLE** The receivables at June 30, 2010, are as follows:

| <u>Class of Receivables</u> | <u>General</u>             | <u>Tenant-Based<br/>Section 8</u> | <u>Management<br/>Fees</u> | <u>Total</u>               |
|-----------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|
| <b>Local sources:</b>       |                            |                                   |                            |                            |
| Tenants                     | \$ 45,447                  | \$ -                              | \$ -                       | \$ 45,447                  |
| Other                       | 100,739                    | 36,190                            | 130,512                    | 267,441                    |
| <b>Federal sources:</b>     |                            |                                   |                            |                            |
| Due from HUD                | 1,048,962                  | 119,021                           | -                          | 1,167,983                  |
| <b>Total</b>                | <b><u>\$ 1,195,148</u></b> | <b><u>\$ 155,211</u></b>          | <b><u>\$ 130,512</u></b>   | <b><u>\$ 1,480,871</u></b> |

The tenants account receivable is net of an allowance for doubtful accounts of \$4,060. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development and repayment agreements for fraudulently reporting wrong income amounts for past rental calculations. The Housing Authority accounts receivable - other is net of an allowance for doubtful accounts of \$15,536.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

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

|  | Balance<br>Beginning | Additions           | Deletions           | Balance<br>Ending    |
|--|----------------------|---------------------|---------------------|----------------------|
| <b>Capital Assets, nondepreciable</b>        |                      |                     |                     |                      |
| Land   | \$ 2,006,932         | \$ 9,000            | \$ -                | \$ 2,015,932         |
| Construction in progress                     | 2,893,618            | 3,444,603           | 2,422,920           | 3,915,301            |
| <b>Total capital assets, non depreciable</b> | <u>4,900,550</u>     | <u>3,453,603</u>    | <u>2,422,920</u>    | <u>5,931,233</u>     |
| <b>Capital assets, depreciable</b>           |                      |                     |                     |                      |
| Buildings and site improvements              | 67,568,467           | 2,387,872           | -                   | 69,956,339           |
| Furniture and equipment                      | 2,120,730            | 332,204             | 112,304             | 2,340,630            |
| <b>Total capital assets, depreciable</b>     | <u>69,689,197</u>    | <u>2,720,076</u>    | <u>112,304</u>      | <u>72,296,969</u>    |
| <b>Less accumulated depreciation</b>         |                      |                     |                     |                      |
| Buildings and site improvements              | 42,331,597           | 2,996,422           | -                   | 45,328,019           |
| Furniture and equipment                      | 1,402,832            | 186,523             | 109,804             | 1,479,551            |
| <b>Total</b>                                 | <u>43,734,429</u>    | <u>3,182,945</u>    | <u>109,804</u>      | <u>46,807,570</u>    |
| <b>Net Depreciable Assets</b>                | <u>25,954,768</u>    | <u>(462,869)</u>    | <u>2,500</u>        | <u>25,489,399</u>    |
| <b>Total capital assets, net</b>             | <u>\$ 30,855,318</u> | <u>\$ 2,990,734</u> | <u>\$ 2,425,420</u> | <u>\$ 31,420,632</u> |

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

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 65<sup>th</sup> birthday or after 10 years of participation in the plan.

The Housing Authority's contributions were calculated using the base salary amount of \$2,614,243. The members' contributions were \$5,579 for the year ended June 30, 2010. The Housing Authority made the required contributions of \$365,996 for the year ended June 30, 2010.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**NOTE 6 - ACCOUNTS PAYABLE** The payables at June 30, 2010, are as follows:

|                     | General           | Tenant-Based<br>Section 8 | Management<br>Fees | Homeownership    | Total             |
|---------------------|-------------------|---------------------------|--------------------|------------------|-------------------|
| Vendors             | \$ 16,709         | \$ 14,881                 | \$ 325,790         | \$ 16,600        | \$ 373,980        |
| HUD                 | -                 | 68,345                    | -                  | -                | 68,345            |
| Contract Retentions | 105,199           | -                         | -                  | -                | 105,199           |
| Total               | <u>\$ 121,908</u> | <u>\$ 83,226</u>          | <u>\$ 325,790</u>  | <u>\$ 16,600</u> | <u>\$ 547,524</u> |

**NOTE 7 - ACCRUED LIABILITIES** The accrued liabilities at June 30, 2010, are as follows:

|                           | General           | Tenant Based<br>Section 8 | Total             |
|---------------------------|-------------------|---------------------------|-------------------|
| Payments in lieu of taxes | \$ 304,583        | \$ -                      | \$ 304,583        |
| Salaries and benefits     | 124,509           | 19,920                    | 144,429           |
| Total                     | <u>\$ 429,092</u> | <u>\$ 19,920</u>          | <u>\$ 449,012</u> |

**NOTE 8 - COMPENSATED ABSENCES** At June 30, 2010, employees of the Housing Authority have accumulated and vested \$1,653,080 of employee leave benefits, including \$117,385 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 and Tenant Based Section 8 fund.

**NOTE 9 - GENERAL LONG-TERM OBLIGATIONS** The following is a summary of the long-term obligation transactions for the year ended June 30, 2010:

|                             | Compensated<br>Absences |
|-----------------------------|-------------------------|
| Beginning Balance           | \$ 1,402,500            |
| Additions                   | 398,878                 |
| Deletions                   | 148,298                 |
| Ending Balance              | <u>\$ 1,653,080</u>     |
| Amounts Due Within One Year | <u>\$ 770,466</u>       |

**NOTE 10 - INTERFUND TRANSACTIONS**

Interfund receivables/payables at June 30, 2010, are as follows:

| <u>Receivable</u> | <u>Amount</u>     | <u>Payable</u>            | <u>Amount</u>     |
|-------------------|-------------------|---------------------------|-------------------|
| Management Fees   | <u>\$ 370,814</u> | Monroe Housing Facilities | <u>\$ 370,814</u> |

The purpose of the interfund transaction was that the management fee fund loaned money to the Monroe housing facilities fund to help cover the costs of the Annex building. Repayment of the loan will occur as revenue is generated from the building's rental.

**Housing Authority of the City of Monroe**  
**Notes to the Basic Financial Statements**  
**June 30, 2010**

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At June 30, 2010, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

**Construction Projects** There are certain construction projects in progress at June 30, 2010. These include modernizing rental units at practically all fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. The capital fund 2009 and capital fund 2009 ARRA are currently open construction projects. The remaining grant amount outstanding at June 30, 2010 is \$2,255,930.

**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 through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool, which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

**NOTE 13 - ECONOMIC DEPENDENCE** Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$15,689,388 to the Housing Authority, which represents approximately 71% of the Housing Authority's total revenue for the year.

**NOTE 14 - PRIOR PERIOD ADJUSTMENT** Several prior period adjustment was made at fiscal year end for the general, tenant based section 8 and management fees funds. One of the prior period adjustments, which affected general, section 8 and management fees, was due to incorrect classification of investments. The investments classification caused the general fund's net assets and nonoperating revenues to be understated by \$123,795; section 8 fund's net assets and nonoperating revenues to be overstated by \$24,121 and management fees fund's net assets and nonoperating revenues to be overstated by \$99,674. In addition, a prior period adjustment was recorded due to recent guidance from HUD in regards with security and utility deposits for the DHAP program. HUD required monies received through DHAP grants for security and utility deposits for displaced voucher individuals to be able to obtain secure housing should be recorded as a payable due to HUD in the aspect that it will be paid back to HUD when the tenant moves off the DHAP program or the program phases out, whichever occurs first. The monies that are paid to the property owners and utility departments should be recorded as a receivable on the Housing Authority's financial records because it will be received back to the Housing Authority once the DHAP program phases out or the tenant moves off the program. This guidance from HUD resulted in a prior period adjustment in the section 8 fund that caused the net assets and operating revenues to be overstated by \$58,755.

**NOTE 15 - SUBSEQUENT EVENTS** The Housing Authority was awarded a Capital Fund American Recovery and Reinvestment Act Competitive Grant for \$2,635,000 to support green renovations at Burg Jones Property in September 2010.

**Housing Authority of the City of Monroe**



**Housing Authority of the City of Monroe  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2010**

**Exhibit 1**

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. Joe Farr

Ms. Roxie Jackson

Housing Authority of the City of Monroe  
Financial Data Schedule - Balance Sheet  
June 30, 2010

LA006

|   | Project Total | 8 Component Units | 1 Business Activities | 97.109 Disaster Housing Assistance Grant | 14.IKE DHAP-4KE |
|---|---------------|-------------------|-----------------------|--|-----------------|
| 111 Cash - Unrestricted   | \$1,946,820   | \$489,389         | \$2,061,932           |  |                 |
| 112 Cash - Restricted - Modernization and Development             |               |                   |                       |  |                 |
| 113 Cash - Other Restricted                                       |               |                   |                       |  |                 |
| 114 Cash - Tenant Security Deposits                               | \$222,218     |                   |                       |  |                 |
| 115 Cash - Restricted for Payment of Current Liabilities          |               |                   |                       |  |                 |
| 100 Total Cash  | \$2,169,038   | \$489,389         | \$2,061,932           | \$0                                      | \$0             |
| 121 Accounts Receivable - PHA Projects                            |               |                   |                       |  |                 |
| 122 Accounts Receivable - HUD Other Projects                      | \$447,018     |                   |                       |  | \$61,900        |
| 124 Accounts Receivable - Other Government                        |               |                   |                       |  |                 |
| 125 Accounts Receivable - Miscellaneous                           |               |                   | \$130,512             |  | \$9,590         |
| 126 Accounts Receivable - Tenants                                 | \$49,507      |                   |                       |  |                 |
| 126.1 Allowance for Doubtful Accounts - Tenants                   | -\$4,060      |                   |                       |  |                 |
| 126.2 Allowance for Doubtful Accounts - Other                     | \$0           |                   | \$0                   |  | \$0             |
| 127 Notes, Loans, & Mortgages Receivable - Current                |               |                   |                       |  |                 |
| 128 Fraud Recovery  | \$17,264      |                   |                       |  |                 |
| 128.1 Allowance for Doubtful Accounts - Fraud                     | -\$15,536     |                   |                       |  |                 |
| 129 Accrued Interest Receivable                                   |               |                   |                       |  |                 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts    | \$494,189     | \$0               | \$130,512             | \$0                                      | \$71,490        |
| 131 Investments - Unrestricted                                    | \$4,069,068   |                   | \$567,204             |  |                 |
| 132 Investments - Restricted                                      |               |                   |                       |  |                 |
| 135 Investments - Restricted for Payment of Current Liability     |               |                   |                       |  |                 |
| 142 Prepaid Expenses and Other Assets                             |               |                   |                       |  | \$1,845         |
| 143 Inventories   |               |                   |                       |  |                 |
| 143.1 Allowance for Obsolete Inventories                          |               |                   |                       |  |                 |
| 144 Inter Program Due From  |               |                   | \$370,814             | \$61,051                                 | \$222,706       |
| 145 Assets Held for Sale  |               |                   |                       |  |                 |
| 150 Total Current Assets  | \$6,752,289   | \$489,389         | \$3,150,462           | \$61,051                                 | \$296,041       |
| 161 Land  | \$2,015,932   |                   |                       |  |                 |
| 162 Buildings   | \$68,519,506  |                   | \$1,436,834           |  |                 |
| 163 Furniture, Equipment & Machinery - Dwellings                  | \$1,670,726   |                   |                       |  |                 |
| 164 Furniture, Equipment & Machinery - Administration             |               |                   | \$17,965              |  |                 |
| 165 Leasehold Improvements  |               |                   |                       |  |                 |
| 166 Accumulated Depreciation                                      | -\$48,317,604 |                   | -\$151,148            |  |                 |
| 167 Construction in Progress                                      | \$3,915,301   |                   |                       |  |                 |
| 168 Infrastructure  |               |                   |                       |  |                 |
| 160 Total Capital Assets, Net of Accumulated Depreciation         | \$29,803,861  | \$0               | \$1,303,651           | \$0                                      | \$0             |
| 171 Notes, Loans and Mortgages Receivable - Non-Current           |               |                   |                       |  |                 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due |               |                   |                       |  |                 |
| 173 Grants Receivable - Non Current                               |               |                   |                       |  |                 |
| 174 Other Assets  |               |                   |                       |  |                 |
| 176 Investments in Joint Ventures                                 |               |                   |                       |  |                 |
| 180 Total Non-Current Assets                                      | \$29,803,861  | \$0               | \$1,303,651           | \$0                                      | \$0             |
| 190 Total Assets  | \$36,556,160  | \$489,389         | \$4,454,113           | \$61,051                                 | \$296,041       |

Exhibit 2

| 14.895 Formula<br>Capital Fund<br>Stimulus Grant | 14.238 Shelter Plus<br>Care | 14.DVP Disaster<br>Voucher Program | 14.871 Housing<br>Choice Vouchers | COCC        | Subtotal      | ELIM | Total         |
|--|-----------------------------|------------------------------------|-----------------------------------|-------------|---------------|------|---------------|
|  |                             |                                    | \$955,488                         | \$1,414,693 | \$6,868,320   |      | \$6,868,320   |
|  |                             |                                    | \$110,682                         |             | \$110,682     |      | \$110,682     |
|  |                             |                                    |                                   |             | \$222,218     |      | \$222,218     |
| \$0  | \$0                         | \$0                                | \$1,068,188                       | \$1,414,693 | \$7,201,220   |      | \$7,201,220   |
| \$601,944  | \$29,246                    | \$27,431                           | \$444                             |             | \$1,167,983   |      | \$1,167,983   |
|  |                             |                                    |                                   | \$99,011    | \$99,011      |      | \$99,011      |
|  |                             |                                    | \$26,600                          |             | \$168,702     |      | \$168,702     |
|  |                             |                                    |                                   |             | \$49,507      |      | \$49,507      |
|  |                             |                                    |                                   |             | -\$4,060      |      | -\$4,060      |
| \$0  | \$0                         | \$0                                | \$0                               | \$0         | \$0           |      | \$0           |
|  |                             |                                    |                                   |             | \$17,284      |      | \$17,284      |
|  |                             |                                    |                                   |             | -\$16,536     |      | -\$16,536     |
| \$601,944  | \$29,246                    | \$27,431                           | \$27,044                          | \$99,011    | \$1,480,871   |      | \$1,480,871   |
|  |                             |                                    |                                   | \$3,350,848 | \$8,026,920   |      | \$8,026,920   |
|  |                             |                                    | \$5,845                           | \$267,621   | \$295,111     |      | \$295,111     |
|  |                             |                                    |                                   | \$26,855    | \$26,855      |      | \$26,855      |
|  |                             |                                    |                                   | \$0         | \$0           |      | \$0           |
|  |                             |                                    | \$18,293                          |             | \$692,864     |      | \$692,864     |
| \$601,944  | \$29,246                    | \$27,431                           | \$1,117,150                       | \$5,160,828 | \$17,725,841  |      | \$17,725,841  |
|  |                             |                                    |                                   |             | \$2,015,932   |      | \$2,015,932   |
|  |                             |                                    |                                   |             | \$69,956,340  |      | \$69,956,340  |
|  |                             |                                    |                                   |             | \$1,670,726   |      | \$1,670,726   |
|  |                             |                                    | \$172,530                         | \$479,406   | \$669,903     |      | \$669,903     |
|  |                             |                                    | -\$116,907                        | -\$222,511  | -\$46,807,570 |      | -\$46,807,570 |
| \$0  |                             |                                    |                                   |             | \$3,915,301   |      | \$3,915,301   |
| \$0  | \$0                         | \$0                                | \$56,223                          | \$266,897   | \$31,420,832  |      | \$31,420,832  |
| \$0  | \$0                         | \$0                                | \$56,223                          | \$266,897   | \$31,420,832  |      | \$31,420,832  |
| \$601,944  | \$29,246                    | \$27,431                           | \$1,173,373                       | \$5,437,725 | \$49,146,473  |      | \$49,146,473  |

(Continued)



Housing Authority of the City of Monroe  
 Financial Data Schedule - Balance Sheet  
 June 30, 2010

LA006

|   | Project Total | 6 Component Units | 1 Business Activities | 97.109 Disaster Housing Assistance Grant | 14.0KE DHAP-4KE |
|---|---------------|-------------------|-----------------------|--|-----------------|
| 311 Bank Overdraft  |               |                   |                       |  |                 |
| 312 Accounts Payable <= 90 Days   | \$120,416     | \$16,600          | \$325,790             |  |                 |
| 313 Accounts Payable >90 Days Past Due  |               |                   |                       |  |                 |
| 321 Accrued Wage/Payroll Taxes Payable  | \$64,892      |                   |                       |  |                 |
| 322 Accrued Compensated Absences - Current Portion                              | \$169,638     |                   |                       |  |                 |
| 324 Accrued Contingency Liability   |               |                   |                       |  |                 |
| 325 Accrued Interest Payable  |               |                   |                       |  |                 |
| 331 Accounts Payable - HUD PHA Programs   |               |                   |                       |  | \$66,345        |
| 332 Account Payable - PHA Projects  |               |                   |                       |  |                 |
| 333 Accounts Payable - Other Government   | \$304,563     |                   |                       |  |                 |
| 341 Tenant Security Deposits  | \$222,218     |                   |                       |  |                 |
| 342 Deferred Revenues   | \$9,363       |                   |                       |  |                 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds |               |                   |                       |  |                 |
| 344 Current Portion of Long-term Debt - Operating Borrowings                    |               |                   |                       |  |                 |
| 345 Other Current Liabilities   |               |                   |                       |  |                 |
| 346 Accrued Liabilities - Other   |               |                   |                       |  |                 |
| 347 Inter Program - Due To  |               |                   | \$370,814             |  |                 |
| 348 Loan Liability - Current  |               |                   |                       |  |                 |
| 310 Total Current Liabilities   | \$691,210     | \$16,600          | \$696,604             | \$0                                      | \$66,345        |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue          |               |                   |                       |  |                 |
| 352 Long-term Debt, Net of Current - Operating Borrowings                       |               |                   |                       |  |                 |
| 353 Non-current Liabilities - Other   |               |                   |                       |  |                 |
| 354 Accrued Compensated Absences - Non Current                                  | \$279,097     |                   |                       |  |                 |
| 355 Loan Liability - Non Current  |               |                   |                       |  |                 |
| 356 FASB 6 Liabilities  |               |                   |                       |  |                 |
| 357 Accrued Pension and OPEB Liabilities  |               |                   |                       |  |                 |
| 350 Total Non-Current Liabilities   | \$279,097     | \$0               | \$0                   | \$0                                      | \$0             |
| 300 Total Liabilities   | \$1,170,307   | \$16,600          | \$696,604             | \$0                                      | \$66,345        |
| 508.1 Invested in Capital Assets, Net of Related Debt                           | \$29,803,861  |                   | \$1,303,851           | \$0                                      | \$0             |
| 509.2 Fund Balance Reserved   |               |                   |                       |  |                 |
| 511.2 Unreserved, Designated Fund Balance                                       |               |                   |                       |  |                 |
| 511.1 Restricted Net Assets   | \$0           |                   |                       | \$0                                      |                 |
| 512.1 Unrestricted Net Assets   | \$5,581,892   | \$472,789         | \$2,453,858           | \$81,051                                 | \$227,696       |
| 512.2 Unreserved, Undesignated Fund Balance                                     |               |                   |                       |  |                 |
| 513 Total Equity/Net Assets   | \$36,385,853  | \$472,789         | \$3,757,509           | \$81,051                                 | \$227,696       |
| 600 Total Liabilities and Equity/Net Assets                                     | \$36,556,160  | \$489,389         | \$4,454,113           | \$81,051                                 | \$296,041       |

Exhibit 2

| 14.685 Formula<br>Capital Fund<br>Stimulus Grant | 14.238 Shelter Plus<br>Care | 14.CVP Disaster<br>Voucher Program | 14.871 Housing<br>Choice Vouchers | OOCC        | Subtotal     | ELIM | Total        |
|--|-----------------------------|------------------------------------|-----------------------------------|-------------|--------------|------|--------------|
| \$601,944  |                             |                                    |                                   |             | \$601,944    |      | \$601,944    |
|  |                             |                                    | \$14,881                          | \$1,492     | \$479,179    |      | \$479,179    |
|  |                             |                                    | \$19,920                          | \$59,517    | \$144,429    |      | \$144,429    |
|  |                             |                                    | \$88,447                          | \$512,381   | \$770,468    |      | \$770,468    |
|  |                             |                                    |                                   |             | \$68,345     |      | \$68,345     |
|  |                             |                                    |                                   |             | \$304,583    |      | \$304,583    |
|  |                             |                                    |                                   |             | \$222,218    |      | \$222,218    |
|  |                             |                                    | \$1,184                           |             | \$10,547     |      | \$10,547     |
|  |                             |                                    | \$110,671                         |             | \$110,671    |      | \$110,671    |
|  | \$15,224                    | \$3,069                            | \$303,757                         |             | \$692,864    |      | \$692,864    |
| \$601,944  | \$15,224                    | \$3,069                            | \$638,860                         | \$573,380   | \$3,405,246  |      | \$3,405,246  |
|  |                             |                                    | \$74,223                          | \$529,294   | \$882,614    |      | \$882,614    |
| \$0  | \$0                         | \$0                                | \$74,223                          | \$529,294   | \$882,614    |      | \$882,614    |
| \$601,944  | \$15,224                    | \$3,069                            | \$613,083                         | \$1,102,684 | \$4,287,860  |      | \$4,287,860  |
| \$0  | \$0                         | \$0                                | \$56,223                          | \$256,897   | \$31,420,632 |      | \$31,420,632 |
| \$0  | \$0                         | \$0                                | \$703,543                         | \$0         | \$703,543    |      | \$703,543    |
| \$0  | \$14,022                    | \$24,362                           | -\$199,478                        | \$4,078,144 | \$12,734,438 |      | \$12,734,438 |
| \$0  | \$14,022                    | \$24,362                           | \$860,290                         | \$4,335,041 | \$44,858,613 |      | \$44,858,613 |
| \$601,944  | \$29,246                    | \$27,431                           | \$1,173,373                       | \$5,437,725 | \$49,148,473 |      | \$49,148,473 |

(Continued)

Housing Authority of the City of Monroe  
Financial Data Schedule - Income Statement  
For the Year Ended June 30, 2010

LA006

|  | Project Total | 6 Component Units | 1 Business Activities | 97.109 Disaster Housing Assistance Grant | 14.IKE DHAP-IKE |
|--|---------------|-------------------|-----------------------|--|-----------------|
| 70300 Net Tenant Rental Revenue                        | \$3,368,066   |                   |                       |  |                 |
| 70400 Tenant Revenue - Other                           | \$240,395     |                   |                       |  |                 |
| 70500 Total Tenant Revenue                             | \$3,628,461   | \$0               | \$0                   | \$0                                      | \$0             |
| 70600 HUD PHA Operating Grants                         | \$4,821,942   |                   |                       | \$4,574                                  | \$91,647        |
| 70610 Capital Grants                                   | \$639,908     |                   |                       |  |                 |
| 70710 Management Fee                                   |               |                   |                       |  |                 |
| 70720 Asset Management Fee                             |               |                   |                       |  |                 |
| 70730 Book Keeping Fee                                 |               |                   |                       |  |                 |
| 70740 Front Line Service Fee                           |               |                   |                       |  |                 |
| 70760 Other Fees                                       |               |                   |                       |  |                 |
| 70700 Total Fee Revenue                                |               |                   |                       |  |                 |
| 70800 Other Government Grants                          |               |                   |                       |  |                 |
| 71100 Investment Income - Unrestricted                 | \$41,000      | \$1,711           | \$12,545              |  |                 |
| 71200 Mortgage Interest Income                         |               |                   |                       |  |                 |
| 71310 Cost of Sale of Assets                           |               |                   |                       |  |                 |
| 71400 Fraud Recovery                                   | \$51,692      |                   |                       |  |                 |
| 71600 Other Revenue                                    | \$138,455     | \$5               | \$243,083             |  |                 |
| 71800 Gain or Loss on Sale of Capital Assets           | \$4,840       |                   |                       |  |                 |
| 72000 Investment Income - Restricted                   |               |                   |                       |  |                 |
| 70000 Total Revenue                                    | \$9,326,306   | \$1,716           | \$355,628             | \$4,574                                  | \$91,647        |
| 91100 Administrative Salaries                          | \$415,936     |                   | \$20,880              | \$200                                    | \$9,500         |
| 91200 Auditing Fees                                    | \$20,350      |                   |                       |  |                 |
| 91300 Management Fee                                   | \$680,957     |                   |                       |  |                 |
| 91310 Book-keeping Fee                                 | \$130,484     |                   |                       |  |                 |
| 91400 Advertising and Marketing                        | \$12,897      |                   | \$177                 |  |                 |
| 91500 Employee Benefit Contributions - Administrative  | \$361,733     |                   | \$4,520               | \$68                                     | \$2,947         |
| 91600 Office Expenses                                  | \$95,417      |                   | \$25                  |  |                 |
| 91700 Legal Expense                                    | \$3,743       |                   | \$8,207               |  |                 |
| 91800 Travel   | \$4,131       |                   |                       |  |                 |
| 91810 Allocated Overhead                               | \$244,428     |                   |                       |  |                 |
| 91900 Other  | \$214,380     | \$554             | \$20,268              |  |                 |
| 91000 Total Operating - Administrative                 | \$2,187,456   | \$654             | \$54,077              | \$268                                    | \$12,447        |
| 92000 Asset Management Fee                             | \$162,180     |                   |                       |  |                 |
| 92100 Tenant Services - Salaries                       |               |                   |                       |  |                 |
| 92200 Relocation Costs                                 | \$0           |                   |                       |  |                 |
| 92300 Employee Benefit Contributions - Tenant Services |               |                   |                       |  |                 |
| 92400 Tenant Services - Other                          | \$27,946      |                   | \$33,583              |  |                 |
| 92500 Total Tenant Services                            | \$27,946      | \$0               | \$33,583              | \$0                                      | \$0             |
| 93100 Water  | \$19,980      |                   | \$1,227               |  |                 |
| 93200 Electricity                                      | \$243,398     |                   | \$8,274               |  |                 |
| 93300 Gas  | \$70,387      |                   | \$1,980               |  |                 |
| 93400 Fuel   |               |                   |                       |  |                 |
| 93500 Labor  |               |                   |                       |  |                 |
| 93600 Sewer  |               |                   |                       |  |                 |
| 93700 Employee Benefit Contributions - Utilities       |               |                   |                       |  |                 |
| 93800 Other Utilities Expense                          | \$5,523       |                   | \$121                 |  |                 |
| 93000 Total Utilities                                  | \$342,228     | \$0               | \$11,602              | \$0                                      | \$0             |

Exhibit 2

| 14,685 Formula<br>Capital Fund<br>Stimulus Grant | 14,238 Shelter Plus<br>Care | 14, DVP Disaster<br>Voucher Program | 14,671 Housing<br>Choice Vouchers | COCC        | Subtotal     | ELIM          | Total        |
|--|-----------------------------|-------------------------------------|-----------------------------------|-------------|--------------|---------------|--------------|
|  |                             |                                     |                                   |             | \$3,368,086  |               | \$3,368,086  |
|  |                             |                                     |                                   | \$705,670   | \$845,065    | (\$706,688)   | \$240,397    |
| \$0  | \$0                         | \$0                                 | \$0                               | \$706,670   | \$4,334,151  | (\$706,688)   | \$3,628,463  |
| \$61,151   | \$89,743                    |                                     | \$7,324,948                       |             | \$12,374,005 |               | \$12,374,005 |
| \$2,675,477                                      |                             |                                     |                                   |             | \$3,315,353  |               | \$3,315,353  |
|  |                             |                                     |                                   | \$680,688   | \$680,688    | (\$680,957)   | \$179,931    |
|  |                             |                                     |                                   | \$182,180   | \$182,180    | (\$182,180)   | \$0          |
|  |                             |                                     |                                   | \$220,450   | \$220,450    | (\$130,484)   | \$89,966     |
|  |                             |                                     | \$0                               | \$1,263,498 | \$1,263,498  | (\$993,601)   | \$269,897    |
|  | \$0                         |                                     |                                   |             | \$0          |               | \$0          |
|  |                             |                                     | \$0                               | \$56,692    | \$111,948    |               | \$111,948    |
|  |                             |                                     | \$30,267                          |             | \$61,949     |               | \$61,949     |
|  |                             |                                     | \$125                             | \$45,345    | \$527,013    |               | \$527,013    |
|  |                             |                                     |                                   | \$6,675     | \$11,515     |               | \$11,515     |
|  |                             |                                     | \$5,048                           |             | \$5,048      |               | \$5,048      |
| \$2,736,626                                      | \$89,743                    | \$0                                 | \$7,360,366                       | \$2,077,880 | \$22,024,510 | (\$1,899,269) | \$20,325,241 |
| \$10,376   | \$5,000                     | \$200                               | \$313,670                         | \$660,191   | \$1,438,655  |               | \$1,438,655  |
|  |                             |                                     | \$12,000                          | \$3,250     | \$37,600     |               | \$37,600     |
|  |                             |                                     | \$179,930                         |             | \$680,687    | (\$680,957)   | \$179,930    |
|  |                             |                                     | \$89,965                          |             | \$220,449    | (\$130,484)   | \$89,965     |
|  |                             |                                     |                                   | \$1,324     | \$14,396     |               | \$14,396     |
| \$4,204  | \$1,693                     | \$65                                | \$111,313                         | \$367,374   | \$843,920    |               | \$843,920    |
|  | \$1,404                     |                                     | \$85,118                          | \$130,076   | \$312,042    |               | \$312,042    |
|  |                             |                                     | \$1,692                           | \$2,671     | \$16,613     |               | \$16,613     |
|  |                             |                                     | \$1,734                           | \$16,516    | \$22,361     |               | \$22,361     |
| \$0  |                             |                                     |                                   |             | \$244,428    |               | \$244,428    |
| \$28,869   | \$0                         |                                     | \$39,942                          | \$29,606    | \$331,319    |               | \$331,319    |
| \$41,151   | \$6,097                     | \$268                               | \$835,284                         | \$1,203,010 | \$4,342,592  | (\$811,441)   | \$3,531,151  |
|  |                             |                                     |                                   |             | \$182,180    | (\$182,180)   | \$0          |
| \$20,000   |                             |                                     |                                   |             | \$20,000     |               | \$20,000     |
|  |                             |                                     |                                   |             | \$61,529     |               | \$61,529     |
| \$20,000   | \$0                         | \$0                                 | \$0                               | \$0         | \$61,529     | \$0           | \$61,529     |
|  |                             |                                     |                                   | \$362       | \$21,559     |               | \$21,559     |
|  |                             |                                     |                                   | \$2,495     | \$254,107    |               | \$254,107    |
|  |                             |                                     |                                   | \$2,865     | \$76,232     |               | \$76,232     |
|  |                             |                                     |                                   | \$277       | \$6,821      |               | \$6,821      |
| \$0  | \$0                         | \$0                                 | \$0                               | \$5,969     | \$69,819     | \$0           | \$359,819    |

(Continued)

Housing Authority of the City of Monroe  
Financial Data Schedule - Income Statement  
For the Year Ended June 30, 2010

LA006

|  | Project Total | 6 Component Units | 1 Business Activities | 97.109 Disaster Housing Assistance Grant | 14.IKE DHAP-IKE |
|--|---------------|-------------------|-----------------------|--|-----------------|
| 94100 Ordinary Maintenance and Operations - Labor                      | \$573,302     |                   | \$442                 |  |                 |
| 94200 Ordinary Maintenance and Operations - Materials and Other        | \$509,254     |                   | \$1,612               |  |                 |
| 94300 Ordinary Maintenance and Operations Contracts                    | \$1,592,314   |                   | \$5,066               |  |                 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance            | \$35,670      |                   | \$198                 |  |                 |
| 94000 Total Maintenance  | \$2,710,770   | \$0               | \$6,220               | \$0                                      | \$0             |
| 95100 Protective Services - Labor                                      | \$73,265      |                   |                       |  |                 |
| 95200 Protective Services - Other Contract Costs                       |               |                   |                       |  |                 |
| 95300 Protective Services - Other                                      |               |                   |                       |  |                 |
| 95500 Employee Benefit Contributions - Protective Services             |               |                   |                       |  |                 |
| 95000 Total Protective Services  | \$73,265      | \$0               | \$0                   | \$0                                      | \$0             |
| 96110 Property Insurance   | \$229,232     |                   |                       |  |                 |
| 96120 Liability Insurance  | \$116,306     |                   |                       |  |                 |
| 96130 Workmen's Compensation   | \$27,657      |                   |                       |  |                 |
| 96140 All Other Insurance  |               |                   |                       |  |                 |
| 96100 Total Insurance Premiums   | \$372,097     | \$0               | \$0                   | \$0                                      | \$0             |
| 96200 Other General Expenses   |               |                   | \$25,000              |  |                 |
| 96210 Compensated Absences   | \$124,055     |                   |                       |  |                 |
| 96300 Payments in Lieu of Taxes  | \$304,584     |                   |                       |  |                 |
| 96400 Bad debt - Tenant Rents  | \$109,670     |                   |                       |  |                 |
| 96500 Bad debt - Mortgages   |               |                   |                       |  |                 |
| 96600 Bad debt - Other   |               | \$15,124          |                       |  |                 |
| 96800 Severance Expense  |               |                   |                       |  |                 |
| 96000 Total Other General Expenses                                     | \$536,309     | \$15,124          | \$25,000              | \$0                                      | \$0             |
| 96900 Total Operating Expenses   | \$6,434,231   | \$15,678          | \$132,482             | \$268                                    | \$12,447        |
| 97000 Excess of Operating Revenue over Operating Expenses              | \$2,692,075   | (\$13,952)        | \$223,148             | \$4,306                                  | \$79,200        |
| 97100 Extraordinary Maintenance  |               |                   |                       |  |                 |
| 97200 Casualty Losses - Non-capitalized                                |               |                   |                       |  |                 |
| 97300 Housing Assistance Payments                                      |               |                   |                       | \$1,120                                  | \$61,900        |
| 97350 HAP Portability-In   |               |                   |                       |  |                 |
| 97400 Depreciation Expense   | \$3,036,838   |                   | \$94,340              |  |                 |
| 97500 Fraud Losses   |               |                   |                       |  |                 |
| 97600 Dwelling Units Rent Expense                                      |               |                   |                       |  |                 |
| 90000 Total Expenses   | \$9,471,069   | \$15,678          | \$226,822             | \$1,386                                  | \$74,347        |
| 10010 Operating Transfer In  |               |                   |                       |  |                 |
| 10020 Operating transfer Out   |               |                   |                       |  |                 |
| 10030 Operating Transfers from/to Primary Government                   |               |                   |                       |  |                 |
| 10040 Operating Transfers from/to Component Unit                       |               |                   |                       |  |                 |
| 10070 Extraordinary Items, Net Gain/Loss                               |               |                   |                       |  |                 |
| 10091 Inter Project Excess Cash Transfer In                            |               |                   |                       |  |                 |
| 10092 Inter Project Excess Cash Transfer Out                           |               |                   |                       |  |                 |
| 10093 Transfers between Program and Project - In                       |               |                   |                       |  |                 |
| 10094 Transfers between Project and Program - Out                      |               |                   |                       |  |                 |
| 10100 Total Other financing Sources (Uses)                             | \$0           | \$0               | \$0                   | \$0                                      | \$0             |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | (\$144,763)   | (\$13,962)        | \$128,806             | \$3,186                                  | \$17,300        |

Exhibit 2

| 14.885 Formula<br>Capital Fund<br>Stimulus Grant | 14.238 Shelter Plus<br>Care | 14. DVP Disaster<br>Voucher Program | 14.871 Housing<br>Choice Vouchers | COCC        | Subtotal     | ELIM          | Total        |
|--|-----------------------------|-------------------------------------|-----------------------------------|-------------|--------------|---------------|--------------|
|  |                             |                                     |                                   | \$313,852   | \$887,596    |               | \$887,596    |
|  |                             |                                     | \$3,580                           | \$39,120    | \$553,496    |               | \$553,496    |
|  |                             |                                     | \$32,347                          | \$38,579    | \$1,669,306  | (\$705,668)   | \$963,640    |
|  |                             |                                     |                                   |             | \$36,068     |               | \$36,068     |
| \$0  | \$0                         | \$0                                 | \$36,927                          | \$391,551   | \$3,146,468  | (\$705,668)   | \$2,440,800  |
|  |                             |                                     |                                   |             | \$73,265     |               | \$73,265     |
| \$0  | \$0                         | \$0                                 | \$0                               | \$0         | \$73,265     | \$0           | \$73,265     |
|  |                             |                                     | \$6,034                           | \$35,080    | \$272,356    |               | \$272,356    |
|  |                             |                                     |                                   |             | \$115,308    |               | \$115,308    |
|  |                             |                                     | \$8,250                           | \$31,041    | \$66,848     |               | \$66,848     |
| \$0  | \$0                         | \$0                                 | \$16,284                          | \$66,131    | \$454,512    | \$0           | \$454,512    |
|  |                             |                                     |                                   |             | \$25,000     |               | \$25,000     |
|  |                             |                                     | \$48,391                          | \$226,431   | \$398,877    |               | \$398,877    |
|  |                             |                                     |                                   |             | \$304,584    |               | \$304,584    |
|  |                             |                                     |                                   |             | \$109,870    |               | \$109,870    |
|  |                             |                                     |                                   |             | \$15,124     |               | \$15,124     |
| \$0  | \$0                         | \$0                                 | \$48,391                          | \$226,431   | \$853,255    | \$0           | \$853,255    |
| \$61,151   | \$8,097                     | \$268                               | \$935,666                         | \$1,893,112 | \$9,493,600  | (\$1,689,269) | \$7,794,331  |
| \$2,875,477                                      | \$61,648                    | (\$268)                             | \$6,424,522                       | \$184,765   | \$12,530,910 | \$0           | \$12,530,910 |
|  | \$64,578                    | \$2,241                             | \$6,397,377                       |             | \$6,527,216  |               | \$6,527,216  |
|  |                             |                                     | \$17,511                          | \$34,256    | \$3,182,945  |               | \$3,182,945  |
| \$81,151   | \$72,675                    | \$2,509                             | \$7,350,754                       | \$1,927,368 | \$19,203,761 | (\$1,689,269) | \$17,504,492 |
|  |                             |                                     |                                   | \$0         | \$0          |               | \$0          |
| \$0  | \$0                         | \$0                                 | \$0                               | \$0         | \$0          | \$0           | \$0          |
| \$2,875,477                                      | (\$2,932)                   | (\$2,509)                           | \$9,634                           | \$150,512   | \$2,820,749  | \$0           | \$2,820,749  |

(Continued)

Housing Authority of the City of Monroe  
 Financial Data Schedule - Income Statement  
 For the Year Ended June 30, 2010

LA006

|   | Project Total | 6 Component Units | 1 Business Activities | 07.109 Disaster Housing Assistance Grant | 14.IKE DHAP-IKE |
|---|---------------|-------------------|-----------------------|--|-----------------|
| 11020 Required Annual Debt Principal Payments                             |               |                   | \$0                   | \$0                                      | \$0             |
| 11030 Beginning Equity  |               |                   | \$32,856,139          | \$486,751                                | \$3,728,377     |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors |               |                   | \$2,678,477           |  | (\$99,674)      |
| 11050 Changes in Compensated Absence Balance                              |               |                   |                       |  |                 |
| 11060 Changes in Contingent Liability Balance                             |               |                   |                       |  |                 |
| 11070 Changes in Unrecognized Pension Transition Liability                |               |                   |                       |  |                 |
| 11080 Changes in Special Term/Severance Benefits Liability                |               |                   |                       |  |                 |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents         |               |                   |                       |  |                 |
| 11100 Changes in Allowance for Doubtful Accounts - Other                  |               |                   |                       |  |                 |
| 11170 Administrative Fee Equity   |               |                   |                       |  |                 |
| 11180 Housing Assistance Payments Equity                                  |               |                   |                       |  |                 |
| 11190 Unit Months Available   |               |                   | 18,216                |  |                 |
| 11210 Number of Unit Months Leased  |               |                   | 17,381                |  |                 |
| 11270 Excess Cash   |               |                   | \$6,362,380           |  |                 |
| 11610 Land Purchases  |               |                   | \$9,000               |  |                 |
| 11620 Building Purchases  |               |                   | \$3,407,912           |  |                 |
| 11630 Furniture & Equipment - Dwelling Purchases                          |               |                   | \$242,765             |  |                 |
| 11640 Furniture & Equipment - Administrative Purchases                    |               |                   | \$0                   |  |                 |
| 11650 Lessahold Improvements Purchases                                    |               |                   | \$0                   |  |                 |
| 11680 Infrastructure Purchases  |               |                   | \$0                   |  |                 |
| 13510 CFFP Debt Service Payments  |               |                   | \$0                   |  |                 |
| 13901 Replacement Housing Factor Funds                                    |               |                   | \$0                   |  |                 |

Exhibit 2

| 14.885 Formula<br>Capital Fund<br>Stimulus Grant | 14.238 Shelter Plus<br>Care | 14.DVP Disaster<br>Voucher Program | 14.871 Housing<br>Choice Vouchers | COCC     | Subtotal    | ELIM        | Total        |
|--|-----------------------------|------------------------------------|-----------------------------------|----------|-------------|-------------|--------------|
| \$0  | \$0                         | \$0                                | \$0                               | \$0      | \$0         | \$0         | \$0          |
| \$77,865   | \$269,151                   | \$0                                | \$16,954                          | \$28,871 | \$574,777   | \$4,080,734 | \$42,096,619 |
|  | (\$58,765)                  | (\$2,676,477)                      |                                   | \$0      | (\$24,121)  | \$128,785   | (\$58,765)   |
|  |                             |                                    |                                   |          |             |             |              |
|  |                             |                                    |                                   |          | (\$143,253) |             | (\$143,253)  |
|  |                             |                                    |                                   |          | \$703,543   |             | \$703,543    |
| 11   | 187                         | -                                  | 252                               | 10       | 18,042      | -           | 36,718       |
| 11   | 187                         | -                                  | 182                               | 10       | 18,030      | -           | 35,791       |
|  |                             |                                    |                                   |          |             |             | \$5,382,380  |
|  |                             |                                    |                                   |          |             | \$0         | \$9,000      |
|  |                             |                                    |                                   |          |             | \$0         | \$3,407,912  |
|  |                             |                                    |                                   |          |             | \$0         | \$242,765    |
|  |                             |                                    |                                   |          |             | \$90,249    | \$90,249     |
|  |                             |                                    |                                   |          |             | \$0         | \$0          |
|  |                             |                                    |                                   |          |             | \$0         | \$0          |
|  |                             |                                    |                                   |          |             | \$0         | \$0          |
|  |                             |                                    |                                   |          |             | \$0         | \$0          |
|  |                             |                                    |                                   |          |             | \$0         | \$0          |
|  |                             |                                    |                                   |          |             |             | (Concluded)  |



HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND  
COST CERTIFICATE  
June 30, 2010

Exhibit 3

1. The actual Capital Fund costs is as follows:

|                          | <u>PROJECT</u><br><u>LA-48P006501-08</u> |
|--------------------------|--|
| Funds Approved           | \$ 2,878,270                             |
| Funds Expended           | <u>2,878,270</u>                         |
| Excess of Funds Approved | <u>0</u>                                 |
| <br>                     |  |
| Funds Advanced           | 2,878,270                                |
| Funds Expended           | <u>2,878,270</u>                         |
| Excess of Funds Advanced | <u>\$ 0</u>                              |

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated June 30, 2010, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

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# STATISTICAL SECTION

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

|   | <b>Table<br/>Number</b> | <b>Page<br/>Number</b> |
|---|-------------------------|------------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.  |                         |                        |
| Net Assets by Component   | 1                       | 54                     |
| Changes in Net Assets   | 2                       | 55                     |
| <br>  |                         |                        |
| <b>Revenue Capacity</b><br>This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.  | 3                       | 56                     |
| <br>  |                         |                        |
| <b>General Fund Revenues by Source</b>  |                         |                        |
| <br>  |                         |                        |
| <b>Demographic and Economic Information</b><br>This schedule offers demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.   |                         |                        |
| Tenant Demographics   | 4                       | 57                     |
| Demographic and Economic Statistics   | 5                       | 58                     |
| Principal Employers   | 6                       | 59                     |
| <br>  |                         |                        |
| <b>Operating Information</b><br>This schedule contains service and infrastructure data to help the reader understand how the information in the Housing Authority's financial report relates to the services the Housing Authority provides and the activities it performs. |                         |                        |
| Property Characteristics and Dwelling Unit Composition  | 7                       | 60                     |
| Government Employees  | 8                       | 61                     |

Table 1

HOUSING AUTHORITY OF THE CITY OF INDIANAPOLIS

|   | Net Assets by Component                                |               |               |               |               |               |               |               |               |               |
|---|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Fiscal Years Ended June 30, 2001 through June 30, 2010 |               |               |               |               |               |               |               |               |               |
|   | 2001   | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          |
| Investment in capital assets, net of related debt | \$ 25,864,247  | \$ 28,972,592 | \$ 29,949,795 | \$ 31,253,432 | \$ 30,362,037 | \$ 29,632,342 | \$ 31,382,733 | \$ 28,993,087 | \$ 30,855,318 | \$ 31,420,632 |
| Restricted  | 195,000  | 0             | 6,068         | 0             | 854,931       | 861,322       | 924,004       | 1,026,137     | 525,379       | 703,543       |
| Unrestricted                                      | 4,833,739  | 5,214,259     | 5,656,555     | 5,738,942     | 4,690,489     | 5,382,429     | 5,713,630     | 8,243,199     | 10,229,171    | 12,261,649    |
| Total net assets                                  | \$ 30,892,986  | \$ 34,186,851 | \$ 35,612,418 | \$ 37,992,374 | \$ 35,907,457 | \$ 35,196,093 | \$ 38,020,367 | \$ 38,262,423 | \$ 41,609,668 | \$ 44,385,824 |

Table 2

## HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Assets  
Fiscal Years Ended June 30, 2001 through June 30, 2010  
(Accrual Basis of Accounting)

|   | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Operating Revenues</b>                                   |              |              |              |              |              |              |              |              |              |              |
| Dwelling rental   | \$ 2,340,075 | \$ 2,287,079 | \$ 2,485,881 | \$ 2,700,435 | \$ 2,823,398 | \$ 2,841,780 | \$ 2,807,100 | \$ 3,164,388 | \$ 3,211,979 | \$ 3,388,086 |
| Other   | 370,584      | 348,911      | 448,268      | 452,648      | 679,279      | 572,762      | 634,857      | 802,952      | 1,302,917    | 1,119,251    |
| Federal grants  | 6,592,828    | 8,555,787    | 9,325,504    | 8,698,898    | 8,141,950    | 8,927,213    | 9,425,682    | 10,750,048   | 11,666,278   | 12,374,065   |
| Total operating revenues                                    | 9,303,485    | 11,191,677   | 12,259,651   | 11,851,981   | 11,644,227   | 12,341,755   | 12,867,619   | 14,717,388   | 16,181,172   | 16,881,342   |
| <b>Operating Expenses</b>                                   |              |              |              |              |              |              |              |              |              |              |
| Administration  | 2,241,287    | 1,952,449    | 2,010,953    | 2,284,121    | 2,101,573    | 2,378,995    | 2,382,853    | 2,835,568    | 2,542,052    | 3,530,597    |
| Tenant services   | 628,388      | 1,131,795    | 975,514      | 315,673      | 285,149      | 348,551      | 384,774      | 215,115      | 225,417      | 81,529       |
| Utilities   | 375,917      | 272,370      | 348,220      | 367,349      | 374,904      | 428,884      | 386,921      | 433,830      | 410,348      | 359,819      |
| Ordinary maintenance & operations                           | 1,680,801    | 1,716,338    | 1,902,738    | 1,848,220    | 1,839,019    | 1,891,640    | 2,085,887    | 2,124,954    | 2,391,345    | 2,440,800    |
| Protective services   | 54,035       | 310,812      | 321,709      | 160,231      | 58,689       | 91,372       | 80,550       | 68,711       | 65,809       | 73,265       |
| General expenses  | 507,426      | 520,014      | 570,111      | 646,538      | 730,908      | 866,598      | 867,092      | 896,368      | 1,410,402    | 1,292,843    |
| Housing assistance payments                                 | 4,497,508    | 5,558,039    | 5,780,292    | 6,178,385    | 6,081,458    | 6,180,218    | 6,039,930    | 6,020,167    | 6,249,880    | 6,627,216    |
| Nonroutine maintenance                                      | 45,282       | 39,776       | 7,278        | 0            | 3,471        | 14,592       | 42,808       | 28,342       | 45,717       | 0            |
| Depreciation  | 1,878,217    | 1,988,055    | 1,936,858    | 2,199,908    | 2,555,236    | 2,692,332    | 2,723,286    | 2,843,882    | 3,119,489    | 3,182,945    |
| Total operating expenses                                    | 11,908,867   | 13,489,648   | 13,853,673   | 13,988,623   | 14,008,605   | 14,654,152   | 14,803,911   | 15,267,937   | 16,460,589   | 17,489,814   |
| Income (Loss) from Operations                               | (2,605,412)  | (2,297,971)  | (1,594,022)  | (2,146,642)  | (2,364,378)  | (2,312,417)  | (1,936,292)  | (650,551)    | (279,397)    | (607,472)    |
| <b>Nonoperating Revenues (Expenses)</b>                     |              |              |              |              |              |              |              |              |              |              |
| Investment earnings   | 300,405      | 285,686      | 240,946      | 128,127      | 17,866       | 236,936      | 338,999      | 451,495      | 260,072      | 115,285      |
| Gain (loss) on sale of equipment                            | 0            | 0            | 0            | 20,350       | 0            | 0            | (1,003)      | (15,979)     | (5,767)      | 11,515       |
| Total nonoperating revenues (expenses)                      | 300,405      | 285,686      | 240,946      | 148,477      | 17,866       | 236,936      | 337,996      | 435,516      | 254,305      | 126,800      |
| <b>Net Income (Loss) before Contributions and Transfers</b> | (2,305,007)  | (2,032,285)  | (1,353,076)  | (1,998,165)  | (2,346,512)  | (2,075,481)  | (1,598,296)  | (115,035)    | (25,092)     | (480,672)    |
| Capital Contributions                                       | 3,852,417    | 5,366,160    | 2,778,644    | 3,438,120    | 1,401,595    | 2,164,117    | 3,922,570    | 346,091      | 3,363,537    | 3,315,383    |
| Special items   | 0            | 0            | 0            | 0            | 0            | 0            | (500,000)    | 0            | 0            | 0            |
| <b>Change in Net Assets</b>                                 | \$ 1,347,410 | \$ 3,333,895 | \$ 1,425,568 | \$ 1,439,955 | \$ (844,917) | \$ 88,636    | \$ 1,824,274 | \$ 231,056   | \$ 3,358,445 | \$ 2,834,711 |

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

Table 3

General Fund Revenues by Source  
Fiscal Years Ended June 30, 2001 Through 2010

| Fiscal Year | Dwelling rentals |                  | Federal sources (2) |                  | Interest earnings |                  | Other (1)  |                  | Total        |                  |
|-------------|------------------|------------------|---------------------|------------------|-------------------|------------------|------------|------------------|--------------|------------------|
|             | Amount           | Percent of Total | Amount              | Percent of Total | Amount            | Percent of Total | Amount     | Percent of Total | Amount       | Percent of Total |
| 2001        | \$ 2,340,076     | 53.34%           | \$ 1,542,010        | 35.15%           | \$ 213,328        | 4.86%            | \$ 291,307 | 6.64%            | \$ 4,386,718 | 100%             |
| 2002        | 2,287,079        | 45.31%           | 2,345,945           | 46.48%           | 172,241           | 3.41%            | 242,023    | 4.80%            | 5,047,288    | 100%             |
| 2003        | 2,465,881        | 43.41%           | 2,761,522           | 48.58%           | 156,426           | 2.73%            | 302,381    | 5.28%            | 5,728,210    | 100%             |
| 2004        | 2,700,435        | 61.25%           | 1,318,716           | 29.61%           | 61,304            | 1.39%            | 328,164    | 7.44%            | 4,408,619    | 100%             |
| 2005        | 2,823,388        | 60.23%           | 1,377,018           | 29.38%           | 47,935            | 1.02%            | 439,042    | 9.37%            | 4,687,383    | 100%             |
| 2006        | 2,841,760        | 57.27%           | 1,676,316           | 33.79%           | 140,648           | 2.83%            | 303,254    | 6.11%            | 4,961,978    | 100%             |
| 2007        | 2,607,100        | 49.54%           | 2,267,397           | 40.02%           | 218,665           | 3.86%            | 372,763    | 6.58%            | 5,665,875    | 100%             |
| 2008        | 3,164,366        | 41.37%           | 3,754,375           | 49.09%           | 182,351           | 2.38%            | 546,972    | 7.15%            | 7,648,084    | 100%             |
| 2009        | 3,211,978        | 35.38%           | 4,809,740           | 52.98%           | 59,931            | 0.65%            | 997,020    | 10.98%           | 9,078,670    | 100%             |
| 2010        | 3,368,066        | 37.12%           | 4,883,093           | 53.61%           | 97,682            | 1.07%            | 757,291    | 8.30%            | 9,126,162    | 100%             |

## Notes:

(1) The other amount column includes maintenance charges, late charges and other miscellaneous revenues.

(2) The federal sources do not include capital contributions.

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

Table 4

## HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:  
Occupancy Ratios by Program  
Fiscal Years Ended June 30, 2001 Through 2010

| 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 |
| 2001        | 1,522           | 1,452                  | 95.40%         | 1,297             | 1,276                  | 98.38%         | 2,819           | 2,728                  | 96.77%         |
| 2002        | 1,522           | 1,369                  | 89.92%         | 1,488             | 1,434                  | 96.37%         | 3,010           | 2,803                  | 93.11%         |
| 2003        | 1,522           | 1,389                  | 91.26%         | 1,490             | 1,438                  | 96.51%         | 3,012           | 2,827                  | 93.86%         |
| 2004        | 1,518           | 1,409                  | 92.82%         | 1,469             | 1,457                  | 99.18%         | 2,987           | 2,866                  | 95.95%         |
| 2005        | 1,518           | 1,423                  | 93.74%         | 1,491             | 1,425                  | 95.57%         | 3,009           | 2,848                  | 94.65%         |
| 2006        | 1,518           | 1,414                  | 93.15%         | 1,471             | 1,404                  | 95.45%         | 2,989           | 2,818                  | 94.28%         |
| 2007        | 1,518           | 1,384                  | 91.17%         | 1,469             | 1,401                  | 95.37%         | 2,987           | 2,785                  | 93.24%         |
| 2008        | 1,518           | 1,479                  | 97.43%         | 1,510             | 1,498                  | 99.21%         | 3,028           | 2,977                  | 98.32%         |
| 2009        | 1,518           | 1,419                  | 93.48%         | 1,520             | 1,508                  | 99.08%         | 3,038           | 2,925                  | 96.28%         |
| 2010        | 1,522           | 1,447                  | 95.07%         | 1,537             | 1,520                  | 98.89%         | 3,059           | 2,967                  | 96.99%         |

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

Table 5

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

**Demographic and Economic Statistics**  
 Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30 | Population | Personal<br>Income | Per<br>Capita<br>Personal<br>Income | Unemployment<br>Rate |
|---------------------------------|------------|--------------------|-------------------------------------|----------------------|
|                                 |            |                    |                                     |                      |
| 2001                            | 52,147     | \$ 4,041,979       | \$ 78                               | 6.0 %                |
| 2002                            | 52,178     | 4,206,595          | 81                                  | 6.1                  |
| 2003                            | 52,023     | 4,286,735          | 82                                  | 7.7                  |
| 2004                            | 52,145     | 4,453,211          | 85                                  | 6.4                  |
| 2005                            | 51,914     | 4,687,014          | 90                                  | 6.4                  |
| 2006                            | N/A        | 4,920,424          | N/A                                 | 4.6                  |
| 2007                            | 51,555     | 5,092,604          | 99                                  | 5.6                  |
| 2008                            | N/A        | 5,264,784          | N/A                                 | 5.4                  |
| 2009                            | 51,208     | 5,610,656          | 110                                 | 9.0                  |
| 2010                            | 50,811     | 5,697,958          | 112                                 | 8.8                  |

Sources:

- (1) Population data obtained from U. S. Census Bureau.
- (2) Personal Income data obtained from [www.bea.gov](http://www.bea.gov).
- (3) Unemployment rate obtained from U. S. Department of Labor.



Table 6

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

**Principal Employers  
 For Calendar Years 2010 and 2008**

|   | 2010 |                     |                       | 2008 |                     |                       |
|---|------|---------------------|-----------------------|------|---------------------|-----------------------|
|   | Rank | Number of Employees | % of Total Employment | Rank | Number of Employees | % of Total Employment |
| St. Francis Medical Center                  | 1    | 2,500               | 3.09%                 | 2    | 1,600               | 1.98%                 |
| J.P. Morgan Chase                           | 2    | 1,800               | 2.22%                 | 1    | 1,800               | 2.22%                 |
| Century Link (formerly known as CenturyTel) | 3    | 1,360               | 1.68%                 | 4    | 1,470               | 1.82%                 |
| Foster Farms                                | 4    | 1,100               | 1.36%                 |      |                     |                       |
| Graphic Packaging                           | 5    | 1,100               | 1.36%                 | 3    | 1,500               | 1.85%                 |
| Glenwood Regional Medical Center            | 6    | 900                 | 1.11%                 | 5    | 950                 | 1.17%                 |
| Entergy                                     | 7    | 470                 | 0.58%                 | 7    | 470                 | 0.58%                 |
| Accent Marketing                            | 8    | 470                 | 0.58%                 |      |                     |                       |
| Bancroft Bag                                | 9    | 400                 | 0.49%                 | 8    | 450                 | 0.56%                 |
| Berry Plastics Corporation                  | 10   | 360                 | 0.44%                 |      |                     |                       |
| International Paper (Morehouse Parish)      |      |                     |                       | 6    | 600                 | 0.74%                 |
| Tyco Plastics, Inc                          |      |                     |                       | 9    | 420                 | 0.52%                 |
| ANGUS Chemical Company                      |      |                     |                       | 10   | 150                 | 0.19%                 |

Source: Monroe Chamber of Commerce

Notes:

- (1) Principal employers information was only available for 2008-2010.
- (2) Principal employers for the Northeast Louisiana Area.

Table 7

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition  
June 30, 2010

| Project Number             | Name of Development                    | Address                          | Year built or acquired | Bedroom Composition |     |     |       |      | Total |       |
|----------------------------|--|----------------------------------|------------------------|---------------------|-----|-----|-------|------|-------|-------|
|                            |  |                                  |                        | Zero                | One | Two | Three | Four |       | Five  |
| LA006-001                  | George Breese Manor                    | 305 Wimborsboro Road             | 31-Oct-51              |                     | 10  | 20  | 15    | 5    |       | 50    |
| LA006-002                  | Johnson-Carver Terrace                 | Texas Ave. (31 Carroll Dr.)      | 31-Mar-52              |                     | 18  | 28  | 24    | 6    |       | 76    |
| LA006-003                  | Johnson-Carver Terrace                 | Texas Ave. (31 Carroll Dr.)      | 31-Aug-52              |                     | 20  | 59  | 32    | 14   |       | 125   |
| LA006-004                  | Louis Lock Homes                       | 305 Wimborsboro Road             | 31-Aug-52              |                     | 16  | 48  | 28    | 10   |       | 100   |
| LA006-005                  | Foster Heights                         | Sweaze and Louberta Sts.         | 30-Sep-54              |                     | 8   | 88  | 72    | 6    |       | 175   |
| LA006-006                  | Burg Jones Lane                        | 2801 Burg Jones Lane             | 30-Jun-73              |                     | 10  | 80  | 121   | 69   | 20    | 300   |
| LA006-007                  | Scattered Sites                        | Scattered Sites                  | 31-Jul-71              |                     |     |     | 20    | 20   | 9     | 49    |
| LA006-008                  | Scattered Sites                        | Scattered Sites                  | 29-Feb-72              |                     |     |     | 39    | 38   | 19    | 96    |
| LA006-009                  | Robinson Place                         | 1207 Milliken Drive              | 30-Sep-73              |                     |     |     | 41    | 41   | 21    | 103   |
| LA006-010                  | Miller Square                          | 4200 Matthew Street              | 30-Apr-73              |                     |     |     | 60    | 62   | 30    | 152   |
| LA006-011                  | Frances Tower                          | 300 Harrison Street              | 31-Aug-78              |                     | 130 |     |       |      |       | 130   |
| LA006-012                  | Standler Homes (scattered sites)       | Scattered Sites                  | 31-Mar-80              |                     |     | 28  | 8     |      |       | 36    |
| LA006-013                  | McKean Plaza I                         | 1500 McKean Plaza                | 31-Jan-80              |                     | 100 |     |       |      |       | 100   |
| LA006-014                  | Group Homes (scattered sites)          | Scattered Sites                  | 31-Aug-84              |                     | 30  |     |       |      |       | 30    |
| <b>Total Units</b>         |  |                                  |                        | 342                 | 360 | 460 | 271   | 99   |       | 1,522 |
| <b>Managed Units</b>       |  |                                  |                        |                     |     |     |       |      |       |       |
| 064-EH150                  | Quachita Grand Plaza, Inc. (Mgr. Apt.) | 501 South Grand                  | 15-Jun-89              | 21                  | 70  |     |       |      |       | 91    |
| 064-EE037                  | Pessman Plaza, Inc. (Mgr. Apt.)        | 230 DeSard Plaza Dr., #101-141   | 1-Nov-96               |                     | 39  | 1   |       |      |       | 40    |
| 064-EE050                  | Pessman Plaza II, Inc.                 | 230 DeSard Plaza Dr.             | 1-Nov-98               |                     | 39  |     |       |      |       | 39    |
| Tax Credit Dev.            | Pasaman Plaza III, Inc.                | 235 Lake Pessaman Dr.            | 1-Mar-08               |                     |     | 60  |       |      |       | 60    |
| Tax Credit Dev.            | Claiborne Creek Apartments, LP         | 200 Claiborne Dr., West Monroe   | 1-Oct-87               |                     | 72  |     |       |      |       | 72    |
| Tax Credit Dev.            | Claiborne Creek II, LP                 | 200 Claiborne Dr., West Monroe   | 1-Oct-99               |                     | 50  | 10  |       |      |       | 60    |
| Tax Credit Dev.            | Crauvin Pointe I                       | 325 Crauvin Pointe Drive, Monroe | 1-Nov-01               |                     | 24  | 50  |       |      |       | 74    |
| Tax Credit Dev.            | Crauvin Pointe II                      | 325 Crauvin Pointe Drive, Monroe | 1-Apr-04               |                     | 65  |     |       |      |       | 65    |
| 064-EE100                  | South Pointe I (Mgr. Apt.)             | 100 South Pointe Drive, Monroe   | 1-May-02               |                     | 38  | 1   |       |      |       | 37    |
| 064-EE137                  | South Pointe II                        | 100 South Pointe Drive, Monroe   | 1-Jun-04               |                     | 44  |     |       |      |       | 44    |
| N/A                        | South Pointe III                       | 100 South Pointe Drive, Monroe   | 1-Mar-10               |                     | 36  |     |       |      |       | 36    |
| N/A                        | South Pointe IV                        | 100 South Pointe Drive, Monroe   | 1-Jun-10               |                     |     | 4   |       |      |       | 4     |
| <b>Total Managed Units</b> |  |                                  |                        | 21                  | 475 | 126 | 0     | 0    | 0     | 622   |

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

**Table 8**

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

**Government Employees  
For Calendar Years 2010 and 2008**

|                     | 2010      |           |       | 2008      |           |       |
|---------------------|-----------|-----------|-------|-----------|-----------|-------|
|                     | Full Time | Part Time | Total | Full Time | Part Time | Total |
| Administrative      | 39        | 8         | 47    | 35        | 6         | 41    |
| Capital Fund        | 4         | 0         | 4     | 3         | 0         | 3     |
| Maintenance         | 27        | 11        | 38    | 25        | 5         | 30    |
| Security Attendants | 0         | 14        | 14    | 0         | 16        | 16    |
| Trash Pick-Up       | 0         | 4         | 4     | 0         | 4         | 4     |
| Students            | 0         | 17        | 17    | 0         | 10        | 10    |
|                     | 70        | 54        | 124   | 63        | 41        | 104   |

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

Notes:

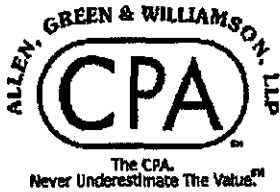
(1) Information on number of employees was only available for 2008-2010.

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

**Single Audit Report  
For the Year Ended June 30, 2010**

**Housing Authority of the City of Monroe  
Table of Contents**

|   | <u>Page</u> |
|---|-------------|
| <b>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS AND<br/>BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133</b>  |             |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in Accordance<br>With <u>Government Auditing Standards</u> | 1-2         |
| Report on Compliance With Requirements That Could Have a Direct and Material<br>Effect on Each Major Program and on Internal Control Over Compliance in Accordance<br>With <u>OMB Circular A-133</u>      | 3-4         |
| Schedule of Expenditures of Federal Awards  | 5           |
| Notes to the Schedule of Expenditures of Federal Awards   | 6           |
| Schedule of Findings and Questioned Costs   | 7-13        |
| Summary Schedule of Prior Audit Findings  | 14-16       |
| Corrective Action Plan for Current-Year Findings and Questioned Costs   | 17-22       |
| Management Letter Item  | 23-24       |



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(Retired) 1963 - 2000

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

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

We have audited the financial statements of the discretely presented component unit and each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2010, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

### Compliance and Other Matters

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

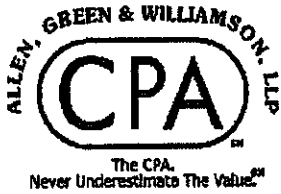
We noted certain matters that we reported to management of the Housing Authority in a separate letter dated December 29, 2010.

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2010



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## Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

### Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2010. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-F1, 10-F2, 10-F3, 10-F4, 10-F5, and 10-F6.

### Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.



*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 10-F1, 10-F2, 10-F3, 10-F4, 10-F5, and 10-F6. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the aggregate discretely presented component unit and each major fund of the Housing Authority as of and for the year ended June 30, 2010, and have issued our report thereon dated December 29, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Housing Authority's responses to the findings identified in our audit are described in the accompanying corrective action plan for current-year findings and questioned costs. We did not audit the Housing Authority's responses and, accordingly, we express no opinion on the responses.

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2010

**Housing Authority of the City of Monroe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010**

United States Department of Housing and Urban Development

Direct Programs

|  |         |                  |              |
|--|---------|------------------|--------------|
| Low Rent Public Housing                  | 14.850A | LA006(OFND)      | \$ 4,372,271 |
| Section 8 Housing Choice Voucher Program | 14.871  | LA006VO, LA006AF | 7,324,948    |

|                   |        |     |        |
|-------------------|--------|-----|--------|
| Shelter Plus Care | 14.238 | N/A | 69,743 |
|-------------------|--------|-----|--------|

Capital Fund Cluster:

|                                     |        |                                   |           |
|-------------------------------------|--------|-----------------------------------|-----------|
| Public Housing Capital Fund Program | 14.872 | LA48P006501-08,<br>LA48P006501-09 | 1,089,577 |
|-------------------------------------|--------|-----------------------------------|-----------|

|   |        |                |           |
|---|--------|----------------|-----------|
| Public Housing Capital Fund Stimulus (Formula)<br>(Recovery Act Funded) | 14.885 | LA48S006501-09 | 2,736,628 |
|---|--------|----------------|-----------|

|                            |  |  |           |
|----------------------------|--|--|-----------|
| Total Capital Fund Cluster |  |  | 3,826,205 |
|----------------------------|--|--|-----------|

United States Department of Homeland Security

Passed through United States Department of  
Housing and Urban Development

|  |        |   |        |
|--|--------|---|--------|
| Disaster Housing Assistance Grant (DHAP) | 97.109 | LA006F1, LA006F2,<br>LA006FE, LA006IE,<br>LA006I1, LA006I4,<br>LA006I5, LA006I2 | 96,221 |
|--|--------|---|--------|

|                           |  |  |               |
|---------------------------|--|--|---------------|
| Total Cash Federal Awards |  |  | \$ 15,689,388 |
|---------------------------|--|--|---------------|

**Housing Authority of the City of Monroe**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

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

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

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

| <u>Federal Sources</u> |                      |
|------------------------|----------------------|
| Federal grants         | \$ 12,374,005        |
| Capital contributions  | 3,315,383            |
| Total                  | <u>\$ 15,689,388</u> |

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

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

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

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

**Audit of Federal Awards**

- iv. There were six significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed six audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA# 14.850A      Low Rent Public Housing
  - CFDA# 14.871      Section 8 Housing Choice Vouchers
  
  - Capital Fund Cluster:
  - CFDA# 14.872      Public Housing Capital Fund Program
  - CFDA# 14.885      Public Housing Capital Fund Stimulus (Formula) (Recovery Act Funded)
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$470,682.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Reference # and title:**        10-F1                HUD Report 60002

| <u>Federal program and specific federal award identification:</u>       | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| <u>FEDERAL GRANTEE/</u>   |                    |                   |
| <u>PASS THROUGH GRANTOR/PROGRAM NAME</u>                                |                    |                   |
| United States Department of Housing and Urban Development               |                    |                   |
| Public and Indian Housing Program                                       | 14.850A            | 2010              |
| Section 8 Housing Choice Vouchers                                       | 14.871             | 2010              |
| Capital Fund Cluster:   |                    |                   |
| Public Housing Capital Fund Program                                     | 14.872             | 2010              |
| Public Housing Capital Fund Stimulus (Formula)<br>(Recovery Act Funded) | 14.885             | 2010              |

**Criteria or specific requirement:** Housing Authority's that are involved in various development, operating or modernization assistance grants are required to submit HUD Form 60002 under special reporting requirements in accordance to 24 CFR Sections 135.3(a) and 135.90. This form relates to Section 3 for economic opportunities of low - and very low - income families. This form is required to be completed and submitted annually to HUD by January 10<sup>th</sup> each year.

**Condition found:** Through testing of HUD Form 60002 for low rent and capital fund programs, it was determined that the Housing Authority submitted HUD Form 60002. While testing the data submitted it was noted that low rent reported Section 3 businesses based on classification codes in their accounting system, without verification that these businesses were Section 3 and the Housing Authority did not verify any new businesses which were paid with public housing funds. Although the capital fund program did submit HUD Form 60002, it was noted that the information submitted did not agree to their support. Even though the Housing Authority did not submit the HUD Form 60002 for the Section 8 program, the information reported would have been immaterial.

**Possible asserted effect (cause effect):**

**Cause:** The Housing Authority was not aware of all components that are required to complete HUD Form 60002.

**Effect:** The Housing Authority did not meet all federal requirements related to reporting.

**Recommendations to prevent future occurrences:** The Housing Authority should implement procedures to ensure that all required information is obtained and correctly stated on HUD Form 60002. In addition, management should ensure that the form is submitted for all United States Department of Housing and Urban Development grants, which are required under special reporting requirements of 24 CFR Section 135.

**Reference # and title:**        10-F2                Rent Reasonableness Determination

| <u>Federal program and specific federal award identification:</u> | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| <u>FEDERAL GRANTEE/</u>   |                    |                   |
| <u>PASS THROUGH GRANTOR/PROGRAM NAME</u>                          |                    |                   |
| United States Department of Housing and Urban Development         |                    |                   |
| Section 8 Housing Choice Vouchers                                 | 14.871             | 2010              |

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Criteria or specific requirement:** The Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program according to 24 CFR 982.507. In addition, if a landlord requests a change in rent during the year, the Housing Authority must ensure that the rent change requested is considered reasonable. Determination of rent reasonableness takes into consideration the location, size, type of unit, etc in comparison to similar unassisted units based on location. The practice within the Housing Authority industry is to compare the unit to at least three unassisted units under the same criteria and amenities with rent documentation of the comparisons being no older than twenty-four months. Internal controls over rent reasonableness determination of an initial lease or landlord requests for increases in rents includes, but is not limited to documentation of the comparables used in determination and documentation to the reason why the Housing Authority has determined an rent increase is not reasonable.

**Condition found:** In a test of forty unit lease up's the following exceptions were noted:

- One exception was noted, in which rental comparables used per the documentation in the tenant's file was older than 24 months: the industry practice.
- Two exceptions were noted in which rental increases were denied to landlords and the supporting documentation on Housing Authority's decision on the denial of the rental increase requests were not retained in tenant's file; for the same files, it was noted that not all the information used for comparables agreed to supporting documentation.

**Possible asserted effect (cause effect):**

**Cause:** A lack of quality control procedures is a possible cause to the finding for rent reasonableness determinations.

**Effect:** The Housing Authority may not have met all federal requirements regarding rent reasonableness determinations.

**Recommendations to prevent future occurrences:** The Housing Authority should establish procedures to ensure that supporting documentation for comparables being used as determination of rent reasonableness is maintained. In addition, any requests by landlords for increases in rent charges should be properly documented and retained in the tenant's file to support the Housing Authority's decision to either increase or deny the request to the landlord.

**Reference # and title:**        **10-F3**                    **Depository Agreement**

| <b><u>Federal program and specific federal award identification:</u></b> | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
|--|---------------------------|--------------------------|
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME                    |                           |                          |
| United States Department of Housing and Urban Development                |                           |                          |
| Public and Indian Housing Program  | 14.850A                   | 2010                     |
| Section 8 Housing Choice Vouchers  | 14.871                    | 2010                     |

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Criteria or specific requirement:** The Housing Authority is required to have a depository agreement between the Housing Authority and all of their financial institutions that hold receipts for federal programs funding. These forms are required to be completed to ensure HUD has third party rights to deposits with financial institutions in the Housing Authorities name in accordance with 24 CFR 982.156.

**Condition found:** Through communication with management it was noted that the Housing Authority does not have a depository agreement signed and effective at fiscal year end.

**Possible asserted effect (cause effect):**

**Cause:** The Housing Authority was unaware of the requirements for the depository agreement.

**Effect:** The Housing Authority may not meet all federal requirements regarding special testing.

**Recommendations to prevent future occurrences:** The Housing Authority should establish procedures to ensure that all requirements set forth by HUD are being met. All financial institutions, which hold Housing Authority funds should have a signed depository agreement in place.

**Reference # and title:            10-F4            Test of Resident Files**

| <b><u>Federal program and specific federal award identification:</u></b> | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
|--|---------------------------|--------------------------|
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME                    |                           |                          |
| United States Department of Housing and Urban Development                |                           |                          |
| Public and Indian Housing Program  | 14.850A                   | 2010                     |
| Section 8 Housing Choice Vouchers  | 14.871                    | 2010                     |

**Criteria or specific requirement:** The Housing Authority must re-examine family composition and income at least once every 12 months. The calculation of total rent should be adjusted as necessary according to 24 CFR Sections 5.617 and 960.209. The changes in rents should be reflected in the tenant listing for rental register. For the Section 8 program, the Housing Authority is required to re-examine family composition and income at least once every twelve months and adjust the housing assistance payments and utilities assistance payments accordingly based on the documentation from third party verifications according to 24 CFR Section 982.516.

The Housing authority is required to submit HUD Form 50058 electronically each time the Housing Authority has an admission or re-examination of residents and submit to HUD. The resident's files must contain supporting documentation for Form 50058 such as social security cards, birth certificates, third party verification of income as well as documentation for deductions taken such as child care and medical expenses. The tenant's file should also have signed HUD Form 9886 or 9887 in the file at least every 15 months, which allows the Housing Authority to obtain supporting documentation to reach their decision on the amount of benefits the tenant will receive.

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Condition found:** In testing forty-five resident files under the Public Housing Program, it was noted the following

- Two instances where a tenants application nor the tenant’s social security card could not be located in the tenant’s file.
- One instance was noted where HUD Form 50058 was not maintained in the tenant’s file.
- Nine instances were noted where certain key line items reported on the tenant’s HUD Form 50058 did not match the supporting documentation within the tenant’s file.
- One instance was noted where the deduction that was given to the tenant was classified incorrectly.
- One instance was noted where the utility allowance was used for the tenant’s rent calculation was incorrect, based on supporting documentation.
- 

In a test of fifty resident files under the Section 8 Housing Choice Voucher program, the following exceptions were noted:

- Ten files were noted in which the information reported on HUD Form 50058 did not agree to the supporting documentation in the tenant’s file.
- Two exceptions were noted in which the income calculation was incorrectly stated. One resulted in an over payment of utilities assistance payment of \$68 and the other resulted in a under payment of housing assistance payment of \$27.
- One exception was noted in which HUD Form 9886 was not dated to determine if the form was valid within the fifteen-month HUD guidelines.

**Possible asserted effect (cause effect):**

**Cause:** A lack of quality control procedures is a possible cause to the finding on the test of resident files.

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

**Recommendations to prevent future occurrences:** The Housing Authority should implement procedures to detect and prevent key punch errors for Form 50058. Employees within the low rent program should be aware of all the documentation that is required to be completed and retained within the tenant files.

|   |                           |                            |
|---|---------------------------|----------------------------|
| <b><u>Reference # and title:</u></b>  | <b><u>10-F5</u></b>       | <b><u>Waiting List</u></b> |
| <b><u>Federal program and specific federal award identification:</u></b>  | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b>   |
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Public and Indian Housing Program | 14.850A                   | 2010                       |

**Criteria or specific requirement:** The Housing Authority is required to place applicants on a waiting list in order of their application date and any preferences, if applicable with supporting documentation. The applicants should then be selected from the waiting list in order of priority and application date and be given the opportunity to move into a



**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

housing unit. All communication with the applicant should be maintained in the applicants file. The waiting list should be printed in its entirety on a regular basis and reviewed to ensure that it is kept up-to-date and accurate.

In addition, all move-ins should be selected from the waiting list in order of priority and application date with proper documentation. Any variation from this selection procedure should be properly documented in the tenant’s file.

**Condition found:** Due to the Housing Authority not printing the waiting list on regular basis, the waiting list could not be tested adequately to determine if the Housing Authority is adding applicants and selecting applicants in accordance with their policy.

**Possible asserted effect (cause effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** The Housing Authority internal controls over the wait listing are weakened.

**Recommendations to prevent future occurrences:** The Housing Authority should establish procedures to make sure all necessary documentation is retained on the communication between applicants and the Housing Authority. Procedures should be developed to ensure applicants who are selected to move onto the public housing program are selected from the waiting list. In addition, a complete wait list should be printed and reviewed monthly.

**Reference # and title:**        **10-F6**                    **Tenant Participation Funds**

| <b><u>Federal program and specific federal award identification:</u></b>  | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
|---|---------------------------|--------------------------|
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Public and Indian Housing Program | 14.850A                   | 2010                     |

**Criteria or specific requirement:** According to 24 CFR Sections 964.150, Housing Authorities are required to provide tenant participation funds to duly elected resident councils. The funding, which will be provided by the Housing Authority is made only under a written agreement between the Housing Authority and the resident council, which includes an approved resident council budget, require adequate documentation on the use of the funds by resident councils and permit the Housing Authority to inspect and audit the resident council’s financial records. The Housing Authorities are permitted to fund \$25 per unit per year for units, which are represented by a duly elected resident council, for resident services. Of this \$25, \$15 is required to be received by each duly elected resident council for resident services. \$10 of the \$25 can be absorbed by the Housing Authority for costs incurred in implementing tenant participation activities.

**Condition found:** Through communication with management and review of financial records it was noted that the Housing Authority has a written agreement between the Housing Authority and the resident councils. The resident council although has not prepared and submitted a budget to the Housing Authority. In addition, the Housing Authority has not maintained separate records to account for monies that should be set aside for each resident council.

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

**Possible asserted effect (cause effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** Housing Authority does not meet the requirements necessary to receive tenant participation funds from HUD.

**Recommendations to prevent future occurrences:** The Housing Authority should request that each resident council prepare a budget to be submitted to the Housing Authority. In addition, the resident council should have access to the funding available to them within the budgetary limitations set forth by the resident council.

**Housing Authority of the City of Monroe  
Summary Schedule of Prior Audit Findings  
June 30, 2010**

**Reference # and title:**      **09-F1**              **Test of Resident Files**

**Origination Date:** This finding originated fiscal year ended June 30, 2005

| <b><u>Federal program and specific federal award identification:</u></b>  | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
|---|---------------------------|--------------------------|
| FEDERAL GRANTEE/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Section 8 Housing Choice Vouchers | 14.871                    | 2009                     |

**Condition:** The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the resident rent and housing assistance payment as necessary using the documentation from third party verification. Changes in the rent calculation resulting from the re-examination should be reflected on the HAP register. The resident must sign an authorization for release of information (Form 9886 or Form 9887). The Housing Authority must submit Form 50058, Family Report, electronically to HUD each time the Housing Authority completes an admission or re-examination or other change of unit for a family. This report includes, among other information, name, birth date and social security numbers for all members of the household

According to 24 CFR 982.507, the Housing Authority must determine if the initial rent paid to the landlord is a reasonable charge for rent before the lease can be approved under the Section 8 Housing Choice Voucher Program. In addition, if at any time the property owner requests a change for rent during the year, the Housing Authority must determine if the new rent charge is considered reasonable. To determine the reasonableness of rent the unit must be compared to other comparable unassisted units based on location, quality, size and type of unit. The industry practice is to compare the unit to at least three unassisted units that are comparable to the assisted unit. Rent comparability should be no older than 24 months.

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

- 1 Instance was noted in which the date of the unit inspection did not agree to the unit inspection report on Form 50058.
- 1 Instance was noted in which contribution income was not verified by a 3<sup>rd</sup> party.
- 1 Instance was noted in which the name did not agree to both the social security card and birth certificate.
- 1 Instance was noted in which the resident's application was not completely filled out and was not signed.
- 1 Instance was noted in which resident's income was not calculated correctly, in which back wages were added rather than processing a fraud claim on the resident for unreported income.

During the test of twenty-one rent reasonableness files, there was one exception noted in which the survey was completed; however, there was no date on the survey to determine if rent reasonableness was completed using data no older than 24 months.

**Corrective action planned:** See corrective action for current year finding 10-F4 (Test of Resident Files).

**Housing Authority of the City of Monroe  
Summary Schedule of Prior Audit Findings  
June 30, 2010**

**Reference # and title:**        **09-F2**                **HUD Report 60002**

**Origination Date:** This finding originated fiscal year ended June 30, 2009.

| <u>Federal program and specific federal award identification:</u>       | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| FEDERAL GRANTEE/<br>PASS THROUGH GRANTOR/PROGRAM NAME                   |                    |                   |
| United States Department of Housing and Urban Development               |                    |                   |
| Capital Cluster:  |                    |                   |
| Public Housing Capital Fund Program                                     | 14.872             | 2009              |
| Public Housing Capital Fund Stimulus (Formula)<br>(Recovery Act Funded) | 14.885             | 2009              |
| Section 8 Housing Choice Vouchers                                       | 14.871             | 2009              |

**Condition:** According to 24 CFR Sections 135.3 (a) and 135.90 each Housing Authority that is involved in development, operating or modernization to submit HUD Form 60002 relating to Section 3 for economic opportunities for low and very low income families. This form is required to be completed and submitted to HUD by January 10, 2009.

The Housing Authority completed a portion of HUD Form 60002; however, a form was not completed for each federal program. Additionally, the Housing Authority did not meet the January 10<sup>th</sup> deadline.

**Corrective action planned:** See corrective action for current year finding 10-F1 (HUD Report 60002).

**Reference # and title:**        **09-F3**                **Cash Management**

**Origination Date:** This finding originated fiscal year ended June 30, 2009.

| <u>Federal program and specific federal award identification:</u>       | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| FEDERAL GRANTEE/<br>PASS THROUGH GRANTOR/PROGRAM NAME                   |                    |                   |
| United States Department of Housing and Urban Development               |                    |                   |
| Capital Fund Cluster:   |                    |                   |
| Public Housing Capital Fund Program                                     | 14.872             | 2009              |
| Public Housing Capital Fund Stimulus (Formula)<br>(Recovery Act Funded) | 14.885             | 2009              |

**Condition:** The Housing Authority is required to drawn down monies for the Capital Fund Program and pay invoices for the monies that have been received. The Housing Authority is required to spend the monies within 3 days from the date they receive the funds from HUD.

Through testing of grant income, it was noted that the Housing Authority had over requested funds from HUD based upon expenditures during that period. The Housing Authority did not spend the funds received from HUD within the 3 day time frame as required.

**Corrective action taken:** This finding is considered to be cleared.

**Housing Authority of the City of Monroe  
Summary Schedule of Prior Audit Findings  
June 30, 2010**

**Reference # and title:**        **09-F4**            **Internal Controls over Buy American Provision**

**Origination Date:** This finding originated fiscal year ended June 30, 2009.

| <b><u>Federal program and specific federal award identification:</u></b>        | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
|---|---------------------------|--------------------------|
| <b>FEDERAL GRANTEE/<br/>PASS THROUGH GRANTOR/PROGRAM NAME</b>                   |                           |                          |
| United States Department of Housing and Urban Development                       |                           |                          |
| <b>Capital Fund Cluster:</b>  |                           |                          |
| Public Housing Capital Fund Program   | 14.872                    | 2009                     |
| Public Housing Capital Fund Program Stimulus (Formula)<br>(Recovery Act Funded) | 14.885                    | 2009                     |

**Condition:** The American Recovery and Reinvestment Act of 2009 Section 1605 discusses the Buy American clause of the act. The Buy American clause in the act states capital purchases made with stimulus money should be used for goods that are manufactured within the United States of America. The act was created to stimulate the economy of the United States. There are some provisions within the act for purchases to be made with goods produced outside the United States; however, there should be proper documentation as to why those goods purchased were manufactured outside the United States. The entities should have controls set in place to ensure that this section of The American Recovery and Reinvestment Act of 2009 is met. The first PIH notice was issued March 18, 2009 which briefly discussed the Buy American clause. However, it was not until August 21, 2009 that HUD provided additional guidance on the Buy American requirement.

When we reviewed the Housing Authority's controls to ensure vendors that were paid with federal stimulus monies were using products manufactured in the United States, it was noted that the Housing Authority did not begin determining if they met the requirement of Buy American regulation until mid November 2009. Although the money was spent during the year, guidance was not issued from HUD until August 2009. However, the Housing Authority did not immediately establish controls after guidance was issued to ensure all requirements were met.

**Corrective action taken:** This finding is considered to be cleared.

**Housing Authority of the City of Monroe  
 Corrective Action Plan for the Current-Year Findings and Questioned Costs  
 For the Year Ended June 30, 2010**

**Reference # and title:**        10-F1                HUD Report 60002

| <u>Federal program and specific federal award identification:</u>       | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| <b>FEDERAL GRANTER/</b>   |                    |                   |
| <b>PASS THROUGH GRANTOR/PROGRAM NAME</b>                                |                    |                   |
| United States Department of Housing and Urban Development               |                    |                   |
| Public and Indian Housing Program                                       | 14.850A            | 2010              |
| Section 8 Housing Choice Vouchers                                       | 14.871             | 2010              |
| Capital Fund Cluster:   |                    |                   |
| Public Housing Capital Fund Program                                     | 14.872             | 2010              |
| Public Housing Capital Fund Stimulus (Formula)<br>(Recovery Act Funded) | 14.885             | 2010              |

**Condition:** Housing Authority's that are involved in various development, operating or modernization assistance grants are required to submit HUD Form 60002 under special reporting requirements in accordance to 24 CFR Sections 135.3(a) and 135.90. This form relates to Section 3 for economic opportunities of low- and very low-income families. This form is required to be completed and submitted annually to HUD by January 10<sup>th</sup> each year.

Through testing of HUD Form 60002 for low rent and capital fund programs, it was determined that the Housing Authority submitted HUD Form 60002. While testing the data submitted it was noted that low rent reported Section 3 businesses based on classification codes in their accounting system, without verification that these businesses were Section 3 and the Housing Authority did verify any new businesses which were paid with public housing funds. Although the capital fund program did submit HUD Form 60002, it was noted that the information submitted did not agree to their support. Even though the Housing Authority did not submit the HUD Form 60002 for the Section 8 program, the information reported would have been immaterial.

**Corrective action planned:** The Monroe Housing Authority did not submit HUD Form 60002 for the Section 8 Housing Choice Voucher program because said program did not engage in any contracts for covered Section 3 activities (i.e., training, employment, contract or other economic activities, particularly in relation to housing rehabilitation, housing constructions or other public construction) 24 CFR Section 135.3 (a)(2). Monroe Housing Authority is now aware the HUD 60002 reporting is required for all three funding sources (Public Housing, Capital Fund and Section 8), regardless of applicable contracts, and must be submitted as three separate reports.

Monroe Housing Authority has implemented a tracking system for all contracts, and information is gathered on a continuous basis through the year. Monroe Housing Authority will report only contract awards, not contract disbursements. Furthermore, the Monroe Housing Authority will obtain further training in this complex matter.

It should be noted that the Monroe Housing Authority has been a leader in implementing Section 3 contracts and facilitating economic opportunities for low and very low income families.

**Person responsible for corrective action:**

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

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

**Anticipated completion date:** June 30, 2011.

**Housing Authority of the City of Monroe  
 Corrective Action Plan for the Current-Year Findings and Questioned Costs  
 For the Year Ended June 30, 2010**

**Reference # and title:**        **10-F2**                    **Rent Reasonableness Determination**

|   |                           |                          |
|---|---------------------------|--------------------------|
| <b><u>Federal program and specific federal award identification:</u></b>  | <b><u>CFDA Number</u></b> | <b><u>Award Year</u></b> |
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Section 8 Housing Choice Vouchers | 14.871                    | 2010                     |

**Condition:** The Housing Authority must determine if the initial rent to owner is a reasonable rent before the lease is approved under the Section 8 Housing Choice Voucher program according to 24 CFR 982.507. In addition, if a landlord requests a change in rent during the year, the Housing Authority must ensure that the rent change requested is considered reasonable. Determination of rent reasonableness takes into consideration the location, size, type of unit, etc in comparison to similar unassisted units based on location. The practice within the Housing Authority industry is to compare the unit to at least three unassisted units under the same criteria and amenities with rent documentation of the comparisons being no older than twenty-four months. Internal controls over rent reasonableness determination of an initial lease or landlord requests for increases in rents includes, but is not limited to documentation of the comparables used in determination and documentation to the reason why the Housing Authority has determined an rent increase is not reasonable.

In a test of forty unit lease up's the following exceptions were noted:

- One exception was noted, in which rental comparables used per the documentation in the tenant's file was older than 24 months: the industry practice.
- Two exceptions were noted in which rental increases were denied to landlords and the supporting documentation on Housing Authority's decision on the denial of the rental increase requests were not retained in tenant's file; for the same files, it was noted that not all the information used for comparables agreed to supporting documentation.

**Corrective action planned:**

- Documentation of the landlords' requests and the Monroe Housing Authority denial are maintained in all files, including the referenced files, however, on the two files in question, the denial reason was incorrectly noted, and revisions have been made to the rental increase denial letter to expand the reasons for denials. The Housing Authority will enhance documentation of rental increase denials when denied for reasons other than rent reasonableness.
- Furthermore, it should be noted in accordance with additional audit recommendations that the Housing Authority has a specific protocol for landlords to request increases in rent charges, and these documents are maintained in tenant files.

**Person responsible for corrective action:**

|   |  |
|---|--|
| Mr. Frank Wilcox, Executive Director<br>Housing Authority of the City of Monroe<br>300 Harrison St.<br>Monroe, LA 71201 | Telephone: (318) 388-1500<br>Fax: (318) 329-1397 |
|---|--|

**Anticipated completion date:** June 30, 2011.

**Housing Authority of the City of Monroe  
Corrective Action Plan for the Current-Year Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**Reference # and title:**        10-F3                Depository Agreement

| <u>Federal program and specific federal award identification:</u> | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME             |                    |                   |
| United States Department of Housing and Urban Development         |                    |                   |
| Public and Indian Housing Program                                 | 14.850A            | 2010              |
| Section 8 Housing Choice Vouchers                                 | 14.871             | 2010              |

**Condition:** The Housing Authority is required to have a depository agreement between the Housing Authority and all of their financial institutions that hold receipts for federal programs funding. These forms are required to be completed to ensure HUD has third party rights to deposits with financial institutions in the Housing Authorities name in accordance with 24 CFR 982.156.

Through communication with management it was noted that the Housing Authority does not have a depository agreement signed and effective at fiscal year end.

**Corrective action planned:** The Housing Authority is now aware of this requirement and is working on obtaining these agreements from the two banks that are involved.

**Person responsible for corrective action:**

|   |                           |
|---|---------------------------|
| Mr. Frank Wilcox, Executive Director    | Telephone: (318) 388-1500 |
| Housing Authority of the City of Monroe | Fax: (318) 329-1397       |
| 300 Harrison St.                        |                           |
| Monroe, LA 71201                        |                           |

**Anticipated completion date:** June 30, 2011.

**Reference # and title:**        10-F4                Test of Resident Files

| <u>Federal program and specific federal award identification:</u> | <u>CFDA Number</u> | <u>Award Year</u> |
|---|--------------------|-------------------|
| FEDERAL GRANTER/<br>PASS THROUGH GRANTOR/PROGRAM NAME             |                    |                   |
| United States Department of Housing and Urban Development         |                    |                   |
| Public and Indian Housing Program                                 | 14.850A            | 2010              |
| Section 8 Housing Choice Vouchers                                 | 14.871             | 2010              |

**Condition:** The Housing Authority must re-examine family composition and income at least once every 12 months. The calculation of total rent should be adjusted as necessary according to 24 CFR Sections 5.617 and 960.209. The changes in rents should be reflected in the tenant listing for rental register. For the Section 8 program, the Housing Authority is required to re-examine family composition and income at least once every twelve months and adjust the housing assistance payments and utilities assistance payments accordingly based on the documentation from third party verifications according to 24 CFR Section 982.516.

The Housing Authority is required to submit HUD Form 50058 electronically each time the Housing Authority has an admission or re-examination of residents and submit to HUD. The resident's files must contain supporting documentation for Form 50058 such as social security cards, birth certificates, third party verification of income as well as documentation for deductions taken such as child care and medical expenses. The tenant's file should also have signed HUD Form 9886 or 9887 in the file at least every 15 months, which allows the Housing Authority to obtain supporting documentation to reach their decision on the amount of benefits the tenant will receive.



**Housing Authority of the City of Monroe  
Corrective Action Plan for the Current-Year Findings and Questioned Costs  
For the Year Ended June 30, 2010**

In testing forty-five resident files under the Public Housing Program, it was noted the following

- Two instances where a tenants application nor the tenant's social security card could not be located in the tenant's file.
- One instance was noted where HUD form 50058 was not maintained in the tenant's file.
- Nine instances were noted where certain key line items reported on the tenant's HUD Form 50058 did not match the supporting documentation within the tenant's file.
- One instance was noted where the deduction that was given to the tenant was classified incorrectly.
- One instance was noted where the utility allowance was used for the tenant's rent calculation was incorrect, based on supporting documentation.

In a test of fifty resident files under the Section 8 Housing Choice Voucher program, the following exceptions were noted:

- Ten files were noted in which the information reported on HUD Form 50058 did not agree to the supporting documentation in the tenant's file.
- Two exceptions were noted in which the income calculation was incorrectly stated. One resulted in an over payment of utilities assistance payment of \$68 and the other resulted in a under payment of housing assistance payment of \$27.
- One exception was noted in which HUD Form 9886 was not dated to determine if the form was valid within the fifteen-month HUD guidelines.

**Corrective action planned:**

- In reference to the files missing documentation, the Monroe Housing Authority, as owner, contracts with G.B. Cooley, Agent, to manage Cooley Homes. Under this agreement, permanent files and supporting documentation are maintained by G.B. Cooley at their offices, with oversight by the Monroe Housing Authority. Permanent resident files are not maintained at the Monroe Housing Authority offices. The Monroe Housing Authority has begun maintaining key documentation (i.e., birth certificates, social security cards, and the Monroe Housing Authority applications) in the Monroe Housing Authority files.
- Clerical keypunch errors occurred and all instances have been corrected. File checks by second party office staff members are being performed to minimize and/or eliminate clerical errors. Please note that because all tenant data must be submitted to HUD via the PIC system, the Housing Authority must comply with HUD's data in case of data discrepancies on supporting documentation (i.e., the name on a birth certificate and social security card are different.) HUD, via the PIC system, returns a report listing any material discrepancies (i.e., invalid social security number, date of birth, or last name) on files submitted. Although this report is regularly checked for errors, the HUD EIV system was down for approximately eight months, resulting in a misrepresentation of errors; these reports were corrected in the PIC system in November 2010, allowing staff again to reconcile data to HUD's database.
- The Housing Authority has enhanced the file monitoring process, and file checks by second -party office staff members are being performed to minimize and/or eliminate clerical errors.

**Person responsible for corrective action:**

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**Anticipated completion date:** June 30, 2011.

**Housing Authority of the City of Monroe**  
**Corrective Action Plan for the Current-Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

**Reference # and title:**         **10-F5**                 **Waiting List**

|   |  |  |
|---|--|--|
| <b><u>Federal program and specific federal award identification:</u></b><br>FEDERAL GRANTEE/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Public and Indian Housing Program | <b><u>CFDA Number</u></b><br><br><br><br><br><br>14.850A | <b><u>Award Year</u></b><br><br><br><br><br><br>2010 |
|---|--|--|

**Condition:** The Housing Authority is required to place applicants on a waiting list in order of their application date and any preferences, if applicable with supporting documentation. The applicants should then be selected from the waiting list in order of priority and application date and be given the opportunity to move into a housing unit before an applicant lower on the waiting list. All communication with the applicant should be maintained in the applicants file. The waiting list should be printed in its entirety on a regular basis and reviewed to ensure that it is kept up-to-date and accurate.

In addition, all move-ins should be selected from the waiting list in order of priority and application date with proper documentation. Any variation from selected this selection procedure should be properly documented in the tenant's file.

Due to the Housing Authority not printing the waiting list on regular basis, the waiting list could not be tested adequately to determine if the Housing Authority is adding applicants and selecting applicants in accordance with their policy.

**Corrective action planned:** Because of the way the Elite software processes waiting lists and applicant placement, as compared to the previous software used by the Housing Authority, the Monroe Housing Authority no longer needs to print a comprehensive waiting list in order to determine applicant rankings. The Monroe Housing Authority followed procedure on maintaining the waiting lists, processing and choosing applicants, but only printed the "draw" listing of top five applicants at time of placement. Furthermore, the comprehensive waiting list printed from Elite is not conducive to tracking applicant status.

The Monroe Housing Authority has begun printing a waiting list for each site on a monthly basis for testing purposes.

**Person responsible for corrective action:**  
Mr. Frank Wilcox, Executive Director                     Telephone: (318) 388-1500  
Housing Authority of the City of Monroe                     Fax: (318) 329-1397  
300 Harrison St.  
Monroe, LA 71201

**Anticipated completion date:** June 30, 2011.

**Reference # and title:**         **10-F6**                 **Tenant Participation Funds**

|   |  |  |
|---|--|--|
| <b><u>Federal program and specific federal award identification:</u></b><br>FEDERAL GRANTEE/<br>PASS THROUGH GRANTOR/PROGRAM NAME<br>United States Department of Housing and Urban Development<br>Public and Indian Housing Program | <b><u>CFDA Number</u></b><br><br><br><br><br><br>14.850A | <b><u>Award Year</u></b><br><br><br><br><br><br>2010 |
|---|--|--|

**Condition:** According to 24 CFR Section 964.150, Housing Authorities are required to provide tenant participation funds to duly elected resident councils. The funding, which will be provided by the Housing Authority is made only

**Housing Authority of the City of Monroe**  
**Corrective Action Plan for the Current-Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

under a written agreement between the Housing Authority and the resident council, which includes an approved resident council budget, require adequate documentation on the use of the funds by resident councils and permit the Housing Authority to inspect and audit the resident council's financial records. The Housing Authorities are permitted to fund \$25 per unit per year for units, which are represented by a duly elected resident council, for resident services. Of this \$25, \$15 is required to be received by each duly elected resident council for resident services. \$10 of the \$25 can be absorbed by the Housing Authority for costs incurred in implementing tenant participation activities.

Through communication with management and review of financial records it was noted that the Housing Authority has a written agreement between the Housing Authority and the resident councils. The resident council although has not prepared and submitted a budget to the Housing Authority. In addition, the Housing Authority has not maintained separate records to account for monies that should be set aside for each resident council.

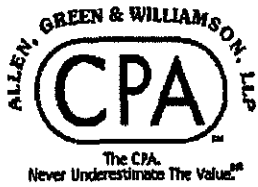
**Corrective action planned:** The Housing Authority maintains separate and detailed records of these accounts, and all expenditures can be documented. Resident Council Officials are in the process of establishing their 2011 budgets based on the budgetary limitations set forth by the resident council and the budgets will be available for review.

**Person responsible for corrective action:**

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

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

**Anticipated completion date:** June 30, 2011.



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(Retired) 1963 - 2000

## Management Letter

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

In planning and performing our audit of the financial statements of the discretely present component unit and each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2010, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 29, 2010, on the financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

### 10-M1                      Inadequate Controls over Deletions of Capital Asset

**Comment:** In testing ten deletions of capital assets and communication with management, it was noted that when management determines a capital asset has no value to the day-to-day operations of the Housing Authority. The capital asset is disposed or sold, removed from the listing and then brought to the board for approval of the actual deletion after the asset has been discarded or sold.

**Recommendation:** Once the Housing Authority determines that a capital asset has no value, it should be recommended to the board to approve the deletion of the capital asset. Once the board approves the deletion, then the capital asset should then be removed from the listing and either scraped or sold.

**Management's response:** There will be resolution brought before the Board of Directors giving the Executive Director authorization to dispose or sell a capital asset such as a vehicle or any heavy equipment that has been deemed to have no value. Any such disposals will still be on the fixed asset deletion report that is brought to the Board at each fiscal year end.

\*\*\*\*

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the discretely presented component unit and each major fund of the Housing Authority, as of and for the year ended June 30, 2010, which collectively comprise the Housing Authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2010