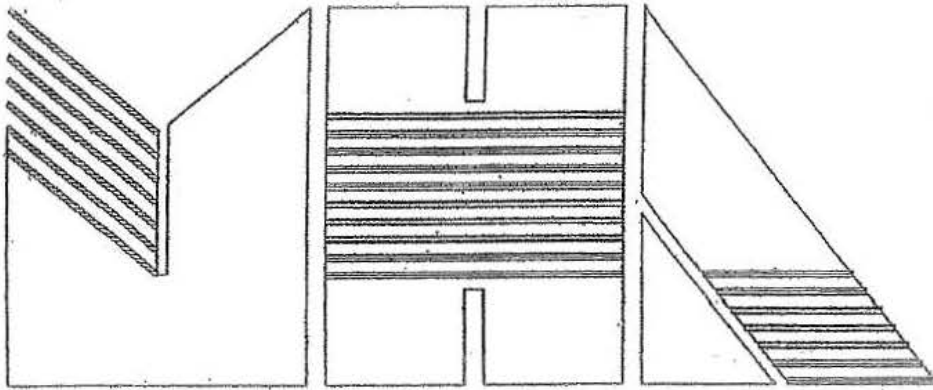


# **Housing Authority of the City of Monroe**

**Monroe, Louisiana**



## **Comprehensive Annual Financial Report**

**As Of And For the Year Ended June 30, 2019**



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

**Comprehensive Annual Financial Report**

**As of And For the Year Ended June 30, 2019**

**William Smart  
Executive Director**

**Janet Sanderford  
Administrative Director**

**Prepared by the Accounting Department**



**Housing Authority of the City of Monroe  
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**Housing Authority of the City of Monroe**

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# INTRODUCTORY SECTION







Monroe Housing Authority • 300 Harrison Street • Monroe, LA 71201 • 318-388-1500 • TDD/TYY 1-800-545-1833 ext. 872  
William Smart, Executive Director • Hal Hinchliffe, Chairman • Rick Miller, Vice Chairman • Joe Farr • Patricia Gix • Beverly Lewis

December 31, 2019

Hal Hinchliffe, 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 for the year ended June 30, 2019 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's 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 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) consist 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 and basic financial statements. 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 the Uniform Guidance. 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. 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 of 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 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), with oversees the expenses of most of the funds.

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 is a result of a dedicated caring staff and management's decision to set a High Performer rating as one of their highest goals.
- 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. The last available score posted for Monroe Housing Authority was 99.
- We are in the final stages of \$4.3 million in renovations at our Johnson Carver Community. Expansion of the Burg Jones community room and management office is also nearing completion. We anticipate beginning renovations of \$2.3 million at our Miller Square Community in the coming year. We will also be spending almost \$1 million for upgrades to McKen Plaza HVAC systems.
- The Housing Authority now manages a total of 6 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. We also manage 16 units designed for handicapped families. Construction was completed for an additional 50 single family homes within our Robinson Place Community. Construction has begun on 23 single family homes around 3rd and 4th street. We will be encouraging qualified participants in local homeownership programs to be partners with us as we strive to bring this area back to a thriving neighborhood.

- For our adult residents, MHA continues to provide HISET (GED) training and testing, career training and job readiness skills services through partnerships with Delta Community College, ULM, Opportunities Industrialization Center of Ouachita (OIC), and NOVA Workforce Institute of Northeast Louisiana.
- We will be in the 2nd year of a 4 year \$2.3 million Jobs Plus grant. We were one of 7 Housing Authorities in the United States to be awarded this special grant. This grant is designed to benefit our residents in our Burg Jones Community, emphasizing work force development and helping them to achieve self-sufficiency.
- Through partnerships with the Ouachita Council on Aging, Senior Care Service, and numerous health care and fitness organizations, MHA continues to provide our senior residents with programs and supportive services designed to allow them to age in place with dignity and respect.
- We also partner with organizations like the Children's Coalition and Prime Time to bring on-site Early Head Start and Head Start Centers and with OIC to bring site-based quality afterschool enrichment programs for our resident children and families.

**D. 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.

**E. Internal Control** Management of the Housing Authority is responsible for establishing and maintaining internal control designed to ensure that the assets of the Housing Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with 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.

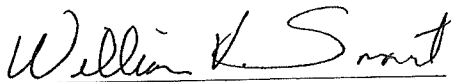
**G. Budgetary Controls** In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. The level of budgetary control (that is, the level at which expenditures cannot legally exceed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

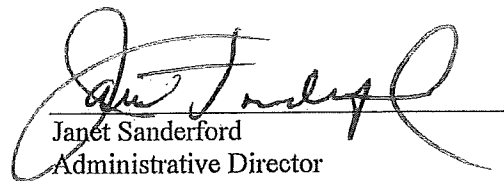
**I. Award** The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily 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. The Housing Authority has received the GFOA Certificate since 1998.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

**J. 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.



William Smart  
Executive Director



Janet Sanderford  
Administrative Director



Government Finance Officers Association

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, 2018**

*Christopher P. Morrill*

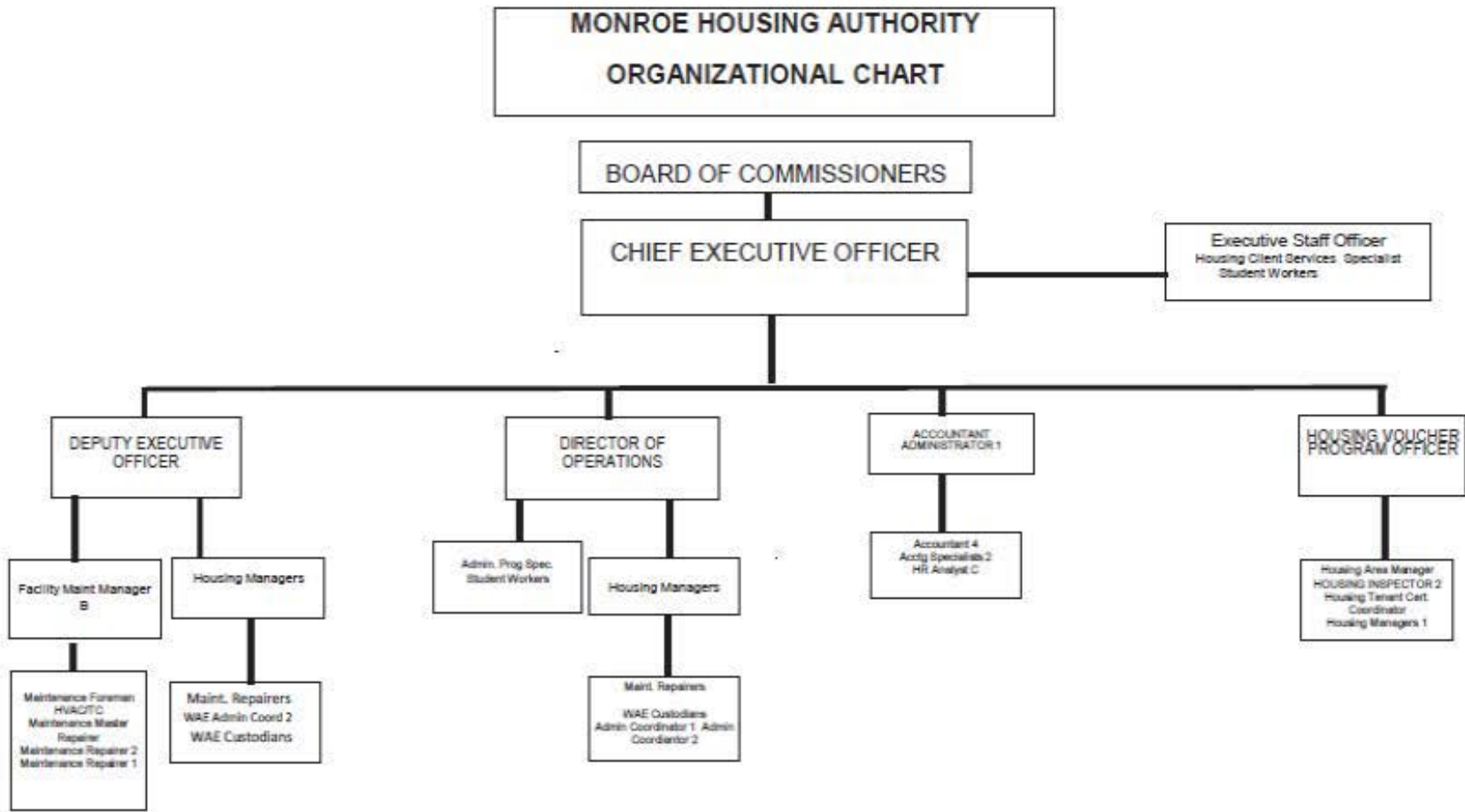
Executive Director/CEO

**Housing Authority of the City of Monroe**

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# Housing Authority of the City of Monroe

## Organizational chart



## **Housing Authority of the City of Monroe**

### **Appointed Officials Board of Commissioners**

Mr. Hal Hinchliffe, Chairman

Mr. Rick Miller, Vice Chairman

Mr. Joe Farr

Ms. Patricia Gix

Ms. Beverly V. Lewis

### **Selected Administrative Officials**

Mr. William Smart

Executive Director

Karen Cromwell

Deputy Director

Cheryl Farmer

Director of Operations

Janet Sanderford

Administrative Director

Naomi Jackson

Section 8 Director



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# FINANCIAL SECTION





# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

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Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Principal: Cindy Thomason, CPA

Jennie Henry, CPA, CFE  
Austin Hogue, CPA  
Crystal Patterson, PSB  
Mallory Stone, CPA  
Audit Manager: Margie Williamson, CPA

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Monroe's basic financial statements. The accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, and the other information, such as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, which includes the Financial Data Schedule required by the United States Department of Housing and Urban Development, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, including the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 31, 2019 on our consideration of the Housing Authority of the City of Monroe'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 effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

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

Monroe, Louisiana  
December 31, 2019

**Housing Authority of the City of Monroe**

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**REQUIRED SUPPLEMENTARY 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, 2019**

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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, 2019. 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 9 through 12 of this report.

**FINANCIAL HIGHLIGHTS** In fiscal year 2019, the Housing Authority had the following changes:

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$46,736,351 (*net position*). Of this amount, \$25,440,283 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net position decreased by \$1,013,398 for current year which is mostly attributable to \$3,297,220 depreciation expense for capital assets and offset by an increase in federal grants received.
- At the end of the current fiscal year, unrestricted net position for the general fund was \$15,342,243 or 96% 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 is 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 consists 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 and Monroe Housing Facilities fund.

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

The Introductory Section and the Statistical Section were 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, 2019**

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**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, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. 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 position was \$46,736,351 at June 30, 2019. Of this amount, \$25,440,283 was unrestricted. Restricted net position is reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use these funds only for housing assistance payments (HAP) of 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, resident opportunities and supportive services, economic development programs, and the Central Office Cost Center. 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 position and the change in net position of the primary government as a whole.

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**Housing Authority of the City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2019**

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**Table 1**

**Net Position**  
**June 30,**

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Current assets	\$ 26,072,457	\$ 24,265,506	\$ 1,806,951
Capital assets	21,296,068	24,445,087	(3,149,019)
Other noncurrent assets	<u>3,721,313</u>	<u>2,146,938</u>	<u>1,574,375</u>
Total assets	<u>51,089,838</u>	<u>50,857,531</u>	<u>232,307</u>
Current liabilities	3,408,245	1,643,274	1,764,971
Noncurrent liabilities	<u>945,242</u>	<u>1,464,508</u>	<u>(519,266)</u>
Total liabilities	<u>4,353,487</u>	<u>3,107,782</u>	<u>1,245,705</u>
Net position			
Investment in capital assets	21,296,068	24,445,087	(3,149,019)
Restricted	-	32,506	(32,506)
Unrestricted	<u>25,440,283</u>	<u>23,272,156</u>	<u>2,168,127</u>
Total net position	<u>\$ 46,736,351</u>	<u>\$ 47,749,749</u>	<u>\$ (1,013,398)</u>

**Housing Authority of the City of Monroe**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2019**

**Table 2**

**Changes in Net Position**  
**For the Years Ended June 30,**

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Beginning net position	\$ 47,749,749	\$ 48,019,089	\$ (269,340)
Revenues:			
Operating revenues			
Rental and other	6,055,303	6,622,665	(567,362)
Federal grants	17,057,332	14,047,767	3,009,565
Total operating revenues	<u>23,112,635</u>	<u>20,670,432</u>	<u>2,442,203</u>
Expenses:			
Operating expenses			
Administration	3,386,971	3,352,856	34,115
Tenant services	237,654	76,852	160,802
Utilities	409,800	400,631	9,169
Ordinary maintenance and operations	8,078,301	4,428,833	3,649,468
Protective services	81,215	78,996	2,219
General expenses	1,606,854	1,605,396	1,458
Housing assistance payments	7,454,201	7,473,548	(19,347)
Depreciation	3,297,220	3,639,900	(342,680)
Total expenses	<u>24,552,216</u>	<u>21,057,012</u>	<u>3,495,204</u>
Non-operating revenues			
Interest earnings	353,980	109,589	244,391
Gain(Loss) on sale of equipment	22,870	7,651	15,219
Total non-operating revenues	<u>376,850</u>	<u>117,240</u>	<u>259,610</u>
Net income (loss) before capital contributions	(1,062,731)	(269,340)	(793,391)
Capital contributions	49,333	-	49,333
Increase (decrease) in net position	<u>(1,013,398)</u>	<u>(269,340)</u>	<u>(744,058)</u>
Ending net position	<u>\$ 46,736,351</u>	<u>\$ 47,749,749</u>	<u>\$ (1,013,398)</u>

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2019**

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Total operating revenues increased \$2,442,203:

- The general fund's operating revenue had an increase of \$2,705,148 due to renovations in 3 of our communities using Capital Funds from the federal government.
- The Section 8 fund's operating revenue decreased \$240,632 due to decreased funding from the federal government.
- The management fees' operating revenue decreased \$22,313 due to there being no backlog of management fees paid.

Total operating expenses increased \$3,495,204:

- The general fund's operating expenses increased \$3,779,389. This change was due primarily to large scale renovations at 3 of our communities.
- The Section 8 funds operating expenses decreased \$198,903. This change was due to decreased administrative costs.
- The management fees' operating expenses had a slight decrease of \$123.
- The Monroe housing facilities' operating expenses had a decrease of \$85,159 due to a decrease in administrative costs.

Capital contributions increased \$49,333 because of renovations at our Burg Jones Community office that includes enlarging the existing office and community space

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2019, the Housing Authority had \$21,296,068 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$3,149,019 or 13%, from last year.

**Table 3  
Capital Assets at Year-end**

	2019	2018
Land	\$ 2,482,904	\$ 2,521,904
Buildings and site improvements	18,462,741	21,623,440
Furniture and equipment	301,090	299,743
Construction in progress	49,333	-
Totals	\$ 21,296,068	\$ 24,445,087

This year's decrease of \$3,149,019 is mainly due to depreciation.

We present more detailed information on capital assets in Note 5 in the notes to the financial statements.

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**Housing Authority of the City of Monroe  
Management's Discussion and Analysis (MD&A)  
June 30, 2019**

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***Debt***

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in Note 10 in the notes to the financial statements.

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

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions.

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

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

Our financial report is designed to provide our citizens and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Janet Sanderford, Administrative Director, at the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone number (318) 998-3761.

**Housing Authority of the City of Monroe**

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**Housing Authority of the City of Monroe**

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Net Position  
June 30, 2019**

Statement A

	<b>GENERAL</b>	<b>TENANT BASED SECTION 8</b>	<b>MANAGEMENT FEES</b>	<b>MONROE HOUSING FACILITIES</b>	<b>TOTAL GOVERNMENT</b>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 2,450,864	\$ 427,639	\$ 670,421	\$ 384,604	\$ 3,933,528
Investments	14,092,644	-	-	4,508,779	18,601,423
Accounts receivable, net	2,081,193	10,732	-	570,173	2,662,098
Notes receivable	-	-	-	124,289	124,289
Interfund receivable	51,903	-	-	-	51,903
Prepaid items and other assets	301,203	3,326	-	-	304,529
Inventory	1,613	-	-	-	1,613
Restricted assets:					
Cash for deposits due others	370,294	22,780	-	-	393,074
<b>TOTAL CURRENT ASSETS</b>	<b>19,349,714</b>	<b>464,477</b>	<b>670,421</b>	<b>5,587,845</b>	<b>26,072,457</b>
NONCURRENT ASSETS:					
Notes receivable	-	-	-	3,721,313	3,721,313
Capital Assets, net					
Land and construction in progress	2,112,237	-	-	420,000	2,532,237
Buildings and equipment (net)	18,236,456	28,191	-	499,184	18,763,831
<b>TOTAL NONCURRENT ASSETS</b>	<b>20,348,693</b>	<b>28,191</b>	<b>-</b>	<b>4,640,497</b>	<b>25,017,381</b>
<b>TOTAL ASSETS</b>	<b>39,698,407</b>	<b>492,668</b>	<b>670,421</b>	<b>10,228,342</b>	<b>51,089,838</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	1,352,184	17,858	-	6,049	1,376,091
Interfund payable	-	-	-	51,903	51,903
Accrued liabilities	537,932	14,627	-	-	552,559
Unearned revenue	21,468	2,453	-	-	23,921
Current portion of compensated absences payable	953,028	57,675	-	-	1,010,703
Current Liabilities Paid with Restricted Assets:					
Deposits due others	370,294	22,774	-	-	393,068
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,234,906</b>	<b>115,387</b>	<b>-</b>	<b>57,952</b>	<b>3,408,245</b>
NONCURRENT LIABILITIES					
Compensated absences payable	772,565	172,677	-	-	945,242
<b>TOTAL LIABILITIES</b>	<b>4,007,471</b>	<b>288,064</b>	<b>-</b>	<b>57,952</b>	<b>4,353,487</b>
<b>NET POSITION</b>					
Investment in capital assets	20,348,693	28,191	-	919,184	21,296,068
Unrestricted	15,342,243	176,413	670,421	9,251,206	25,440,283
<b>TOTAL NET POSITION</b>	<b>\$ 35,690,936</b>	<b>\$ 204,604</b>	<b>\$ 670,421</b>	<b>\$ 10,170,390</b>	<b>\$ 46,736,351</b>

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



**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended June 30, 2019**

Statement B

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
<b>OPERATING REVENUES</b>					
Dwelling rental	\$ 4,262,243	\$ -	\$ -	\$ -	\$ 4,262,243
Other	1,208,510	167,606	368,944	48,000	1,793,060
Federal grants	8,910,436	8,146,896	-	-	17,057,332
<b>TOTAL OPERATING REVENUES</b>	<b>14,381,189</b>	<b>8,314,502</b>	<b>368,944</b>	<b>48,000</b>	<b>23,112,635</b>
<b>OPERATING EXPENSES</b>					
Administration	2,702,471	613,570	70,781	149	3,386,971
Tenant services	237,654	-	-	-	237,654
Utilities	398,038	-	-	11,762	409,800
Ordinary maintenance & operations	8,023,267	46,717	-	8,317	8,078,301
Protective services	81,215	-	-	-	81,215
General expenses	1,384,867	191,085	25,000	5,902	1,606,854
Housing assistance payments	-	7,454,201	-	-	7,454,201
Depreciation	3,195,165	8,939	-	93,116	3,297,220
<b>TOTAL OPERATING EXPENSES</b>	<b>16,022,677</b>	<b>8,314,512</b>	<b>95,781</b>	<b>119,246</b>	<b>24,552,216</b>
Income (loss) from Operations	(1,641,488)	(10)	273,163	(71,246)	(1,439,581)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings and gains/losses	228,990	57	-	124,933	353,980
Gains/losses on disposal of capital assets	15,160	7,710	-	-	22,870
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>244,150</b>	<b>7,767</b>	<b>-</b>	<b>124,933</b>	<b>376,850</b>
Net income (loss) before capital contributions	(1,397,338)	7,757	273,163	53,687	(1,062,731)
Capital contributions	49,333	-	-	-	49,333
Change in net position	(1,348,005)	7,757	273,163	53,687	(1,013,398)
<b>NET POSITION - BEGINNING</b>	<b>37,038,941</b>	<b>196,847</b>	<b>397,258</b>	<b>10,116,703</b>	<b>47,749,749</b>
<b>NET POSITION - ENDING</b>	<b>\$ 35,690,936</b>	<b>\$ 204,604</b>	<b>\$ 670,421</b>	<b>\$ 10,170,390</b>	<b>\$ 46,736,351</b>

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

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2019**

Statement C

	<b>GENERAL</b>	<b>TENANT BASED SECTION 8</b>	<b>MANAGEMENT FEES</b>	<b>MONROE HOUSING FACILITIES</b>	<b>TOTAL GOVERNMENT</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rental receipts	\$ 4,262,969	\$ -	\$ -	\$ -	\$ 4,262,969
Other receipts	940,069	213,217	368,944	48,000	1,570,230
Payments to vendors	(7,994,833)	(374,910)	(19,587)	(488,451)	(8,877,781)
Payments to employees	(3,606,699)	(450,534)	(51,300)	-	(4,108,533)
Payments to private landlords	-	(7,453,598)	-	-	(7,453,598)
Payments to others	-	-	(25,000)	(1,578,044)	(1,603,044)
Federal grants	7,572,215	8,146,896	-	-	15,719,111
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,173,721</b>	<b>81,071</b>	<b>273,057</b>	<b>(2,018,495)</b>	<b>(490,646)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase capital assets	(117,127)	(33,122)	-	2,054	(148,195)
Proceeds from sale of capital assets	15,160	7,710	-	-	22,870
Contributed capital	49,333	-	-	-	49,333
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(52,634)</b>	<b>(25,412)</b>	<b>-</b>	<b>2,054</b>	<b>(75,992)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Investment earnings and gains/losses	228,990	57	-	124,933	353,980
Purchase of investments	(5,228,991)	-	-	(66,757)	(5,295,748)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ (5,000,001)</b>	<b>\$ 57</b>	<b>\$ -</b>	<b>\$ 58,176</b>	<b>\$ (4,941,768)</b>

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2019**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,878,914)	\$ 55,716	\$ 273,057	\$ (1,958,265)	\$ (5,508,406)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>6,700,072</u>	<u>394,703</u>	<u>397,364</u>	<u>2,342,869</u>	<u>9,835,008</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>2,821,158</u></u>	<u><u>450,419</u></u>	<u><u>670,421</u></u>	<u><u>384,604</u></u>	<u><u>4,326,602</u></u>
Reconciliation to financial statements:					
Cash	2,450,864	427,639	670,421	384,604	3,933,528
Restricted Cash (deposits due others)	<u>370,294</u>	<u>22,780</u>	<u>-</u>	<u>-</u>	<u>393,074</u>
	<u><u>2,821,158</u></u>	<u><u>450,419</u></u>	<u><u>670,421</u></u>	<u><u>384,604</u></u>	<u><u>4,326,602</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(1,641,488)	(10)	273,163	(71,246)	(1,439,581)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	3,195,165	8,939	-	93,116	3,297,220
Change in assets and liabilities:					
Accounts receivable, net	(1,601,149)	45,611	-	(477,397)	(2,032,935)
Notes receivable, net	-	-	-	(1,578,044)	(1,578,044)
Interfund receivables	(15,276)	-	-	-	(15,276)
Inventories	12,800	-	-	-	12,800
Prepaid items and other assets	20,201	-	-	-	20,201
Accounts payable	1,199,725	17,703	(106)	(200)	1,217,122
Accrued expenses	28,212	(1,380)	-	-	26,832
Unearned revenue	95	603	-	-	698
Interfund payables	-	-	-	15,276	15,276
Deposits due others	(4,882)	11,426	-	-	6,544
Compensated absences	<u>(19,682)</u>	<u>(1,821)</u>	<u>-</u>	<u>-</u>	<u>(21,503)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 1,173,721</u></u>	<u><u>\$ 81,071</u></u>	<u><u>\$ 273,057</u></u>	<u><u>\$ (2,018,495)</u></u>	<u><u>\$ (490,646)</u></u>

(CONCLUDED)

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

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

**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	1518
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1558
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
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
Alabama Place, LLP		16
Franciscan Apartments		8

GASB Standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Standards, 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 Standards, 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.

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

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

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the 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 and a financial benefit or burden is present.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Monroe 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 because operations and administration of the Corporation are handled by the same personnel of the Housing Authority, and no costs are being charged to the Corporation for these services. 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, the resident opportunities and supportive services program, the economic development program and the Central Office Cost Center. 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 projects 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 recorded at the time the liabilities are incurred. With this measurement focus, all assets, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position.

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

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 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 contracts 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 statement of net position. 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 Financial Statements**  
**June 30, 2019**

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000 for any movable items. The capitalization threshold for intangible assets is \$200,000. Donated capital assets are recorded at their acquisition value. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Any expenditures incurred for purposes of improving any buildings or structure or any site improvement will be expensed up to \$100,000, excluding repairs that involve returning an asset to its existing state (roof repairs where shingles are being replaced and the replacement of rotten wood where found).

Straight line depreciation is used based on the following estimated useful lives using a full-year convention method:

Site improvements	15 years
Buildings	30 years
Furniture and equipment	5 - 7 years

**J. UNEARNED REVENUES** The Housing Authority reports unearned revenues on its statement of net position. Unearned 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 unearned revenue is removed from the statement of net position and the revenue is recognized.

**K. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual, compensatory, 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. Compensatory leave credited to an employee may be used by the employee or may be paid out to the employee at any time. The Board may approve employees' extended time off prior to their retirement, to use accumulated leave balances above the compensated absence payout policy.

**L. RESTRICTED NET POSITION** Net position is reported as restricted when constraints placed on net position 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 position is available. The restricted net position for housing assistance payments (HAP) reported in the Statement of Net Position is restricted by enabling legislation.

**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.



**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS** The Housing Authority's deposits are recorded at cost. The carrying amount of deposits totaled \$22,928,025 which includes \$18,601,423 held in certificates of deposit that are classified as investments and \$393,074 in deposits due others classified as restricted deposits.

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 deposit, 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, 2019 the Housing Authority bank balance was \$23,134,458 in which \$21,384,458 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.

**NOTE 3 - ACCOUNTS RECEIVABLE** The receivables at June 30, 2019, are as follows:

Class of Receivables	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Local sources:				
Tenants	\$ 38,145	\$ -	\$ -	\$ 38,145
Other	683,918	10,732	570,173	1,264,823
Federal sources:				
Due from HUD	1,359,130	-	-	1,359,130
Total	<u>\$ 2,081,193</u>	<u>\$ 10,732</u>	<u>\$ 570,173</u>	<u>\$ 2,662,098</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$4,237. 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 \$95,278.

**NOTE 4 - NOTES RECEIVABLE** The Housing Authority entered into a note receivable during the year ended June 30, 2013. The note receivable was between Monroe Housing Facilities and Alabama Place for cost incurred with the construction of the property in the amount of \$541,648 at an interest rate of 3%. The amount of the note receivable at June 30, 2019 was \$353,648. Of this amount, \$34,753 is due within a year to Monroe Housing Facilities.

During the fiscal year ended June 30, 2017, the Housing Authority's Monroe Housing Facilities fund entered into two notes receivables. One note was with Claiborne Creek I for \$877,731 and the other note was with

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

Claiborne Creek II for \$691,560, in order to provide a bridge loan until permanent financing could be arranged, at an interest rate of 3%. The amount of these notes receivable at June 30, 2019 was \$1,391,154 in which \$89,536 is due within one year.

During the fiscal year ended June 30, 2019, the Housing Authority had approved for the Monroe Housing Facilities fund to enter into a notes receivable with Robinson Place II Development up to \$2,000,000 to facilitate financing to construct the new development at an interest rate of 4%. The Robinson Place II Development is still in the construction phase and utilized \$2,100,800 for construction at fiscal year-end. The financing will continue until the construction is complete; therefore, no amounts are recognized due within one year. However, the excess amounts will be repaid as additional monies are received for other sources.

The Housing Authority expects to receive the notes receivable in full; and therefore, no allowance for doubtful accounts was recorded.

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,521,904	\$ -	\$ 39,000	\$ 2,482,904
Construction in progress	-	49,333	-	49,333
Total capital assets, non depreciable	<u>2,521,904</u>	<u>49,333</u>	<u>39,000</u>	<u>2,532,237</u>
Capital assets, depreciable				
Buildings and site improvements	93,998,035	36,947	-	94,034,982
Furniture and equipment	1,721,722	100,922	108,823	1,713,821
Total capital assets, depreciable	<u>95,719,757</u>	<u>137,869</u>	<u>108,823</u>	<u>95,748,803</u>
Less accumulated depreciation				
Buildings and site improvements	72,374,597	3,197,644	-	75,572,241
Furniture and equipment	1,421,978	99,576	108,823	1,412,731
Total	<u>73,796,575</u>	<u>3,297,220</u>	<u>108,823</u>	<u>76,984,972</u>
Net Depreciable Assets	<u>21,923,182</u>	<u>(3,159,351)</u>	<u>-</u>	<u>18,763,831</u>
Total capital assets, net	<u>\$ 24,445,086</u>	<u>\$ (3,110,018)</u>	<u>\$ 39,000</u>	<u>\$ 21,296,068</u>

**NOTE 6 - RETIREMENT SYSTEM** The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through 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. The Housing Authority does not have any assets in a trust to fund pension benefits.

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.

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

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 \$2,958,205. The members' contributions were \$5,532 for the year ended June 30, 2019. The Housing Authority made the required contributions of \$413,520 for the year ended June 30, 2019.

During the fiscal year ended June 30, 2019, the Housing Authority had \$1,152 in forfeitures that was recognized in the current year pension expense. At June 30, 2019, the Housing Authority had \$0 in payables to the retirement plan for the June 2019 employee and employer required contributions.

**NOTE 7 - ACCOUNTS PAYABLE** The payables at June 30, 2019, are as follows:

	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Vendors	\$ 945,432	\$ 17,858	\$ 6,049	\$ 969,339
Retainage Payable	406,752	-	-	406,752
Total	\$ 1,352,184	\$ 17,858	\$ 6,049	\$ 1,376,091

**NOTE 8 - ACCRUED LIABILITIES** The accrued liabilities at June 30, 2019, are as follows:

	General	Tenant Based Section 8	Total
Payments in lieu of taxes	\$ 390,677	\$ -	\$ 390,677
Salaries and benefits	147,255	14,627	161,882
Total	\$ 537,932	\$ 14,627	\$ 552,559

**NOTE 9 - COMPENSATED ABSENCES** At June 30, 2019, employees of the Housing Authority have accumulated and vested \$1,955,945 of employee leave 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.

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 10 - LONG-TERM LIABILITES** The following is a summary of the long-term liabilities for the year ended June 30, 2019:

	Compensated Absences
Beginning Balance	\$ 1,977,448
Additions	215,180
Deletions	236,683
Ending Balance	\$ 1,955,945
Amounts Due Within One Year	\$ 1,010,703

**NOTE 11 - INTERFUND TRANSACTIONS**

**Interfund receivables/payables** at June 30, 2019, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
General Fund	\$ 51,903	Monroe Housing Facilities	\$ 51,903

The General Fund pays salaries and other expenses on behalf of the business activities account. Monroe Facilities charges rent for space used for housing activities. The General Fund covers that cost on behalf of the different developments. Without having to write a check to the Monroe Facilities to cancel that payable, the General Fund chooses to keep the receivable on the books from the business activities account to cancel one another out.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At June 30, 2019, 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. The Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Construction Commitments** There are certain construction contracts at June 30, 2019. The Housing Authority had three open contracts at fiscal year end for repairs and renovations. The contracts of \$5,862,000 had \$2,024,588 remaining at fiscal year end.

**NOTE 13 - 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; however, the Housing Authority does not carry flood insurance. 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

**Housing Authority of the City of Monroe**  
**Notes to the Financial Statements**  
**June 30, 2019**

payments. The current policy limits on most commercial coverage has been in effect for multiple years. Settled claims have not exceeded commercial excess coverage in any of the last three years. The Housing Authority has not made any significant reductions in insurance coverage.

In June 2019, the Board of Commissioners approved for the Housing Authority to establish a self-insurance fund to cover future flooding costs in the amount of \$2,000,000. However due to the timing of the resolution, the Housing Authority was not able to fully implement the change before fiscal year end.

**NOTE 14 - ECONOMIC DEPENDENCE** Due to the amount of funding received, the Housing Authority is economically dependent on the Department of Housing and Urban Development. The Department of Housing and Urban Development provided \$17,106,665 to the Housing Authority, which represents approximately 74% of the Housing Authority’s total revenue for the year.

**NOTE 15 - OPERATING LEASE** The Housing Authority leases three copiers under noncancelable operating leases. Total costs for such leases were \$4,932 the year ended June 30, 2019. The minimum lease payables for these leases at June 30, 2019 is \$13,552.

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 4,928
2021	4,928
2022	3,696
Total	<u>\$ 13,552</u>

**NOTE 16 - INSURANCE PROCEEDS** In the fiscal year ended June 30, 2019 the Housing Authority received \$113,716 in insurance proceeds for damage to public housing units which is classified as other income in the statement of revenues, expenses and changes in fund net position.

**NOTE 17 - SUBSEQUENT EVENTS** In August 2019, the Housing Authority signed a contract in the amount of \$2,348,000 to complete renovations at Miller Square.

**NOTE 18 - RESERVES HELD WITH HUD** Due to HUD operating the Section 8 Housing Choice Voucher Program under cash management, HUD maintains reserves for the Housing Authority that have not been utilized. As of June 30, 2019, the Housing Authority had \$524,721 in HUD-Held Reserves.

**Housing Authority of the City of Monroe  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2019**

**Exhibit 1**

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

Mr. Hal Hinchliffe, Chairman

Mr. Rick Miller, Vice Chairman

Mr. Joe Farr

Ms. Patricia Gix

Ms. Beverly V. Lewis

**Housing Authority of the City of Monroe**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head (Executive Director)**  
**For the Year Ended June 30, 2019**

**Exhibit 2**

**Agency Head Name: Frank Wilcox, Executive Director**

Purpose	Amount
Salary	\$ 150,073
Benefits-insurance	12,432
Benefits-retirement, including FICA	34,385
Benefits-performance incentive	13,527
Car allowance	9,000
Cell phone	746
Dues	45
Reimbursements	445
Registration fees	225
Conference travel	356
Total	\$ 221,234

**Agency Head Name: William Smart, Acting Executive Director**

Purpose	Amount
Salary	\$ 2,692
Benefits-retirement, including FICA	583
Car allowance	375
Total	\$ 3,650

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Balance Sheet**  
**June 30, 2019**

	Project Total	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$2,422,047	\$156,120		\$190,468
113 Cash - Other Restricted				\$0
114 Cash - Tenant Security Deposits	\$370,294			
115 Cash - Restricted for Payment of Current Liabilities				\$22,780
100 Total Cash	\$2,792,341	\$156,120	\$0	\$213,248
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$1,251,064		\$3,662	
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				\$10,732
126 Accounts Receivable - Tenants	\$42,383			
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,238			
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$26,374			\$71,539
128.1 Allowance for Doubtful Accounts - Fraud	-\$23,739			-\$71,539
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,291,844	\$0	\$3,662	\$10,732
131 Investments - Unrestricted	\$12,733,658			
132 Investments - Restricted				
142 Prepaid Expenses and Other Assets				\$3,326
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$16,817,843	\$156,120	\$3,662	\$227,306
161 Land	\$2,062,904			
162 Buildings	\$92,561,201			
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$1,210,453			\$68,427
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$75,635,550			-\$40,236
167 Construction in Progress	\$49,333			
160 Total Capital Assets, Net of Accumulated Depreciation	\$20,248,341	\$0	\$0	\$28,191
171 Notes, Loans and Mortgages Receivable - Non-Current				
174 Other Assets				
180 Total Non-Current Assets	\$20,248,341	\$0	\$0	\$28,191
200 Deferred Outflow of Resources				



**Exhibit 3**

1 Business Activities	97.109 Disaster Housing Assistance Grant	14.895 Jobs-Plus Pilot Initiative	COCC	Subtotal	ELIM	Total
\$1,055,025	\$81,051		\$28,817	\$3,933,528		\$3,933,528
				\$0		\$0
				\$370,294		\$370,294
				\$22,780		\$22,780
\$1,055,025	\$81,051	\$0	\$28,817	\$4,326,602	\$0	\$4,326,602
		\$104,404		\$1,359,130		\$1,359,130
\$570,173			\$681,283	\$1,262,188		\$1,262,188
				\$42,383		\$42,383
				-\$4,238		-\$4,238
\$0		\$0	\$0	\$0		\$0
\$124,289				\$124,289		\$124,289
				\$97,913		\$97,913
				-\$95,278		-\$95,278
\$694,462	\$0	\$104,404	\$681,283	\$2,786,387	\$0	\$2,786,387
\$4,508,779			\$1,358,986	\$18,601,423		\$18,601,423
			\$301,203	\$304,529		\$304,529
			\$1,613	\$1,613		\$1,613
			\$0	\$0		\$0
			\$145,068	\$145,068	-\$93,165	\$51,903
\$6,258,266	\$81,051	\$104,404	\$2,516,970	\$26,165,622	-\$93,165	\$26,072,457
\$420,000				\$2,482,904		\$2,482,904
\$1,473,781				\$94,034,982		\$94,034,982
\$6,761			\$428,180	\$1,713,821		\$1,713,821
-\$981,358			-\$327,828	-\$76,984,972		-\$76,984,972
				\$49,333		\$49,333
\$919,184	\$0	\$0	\$100,352	\$21,296,068	\$0	\$21,296,068
\$3,721,313				\$3,721,313		\$3,721,313
\$4,640,497	\$0	\$0	\$100,352	\$25,017,381	\$0	\$25,017,381

(Continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Balance Sheet**  
**June 30, 2019**

	Project Total	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
290 Total Assets and Deferred Outflow of Resources	\$37,066,184	\$156,120	\$3,662	\$255,497
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$887,730		\$500	\$17,858
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$56,935		\$3,160	\$14,627
322 Accrued Compensated Absences - Current Portion	\$220,129			\$57,675
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$390,677			
341 Tenant Security Deposits	\$370,294			
342 Unearned Revenue	\$21,468			\$2,453
345 Other Current Liabilities				\$22,774
346 Accrued Liabilities - Other	\$443,529			
347 Inter Program - Due To			\$2	
348 Loan Liability - Current				
310 Total Current Liabilities	\$2,390,762	\$0	\$3,662	\$115,387
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$288,511			\$172,677
355 Loan Liability - Non Current				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$288,511	\$0	\$0	\$172,677
300 Total Liabilities	\$2,679,273	\$0	\$3,662	\$288,064
400 Deferred Inflow of Resources				
508.3 Nonspendable Fund Balance				
508.4 Net Investment in Capital Assets	\$20,248,341			\$28,191
511.4 Restricted Net Position				
512.3 Unassigned Fund Balance				
512.4 Unrestricted Net Position	\$14,138,570	\$156,120	\$0	-\$60,758
513 Total Equity - Net Assets / Position	\$34,386,911	\$156,120	\$0	-\$32,567
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$37,066,184	\$156,120	\$3,662	\$255,497

**Exhibit 3**

1 Business Activities	97.109 Disaster Housing Assistance Grant	14.895 Jobs-Plus Pilot Initiative	COCC	Subtotal	ELIM	Total
\$10,898,763	\$81,051	\$104,404	\$2,617,322	\$51,183,003	-\$93,165	\$51,089,838
\$6,049		\$10,784	\$9,641	\$932,562		\$932,562
		\$457	\$86,703	\$161,882		\$161,882
			\$732,899	\$1,010,703		\$1,010,703
				\$390,677		\$390,677
				\$370,294		\$370,294
				\$23,921		\$23,921
				\$22,774		\$22,774
				\$443,529		\$443,529
\$51,903		\$93,163		\$145,068	-\$93,165	\$51,903
\$57,952	\$0	\$104,404	\$829,243	\$3,501,410	-\$93,165	\$3,408,245
			\$484,054	\$945,242		\$945,242
\$0	\$0	\$0	\$484,054	\$945,242	\$0	\$945,242
\$57,952	\$0	\$104,404	\$1,313,297	\$4,446,652	-\$93,165	\$4,353,487
\$919,184			\$100,352	\$21,296,068		\$21,296,068
\$9,921,627	\$81,051	\$0	\$1,203,673	\$25,440,283		\$25,440,283
\$10,840,811	\$81,051	\$0	\$1,304,025	\$46,736,351	\$0	\$46,736,351
\$10,898,763	\$81,051	\$104,404	\$2,617,322	\$51,183,003	-\$93,165	\$51,089,838

(Continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**For the Year Ended June 30, 2019**

	Project Total	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$4,262,243			
70400 Tenant Revenue - Other	\$365,376			
70500 Total Tenant Revenue	\$4,627,619	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$8,633,570		\$172,462	\$8,146,896
70610 Capital Grants	\$49,333			
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$209,469			\$57
71400 Fraud Recovery	\$38,619			\$51,504
71500 Other Revenue	\$179,700			\$116,102
71600 Gain or Loss on Sale of Capital Assets	\$3,560			\$7,710
72000 Investment Income - Restricted				
70000 Total Revenue	\$13,741,870	\$0	\$172,462	\$8,322,269
91100 Administrative Salaries	\$403,702		\$65,804	\$298,316
91200 Auditing Fees	\$39,715			\$5,450
91300 Management Fee	\$1,383,685			\$73,280
91310 Book-keeping Fee	\$132,931			\$47,640
91400 Advertising and Marketing	\$16,832			\$267
91500 Employee Benefit contributions - Administrative	\$161,710		\$19,109	\$106,487
91600 Office Expenses	\$183,245		\$868	\$81,353
91700 Legal Expense	\$2,828			
91800 Travel	\$4,034			
91900 Other	\$12,872			\$777
91000 Total Operating - Administrative	\$2,341,554	\$0	\$85,781	\$613,570
92000 Asset Management Fee	\$181,960			
92100 Tenant Services - Salaries				
92200 Relocation Costs	\$33,368			
92400 Tenant Services - Other	\$71,526		\$86,681	
92500 Total Tenant Services	\$104,894	\$0	\$86,681	\$0
93100 Water	\$40,786			
93200 Electricity	\$247,896			
93300 Gas	\$75,074			
93400 Fuel				
93500 Labor				
93600 Sewer	\$29,478			
93700 Employee Benefit Contributions - Utilities				
93000 Total Utilities	\$393,234	\$0	\$0	\$0

**Exhibit 3**

1 Business Activities	97.109 Disaster Housing Assistance Grant	14.895 Jobs-Plus Pilot Initiative	COCC	Subtotal	ELIM	Total
				\$4,262,243		\$4,262,243
				\$365,376		\$365,376
\$0	\$0	\$0	\$0	\$4,627,619	\$0	\$4,627,619
		\$104,404		\$17,057,332		\$17,057,332
				\$49,333		\$49,333
			\$1,416,481	\$1,416,481	-\$977,833	\$438,648
			\$181,960	\$181,960	-\$181,960	\$0
			\$180,571	\$180,571	-\$132,931	\$47,640
			\$1,779,012	\$1,779,012	-\$1,292,724	\$486,288
\$124,933			\$19,521	\$353,980		\$353,980
				\$90,123		\$90,123
\$416,944			\$781,810	\$1,494,556	-\$643,283	\$851,273
			\$11,600	\$22,870		\$22,870
\$541,877	\$0	\$104,404	\$2,591,943	\$25,474,825	-\$1,936,007	\$23,538,818
\$45,000		\$3,691	\$800,824	\$1,617,337		\$1,617,337
			\$5,344	\$50,509		\$50,509
				\$1,456,965	-\$977,833	\$479,132
				\$180,571	-\$132,931	\$47,640
			\$6,017	\$23,116		\$23,116
\$9,742		\$322	\$356,848	\$654,218		\$654,218
\$399		\$37,199	\$126,494	\$429,558		\$429,558
\$1,297			\$5,024	\$9,149		\$9,149
\$1,947		\$13,777	\$15,691	\$35,449		\$35,449
\$12,545		\$3,336	\$11,333	\$40,863		\$40,863
\$70,930	\$0	\$58,325	\$1,327,575	\$4,497,735	-\$1,110,764	\$3,386,971
				\$181,960	-\$181,960	\$0
				\$33,368		\$33,368
		\$46,079		\$204,286		\$204,286
\$0	\$0	\$46,079	\$0	\$237,654	\$0	\$237,654
\$2,114			\$364	\$43,264		\$43,264
\$7,535			\$3,487	\$258,918		\$258,918
\$1,916			\$605	\$77,595		\$77,595
\$197			\$348	\$30,023		\$30,023
\$11,762	\$0	\$0	\$4,804	\$409,800	\$0	\$409,800

(Continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**For the Year Ended June 30, 2019**

	Project Total	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
94100 Ordinary Maintenance and Operations - Labor	\$554,561			
94200 Ordinary Maintenance and Operations - Materials and Other	\$793,545			\$4,645
94300 Ordinary Maintenance and Operations Contracts	\$6,278,273			\$42,072
94500 Employee Benefit Contributions - Ordinary Maintenance	\$195,786			
94000 Total Maintenance	\$7,822,165	\$0	\$0	\$46,717
95100 Protective Services - Labor	\$74,807			
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services	\$6,408			
95000 Total Protective Services	\$81,215	\$0	\$0	\$0
96110 Property Insurance	\$242,436			\$6,256
96120 Liability Insurance	\$119,428			\$3,082
96130 Workmen's Compensation	\$21,522			\$6,782
96140 All Other Insurance				
96100 Total insurance Premiums	\$383,386	\$0	\$0	\$16,120
96200 Other General Expenses				\$90,852
96210 Compensated Absences	\$121,898			\$38,504
96300 Payments in Lieu of Taxes	\$390,677			
96400 Bad debt - Tenant Rents	\$141,986			
96600 Bad debt - Other				
96000 Total Other General Expenses	\$654,561	\$0	\$0	\$129,356
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)	\$0			
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$11,962,969	\$0	\$172,462	\$805,763
97000 Excess of Operating Revenue over Operating Expenses	\$1,778,901	\$0	\$0	\$7,516,506
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized	\$69,825			
97300 Housing Assistance Payments				\$7,347,708
97350 HAP Portability-In				\$106,493
97400 Depreciation Expense	\$3,160,336			\$8,939
97500 Fraud Losses				\$45,609
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$15,193,130	\$0	\$172,462	\$8,314,512

**Exhibit 3**

1 Business Activities	97.109 Disaster Housing Assistance Grant	14.895 Jobs-Plus Pilot Initiative	COCC	Subtotal	ELIM	Total
			\$466,901	\$1,021,462		\$1,021,462
\$298			\$95,198	\$893,686		\$893,686
\$8,019			\$68,436	\$6,396,800	-\$643,283	\$5,753,517
			\$144,025	\$339,811		\$339,811
\$8,317	\$0	\$0	\$774,560	\$8,651,759	-\$643,283	\$8,008,476
				\$74,807		\$74,807
				\$6,408		\$6,408
\$0	\$0	\$0	\$0	\$81,215	\$0	\$81,215
\$3,954			\$28,467	\$281,113		\$281,113
\$1,948			\$14,024	\$138,482		\$138,482
			\$34,271	\$62,575		\$62,575
\$5,902	\$0	\$0	\$76,762	\$482,170	\$0	\$482,170
\$25,000				\$115,852		\$115,852
			\$270,158	\$430,560		\$430,560
				\$390,677		\$390,677
				\$141,986		\$141,986
\$25,000	\$0	\$0	\$270,158	\$1,079,075	\$0	\$1,079,075
				\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$121,911	\$0	\$104,404	\$2,453,859	\$15,621,368	-\$1,936,007	\$13,685,361
\$419,966	\$0	\$0	\$138,084	\$9,853,457	\$0	\$9,853,457
				\$69,825		\$69,825
				\$7,347,708		\$7,347,708
				\$106,493		\$106,493
\$93,116			\$34,829	\$3,297,220		\$3,297,220
				\$45,609		\$45,609
\$215,027	\$0	\$104,404	\$2,488,688	\$26,488,223	-\$1,936,007	\$24,552,216

(Continued)

**Housing Authority of the City of Monroe**  
**Financial Data Schedule - Income Statement**  
**For the Year Ended June 30, 2019**

	Project Total	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
10010 Operating Transfer In				
10020 Operating transfer Out				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special 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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,451,260	\$0	\$0	\$7,757
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$35,838,171	\$156,120	\$0	-\$40,324
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0			
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				\$95,101
11180 Housing Assistance Payments Equity				-\$127,668
11190 Unit Months Available	18134			18696
11210 Number of Unit Months Leased	17893			18346
11270 Excess Cash	\$13,768,478			
11610 Land Purchases	\$0			
11620 Building Purchases	\$49,333			
11630 Furniture & Equipment - Dwelling Purchases	\$0			
11640 Furniture & Equipment - Administrative Purchases	\$48,071			
11650 Leasehold Improvements Purchases	\$0			
11660 Infrastructure Purchases	\$0			
13510 CFFP Debt Service Payments	\$0			
13901 Replacement Housing Factor Funds	\$0			



**Exhibit 3**

1 Business Activities	97.109 Disaster Housing Assistance Grant	14.895 Jobs-Plus Pilot Initiative	COCC	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$326,850	\$0	\$0	\$103,255	-\$1,013,398	\$0	-\$1,013,398
\$0	\$0	\$0	\$0	\$0		\$0
\$10,513,961	\$81,051	\$0	\$1,200,770	\$47,749,749		\$47,749,749
				\$0		\$0
				\$95,101		\$95,101
				-\$127,668		-\$127,668
			0	36830		36830
			0	36239		36239
				\$13,768,478		\$13,768,478
			\$0	\$0		\$0
			\$0	\$49,333		\$49,333
			\$0	\$0		\$0
			\$72,000	\$120,071		\$120,071
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0

(Concluded)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ACTUAL CAPITAL FUND  
COST CERTIFICATE - CFP  
June 30, 2019**

**Exhibit 4**

1. The actual Capital Fund costs is as follows:

	<b>PROJECT LA-48 P006 501-16</b>
Funds Approved	\$ 2,241,071
Funds Expended	<u>2,241,071</u>
Excess of Funds Approved	<u><u>-</u></u>
Funds Advanced	2,241,071
Funds Expended	<u>2,241,071</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated June 26, 2018, 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**

	<u>Table Number</u>	<u>Page Number</u>
<b>Financial Trends</b>		
These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.		
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Changes in Net Position	2	63
<b>Revenue Capacity</b>		
This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.		
General Fund Revenues by Source	3	64
<b>Demographic and Economic Information</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.		
Tenant Demographics	4	65
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<b>Operating Information</b>		
These schedules contain 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	68
Government Employees	8	69

Table 1

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

**Net Position by Component**  
**Fiscal Years Ended June 30, 2010 through June 30, 2019**  
**(Accrual Basis of Accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Investment in capital assets	\$ 31,420,632	\$ 33,885,659	\$ 36,731,313	\$ 35,644,380	\$ 35,463,463	\$ 34,469,168	\$ 31,363,390	\$ 27,990,631	\$ 24,445,087	\$ 21,296,068
Restricted	703,543	607,284	356,954	407,318	18,807	154,626	189,160	-	32,506	-
Unrestricted	<u>12,261,649</u>	<u>14,312,114</u>	<u>13,350,060</u>	<u>15,376,586</u>	<u>16,211,688</u>	<u>18,032,211</u>	<u>18,927,674</u>	<u>20,028,458</u>	<u>23,272,156</u>	<u>25,440,283</u>
Total net position	<u>\$ 44,385,824</u>	<u>\$ 48,805,057</u>	<u>\$ 50,438,327</u>	<u>\$ 51,428,284</u>	<u>\$ 51,693,958</u>	<u>\$ 52,656,005</u>	<u>\$ 50,480,224</u>	<u>\$ 48,019,089</u>	<u>\$ 47,749,749</u>	<u>\$ 46,736,351</u>

Table 2

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

**Changes in Net Position**  
**Fiscal Years Ended June 30, 2010 through June 30, 2019**  
**(Accrual Basis of Accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Operating Revenues</b>										
Dwelling rental	\$ 3,388,086	\$ 3,349,432	\$ 3,395,763	\$ 3,598,384	\$ 3,964,000	\$ 4,100,781	\$ 4,379,807	\$ 4,488,026	\$ 4,339,245	\$ 4,262,243
Other	1,119,251	1,228,055	1,458,192	1,635,189	1,565,857	1,468,057	1,555,778	1,645,904	2,283,420	1,793,060
Federal grants	12,374,005	12,685,295	12,281,784	11,902,646	11,823,604	12,907,171	14,255,814	13,869,425	14,047,767	17,057,332
Total operating revenues	<u>16,881,342</u>	<u>17,262,782</u>	<u>17,135,739</u>	<u>17,136,219</u>	<u>17,353,461</u>	<u>18,476,009</u>	<u>20,191,399</u>	<u>20,003,355</u>	<u>20,670,432</u>	<u>23,112,635</u>
<b>Operating Expenses</b>										
Administration	3,530,597	3,248,924	2,919,618	3,048,675	3,138,980	3,197,155	3,280,757	3,297,853	3,352,856	3,386,971
Tenant services	81,529	66,246	111,297	63,897	117,279	172,699	104,674	157,778	76,852	237,654
Utilities	359,819	393,963	352,448	359,075	409,961	369,884	378,956	445,305	400,631	409,800
Ordinary maintenance & operations	2,440,800	2,852,076	3,216,455	3,195,123	3,270,470	3,007,479	7,232,949	6,417,456	4,428,833	8,078,301
Protective services	73,265	143,627	164,820	166,129	158,283	111,922	87,420	77,286	78,996	81,215
General expenses	1,292,643	1,306,456	1,259,721	1,129,036	1,307,706	1,200,209	1,400,380	1,512,129	1,605,396	1,606,854
Housing assistance payments	6,527,216	6,633,258	7,079,337	7,015,090	6,749,646	6,988,936	6,674,689	7,092,256	7,473,548	7,454,201
Depreciation	3,182,945	3,393,658	3,590,084	3,667,184	3,721,468	3,676,837	3,653,570	3,540,824	3,639,900	3,297,220
Total operating expenses	<u>17,488,814</u>	<u>18,038,208</u>	<u>18,693,780</u>	<u>18,644,209</u>	<u>18,873,793</u>	<u>18,725,121</u>	<u>22,813,395</u>	<u>22,540,887</u>	<u>21,057,012</u>	<u>24,552,216</u>
<b>Income (Loss) from Operations</b>	<u>(607,472)</u>	<u>(775,426)</u>	<u>(1,558,041)</u>	<u>(1,507,990)</u>	<u>(1,520,332)</u>	<u>(249,112)</u>	<u>(2,621,996)</u>	<u>(2,537,532)</u>	<u>(386,580)</u>	<u>(1,439,581)</u>
<b>Nonoperating Revenues (Expenses)</b>										
Investment earnings and gains/losses	115,285	77,766	50,493	52,697	43,311	28,936	30,025	31,226	109,589	353,980
Gain (loss) disposal of capital assets	11,515	0	8,965	0	10,590	(230,021)	(59,089)	12,174	7,651	22,870
Total nonoperating revenues (expenses)	<u>126,800</u>	<u>77,766</u>	<u>59,458</u>	<u>52,697</u>	<u>53,901</u>	<u>(201,085)</u>	<u>(29,064)</u>	<u>43,400</u>	<u>117,240</u>	<u>376,850</u>
<b>Net Income (Loss) before Contributions</b>	<u>(480,672)</u>	<u>(697,660)</u>	<u>(1,498,583)</u>	<u>(1,455,293)</u>	<u>(1,466,431)</u>	<u>(450,197)</u>	<u>(2,651,060)</u>	<u>(2,494,132)</u>	<u>(269,340)</u>	<u>(1,062,731)</u>
Capital Contributions	<u>3,315,383</u>	<u>5,116,893</u>	<u>3,234,170</u>	<u>2,445,250</u>	<u>1,732,105</u>	<u>1,412,244</u>	<u>475,279</u>	<u>33,000</u>	<u>-</u>	<u>49,333</u>
<b>Change in Net Position</b>	<u>\$ 2,834,711</u>	<u>\$ 4,419,233</u>	<u>\$ 1,735,587</u>	<u>\$ 989,957</u>	<u>\$ 265,674</u>	<u>\$ 962,047</u>	<u>\$ (2,175,781)</u>	<u>\$ (2,461,132)</u>	<u>\$ (269,340)</u>	<u>\$ (1,013,398)</u>

Table 3

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

**General Fund Revenues by Source**  
**Fiscal Years Ended June 30, 2010 Through 2019**

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
2010	\$ 3,388,086	37.12%	\$ 4,883,093	53.51%	\$ 97,692	1.07%	\$ 757,291	8.30%	\$ 9,126,162	100%
2011	3,349,432	35.83%	5,118,704	54.76%	74,977	0.80%	805,128	8.61%	9,348,241	100%
2012	3,395,763	37.48%	4,613,406	50.92%	43,388	0.48%	1,007,068	11.12%	9,059,625	100%
2013	3,598,384	41.17%	4,143,185	47.41%	32,887	0.38%	965,163	11.04%	8,739,619	100%
2014	3,964,000	40.38%	4,820,440	49.10%	22,070	0.22%	1,010,272	10.29%	9,816,782	100%
2015	4,100,781	40.92%	4,986,086	49.75%	7,714	0.08%	928,058	9.26%	10,022,639	100%
2016	4,379,807	36.38%	6,726,774	55.87%	7,481	0.06%	926,220	7.69%	12,040,282	100%
2017	4,488,026	38.39%	6,191,333	52.97%	8,257	0.07%	1,002,097	8.57%	11,689,713	100%
2018	4,339,245	37.04%	5,717,414	48.81%	30,174	0.26%	1,627,033	13.89%	11,713,866	100%
2019	4,262,243	36.39%	8,910,436	76.07%	228,990	1.95%	1,223,670	10.45%	14,625,339	125%

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

(1) The other amount column includes maintenance charges, late charges, other miscellaneous revenue and gain on sale of capital assets.

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



Table 4

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

**Tenant Demographics:  
Occupancy Ratios by Program  
Fiscal Years Ended June 30, 2010 Through June 30, 2019**

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
2010	1,522	1,447	95.07%	1,537	1,520	98.89%	3,059	2,967	96.99%
2011	1,522	1,454	95.53%	1,545	1,497	96.89%	3,067	2,951	96.22%
2012	1,522	1,455	95.62%	1,546	1,530	98.95%	3,068	2,985	97.30%
2013	1,522	1,486	97.63%	1,547	1,514	97.87%	3,069	3,000	97.75%
2014	1,518	1,502	98.95%	1,548	1,487	96.06%	3,066	2,989	97.49%
2015	1,518	1,497	98.62%	1,548	1,534	99.10%	3,066	3,031	98.86%
2016	1,499	1,480	98.73%	1,558	1,514	97.18%	3,057	2,994	97.94%
2017	1,462	1,429	97.74%	1,561	1,547	99.10%	3,023	2,976	98.45%
2018	1,514	1,492	98.55%	1,560	1,570	100.64%	3,074	3,062	99.61%
2019	1,511	1,491	98.68%	1,558	1,529	98.14%	3,069	3,020	98.40%

(1) General Fund total number of units reduced in 2016 due to significant flooding in March 2016 and units were temporarily off line while repair were made.

**Table 5**

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

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

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	51,555	\$ 5,697,958	\$ 33,753	10.1
2011	48,815	6,098,000	33,930	10.5
2012	49,183	5,999,437	33,942	8.1
2013	49,156	6,012,791	33,846	7.5
2014	49,761	6,308,115	35,482	6.8
2015	49,601	6,480,620	36,293	6.6
2016	49,598	6,515,194	36,425	6.6
2017	49,367	6,490,904	36,214	6.1
2018	49,361	6,804,474	37,914	5.3
2019	47,877	7,021,300	39,347	5.9

1 Population & unemployment data obtained from U. S. Bureau of Labor Statistics for 2018

2 Income information obtained from Bureau of Economic Analysis for 2017

**Table 6**

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

**Principal Employers**

	2019			2010		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
Ouachita Parish School Board	1	2,844	3.53%	1	3,035	5.97%
Century Link	2	2,360	2.93%	5	1,360	2.68%
St. Francis Medical Center	3	1,584	1.97%	2	2,500	4.92%
Monroe City School District	4	1,348	1.67%	4	1,400	2.76%
JP Morgan Chase Bank	5	1,291	1.60%	3	1,800	3.54%
City Monroe	6	1,195	1.48%	8	1,000	1.97%
IASIS Healthcare Corporation (Glenwood Hospital)	7	1,156	1.44%	9	900	1.77%
Walmart Stores	8	912	1.13%			
ULM	9	905	1.12%	6	1,118	2.20%
Graphic Packaging	10	840	1.04%	7	1,100	2.16%
E.A.Conway				10	882	1.74%
Foster Farms				8	1,100	2.16%

Source:

- North Louisiana Economic Partnership
- City of Monroe
- Ouachita Parish School Board
- Monroe Chamber of Commerce
- University of Louisiana
- Monroe City School District
- US Dept. of Labor

Table 7

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

**Property Characteristics and Dwelling Unit Composition**  
June 30, 2019

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition						
				Zero	One	Two	Three	Four	Five	Total
A006-001	Lock - Breece	306 Winnsboro Road	31-Oct-51		26	66	43	15	0	150
A006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52		38	87	66	29	3	223
A006-005	Foster Heights	Swayze and Louberta Sts.	30-Sep-54		8	89	77	6	2	182
A006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73		10	80	122	71	18	301
A006-009	Robinson Place	1207 Milliken Drive	30-Sep-73		0	28	78	68	37	211
A006-010	Miller Square	4200 Matthew Street	30-Apr-73		0	0	74	111	7	192
A006-011	Frances Tower	300 Harrison Street	31-Aug-78		129	0	0	0	0	129
A006-013	McKeen Plaza I	1500 McKeen Place	31-Jan-80		100	0	0	0	0	100
A006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84		0	0	0	0	30	30
	<b>Total Units</b>				311	350	460	300	97	1,518
<b><u>Managed Units</u></b>										
064-EH150	Ouachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	15-Jun-89	21	70	0	0	0	0	91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	1-Nov-96		40	1	0	0	0	41
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	1-Nov-98		39	0	0	0	0	39
Tax Credit Dev.	Passman Plaza III, Inc.	235 Lake Passman Dr.	1-Mar-08		0	60	0	0	0	60
Tax Credit Dev.	Claiborne Creek Apartments, LP	200 Claiborne Dr., West Monroe	1-Oct-97		60	12	0	0	0	72
Tax Credit Dev.	Claiborne Creek II, LP	200 Claiborne Dr., West Monroe	1-Oct-99		50	10	0	0	0	60
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	1-Nov-01		24	50	0	0	0	74
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	1-Apr-04		2	63	0	0	0	65
064-EE100	South Pointe I (Mgr. Apt.)	100 South Pointe Drive, Monroe	1-May-02		37	0	0	0	0	37
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	1-Jun-04		44	0	0	0	0	44
N/A	South Pointe III	100 South Pointe Drive, Monroe	1-Mar-10		36	0	0	0	0	36
N/A	South Pointe IV	100 South Pointe Drive, Monroe	1-Jun-10		0	4	0	0	0	4
N/A	Alabama Place	3202 Alabama, Monroe	1-Dec-12		0	1	15	0	0	16
N/A	Franciscan Apts.	109 South 4th Street, Monroe	7-Dec-14		8	0	0	0	0	8
N/A	Robinson Place II	Scattered Sites	1-May-19		0	0	50	0	0	50
	<b>Total Managed Units</b>			21	410	201	65	0	0	647

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 2018 and 2010**

	2018			2010		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	38	9	47	37	8	45
Capital Fund	0	0	0	3	0	3
Maintenance	25	12	37	28	6	34
Security Attendants	0	12	12	15	0	15
Trash Pick-Up	0	0	0	5	0	5
Students	0	10	10	18	0	18
	63	43	106	106	14	120

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

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

**Single Audit Report  
For the Year Ended June 30, 2019**



**Housing Authority of the City of Monroe**  
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**Housing Authority of the City of Monroe**

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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*

### Independent Auditor's Report

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

We have audited, in accordance with the 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, the financial statements of each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 31, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

## **Housing Authority's Response to Findings**

The Housing Authority's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 31, 2019



# ALLEN, GREEN & WILLIAMSON, LLP

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Audit Manager: Margie Williamson, CPA

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

## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

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

#### **Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the City of Monroe's compliance with the types of compliance requirements described in the *OMB 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, 2019. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance 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, 2019.

### **Report on Internal Control Over Compliance**

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 over compliance 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-002, that we consider to be a significant deficiency.

The Housing Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of each major fund of the Housing Authority, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements. We issued our report thereon dated December 31, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial

statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Monroe, Louisiana  
December 31, 2019

**Housing Authority of the City of Monroe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

FEDERAL GRANTOR/ <u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	CFDA <u>Number</u>	Pass-Through/ <u>Grantor No.</u>	<u>Expenditures</u>
<b>CASH FEDERAL AWARDS</b>			
United States Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing	14.850	LA 006-00000117D	\$ 4,630
Public and Indian Housing	14.850	LA 006-00000118D	2,301,772
Public and Indian Housing	14.850	LA 006-00000119D	<u>2,267,508</u>
Public and Indian Housing Total			\$ 4,573,910
Section 8 Housing Choice Voucher Program - Cluster	14.871	LA006VO, LA006AF	8,146,896
Resident Opportunity and Supportive Services	14.870	LA006RPS042A015	172,462
Jobs-Plus Pilot Initiative	14.895	LA006FJP000717	104,404
Public Housing Capital Fund Program	14.872	LA48P006501-17	2,025,868
Public Housing Capital Fund Program	14.872	LA48P006501-18	<u>2,083,125</u>
Public Housing Capital Fund Program Total			<u>4,108,993</u>
Total Cash Federal Awards			<u>\$ 17,106,665</u>

The accompanying notes are an integral part of this schedule.

**Housing Authority of the City of Monroe**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

**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's (the Housing Authority) reporting entity is defined in Note 1 to the Housing Authority's basic financial statements of the Comprehensive Annual Financial Report. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the Schedule.

Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority.

**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 of the Comprehensive Annual Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**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>	<u>Amount</u>
Federal grants	\$ 17,057,332
Capital contributions	49,333
Total	<u>\$ 17,106,665</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 - MAJOR FEDERAL AWARDS PROGRAMS** The dollar threshold of \$750,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**NOTE 6 - DE MINIMIS INDIRECT COST RATE** The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

**PART I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unmodified.
- 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 was one instance of noncompliance as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance (2 CFR 200). This significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program is:
  - CFDA# 14.872          Capital Fund Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

**PART II – Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America:**

**Reference # and title:**            **2019-001**            **Public Meetings**

**Entity-wide or program/department specific:** This finding is considered entity-wide.

**Criteria or specific requirement:** In accordance with Louisiana Revised Statute 42:19, the public agency should provide written public notice of any regular, special, or rescheduled meetings no later than twenty-four hours before the meeting. This public notice is to be posted at the principal office of the agency as well as on the agency’s website. Additionally, Revised Statute 42:20 states that all minutes from the public meeting are to be written and if the agency has a website, then the agency should post the minutes of the meetings on the website.

**Condition found:** When testing the public meetings of the Housing Authority, it was noted that the Housing Authority did not post the written notice of the meetings at the principal office. Additionally, during the testing, it was noted that the Housing Authority’s website was not fully functioning throughout the majority of the fiscal year. Therefore, the public notice of the meeting nor the board minutes were not made available.

**Context:** This finding is considered to be systemic.

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

**Cause:** The Housing Authority had change in personnel during the fiscal year.

**Effect:** The Housing Authority did not meet state compliance requirements related to public meetings law.

**Recommendations to prevent future occurrences:** The Housing Authority should establish procedures to ensure new staff are adequately trained. Additionally, the Housing Authority should periodically monitor the agency’s website to ensure it is adequately functioning.

**Origination date and prior year reference (if applicable):** This finding originated fiscal year ended June 30, 2019.

**View of responsible official:** New administrative personnel were unaware of the revised statutes pertaining to open meetings. In addition, the Housing Authority website was originally designed by personnel no longer with the agency and when the website failed, there was no one on staff who was familiar with the code.

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

**PART III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:**

**Reference # and title:            2019-002            Controls over Davis Bacon Act Monitoring**

<b><u>Federal program and specific federal award identification:</u></b>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2017 and 2018

**Criteria or specific requirement:** In accordance with the Davis Bacon Act at 29 CFR part 5, for construction contracts in excess of \$2,000, the Housing Authority is required to perform reviews of contractors and subcontractors wages paid to construction workers to ensure amounts being paid are in accordance with the prevailing wage rates for the related work performed. This review includes obtaining weekly payroll reports and performing interviews of contractors’ and subcontractors’ employees in such frequency as necessary to assure compliance with the Davis Bacon Act.

**Condition found:** When testing the controls over the Davis Bacon Act requirements, it was noted that, although the Housing Authority was receiving and reviewing the weekly payroll reports, the Housing Authority had not adequately performed interviews of contractors’ and subcontractors’ employees. The Housing Authority had two construction projects going at one time that included multiple subcontractors. The Housing Authority was only able to provide interviews for one on the projects that were performed during the fiscal year.

**Context:** The Housing Authority has a third party that assist with the interview process. For the two construction projects in questioned, the same contractor received the project. However, the projects require multiple subcontractors to complete the job. This appears to be systemic.

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

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

**Effect:** The Housing Authority’s controls over Davis Bacon Act monitoring are weakened.

**Recommendations to prevent future occurrences:** The Housing Authority should establish monitoring procedures over employee interviews to ensure they are adequately performed to assure compliance with the Davis Bacon Act.

**Origination date and prior year reference (if applicable):** This finding originated fiscal year ended June 30, 2019.

**View of responsible official:** New administrative personnel within the Planning and Development Department relied on the architect to conduct the interviews with the contractors and subcontractors.

**Housing Authority of the City of Monroe**

**OTHER INFORMATION**



Monroe Housing Authority • 300 Harrison Street • Monroe, LA 71201 • 318-388-1500 • TDD/TYY 1-800-545-1833 ext. 872  
 William Smart, Executive Director • Hal Hinchliffe, Chairman • Rick Miller, Vice Chairman • Joe Farr • Patricia Gix • Beverly Lewis

**Summary Status Of Prior Year Audit Findings and Questioned Costs  
 For the Year Ended June 30, 2019**

**Reference # and title:**            **2018-001**            **Public Housing Waiting Lists**

<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/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public Housing Program	CFDA#14.850	2017 and 2018

**Condition:** During the fiscal year, the Housing Authority implemented an online application process. It was noted that an additional preference was added to the online application platform that is not reflected in the Housing Authority’s policy. The additional preferences allowed those applicants to be listed higher on the listing. When testing individuals that applied for housing during the fiscal year, it was noted that six of the twenty-five applicants selected had listed preferences on the application; however, the tenants’ files did not support all preferences listed. Additionally, the Housing Authority does not maintain paper/electronic copies of the full waiting lists and therefore the auditor could not determine if the applicants were added to the waiting list in the correct order.

When selecting tenants that moved in during the fiscal year to ensure the Housing Authority is selecting from the waiting list properly, it was noted that two of the twenty-five tested had moved in before others reflected on the manager’s report.

**Corrective action taken:** The Housing Authority transitioned to site-based waiting lists in fiscal year 2018. Each manager is responsible for the wait list at their particular site. We also implemented an online application system. The Housing Authority held training related to the waiting list as well as removed the preference that was not in accordance with policy from the online system. This finding is considered cleared.

**Reference # and title:**            **2018-002**            **Depository Agreements**

<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/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public Housing Program	14.850	2017 and 2018

**Condition:** In accordance with Section 9 of the ACC, the Housing Authority is required to enter into depository agreements with their financial institutions using the HUD-51999 or a form required by HUD in the ACC. The agreements serve as safe guards for Federal funds and provide third-party rights to HUD.

Although the Housing Authority had entered into a depository agreement with the main financial institution, the Housing Authority has established investment accounts at other financial institutions without using the required depository agreement by HUD.

Summary Status Of Prior Year Audit Findings and Questioned Costs (continued)

**Corrective action taken:** One of the financial institutions has changed ownership since the depository agreement we have on file was established. We have obtained an updated depository agreement with that financial institution. The other depository agreement that we were missing is now on file. This finding is considered cleared.

**Reference # and title:**            2018-003            HUD 60002 Reporting


<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public Housing Program	14.850	2017 and 2018

**Condition:** In accordance to 24 CFR Section 135.3, the Housing Authority is required to submit the HUD 60002 information using the automated Section 3 Performance Evaluation and Registry System (SPEARS) regarding economic opportunities for low and very low income persons.

The Housing Authority did not submit the HUD 60002 for the fiscal year end June 30, 2018 within the SPEARS system; therefore, the auditor was unable to test the report.

**Corrective action taken:** There have been numerous problems with the SPEARS system. The Housing Authority has attempted to submit the report and the system still continues to be down. Based on the updated compliance supplement, the auditor is no longer required to test the report; therefore, this finding is considered to be cleared.

Respectfully submitted,

  
\_\_\_\_\_  
Janet Sanderford  
Administrative Director



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William Smart, Executive Director • Hal Hinchliffe, Chairman • Rick Miller, Vice Chairman • Joe Farr • Patricia Gix • Beverly Lewis

## Corrective Action Plan for the Current Year Findings and Questioned Costs

**Reference # and title:**            2019-001                            Public Meetings

**Entity-wide or program/department specific:** This finding is considered entity-wide.

**Condition:** In accordance with Louisiana Revised Statute 42:19, the public agency should provide written public notice of any regular, special, or rescheduled meetings no later than twenty-four hours before the meeting. This public notice is to be posted at the principal office of the agency as well as on the agency's website. Additionally, Revised Statute 42:20 states that all minutes from the public meeting are to be written and if the agency has a website, then the agency should post the minutes of the meetings on the website.

When testing the public meetings of the Housing Authority, it was noted that the Housing Authority did not post the written notice of the meetings at the principal office. Additionally, during the testing, it was noted that the Housing Authority's website was not fully functioning throughout the majority of the fiscal year. Therefore, the public notice of the meeting nor the board minutes were not made available.

**Corrective action planned:** Our new administration has been made aware of the Louisiana Revised Statutes. In addition, our website has been totally rebuilt and is fully functional.

**Person responsible for corrective action:**

Mr. William Smart, 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:** Completed as of the date of this report.

Corrective Action Plan for the Current Year Findings and Questioned Costs (continued)

**Reference # and title:**        2019-002        Controls over Davis Bacon Act Monitoring

<b><u>Federal program and specific federal award identification:</u></b>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2017 and 2018

**Condition:** In accordance with the Davis Bacon Act at 29 CFR part 5, for construction contracts in excess of \$2,000, the Housing Authority is required to perform reviews of contractors and subcontractors wages paid to construction workers to ensure amounts being paid are in accordance with the prevailing wage rates for the related work performed. This review includes obtaining weekly payroll reports and performing interviews of contractors' and subcontractors' employees in such frequency as necessary to assure compliance with the Davis Bacon Act.

When testing the controls over the Davis Bacon Act requirements, it was noted that, although the Housing Authority was receiving and reviewing the weekly payroll reports, the Housing Authority had not adequately performed interviews of contractors' and subcontractors' employees. The Housing Authority had two construction projects going at one time that included multiple subcontractors. The Housing Authority was only able to provide interviews for one on the projects that were performed during the fiscal year.

**Corrective action planned:** Our architects have been made advised to be more diligent concerning interviews of contractors and subcontractors.

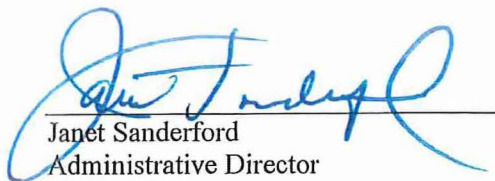
**Person responsible for corrective action:**

Mr. William Smart 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:** Completed as of the date of this report.

Respectfully submitted,

  
Janet Sanderford  
Administrative Director





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

## Management Letter

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

In planning and performing our audit of the financial statements of each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, we considered the Housing Authority's internal control over financial reporting (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 certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 31, 2019, on the financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, 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 these comments in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments and management's responses are summarized as follows:

### **2019-M1**                      **Adjustments to Tenant Accounts**

**Comment:** Best practices require all adjustments to tenant accounts follow the Housing Authority's policy and procedures and be properly reviewed and approved by someone other than the individual that posted the error. During the testing of account adjustments, it was noted that managers have access to post adjustments to tenant accounts. When testing a sample of twenty-five adjustments, it was noted that two adjustments were made by without obtaining the required approval.

**Recommendation:** The Housing Authority should establish quality control procedures to ensure managers are following the Housing Authority's policies regarding adjustments to tenant accounts.

**Management's response:** We are following closely any adjustments made and making sure that managers understand that they are not to make any adjustments to tenants' accounts. Any adjustments made without approval will have a written explanation with it explaining why such action was taken.

## **2019-M2**

### **Policies and Procedures**

**Comment:** Good internal controls and best practices require the Housing Authority to have well documented policies and procedures relating to standard operating procedures and financial procedures. These policies and procedures should be reviewed periodically for necessary changes. Furthermore, the Uniform Guidance requires additional policies and procedures related to federal funds such as time-minimizing elapsing for cash management and allowable costs principles. When reviewing the policies and procedures of the Housing Authority, it was noted that several of the policies have not been updated for several years. Additionally, some of the policies do not include procedural activities such as credit card purchases, ethics certification, receipts and etc.

**Recommendation:** The Housing Authority's written policies and procedures should be reviewed and revised accordingly to include best practices of the Uniform Guidance. Additionally procedures should be established to ensure annual reviews are completed of the Housing Authority's written policies and procedures for necessary updates. Policies should be in a central location in order to be easily accessible.

**Management's response:** Due to turnover in key administrative officials, the policies and procedures were not updated in this fiscal year. The new administration is now in place and the needed policies and procedures will be updated in fiscal year 2020.

## **2019-M3**

### **Inspection of Capital Assets**

**Comment** Good controls require physical inspections to be completed to assure capital assets are accounted for. It was noted that the Housing Authority does a good job keeping up with larger equipment items; however, the Housing Authority was unable to provide documentation of physical inspections of capital assets of lower amounts that are reflected on the depreciation schedule.

**Recommendation:** The Housing Authority should establish procedures to ensure physical inventory is taken on capital assets either on an annual or biannual basis.

**Management's response:** This will be one of the policies and procedures that will be incorporated in fiscal year 2020.

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Our audit procedures are designed primarily to enable us to form opinions on the financial statements of each major fund of the Housing Authority, as of and for the year ended June 30, 2019, 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.

Included immediately following this letter is a Status of Prior Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by Management, and we would report, as a current-year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Item misrepresents the status of any prior management letter item.

This report is intended solely for the information and use of the Board of Commissioners, 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 this letter 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 31, 2019

**Housing Authority of the City of Monroe**  
**Status of Prior Year Management Letter Items**  
**For the Year Ended June 30, 2019**

**2018-M1**                      **Adjustments to Tenant Accounts**

**Comment:** Best practices require all adjustments to tenant accounts follow the Housing Authority’s policy and procedures and be properly reviewed and approved by someone other than the individual that posted the error. During the testing of account adjustments, it was noted that managers have access to post adjustments to tenant accounts. When testing a sample of forty adjustments, it was noted that one adjustment was made by the manager without obtaining the required approval.

**Management’s response:** See current year management letter item 2019-M1.

**2018-M2**                      **Policies and Procedures**

**Comment:** Good internal controls and best practices require the Housing Authority to have well documented policies and procedures relating to standard operating procedures and financial procedures. These policies and procedures should be reviewed periodically for necessary changes. Furthermore, the Uniform Guidance requires additional policies and procedures related to federal funds such as time-minimizing elapsing for cash management and allowable costs principles. When reviewing the policies and procedures of the Housing Authority, it was noted that several of the policies have not been updated for several years. Additionally, some of the policies do not include procedural activities such as credit card purchases, ethics certification, receipts and etc. It was also noted that in June 2018 the Board approved several policies; however, the policies could not be readily provided to the auditors.

**Management’s response:** See current year management letter item 2019-M2.

**2018-M3**                      **Internal Controls Over Journal Entries**

**Comment:** Good checks and balances include levels of review and approval of manual journal entries. Additionally, journal entries and supporting documentation should be maintained in a central location to be easily accessible. The Accounting Department had experienced turnover during the fiscal year, which caused a number of entries not being reviewed or approved by another individual.

**Recommendation:** The Housing Authority should establish procedures to ensure adequate checks and balances are in place over journal entries.

**Management’s response:** The Accounting Director and the Accountant will both initial all journal entries to comply with review and approval of journal entries. This item is considered cleared.



# ALLEN, GREEN & WILLIAMSON, LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATWIDE AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Housing Authority of the City of Monroe and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended June 30, 2019. The Housing Authority's management is responsible for the control and compliance with those areas identified in the SAUPs. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event

**Comment:** When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- **Budgeting-** Written policies and procedures over budgeting exist, however, the policy does not address amending the budget.
- **Purchasing-** The written policy and procedure does not address (2) how vendors are added to the vendor list and (3) approval process of purchase orders.
- **Receipts/Collections-** No written policy requiring reconciliation of receipt logs to bank deposits.
- **Contracting-** The written policy and procedure regarding procurement policy does not mention legal review of contracts.
- **Credit Cards-** The written policy and procedure regarding procurement policy does not address (1) how cards are to be controlled; (4) required approvers of statements; and (5) monitoring card usage.
- **Travel and expense reimbursement-** The written policy and procedures does not address dollar threshold for meals such as per diem amounts or hotel expense.
- **Ethics-** The written policy does not include (1) the prohibitions as defined in Louisiana's Revised Statute 42:1111-1121 and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

- **Disaster Recovery/Business Continuity-** In initial review of NetTech's Master Agreement, the following items were not mentioned: (1) identification of critical data; (3) periodic testing/verification that backups can be restored (only mentions testing the process with test data); (4) use of antivirus software on all systems and (6) identification of personnel, processes, and tools needed to recover operations after a critical event. In the agreement, (5) Software patches are specifically not covered. After reviewing the response from Net Tech's email related to the above, it was determined that antivirus and software patches are only followed by Net Tech at the server level; however, not specifically addressed at the individual computer levels.

**Management's response:** Due to changes in high level administrative officials, the policies and procedures for the above exceptions were not able to be written or amended as needed. The new administration is now in place and these policies and procedures will be addressed in fiscal year 2020.

### ***Bank Reconciliations***

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2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Comment:** Three exceptions noted regarding the timely preparation of bank reconciliations. One bank reconciliation was initially completed on time but adjusted after two months of statement closing date and two bank reconciliations did not have date of preparation so we were unable to verify if they were prepared timely. Two exceptions in which there was no evidence that a member of management has reviewed the bank reconciliation. One check was outstanding for more than 12 months and no documentation exists to show management has investigated that item.

**Management's response:** We strive to have the bank reconciliations done timely and accurately. We were still working out bugs from our software conversion from 2017. We hope to have addressed all the known issues. The outstanding check referenced has been investigated and concerns an expense paid by a grant that is no longer active.

### ***Collections***

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3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Comment:** There were no exceptions noted as a result of applying agreed upon procedures.

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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7. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each



selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Comment:** One exception noted where reimbursement was not supported by an original itemized receipt from the hotel.

**Management's response:** This was due to the individual who had not incurred any travel expense before and was unaware of the requirement for an original hotel receipt. He had all of the other receipts required but only had the hotel receipt from when the room was booked. He has since been made aware of the proper receipts needed for each expense claimed.

### ***Ethics***

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8. Randomly select five employees/officials and obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Comment:** Five exceptions noted where there was no documentation that demonstrates that the employees/officials attested through signature verification that they read the entity's ethics policy.

**Management's response:** This will be addressed when the other policies and procedures have been written or amended.

### ***Other***

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9. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
10. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Comment:** There were no exceptions noted as a result of applying agreed upon procedures.

**Comment:** There were no exceptions noted as a result of applying agreed upon procedures.

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We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance area identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance area identified in the SAUPs and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties. 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 31, 2019