

Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

For the Year Ended June 30, 2021

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

Comprehensive Annual Financial Report

For the Year Ended June 30, 2021

**William Smart
Executive Director**

**Janet Sanderford
Accounting 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



December 31, 2021

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, 2021 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. Annual Report The Comprehensive Annual Financial Report consists of three parts:

- (1) The Introductory Section. This section includes a transmittal letter, information on financial reporting achievements, the Housing Authority's organizational structure, recognition of the appointed officials of the Housing Authority and a list of selected administrative officials.
- (2) The Financial Section. The financial section consists of management's discussion and analysis 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), which 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 maintained its 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 out of a possible 100.
- We have completed the expansion of the Burg Jones community room and management office and upgraded the HVAC system at McKeen Plaza to a much more efficient and reliable system. We have also completed the upgrade to the elevators at Frances Tower. The new HVAC system and exterior waterproofing for Frances Tower are in process and look to be completed in the coming year. Projects that are expected to commence in the coming year include exterior waterproofing at McKeen Plaza, security enhancements on all public housing properties, and an exterior update at our Locke-Breece property.
- The Housing Authority now manages 6 Section 202 properties consisting of a total of 286 units of elderly housing as well as 5 tax credit properties, with a total of 335 units, all of which are elderly housing. We operate 16 units designed for handicapped families. Another tax credit property that we manage is a group of

50 single-family homes within our Robinson Place Community. Construction was completed on 23 single-family homes around 3rd and 4th street. We are working with community partners to offer homeownership programs to applicants in hopes of equipping them to purchase these homes once the 5-year compliance period is fulfilled. Our goal is to turn this blighted area back into 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 4th 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.

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

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

G. 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.

H. 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.

- I. Independent Audits** The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the Housing Authority's system of budgetary and accounting controls.
- J. Award** The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants. 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, 2021, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

- K. Acknowledgments** We feel that the staff of Monroe Housing Authority meets the challenges of the ongoing COVID environment and continues to make this Housing Authority one of the premier Housing Authorities in the nation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our entire staff but especially those 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
Accounting 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

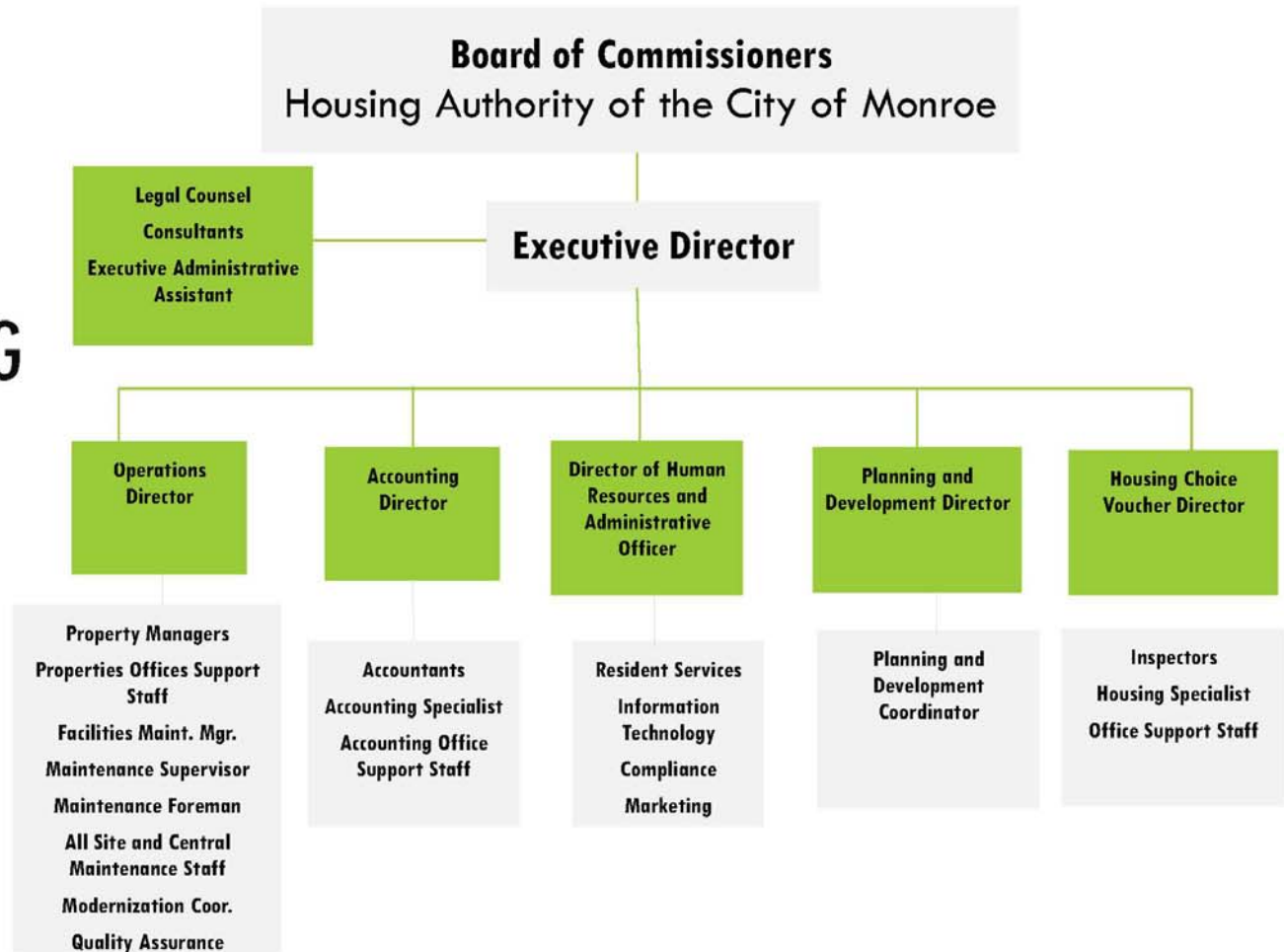
Housing Authority of the City of Monroe

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Housing Authority of the City of Monroe



**MONROE HOUSING
AUTHORITY
ORGANIZATION
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. Angelina Jones

Ms. Beverly V. Lewis

Selected Administrative Officials

Mr. William Smart

Executive Director

Cheryl Farmer

Operations Director

Janet Sanderford

Accounting Director

Naomi Jackson

Housing Choice Voucher Director

Jason Roubique

Planning & Development Director

Shelva Thomas

Director of Human Resources

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Aimee Buchanan, CPA
Principal: Cindy Thomason, CPA

Audit Managers: Margie Williamson, CPA
Jennie Henry, CPA, CFE

In-Charges: Crystal Patterson, CPA
Mallory Stone, 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, 2021, 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, 2021, 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, 2021 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 solely 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, 2021

Housing Authority of the City of Monroe

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

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021

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, 2021. 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 2021, 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 \$48,958,465 (*net position*). Of this amount, \$30,490,359 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net position increased by \$2,312,833 for current year which is mostly attributable to increased money received for Capital Fund projects and CARES Act funding.
- At the end of the current fiscal year, unrestricted net position for the general fund was \$19,984,405 or 158% 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.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021

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. These 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.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$48,958,465 at June 30, 2021. Of this amount, \$30,490,359 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; however, none were reported for the fiscal year end.

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, the DHAP program and the Emergency Housing Voucher 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.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021

Table 1

Net Position
June 30,

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Current assets	\$ 30,561,013	\$ 27,165,425	\$ 3,395,588
Capital assets	18,885,784	19,498,639	(612,855)
Other noncurrent assets	<u>2,774,002</u>	<u>2,942,445</u>	<u>(168,443)</u>
Total assets	<u>52,220,799</u>	<u>49,606,509</u>	<u>2,614,290</u>
Current liabilities	2,352,013	1,996,310	355,703
Noncurrent liabilities	<u>910,321</u>	<u>964,567</u>	<u>(54,246)</u>
Total liabilities	<u>3,262,334</u>	<u>2,960,877</u>	<u>301,457</u>
Net position			
Net investment in capital assets	18,468,106	19,404,617	(936,511)
Restricted	-	156,718	(156,718)
Unrestricted	<u>30,490,359</u>	<u>27,084,297</u>	<u>3,406,062</u>
Total net position	<u>\$ 48,958,465</u>	<u>\$ 46,645,632</u>	<u>\$ 2,312,833</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021

Table 2

Changes in Net Position
For the Years Ended June 30,

	2021	2020	Variance
Beginning net position	\$ 46,645,632	\$ 46,736,351	\$ (90,719)
Revenues:			
Operating revenues			
Rental and other	6,037,748	5,590,968	446,780
Federal grants	16,197,603	16,750,478	(552,875)
Total operating revenues	<u>22,235,351</u>	<u>22,341,446</u>	<u>(106,095)</u>
Expenses:			
Operating expenses			
Administration	3,569,220	3,315,088	254,132
Tenant services	729,350	613,081	116,269
Utilities	472,118	426,565	45,553
Ordinary maintenance and operations	4,671,097	6,650,084	(1,978,987)
Protective services	77,813	81,681	(3,868)
General expenses	2,123,381	1,768,175	355,206
Housing assistance payments	7,825,506	7,941,402	(115,896)
Depreciation	2,756,152	2,948,152	(192,000)
Total expenses	<u>22,224,637</u>	<u>23,744,228</u>	<u>(1,519,591)</u>
Non-operating revenues			
Interest earnings	184,075	421,175	(237,100)
Net income (loss) before capital contributions	194,789	(981,607)	1,176,396
Capital contributions	2,118,044	890,888	1,227,156
Increase (decrease) in net position	<u>2,312,833</u>	<u>(90,719)</u>	<u>2,403,552</u>
Ending net position	<u>\$ 48,958,465</u>	<u>\$ 46,645,632</u>	<u>\$ 2,312,833</u>

Total operating revenues decreased \$106,095:

- The general fund's operating revenue had an increase of \$102,158 due to an increase in other revenue.
- The Section 8 fund's operating revenue decreased \$243,784 due to excess reserves' increase held by HUD.
- The management fees' operating revenue increased \$38,531 due to past accruals being paid.
- The Monroe housing facilities' operating revenue decreased \$3,000.

Total operating expenses decreased \$1,519,591:

- The general fund's operating expenses decreased \$1,682,083. This change was due primarily to most of the Capital Funds spent this year was on actual capital items rather than expenses in maintenance work on the units.
- The Section 8 funds operating expenses decreased \$146,724. This change was due to expenses paid out of CARES Act funds.
- The management fees' operating expenses had a decrease of \$44,403 due to decreased payroll costs.

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021**

- The Monroe housing facilities' operating expenses had an increase of \$353,619. This increase is due to an allowance for bad debt for funds owed by St. John Plaza.

Capital contributions increased \$1,227,156 because of the number of projects that actually involved capital items rather than expensed items which would have normally gone to operating contributions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the Housing Authority had \$18,885,784 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 \$612,855 or 3%, from last year.

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

	2021	2020
Land	\$ 2,591,864	\$ 2,591,864
Buildings and site improvements	13,354,383	15,677,090
Furniture and equipment	249,911	289,464
Construction in progress	2,689,626	940,221
Totals	\$ 18,885,784	\$ 19,498,639

This year's decrease of \$612,855 is mainly due to depreciation.

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

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.

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2021**

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, 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, Accounting 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, 2021**

Statement A

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES	MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 4,673,107	\$ 1,024,767	\$ 914,607	\$ 1,139,839	\$ 7,752,320
Investments	14,518,016	-	-	4,588,490	19,106,506
Accounts receivable, net	2,290,358	20,472	56,386	306,983	2,674,199
Notes receivable	-	-	-	168,443	168,443
Interfund receivable	2,428	-	-	-	2,428
Prepaid items and other assets	414,668	3,326	-	-	417,994
Inventory	18,890	-	-	-	18,890
Restricted assets:					
Cash for deposits due others	388,169	32,064	-	-	420,233
TOTAL CURRENT ASSETS	22,305,636	1,080,629	970,993	6,203,755	30,561,013
NONCURRENT ASSETS:					
Notes receivable	-	-	-	2,774,002	2,774,002
Capital Assets, net					
Land and construction in progress	4,752,530	-	-	528,960	5,281,490
Buildings and equipment (net)	13,277,022	14,322	-	312,950	13,604,294
TOTAL NONCURRENT ASSETS	18,029,552	14,322	-	3,615,912	21,659,786
TOTAL ASSETS	40,335,188	1,094,951	970,993	9,819,667	52,220,799
LIABILITIES					
Current liabilities:					
Accounts and other payables	612,380	26,107	-	1,611	640,098
Interfund payable	-	-	-	2,428	2,428
Accrued liabilities	571,882	18,727	-	246	590,855
Unearned revenue	32,541	213,195	-	-	245,736
Current portion of compensated absences payable	402,888	54,965	-	-	457,853
Current Liabilities Paid with Restricted Assets:					
Deposits due others	388,169	26,874	-	-	415,043
TOTAL CURRENT LIABILITIES	2,007,860	339,868	-	4,285	2,352,013
NONCURRENT LIABILITIES					
Compensated absences payable	731,049	179,272	-	-	910,321
TOTAL LIABILITIES	2,738,909	519,140	-	4,285	3,262,334
NET POSITION					
Net investment in capital assets	17,611,874	14,322	-	841,910	18,468,106
Unrestricted	19,984,405	561,489	970,993	8,973,472	30,490,359
TOTAL NET POSITION	\$ 37,596,279	\$ 575,811	\$ 970,993	\$ 9,815,382	\$ 48,958,465

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, 2021**

Statement B

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES	MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
OPERATING REVENUES					
Dwelling rental	\$ 3,998,857	\$ -	\$ -	\$ -	\$ 3,998,857
Other	1,460,443	120,729	427,719	30,000	2,038,891
Federal grants	7,313,024	8,884,579	-	-	16,197,603
TOTAL OPERATING REVENUES	12,772,324	9,005,308	427,719	30,000	22,235,351
OPERATING EXPENSES					
Administration	2,763,470	601,771	183,496	20,483	3,569,220
Tenant services	475,323	254,027	-	-	729,350
Utilities	458,411	-	-	13,707	472,118
Ordinary maintenance & operations	4,632,969	23,843	-	14,285	4,671,097
Protective services	77,813	-	-	-	77,813
General expenses	1,579,930	156,859	52,470	334,122	2,123,381
Housing assistance payments	-	7,825,506	-	-	7,825,506
Depreciation	2,656,768	6,267	-	93,117	2,756,152
TOTAL OPERATING EXPENSES	12,644,684	8,868,273	235,966	475,714	22,224,637
Income (loss) from Operations	127,640	137,035	191,753	(445,714)	10,714
NONOPERATING REVENUES (EXPENSES)					
Investment earnings and gains/losses	113,401	3	-	70,671	184,075
Net income (loss) before capital contributions	241,041	137,038	191,753	(375,043)	194,789
Capital contributions	2,118,044	-	-	-	2,118,044
Change in net position	2,359,085	137,038	191,753	(375,043)	2,312,833
NET POSITION - BEGINNING	35,237,194	438,773	779,240	10,190,425	46,645,632
NET POSITION - ENDING	\$ 37,596,279	\$ 575,811	\$ 970,993	\$ 9,815,382	\$ 48,958,465

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, 2021**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Rental receipts	\$ 3,905,552	\$ -	\$ -	\$ -	\$ 3,905,552
Other receipts	1,493,962	129,832	371,333	158,069	2,153,196
Payments to vendors	(5,727,183)	(562,848)	(35,127)	(412,784)	(6,737,942)
Payments to employees	(3,940,674)	(511,989)	(175,839)	(5,283)	(4,633,785)
Payments to private landlords	-	(7,814,645)	-	-	(7,814,645)
Payments to others	-	-	(25,000)	-	(25,000)
Federal grants	6,566,497	8,894,435	-	-	15,460,932
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,298,154</u>	<u>134,785</u>	<u>135,367</u>	<u>(259,998)</u>	<u>2,308,308</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase capital assets	(2,143,297)	-	-	-	(2,143,297)
Contributed capital	2,118,044	-	-	-	2,118,044
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(25,253)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,253)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings and gains/losses	113,401	3	-	70,671	184,075
Purchase of investments	(113,401)	-	-	(23,672)	(137,073)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 46,999</u>	<u>\$ 47,002</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2021**

Statement C

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES	MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,272,901	\$ 134,788	\$ 135,367	\$ (212,999)	\$ 2,330,057
CASH AND CASH EQUIVALENTS - BEGINNING	2,788,375	922,043	779,240	1,352,838	5,842,496
CASH AND CASH EQUIVALENTS - ENDING	<u>5,061,276</u>	<u>1,056,831</u>	<u>914,607</u>	<u>1,139,839</u>	<u>8,172,553</u>
Reconciliation to financial statements:					
Cash	4,673,107	1,024,767	914,607	1,139,839	7,752,320
Restricted Cash (deposits due others)	388,169	32,064	-	-	420,233
	<u>5,061,276</u>	<u>1,056,831</u>	<u>914,607</u>	<u>1,139,839</u>	<u>8,172,553</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	127,640	137,035	191,753	(445,714)	10,714
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	2,656,768	6,267	-	93,117	2,756,152
Change in assets and liabilities:					
Accounts receivable, net	(815,070)	(7,547)	(56,386)	8,120	(870,883)
Notes receivable, net	-	-	-	128,069	128,069
Interfund receivables	39,140	-	-	-	39,140
Inventories	(9,585)	-	-	-	(9,585)
Prepaid items and other assets	(46,756)	-	-	-	(46,756)
Accounts payable	400,184	9,851	-	(4,438)	405,597
Accrued expenses	40,688	(1,145)	-	(12)	39,531
Unearned revenue	2,323	26,506	-	-	28,829
Interfund payables	-	-	-	(39,140)	(39,140)
Deposits due others	6,434	(6,839)	-	-	(405)
Compensated absences	(103,612)	(29,343)	-	-	(132,955)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,298,154</u>	<u>\$ 134,785</u>	<u>\$ 135,367</u>	<u>\$ (259,998)</u>	<u>\$ 2,308,308</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, 2021

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Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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 and Tax Credit 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		6
Alabama Place, LLP		16
Franciscan Apartments		8
Robinson Place II		50
Preservation Mills		23

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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Monroe.

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the 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 and tax credit properties 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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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.

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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). 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 Although the Housing Authority is no longer under Louisiana Civil Service, the Housing Authority still follows Louisiana Civil Service policies 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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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

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

NOTE 2 - CASH AND CASH EQUIVALENTS The Housing Authority's deposits are recorded at cost. The carrying amount of deposits totaled \$27,279,059, which includes \$19,106,506 held in certificates of deposit that are classified as investments and \$420,233 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's 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, 2021 the Housing Authority bank balance was \$27,644,641 in which \$2,000,000 was covered with federal depository insurance (GASB Category 1) and the remaining balance of \$25,644,641 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name (GASB Category 3). Even though the pledged securities are considered uncollateralized 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, 2021, are as follows:

Class of Receivables	General	Tenant Based Section 8	Management Fees	Monroe Housing Facilities	Total
Local sources:					
Tenants	\$ 143,039	\$ -	\$ -	\$ -	\$ 143,039
Other	758,029	732	56,386	306,983	1,122,130
Federal sources:					
Due from HUD	1,389,290	19,740	-	-	1,409,030
Total	<u>\$ 2,290,358</u>	<u>\$ 20,472</u>	<u>\$ 56,386</u>	<u>\$ 306,983</u>	<u>\$ 2,674,199</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$61,317. 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 \$781,810, in which General fund is \$399,037, Tenant Based Section 8 is \$82,684 and Monroe Housing Facilities is \$300,089. The Tenant Based Section 8 accounts receivable other is reporting \$82,684 in accounts receivable related to fraud recovery; however, the full balance is reported as an allowance for doubtful accounts.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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, 2021 was \$283,087. Of this amount, \$36,898 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 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, 2021 was \$1,209,358 in which \$95,066 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%; however, the amount of the note receivable used was \$1,450,000. The amount of this notes receivable at June 30, 2021 was \$1,450,000 in which \$36,479 is due within one year.

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	\$ 2,591,864	\$ -	\$ -	\$ 2,591,864
Construction in progress	940,221	2,082,707	333,302	2,689,626
Total capital assets, non depreciable	<u>3,532,085</u>	<u>2,082,707</u>	<u>333,302</u>	<u>5,281,490</u>
Capital assets, depreciable				
Buildings and site improvements	94,098,376	348,063	-	94,446,439
Furniture and equipment	1,801,302	45,829	-	1,847,131
Total capital assets, depreciable	<u>95,899,678</u>	<u>393,892</u>	<u>-</u>	<u>96,293,570</u>
Less accumulated depreciation				
Buildings and site improvements	78,421,287	2,670,769	-	81,092,056
Furniture and equipment	1,511,837	85,383	-	1,597,220
Total	<u>79,933,124</u>	<u>2,756,152</u>	<u>-</u>	<u>82,689,276</u>
Net Depreciable Assets	<u>15,966,554</u>	<u>(2,362,260)</u>	<u>-</u>	<u>13,604,294</u>
Total capital assets, net	<u>\$ 19,498,639</u>	<u>\$ (279,553)</u>	<u>\$ 333,302</u>	<u>\$ 18,885,784</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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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

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

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

The Housing Authority's contributions were calculated using the base salary amount of \$2,848,332. The members' contributions were \$5,484 for the year ended June 30, 2021. The Housing Authority made the required contributions of \$397,179 for the year ended June 30, 2021.

During the fiscal year ended June 30, 2021, the Housing Authority had \$0 in forfeitures that was recognized in the current year pension expense. At June 30, 2021, the Housing Authority had \$0 in payables to the retirement plan for the June 2021 employee and employer required contributions.

NOTE 7 - ACCOUNTS AND OTHER PAYABLES The payables at June 30, 2021, are as follows:

	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Vendors	\$ 121,997	\$ 26,107	\$ 1,611	\$ 149,715
Contractor payable	257,069	-	-	257,069
Retainage payable	233,314	-	-	233,314
Total	<u>\$ 612,380</u>	<u>\$ 26,107</u>	<u>\$ 1,611</u>	<u>\$ 640,098</u>

For retainage payable at fiscal year end of \$233,314, the amount related to construction in progress was \$160,609.

NOTE 8 - ACCRUED LIABILITIES The accrued liabilities at June 30, 2021, are as follows:

	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Payments in lieu of taxes	\$ 358,131	\$ -	\$ -	\$ 358,131
Salaries and benefits	213,751	18,727	246	232,724
Total	<u>\$ 571,882</u>	<u>\$ 18,727</u>	<u>\$ 246</u>	<u>\$ 590,855</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2021, employees of the Housing Authority have accumulated and vested \$1,368,174 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, 2021

NOTE 10 - LONG-TERM LIABILITES The following is a summary of the long-term liabilities for the year ended June 30, 2021:

	Compensated Absences
Beginning Balance	\$ 1,501,129
Additions	420,940
Deletions	553,895
Ending Balance	\$ 1,368,174
Amounts Due Within One Year	\$ 457,853

NOTE 11 - INTERFUND TRANSACTIONS

Interfund receivables/payables at June 30, 2021, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
General Fund	\$ 2,428	Monroe Housing Facilities	\$ 2,428

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, 2021, 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, 2021. The Housing Authority had three open contracts at fiscal year end for repairs and renovations. The contracts of \$5,914,091 had \$2,820,963 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 except for on one property. This self-insurance program is a public entity risk pool, which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments. 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.

Housing Authority of the City of Monroe
Notes to the Financial Statements
June 30, 2021

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, as of June 30, 2021, no action has been taken regarding the resolution.

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 \$18,315,647 to the Housing Authority, which represents approximately 83% 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 \$14,784 the year ended June 30, 2021. The minimum lease payables for these leases at June 30, 2021 is \$11,088.

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 11,088

NOTE 16 - INSURANCE PROCEEDS In the fiscal year ended June 30, 2021, the Housing Authority received \$345,276 in insurance proceeds from hurricane damage of Frances Tower roof, which is classified as other income in the statement of revenues, expenses, and changes in fund net position.

NOTE 17 - SUBSEQUENT EVENTS In July 2021, the Housing Authority awarded a construction contract in the amount of \$1,778,000 for the exterior renovation project at McKeen Plaza.

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, 2021, the Housing Authority had \$801,490 in HUD-Held Reserves.

NOTE 19 - NEW GASB STANDARDS In the current fiscal year the Housing Authority implemented GASB Statement No. 84 – *Fiduciary Activities*. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It improves guidance regarding the identification of fiduciary activities for accounting and financial reporting and how those activities should be reported. The implementation of this standard had no impact on the Housing Authority’s financial statements for fiscal year ended June 30, 2021.

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2021**

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. Angelina Jones

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, 2021

Exhibit 2

Agency Head Name: William Smart, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 140,000
Benefits-insurance	15,381
Benefits-retirement	19,600
Benefits-FICA	10,802
Benefits-performance incentive	12,600
Car allowance	9,000
Cell phone	640
Dues	55
Total	<u>\$ 208,078</u>

Housing Authority of the City of Monroe
Financial Data Schedule
June 30, 2021

	Project Total	14.IKE DHAP-IKE	14.PHC Public Housing CARES Act Funding	14.895 Jobs- Plus Pilot Initiative	14.CCC Central Office Cost Center CARES Act Funding
111 Cash - Unrestricted	\$4,336,291	\$100,318			
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits	\$388,169				
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$4,724,460	\$100,318	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$422,228		\$1,056	\$913,264	
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$204,356				
126.1 Allowance for Doubtful Accounts - Tenants	-\$61,317				
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery	\$85,320				
128.1 Allowance for Doubtful Accounts - Fraud	-\$77,513				
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$573,074	\$0	\$1,056	\$913,264	\$0
131 Investments - Unrestricted	\$14,518,016				
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From	\$303,976				
150 Total Current Assets	\$20,119,526	\$100,318	\$1,056	\$913,264	\$0
161 Land	\$2,062,904				
162 Buildings	\$92,952,969				
163 Furniture, Equipment & Machinery - Dwellings	\$0				
164 Furniture, Equipment & Machinery - Administration	\$1,339,130				
166 Accumulated Depreciation	-\$81,094,914				
167 Construction in Progress	\$2,689,626				
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$17,949,715	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
180 Total Non-Current Assets	\$17,949,715	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$38,069,241	\$100,318	\$1,056	\$913,264	\$0

Exhibit 3

1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity & Supportive Services	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	97.109 Disaster Housing Assistance Grant	COCC	Subtotal	ELIM	Total
\$2,054,446	\$632,656				\$81,051	\$336,816	\$7,541,578		\$7,541,578
			\$165,592	\$45,150			\$210,742		\$210,742
							\$388,169		\$388,169
	\$32,064						\$32,064		\$32,064
\$2,054,446	\$664,720	\$0	\$165,592	\$45,150	\$81,051	\$336,816	\$8,172,553	\$0	\$8,172,553
	\$16,650	\$52,742					\$1,405,940		\$1,405,940
\$663,458	\$3,822					\$1,071,746	\$1,739,026		\$1,739,026
							\$204,356		\$204,356
							-\$61,317		-\$61,317
-\$300,089	\$0	\$0				-\$321,524	-\$621,613		-\$621,613
\$168,443							\$168,443		\$168,443
	\$82,684						\$168,004		\$168,004
	-\$82,684						-\$160,197		-\$160,197
\$531,812	\$20,472	\$52,742	\$0	\$0	\$0	\$750,222	\$2,842,642	\$0	\$2,842,642
\$4,588,490							\$19,106,506		\$19,106,506
	\$3,326						\$414,668		\$417,994
							\$18,890		\$18,890
							\$0		\$0
						\$648,163	\$952,139	-\$949,711	\$2,428
\$7,174,748	\$688,518	\$52,742	\$165,592	\$45,150	\$81,051	\$2,168,759	\$31,510,724	-\$949,711	\$30,561,013
\$528,960							\$2,591,864		\$2,591,864
\$1,473,781							\$94,426,750		\$94,426,750
							\$0		\$0
\$6,761	\$68,427						\$452,502		\$1,866,820
-\$1,167,592	-\$54,105						-\$372,665		-\$82,689,276
							\$2,689,626		\$2,689,626
\$841,910	\$14,322	\$0	\$0	\$0	\$0	\$79,837	\$18,885,784	\$0	\$18,885,784
\$2,774,002							\$2,774,002		\$2,774,002
\$3,615,912	\$14,322	\$0	\$0	\$0	\$0	\$79,837	\$21,659,786	\$0	\$21,659,786
\$10,790,660	\$702,840	\$52,742	\$165,592	\$45,150	\$81,051	\$2,248,596	\$53,170,510	-\$949,711	\$52,220,799

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule
June 30, 2021

	Project Total	14.IKE DHAP-IKE	14.PHC Public Housing CARES Act Funding	14.895 Jobs- Plus Pilot Initiative	14.CCC Central Office Cost Center CARES Act Funding
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$359,892			\$6,386	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$69,989			\$2,760	
322 Accrued Compensated Absences - Current Portion	\$144,651				
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$358,131				
341 Tenant Security Deposits	\$388,169				
342 Unearned Revenue	\$32,541				
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$233,314				
347 Inter Program - Due To			\$1,056	\$904,118	
348 Loan Liability - Current					
310 Total Current Liabilities	\$1,586,687	\$0	\$1,056	\$913,264	\$0
354 Accrued Compensated Absences - Non Current	\$263,467				
355 Loan Liability - Non Current					
350 Total Non-Current Liabilities	\$263,467	\$0	\$0	\$0	\$0
300 Total Liabilities	\$1,850,154	\$0	\$1,056	\$913,264	\$0
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$17,532,037				
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$18,687,050	\$100,318	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$36,219,087	\$100,318	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$38,069,241	\$100,318	\$1,056	\$913,264	\$0

Exhibit 3

1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity & Supportive Services	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	97.109 Disaster Housing Assistance Grant	COCC	Subtotal	ELIM	Total
\$1,611	\$26,107	\$5,345				\$7,443	\$406,784		\$406,784
\$246	\$18,727 \$54,965	\$2,860				\$138,142 \$258,237	\$232,724 \$457,853		\$232,724 \$457,853
							\$358,131		\$358,131
							\$388,169		\$388,169
	\$2,453 \$26,874		\$165,592	\$45,150			\$245,736 \$26,874		\$245,736 \$26,874
							\$233,314		\$233,314
\$2,428		\$44,537					\$952,139	-\$949,711	\$2,428
\$4,285	\$129,126	\$52,742	\$165,592	\$45,150	\$0	\$403,822	\$3,301,724	-\$949,711	\$2,352,013
	\$179,272					\$467,582	\$910,321		\$910,321
\$0	\$179,272	\$0	\$0	\$0	\$0	\$467,582	\$910,321	\$0	\$910,321
\$4,285	\$308,398	\$52,742	\$165,592	\$45,150	\$0	\$871,404	\$4,212,045	-\$949,711	\$3,262,334
\$841,910	\$14,322 \$0					\$79,837	\$18,468,106 \$0		\$18,468,106 \$0
\$9,944,465	\$380,120	\$0	\$0	\$0	\$81,051	\$1,297,355	\$30,490,359		\$30,490,359
\$10,786,375	\$394,442	\$0	\$0	\$0	\$81,051	\$1,377,192	\$48,958,465	\$0	\$48,958,465
\$10,790,660	\$702,840	\$52,742	\$165,592	\$45,150	\$81,051	\$2,248,596	\$53,170,510	-\$949,711	\$52,220,799

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule
June 30, 2021

	Project Total	14.IKE DHAP-IKE	14.PHC Public Housing CARES Act Funding	14.895 Jobs- Plus Pilot Initiative	14.CCC Central Office Cost Center CARES Act Funding
70300 Net Tenant Rental Revenue	\$3,998,857				
70400 Tenant Revenue - Other	\$306,948				
70500 Total Tenant Revenue	\$4,305,805	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$6,384,365		\$165,403	\$591,360	
70610 Capital Grants	\$2,118,044				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$110,836				
71200 Mortgage Interest Income					
71400 Fraud Recovery	\$117,580				
71500 Other Revenue	\$577,606				\$59,305
72000 Investment Income - Restricted					
70000 Total Revenue	\$13,614,236	\$0	\$165,403	\$591,360	\$59,305
91100 Administrative Salaries	\$518,595			\$29,423	
91200 Auditing Fees	\$29,500				
91300 Management Fee	\$1,443,876		\$59,305		
91310 Book-keeping Fee	\$134,065				
91400 Advertising and Marketing	\$25,337				
91500 Employee Benefit contributions - Administrative	\$219,518			\$4,408	
91600 Office Expenses	\$122,453			\$46,274	
91700 Legal Expense	\$29,937				
91800 Travel	\$5,340				
91900 Other	\$10,235			\$1,044	
91000 Total Operating - Administrative	\$2,538,856	\$0	\$59,305	\$81,149	\$0
92000 Asset Management Fee	\$182,410				
92100 Tenant Services - Salaries			\$24,148		\$35,569
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$35,211		\$81,950	\$207,291	\$23,736
92500 Total Tenant Services	\$35,211	\$0	\$106,098	\$207,291	\$59,305
93100 Water	\$51,705				
93200 Electricity	\$286,686				
93300 Gas	\$80,268				
93600 Sewer	\$34,813				
93000 Total Utilities	\$453,472	\$0	\$0	\$0	\$0

Exhibit 3

1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity & Supportive Services	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	97.109 Disaster Housing Assistance Grant	COCC	Subtotal	ELIM	Total
							\$3,998,857		\$3,998,857
							\$306,948		\$306,948
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,305,805	\$0	\$4,305,805
	\$8,630,552	\$171,896	\$254,027				\$16,197,603		\$16,197,603
							\$2,118,044		\$2,118,044
						\$1,587,746	\$1,587,746	-\$1,463,961	\$123,785
						\$182,410	\$182,410	-\$182,410	\$0
						\$225,610	\$225,610	-\$134,065	\$91,545
						\$1,995,766	\$1,995,766	-\$1,780,436	\$215,330
\$23,807	\$3					\$2,565	\$137,211		\$137,211
\$46,864							\$46,864		\$46,864
	\$67,697						\$185,277		\$185,277
\$457,719	\$53,032					\$653,792	\$1,801,454	-\$470,118	\$1,331,336
\$528,390	\$8,751,284	\$171,896	\$254,027	\$0	\$0	\$2,652,123	\$26,788,024	-\$2,250,554	\$24,537,470
\$144,545	\$167,507	\$56,130				\$992,872	\$1,909,072		\$1,909,072
	\$5,400					\$16,250	\$51,150		\$51,150
	\$183,090						\$1,686,271	-\$1,463,961	\$222,310
	\$91,545						\$225,610	-\$134,065	\$91,545
\$2,500	\$825					\$11,773	\$40,435		\$40,435
\$31,294	\$63,814	\$18,951				\$375,278	\$713,263		\$713,263
\$251	\$79,093	\$29,397				\$147,715	\$425,183		\$425,183
\$451						\$16,495	\$46,883		\$46,883
						\$83	\$5,423		\$5,423
\$24,938	\$10,497					\$17,242	\$63,956		\$63,956
\$203,979	\$601,771	\$104,478	\$0	\$0	\$0	\$1,577,708	\$5,167,246	-\$1,598,026	\$3,569,220
							\$182,410	-\$182,410	\$0
			\$164,530				\$224,247		\$224,247
			\$60,267				\$60,267		\$60,267
		\$67,418	\$29,230				\$444,836		\$444,836
\$0	\$0	\$67,418	\$254,027	\$0	\$0	\$0	\$729,350	\$0	\$729,350
\$2,144						\$411	\$54,260		\$54,260
\$9,492						\$3,549	\$299,727		\$299,727
\$1,876						\$792	\$82,936		\$82,936
\$195						\$187	\$35,195		\$35,195
\$13,707	\$0	\$0	\$0	\$0	\$0	\$4,939	\$472,118	\$0	\$472,118

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule
June 30, 2021

	Project Total	14.IKE DHAP-IKE	14.PHC Public Housing CARES Act Funding	14.895 Jobs- Plus Pilot Initiative	14.CCC Central Office Cost Center CARES Act Funding
94100 Ordinary Maintenance and Operations - Labor	\$604,591				
94200 Ordinary Maintenance and Operations - Materials and Other	\$580,926				
94300 Ordinary Maintenance and Operations Contracts	\$2,464,354				
94500 Employee Benefit Contributions - Ordinary Maintenance	\$258,533				
94000 Total Maintenance	\$3,908,404	\$0	\$0	\$0	\$0
95100 Protective Services - Labor	\$60,797				
95200 Protective Services - Other Contract Costs	\$11,839				
95500 Employee Benefit Contributions - Protective Services	\$5,177				
95000 Total Protective Services	\$77,813	\$0	\$0	\$0	\$0
96110 Property Insurance	\$314,551				
96120 Liability Insurance	\$116,201				
96130 Workmen's Compensation	\$22,166				
96140 All Other Insurance					
96100 Total insurance Premiums	\$452,918	\$0	\$0	\$0	\$0
96200 Other General Expenses					
96210 Compensated Absences	\$133,008				
96300 Payments in Lieu of Taxes	\$358,130				
96400 Bad debt - Tenant Rents	\$200,915				
96600 Bad debt - Other					
96000 Total Other General Expenses	\$692,053	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$8,341,137	\$0	\$165,403	\$288,440	\$59,305
97000 Excess of Operating Revenue over Operating Expenses	\$5,273,099	\$0	\$0	\$302,920	\$0
97200 Casualty Losses - Non-capitalized	\$606,422				
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$2,625,109				
90000 Total Expenses	\$11,572,668	\$0	\$165,403	\$288,440	\$59,305
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$302,920				
10094 Transfers between Project and Program - Out				-\$302,920	
10100 Total Other financing Sources (Uses)	\$302,920	\$0	\$0	-\$302,920	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$2,344,488	\$0	\$0	\$0	\$0

Exhibit 3

1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity & Supportive Services	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	97.109 Disaster Housing Assistance Grant	COCC	Subtotal	ELIM	Total
						\$361,066	\$970,050		\$970,050
\$4,393						\$64,705	\$649,023		\$649,023
\$726	\$2,666					\$36,582	\$2,530,394	-\$470,118	\$2,060,276
\$8,281	\$21,177					\$125,908	\$385,326		\$385,326
\$885						\$588,261	\$4,534,793	-\$470,118	\$4,064,675
\$14,285	\$23,843	\$0	\$0	\$0	\$0				
							\$60,797		\$60,797
							\$11,839		\$11,839
							\$5,177		\$5,177
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,813	\$0	\$77,813
\$7,064	\$7,232					\$34,857	\$363,704		\$363,704
\$1,902	\$2,906					\$14,005	\$135,014		\$135,014
\$67	\$5,590					\$27,085	\$54,908		\$54,908
\$27,470						\$42,178	\$69,648		\$69,648
\$36,503	\$15,728	\$0	\$0	\$0	\$0	\$118,125	\$623,274	\$0	\$623,274
\$50,000	\$94,727						\$144,727		\$144,727
	\$46,404					\$241,530	\$420,942		\$420,942
							\$358,130		\$358,130
							\$200,915		\$200,915
\$300,089						\$75,304	\$375,393		\$375,393
\$350,089	\$141,131	\$0	\$0	\$0	\$0	\$316,834	\$1,500,107	\$0	\$1,500,107
\$618,563	\$782,473	\$171,896	\$254,027	\$0	\$0	\$2,605,867	\$13,287,111	-\$2,250,554	\$11,036,557
-\$90,173	\$7,968,811	\$0	\$0	\$0	\$0	\$46,256	\$13,500,913	\$0	\$13,500,913
							\$606,422		\$606,422
	\$7,781,177						\$7,781,177		\$7,781,177
	\$44,329						\$44,329		\$44,329
\$93,117	\$6,267					\$31,659	\$2,756,152		\$2,756,152
\$711,680	\$8,614,246	\$171,896	\$254,027	\$0	\$0	\$2,637,526	\$24,475,191	-\$2,250,554	\$22,224,637
							\$302,920	-\$302,920	\$0
							-\$302,920	\$302,920	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-\$183,290	\$137,038	\$0	\$0	\$0	\$0	\$14,597	\$2,312,833	\$0	\$2,312,833

(Continued)

Housing Authority of the City of Monroe
Financial Data Schedule
June 30, 2021

	Project Total	14.IKE DHAP-IKE	14.PHC Public Housing CARES Act Funding	14.895 Jobs- Plus Pilot Initiative	14.CCC Central Office Cost Center CARES Act Funding
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$33,874,599	\$100,318	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0				
11050 Changes in Compensated Absence Balance					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	18192		0		
11210 Number of Unit Months Leased	17926		0		
11270 Excess Cash	\$17,905,834				
11610 Land Purchases	\$0				
11620 Building Purchases	\$2,097,465				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$61,280				
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	14.871 Housing Choice Vouchers	14.870 Resident Opportunity & Supportive Services	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	97.109 Disaster Housing Assistance Grant	COCC	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$10,969,665	\$257,404	\$0	\$0	\$0	\$81,051	\$1,362,595	\$46,645,632		\$46,645,632
							\$0		\$0
	\$394,442						\$394,442		\$394,442
	\$0						\$0		\$0
	18720						36912		36912
	18366						36292		36292
							\$17,905,834		\$17,905,834
						\$0	\$0		\$0
						\$0	\$2,097,465		\$2,097,465
						\$0	\$0		\$0
						\$0	\$61,280		\$61,280
						\$0	\$0		\$0
						\$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, 2021**

Exhibit 4

1. The actual Capital Fund costs is as follows:

	PROJECT LA-48 P006 501-18
Funds Approved	\$ 3,695,727
Funds Expended	<u>3,695,727</u>
Excess of Funds Approved	<u><u>-</u></u>
Funds Advanced	3,695,727
Funds Expended	<u>3,695,727</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 2, 2021 accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

STATISTICAL SECTION

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

	Table Number	Page Number
Financial Trends		
These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.		
Net Position by Component	1	62
Changes in Net Position	2	63
Revenue Capacity		
This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.		
General Fund Revenues by Source	3	64
Demographic and Economic Information		
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
Demographic and Economic Statistics	5	66
Principal Employers	6	67
Operating Information		
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

Net Position by Component
Fiscal Years Ended June 30, 2012 through June 30, 2021
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Investment in capital assets	\$ 36,731,313	\$ 35,644,380	\$ 35,463,463	\$ 34,469,168	\$ 31,363,390	\$ 27,990,631	\$ 24,445,087	\$ 21,296,068	\$ 19,404,617	\$ 18,468,106
Restricted	356,954	407,318	18,807	154,626	189,160	-	32,506	-	156,718	-
Unrestricted	<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>	<u>27,084,297</u>	<u>30,490,359</u>
Total net position	<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>	<u>\$ 46,645,632</u>	<u>\$ 48,958,465</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Position
Fiscal Years Ended June 30, 2012 through June 30, 2021
(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues										
Dwelling rental	\$ 3,395,763	\$ 3,598,384	\$ 3,964,000	\$ 4,100,781	\$ 4,379,807	\$ 4,488,026	\$ 4,339,245	\$ 4,262,243	\$ 4,029,075	\$ 3,998,857
Other	1,458,192	1,635,189	1,565,857	1,468,057	1,555,778	1,645,904	2,283,420	1,793,060	1,561,893	2,038,891
Federal grants	12,281,784	11,902,646	11,823,604	12,907,171	14,255,814	13,869,425	14,047,767	17,057,332	16,750,478	16,197,603
Total operating revenues	<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>	<u>22,341,446</u>	<u>22,235,351</u>
Operating Expenses										
Administration	2,919,618	3,048,675	3,138,980	3,197,155	3,280,757	3,297,853	3,352,856	3,386,971	3,315,236	3,569,220
Tenant services	111,297	63,897	117,279	172,699	104,674	157,778	76,852	237,654	613,081	729,350
Utilities	352,448	359,075	409,961	369,884	378,956	445,305	400,631	409,800	426,565	472,118
Ordinary maintenance & operations	3,216,455	3,195,123	3,270,470	3,007,479	7,232,949	6,417,456	4,428,833	8,078,301	6,649,936	4,671,097
Protective services	164,820	166,129	158,283	111,922	87,420	77,286	78,996	81,215	81,681	77,813
General expenses	1,259,721	1,129,036	1,307,706	1,200,209	1,400,380	1,512,129	1,605,396	1,606,854	1,768,175	2,123,381
Housing assistance payments	7,079,337	7,015,090	6,749,646	6,988,936	6,674,689	7,092,256	7,473,548	7,454,201	7,941,402	7,825,506
Depreciation	3,590,084	3,667,184	3,721,468	3,676,837	3,653,570	3,540,824	3,639,900	3,297,220	2,948,152	2,756,152
Total operating expenses	<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>	<u>23,744,228</u>	<u>22,224,637</u>
Income (Loss) from Operations	<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>	<u>(1,402,782)</u>	<u>10,714</u>
Nonoperating Revenues (Expenses)										
Investment earnings and gains/losses	50,493	52,697	43,311	28,936	30,025	31,226	109,589	353,980	421,175	184,075
Gain (loss) disposal of capital assets	8,965	-	10,590	(230,021)	(59,089)	12,174	7,651	22,870	-	-
Total nonoperating revenues (expenses)	<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>	<u>421,175</u>	<u>184,075</u>
Net Income (Loss) before Contributions	<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>	<u>(981,607)</u>	<u>194,789</u>
Capital Contributions	<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>	<u>890,888</u>	<u>2,118,044</u>
Change in Net Position	<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>	<u>\$ (90,719)</u>	<u>\$ 2,312,833</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 2012 Through 2021

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
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	29.14%	8,910,436	60.92%	228,990	1.57%	1,223,670	8.37%	14,625,339	100%
2020	4,029,075	31.04%	7,750,435	59.70%	311,971	2.40%	890,656	6.86%	12,982,137	100%
2021	3,998,857	31.03%	7,313,024	56.75%	113,401	0.88%	1,460,443	11.34%	12,885,725	100%

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

**Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 2012 Through June 30, 2021**

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
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%
2020	1,516	1,496	98.68%	1,560	1,557	99.81%	3,076	3,053	99.25%
2021	1,516	1,494	98.55%	1,560	1,530	98.08%	3,076	3,024	98.31%

(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>
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
2020	47,294	8,375,896	41,825	6.7
2021	48,241	8,997,788	45,252	7.4

1. Population estimate data obtained from USA towns in profile
2. Per capita personal income obtained from US Bureau of Economic Analysis
3. Unemployment data obtained from U. S. Census Bureau 2019

Table 6

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

Principal Employers

	2021			2012		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
Ouachita Parish School Board	1	2,829	4.28%			
Century Link	2	2,000	3.03%	3	1,500	7.46%
St. Francis Medical Center	3	1,800	2.73%	1	2,500	12.44%
Monroe City School District	4	1,334	2.02%	4	1,400	2.19%
City Monroe	5	1,195	1.81%	7	1,000	1.56%
Graphic Packaging	6	1,106	1.67%	5	1,200	5.97%
JP Morgan Chase Bank	7	1,100	1.67%	2	2,000	9.95%
IASIS Healthcare Corporation (Glenwood Hospital)	8	951	1.44%	8	900	4.48%
Walmart Stores	9	912	1.38%			
ULM	10	899	1.36%			
Foster Farms				6	1,100	5.47%
Entergy				9	400	1.99%
Bancroft Bag				10	400	1.99%

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, 2021

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition						Total
				Zero	One	Two	Three	Four	Five	
LA006-001	Lock - Breece	306 Winnsboro Road	31-Oct-51		26	66	43	15	0	150
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52		38	87	66	29	3	223
LA006-005	Foster Heights	Swayze and Louberta Sts.	30-Sep-54		8	89	77	6	2	182
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73		10	80	122	71	18	301
LA006-009	Robinson Place	1207 Milliken Drive	30-Sep-73		0	28	78	68	37	211
LA006-010	Miller Square	4200 Matthew Street	30-Apr-73		0	0	74	111	7	192
LA006-011	Frances Tower	300 Harrison Street	31-Aug-78		129	0	0	0	0	129
LA006-013	McKeen Plaza I	1500 McKeen Place	31-Jan-80		100	0	0	0	0	100
LA006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84		0	0	0	0	30	30
	Total Units				311	350	460	300	97	1,518
Managed Units										
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	2	0	0	6
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
N/A	Preservation Mills		1-Oct-20		0	0	24	0	0	24
	Total Managed Units			21	410	201	91	0	0	723

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 2020 and 2012**

	2020			2012		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	40	11	51	36	12	48
Maintenance	36	7	43	26	8	34
Security Attendants	0	10	10	0	15	15
Trash Pick-Up	0	6	6	0	4	4
Students	0	1	1	0	18	18
	76	35	111	62	57	119

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, 2021**

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

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

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

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, 2021, 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, 2021.

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) as a basis for designing 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

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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

Monroe, Louisiana

December 31, 2021



ALLEN, GREEN & WILLIAMSON, LLP

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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, 2021. 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 qualified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

Basis for Qualified Opinions on Public and Indian Housing Program (CFDA# 14.850) and Capital Fund Program (CFDA# 14.872)

As described in the accompanying Schedule of Findings and Questioned Costs, the Housing Authority did not comply with requirements regarding CFDA# 14.850 Public and Indian Housing Program as described in finding numbers 2021-002 for Special Tests and Provision on the Waiting Lists and 2021-003 for Special Tests and Provision on Tenant Participation Funds and with requirements regarding CFDA# 14.872 Capital Fund Program as described in finding numbers 2021-004 for Special Tests and Provision on Environmental Reviews. Compliance with such requirements is necessary, in our opinion, for the Housing Authority to comply with the requirements applicable to these programs.

Qualified Opinions on Public and Indian Housing Program (CFDA# 14.850) and Capital Fund Program (CFDA# 14.872)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, 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, 2021.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority's response to the noncompliance 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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-002, 2021-003, 2021-004 and 2021-005 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 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, 2021, 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, 2021, 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
Monroe, Louisiana
December 31, 2021

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

FEDERAL GRANTOR/ <u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	CFDA <u>Number</u>	Pass-Through/ <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing	14.850	LA 006-00000120D	\$ 2,557,834
Public and Indian Housing	14.850	LA 006-00000121D	3,002,090
Public and Indian Housing - CARES	14.PHC	LA 006-00000120DC	<u>165,403</u>
Public and Indian Housing Total			\$ 5,725,327
Section 8 Housing Choice Voucher Program	14.871	LA006VO, LA006AF	8,630,552
Section 8 Housing Choice Voucher Program - CARES	14.HCC	LA006AF	<u>254,027</u>
Section 8 Housing Choice Voucher Cluster Total			8,884,579
Resident Opportunity and Supportive Services	14.870	ROSS191308	171,896
Jobs-Plus Pilot Initiative	14.895	LA006FJP000717	591,360
Public Housing Capital Fund Program	14.872	LA48P006501-19	2,065,624
Public Housing Capital Fund Program	14.872	LA48P006501-20	<u>876,861</u>
Public Housing Capital Fund Program Total			<u>2,942,485</u>
Total Cash Federal Awards			<u><u>\$ 18,315,647</u></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, 2021

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	\$ 16,197,603
Capital contributions	2,118,044
Total	<u>\$ 18,315,647</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, 2021**

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 no instances of noncompliance as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were five significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200). Significant deficiencies 2021-002, 2021-003, 2021-004 and 2021-005 were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was qualified for Public and Indian Housing program and Capital Fund program.
- vi. The audit disclosed five audit findings related to noncompliance which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program is:
 - CFDA# 14.850 Public and Indian Housing Program
 - 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, 2021**

PART III - Findings and questions costs for federal awards which are required to be reported under the Uniform Guidance:

Reference # and title: 2021-001 Activities Allowed and Allowable Costs - Payroll Disbursements

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2020 and 2021

Criteria or specific requirement: Proper internal controls over payroll disbursements and 2 CFR 200 section 200.430 require the employee and supervisor to approve the timesheets of the employee as well as certify the time worked is being properly allocated based on the documentation. Additionally, employees’ payroll should be calculated correctly based on time worked.

Condition found: During the fiscal year, it was noted that the Housing Authority changed the time management system of employees. With the change, the Housing Authority did not require all employees being charged to the federal program to log their coming and going as well as to certify their time being charged to the federal program.

Thirty-two disbursements were tested and the following exceptions were noted:

- Twenty disbursements did not have approval by the employee.
- Fourteen disbursements did not have the employee’s supervisor approval.
- One disbursement amount did not agree to supporting documentation regarding rate of pay.
- Four disbursements included overtime pay but the employees did not qualify for overtime.

It was also noted that personnel changes are not always maintained in the personnel file of the employee.

Context: This finding appears to be systemic.

Possible asserted effect (cause effect):

Cause: The Housing Authority changed the payroll process to a new time management system.

Effect: The Housing Authority did not meet all federal compliance requirements over activities allowed and allowable costs.

Recommendations to prevent future occurrences: The Housing Authority should establish quality control procedures to ensure employees are adequately documenting their coming and going as well as employees and supervisors are adequately certifying time charged to the federal program.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2021.

View of responsible official: The Monroe Housing Authority automated our payroll system using Segue HR beginning Pay Period 04/03/2021-04/16/2021 (Pay Date 04/23/2021) with parallel payrolls using our legacy Tenmast system and timesheets.

The May 21, 2021 payroll (05/01/2021-05/14/2021) is the first payroll used in the new automated system that is

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

PART III - Findings and questions costs for federal awards which are required to be reported under the Uniform Guidance:

reflected in this report.

The platform provides Geofencing for all sites and locations. When the system was initially deployed, we required all employees to clock in and out of the system. The new system allowed for timesheets to be auto-sent to the Supervisor at the end of the pay period for approval. Then, the timesheets were sent to the Operations Director for approval.

In May, Property Managers faced a learning curve with the functionality of the system, and we were able to assign bulk hours to those team members that do not earn Overtime. The first standalone payroll we conducted was the 05/21/2021 payroll which is highlighted in this Audit. Therefore, we were still in the implementation stages and were still understanding how to create the pay calculations needed for all team members to achieve an accurate payroll and GL that could be uploaded to the prior Tenmast system that was formerly used.

In June 2021, certification verbiage was added to the system to ensure staff and Managers certify their payroll. However, the auto-submit functionality was still used, whereby at the end of the pay period, when employees, did not automatically move the timesheet to the Manager/Supervisor, the system automatically moved it forward.

Additionally, over 200 pay calculations have been written for the system to properly capture and calculate overtime for all of staff positions.

Reference # and title: 2021-002 Public Housing Waiting Lists

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2020 and 2021

Criteria or specific requirement: The Housing Authority must establish and adopt written policies for admission of tenants. The Housing Authority’s tenant selection policies must include requirements for applications and waiting lists, description of the policies for selection of applicants from the waiting lists, and policies for verification and documentation of information relevant to acceptance or rejection of an applicant (24 CFR sections 960.202 through 960.206). The Housing Authority is required to follow its written policies and procedures when adding applicants to and selecting applicants from the waiting lists.

Condition found: The waiting list was tested to determine if applicants were being adequately added to and selected from the waiting list. The following exceptions were noted.

One item noted is that individuals are not adequately monitoring the waiting list in full. When an apartment becomes available, the property manager will pull a batch report from the waiting list for the top individuals. In the review of the batch reports, it appears that the Housing Authority’s applicant program is not working properly. For instance, for one property, the November 2020 batch report did not properly include individuals on the waiting list. However, these missing applicants were not reflected until the February 2021 batch report. Based on another report provided, the individual ranked as number 1 on the November 2020 waiting list was not reflected on the batch report for November, but was reflected as number 4 for February.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

PART III - Findings and questions costs for federal awards which are required to be reported under the Uniform Guidance:

Another item noted is that applications are not reviewed until an apartment is available and the applicant is called in for the apartment. Because the applications are submitted by the applicant through an online database, the application is printed at the time the property manager calls the applicant in. The printed application does not reflect the time and date the application is submitted, the preferences that the applicant selected nor does it reflect any certifying signature/date by the applicant. It was also noted that the Housing Authority's system does not maintain the application in the system as a historical document. For instance, in testing the application for a new move-in, it was noted that the application was not printed and placed in the resident file. When the property manager printed the application that the system showed was submitted in 2019, the printed application reflected 2021 information.

When selecting twelve new move-ins during the fiscal year to ensure the Housing Authority is selecting from the waiting list properly, the following exceptions were noted:

- Five new move-ins could not be properly traced to the batch report printed by the property manager.
- Four new move-ins reflected preference points in the system; however, the resident's file was missing the support for the preferences given. Based on the Housing Authority's policy, if the applicant is not able to support the preferences selected, then the applicant's preference points should be removed, which would result in the applicant to be moved down on the waiting list. It does not appear that this policy was followed.
- One new move-in had proper documentation regarding the preferences; however, the property manager did not report the information correctly on the resident's 50058 form.

Due to the Housing Authority not reviewing applications near the time of submission and only pulling the information when an apartment is available, the auditor could not adequately test the applicants added to the waiting list to determine if the applicants were added in the correct order.

Context: This finding appears to be systemic.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority did not meet all federal compliance requirements related to Special Tests and Provisions over the Waiting Lists.

Recommendations to prevent future occurrences: The Housing Authority should establish quality control procedures to ensure individuals selected from the waiting lists have all required documentation related to the applicant's preferences. The Housing Authority should also establish procedures to ensure waiting lists are being maintained for supporting documentation. It is also recommended that the Housing Authority contact the software provider and request that the applications reflect the preferences selected by the applicant as well as reflect the date, time and certified signature of applicant.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2021.

View of responsible official: Monroe Housing Authority is in the process of contacting our Software provider and requesting that the applications reflect the preferences selected by the applicant as well as reflect the date and time

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

PART III - Findings and questions costs for federal awards which are required to be reported under the Uniform Guidance:

the application was submitted. Monroe Housing Authority will also require that the software maintain the applications in the system.

The following quality control procedures will be put in place to monitor the waiting list:

1. The Compliance Department will conduct random samples of move-ins on a monthly basis to ensure federal compliance requirements are being maintained including, applicants having required documentation related to the applicant’s preferences and that the applications are being properly pulled from the system.
2. After the requested software changes have been made, the staff will receive additional training on waiting list procedures.

Reference # and title: 2021-003 Tenant Participation Funds

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2020 and 2021

Criteria or specific requirement: In accordance with 24 CFR section 964.150, the local resident councils are required to have a written agreement between the Housing Authority and resident council that includes a resident council budget. The agreement must require the local resident council to account to the Housing Authority for the use of the tenant participation funds and permit the Housing Authority to audit the resident council’s financial records related to the agreement.

Condition found: Although the Housing Authority is permitted to review expenses of the resident council, the Housing Authority was unable to provide a copy of the written agreements as well as the resident council budgets for the fiscal year ended June 30, 2021.

Context: This finding appears to be systemic.

Possible asserted effect (cause effect):

Cause: The Housing Authority has experienced a change in employees that oversee the resident council agreements and budgets.

Effect: The Housing Authority did not meet all federal compliance requirements related to Special Tests and Provisions over the Tenant Participation Funds.

Recommendations to prevent future occurrences: The Housing Authority should establish quality control procedures to ensure resident council agreements and annual budgets are established and maintained.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2021.

View of responsible official: Due to the COVID-19 pandemic, resident activities have been severely curtailed these

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

PART III - Findings and questions costs for federal awards which are required to be reported under the Uniform Guidance:

Reference # and title: 2021-005 Activities Allowed and Allowable Costs - Vendor Disbursements

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2019 and 2020

Criteria or specific requirement: In accordance with 24 CFR Section 905.200, the Housing Authority should establish approved budgets and approved 5-year action plans. The Housing Authority may not incur costs if not reflected in the approved budgets and 5-year action plans. However, budget revisions may be approved by HUD for deviations from the originally approved program.

Condition found: During the fiscal year ended June 30, 2021, the Housing Authority had seven various projects or activities utilizing Capital Fund monies. In testing twenty-five vendor disbursements, it was noted that eleven disbursements, which was for three projects, were not reflected in the capital fund budget. However, these projects are included in the 5-year plan.

Context: This finding appears to be systemic.

Possible asserted effect (cause effect):

Cause: The Housing Authority has experienced a change in employees within the department that oversees the Capital Fund programs, and these employees have not received training over the program.

Effect: The Housing Authority did not meet all federal compliance requirements related to Activities Allowed and Allowable Costs.

Recommendations to prevent future occurrences: The Housing Authority should provide adequate training to new staff as functions and assignments change. Also, the Housing Authority should establish quality control procedures to ensure expected projects are reflected in the budgets and 5-year action plans. Any budget revisions should be submitted to HUD in a timely manner.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2021.

View of responsible official: The Planning and Development Department experienced complete turnover twice within the last few years. Prior employees were utilizing spreadsheets that included the Capital Fund expenditures that were planned as if they had already been approved, but the steps required to process those amendments to the 5-year action plan and annual budget statement were not taken. New employees erroneously trusted working documents on existing projects without realizing that they had not been approved. The applicable 5-year plan and annual budget statement for 2019 have been updated and provided to auditors within the audit period. Going forward, P&D personnel will ensure that all projects utilizing Capital Funds are reflected in their corresponding action plans and CFP budgets. Planning and Development employees will also be provided with training on all aspects of their job functions.

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

**Corrective Action Plan For Current Year Findings and Questioned Costs
 For the Year Ended June 30, 2021**

Reference # and title: 2021-001 Activities Allowed and Allowable Costs - Payroll Disbursements

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2020 and 2021

Condition: Proper internal controls over payroll disbursements and 2 CFR 200 section 200.430 require the employee and supervisor to approve the timesheets of the employee as well as certify the time worked is being properly allocated based on the documentation. Additionally, employees’ payroll should be calculated correctly based on time worked.

During the fiscal year, it was noted that the Housing Authority changed the time management system of employees. With the change, the Housing Authority did not require all employees being charged to the federal program to log their coming and going as well as to certify their time being charged to the federal program.

Thirty-two disbursements were tested and the following exceptions were noted:

- Twenty disbursements did not have approval by the employee.
- Fourteen disbursements did not have the employee’s supervisor approval.
- One disbursement amount did not agree to supporting documentation regarding rate of pay.
- Four disbursements included overtime pay but the employees did not qualify for overtime.

It was also noted that personnel changes are not always maintained in the personnel file of the employee.

Corrective action planned:

1. Using the new payroll system Segue HR, the auto-submit function for timesheets to move to the Supervisor/Manager for approval will be turned off. All employees must physically approve their timesheets instead of the system moving them to the manager automatically at the end of the pay period. Certification criteria have been added to all employee timesheets that certify the accuracy of time submitted to the manager. The verbiage reads:

 “I hereby certify that I have worked the hours as designated above. I understand that my timesheet will be automatically submitted to my Supervisor/Manager at the end of the pay period for payroll approval and processing.”
2. Using the new payroll system Segue HR, when Managers/Supervisors approve their employee’s timesheets, certification has been added that acknowledges the accuracy of their direct report timesheets. The verbiage reads, “I hereby certify that the hours worked as designated on the employee’s timesheet are accurate.”
3. Pay Calculations have been created for all staff members to cure OT deficiencies.
4. All employees will clock in and out including lunches.

Correction Action Plan for Current Year Findings and Questioned Costs (Continued):

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: Beginning 12/25/2021

Reference # and title: **2021-002** **Public Housing Waiting Lists**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2020 and 2021

Condition: The Housing Authority must establish and adopt written policies for admission of tenants. The Housing Authority's tenant selection policies must include requirements for applications and waiting lists, description of the policies for selection of applicants from the waiting lists, and policies for verification and documentation of information relevant to acceptance or rejection of an applicant (24 CFR sections 960.202 through 960.206). The Housing Authority is required to follow its written policies and procedures when adding applicants to and selecting applicants from the waiting lists.

The waiting list was tested to determine if applicants were being adequately added to and selected from the waiting list. The following exceptions were noted.

One item noted is that individuals are not adequately monitoring the waiting list in full. When an apartment becomes available, the property manager will pull a batch report from the waiting list for the top individuals. In the review of the batch reports, it appears that the Housing Authority's applicant program is not working properly. For instance, for one property, the November 2020 batch report did not properly include individuals on the waiting list. However, these missing applicants were not reflected until the February 2021 batch report. Based on another report provided, the individual ranked as number 1 on the November 2020 waiting list was not reflected on the batch report for November, but was reflected as number 4 for February.

Another item noted is that applications are not reviewed until an apartment is available and the applicant is called in for the apartment. Because the applications are submitted by the applicant through an online database, the application is printed at the time the property manager calls the applicant in. The printed application does not reflect the time and date the application is submitted, the preferences that the applicant selected nor does it reflect any certifying signature/date by the applicant. It was also noted that the Housing Authority's system does not maintain the application in the system as a historical document. For instance, in testing the application for a new move-in, it was noted that the application was not printed and placed in the resident file. When the property manager printed the application that the system showed was submitted in 2019, the printed application reflected 2021 information.

When selecting twelve new move-ins during the fiscal year to ensure the Housing Authority is selecting from the waiting list properly, the following exceptions were noted:

- Five new move-ins could not be properly traced to the batch report printed by the property manager.
- Four new move-ins reflected preference points in the system; however, the resident's file was missing the support for the preferences given. Based on the Housing Authority's policy, if the applicant is not able to support the preferences selected, then the applicant's preference points should be removed, which would result in the applicant to be moved down on the waiting list. It does not appear that this policy was followed.
- One new move-in had proper documentation regarding the preferences; however, the property manager did not report the information correctly on the resident's 50058 form.

Correction Action Plan for Current Year Findings and Questioned Costs (Continued):

Due to the Housing Authority not reviewing applications near the time of submission and only pulling the information when an apartment is available, the auditor could not adequately test the applicants added to the waiting list to determine if the applicants were added in the correct order.

Corrective action planned: Monroe Housing Authority will contact our Software provider and request that online applications reflect the preferences selected by the applicant as well as reflect the date and time the application was submitted. Monroe Housing Authority will also require that the software maintain the applications in the system.

The following quality control procedures will be put in place to monitor the waiting list:

1. The Compliance Department will conduct random samples of move-ins on a monthly basis to ensure applicants have required documentation related to the applicant’s preferences and that the applications are being properly pulled from the system.
2. After the requested software changing have been made, the staff will receive additional training on waiting list procedures.

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: April 30, 2022

Reference # and title: 2021-003 Tenant Participation Funds

<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 and Indian Housing Program	14.850	2020 and 2021

Condition: In accordance with 24 CFR section 964.150, the local resident councils are required to have a written agreement between the Housing Authority and resident council that includes a resident council budget. The agreement must require the local resident council to account to the Housing Authority for the use of the tenant participation funds and permit the Housing Authority to audit the resident council’s financial records related to the agreement.

Although the Housing Authority is permitted to review expenses of the resident council, the Housing Authority was unable to provide a copy of the written agreements as well as the resident council budgets for the fiscal year ended June 30, 2021.

Corrective action planned: We are in the process of updating our agreements with the various resident councils. Soon after the 1st of the year, notices will be sent to each of our resident councils detailing the funds available to them so they may begin preparing their annual budgets. Resident councils will also be instructed to prepare amended budgets should there be any significant changes that occur during the year.

Correction Action Plan for Current Year Findings and Questioned Costs (Continued):

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: March, 2022.

Reference # and title: **2021-004** **Capital Fund Environmental Reviews**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTEE/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2019 and 2020

Condition: In accordance with 24 CFR Parts 50 and 58, the Housing Authority is required to complete an environmental review for any projects or activities before the Housing Authority may acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds at an assisted or to-be-assisted site.

During the fiscal year ended June 30, 2021, the Housing Authority had seven various projects or activities utilizing Capital Fund monies. The Housing Authority was unable to provide the environmental reviews for the Burg Jones renovations project and the Frances Towers elevator project that was requested by the auditor.

Corrective action planned: Planning and Development personnel will ensure that environmental reviews will be performed at least every 5 years on all properties that utilize Capital Funds or Public Housing operating funds. P&D employees will also be provided with training on all aspects of their job functions.

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: June 30, 2022

Reference # and title: **2021-005** **Activities Allowed and Allowable Costs - Vendor Disbursements**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTEE/ PASS THROUGH GRANTEE/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2019 and 2020

Condition: In accordance with 24 CFR Section 905.200, the Housing Authority should establish approved budgets and approved 5-year action plans. The Housing Authority may not incur costs if not reflected in the approved budgets and 5-year action plans. However, budget revisions may be approved by HUD for deviations from the originally approved program.

During the fiscal year ended June 30, 2021, the Housing Authority had seven various projects or activities utilizing Capital Fund monies. In testing twenty-five vendor disbursements, it was noted that eleven disbursements, which

Correction Action Plan for Current Year Findings and Questioned Costs (Continued):

was for three projects, were not reflected in the capital fund budget. However, these projects are included in the 5-year plan.

Corrective action planned: The applicable 5-year plan and annual budget statement for 2019 have been updated and provided to auditors within the audit period. Going forward, P&D personnel will ensure that all projects utilizing Capital Funds are reflected in their corresponding action plans and CFP budgets. Planning and Development employees will also be provided with training on all aspects of their job functions.

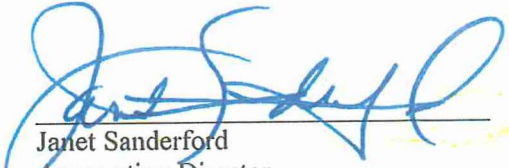
Person responsible for corrective action:

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: December 17, 2021

Respectfully Submitted,



Janet Sanderford
Accounting Director



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

Management Letter

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

In planning and performing our audit of the financial statements of each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2021, 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, 2021, 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:

2021-M1 **Timely Requests for Reimbursements**

Comment: Best practices require all accounts be periodically reviewed and claims for reimbursements should be submitted in a timely manner.

In reviewing the accounts receivable balances, it was noted that the Housing Authority was not requesting reimbursement from HUD in a timely manner.

Recommendation: The Housing Authority should establish procedures to ensure requests are submitted monthly or at least quarterly to HUD for reimbursements.

Management's response: Do to the large turnover in the accounting department and the need for invoices to accompany each request, these funding requests have, by necessity, been put aside in favor of more pressing items that needed to be addressed. Every attempt will be made to make all required requests by the end of March, 2022.

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, 2021, 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 Items. 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 Items 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 Items 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, 2021

2020-M1

Review of Accounting Details

Comment: Best practices require all accounts are periodically reviewed to ensure accounting records contain accurate and complete information. Additionally, account receivables should be reviewed monthly to identify receivables not received in a timely manner and to adjust allowances for doubtful accounts as necessary. Furthermore, expenses should be reviewed to ensure claims for reimbursements are submitted in a timely manner.

In reviewing and performing testing of general ledger accounts, it was noted that the Housing Authority had corrected accounts related to accrued interest after the trial balance was provided to the auditors. It was also noted that the Housing Authority is not periodically reviewing accounts receivables to determine if outside agencies are reimbursing the general fund's Central Office Cost Center in a timely manner or evaluating if allowances for bad debt should be established. It was further noted that for some of the smaller grants, the Housing Authority was not requesting reimbursement from HUD in a timely manner.

Recommendation: The Housing Authority should establish procedures to periodically perform reviews and establish procedures to ensure reimbursements are submitted time and accounts are updated and completed before providing to the auditor.

Management's response: In the past, interest relating to the certificates of deposit were posted as the cd's matured. Going forward, we will obtain from the various financial institutions the amounts of interest that have accrued as of the end of the fiscal year. We have noticed that the amounts receivables from various properties have grown over the past few years. We have initiated steps that will allow these properties to reimburse the expenses for which the Central Office Cost Center has paid on their behalf. We will implement measures that will assist in timely requests for reimbursement from the various grants that we administer. This item is partially cleared. See current year management letter item 2021-001.