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Housing Authority of the City of Monroe Monroe, Louisiana

Comprehensive Annual Financial Report

As of and for the Year Ended June 30, 1998

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

Release Date MAY 3 1998



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

**Comprehensive Annual Financial Report
As of and for the Year Ended June 30, 1998**

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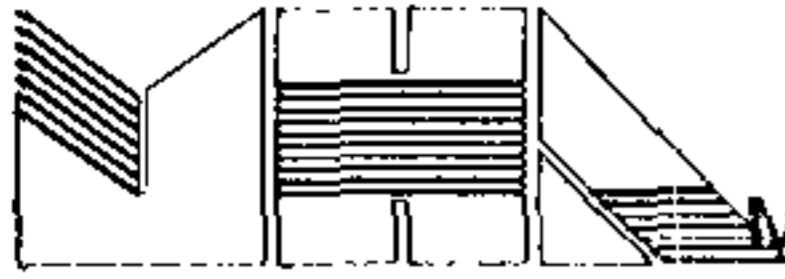
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Monroe, Louisiana**

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October 15, 1998

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 1998, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada.

A. Management Responsibility

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

B. CAFR

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

(1) The Introductory Section. This section includes a transmittal letter, information on financial reporting achievements, the Housing Authority's organizational structure, recognition of the appointed officials of the Housing Authority and a list of selected administrative officials.

(2) The Financial Section. The Housing Authority's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. The financial section consists of both general-purpose financial statements, which present an overview and broad perspective of the Housing Authority as a whole, and more detailed combining and individual fund and account group statements and schedules.

Combining statements are presented when a Housing Authority has more than one fund of a given fund type. 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.

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

B. CAFR (Continued)

(3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Housing Authority of the City of Monroe for the past ten years.

The Housing Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on the internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

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

C. Reporting Entity

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

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

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

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

D. Economic Condition and Outlook

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.

HUD has reduced funding for the low rent public housing program nationwide for the past two years. Funding for the year ended June 30, 1997, was at 89% of the eligible amount. Funding for the year ended June 30, 1998, was at 95% of the eligible amount. These nationwide reductions resulted in a deduction of \$103,884 and \$51,032 from the Housing Authority's eligible subsidy for low rent public housing in the years 1996-1997 and 1997-1998, respectively.

Federal funding for the comprehensive grant program and the drug elimination program has remained relatively stable over the past two years. Comprehensive grant funds are used for the modernization of public housing properties and resident programs. Drug elimination funds are used to pay for drug elimination initiatives.

E. Major Initiatives

For the Year



The Housing Authority received a **99.25% PHMAP** score from the Department of Housing and Urban Development. 90% and above qualifies as a "High Performer" by HUD standards. This rating is a result of a lot of hard work by the staff and management's decision to set the PHMAP score as a priority.



The **Monroe Homeownership Program** administered by Monroe Affordable Homeownership Community Housing Development Organization, Inc. (the Organization) placed residents in its first new construction on South Grand Street. The Homeownership Program in cooperation with the City of Monroe's Community Development Department has infused approximately \$505,086 into the local economy since its inception in 1993 and generated approximately \$5,000,000 in sales.



The **Family Self-Sufficiency Program** had its first recipient who was awarded a check in the amount of \$1,599.76. To assist the participant in becoming financially independent, money is placed in an escrow account in the amount equal to the increase in the tenant's rent which has resulted from an increased income. These matched funds are then given to the program participant when he/she no longer needs public assistance.



The **Youth Sports Grant** in conjunction with Northeast Louisiana University served more than 300 low income children.



The **Comprehensive Grant Program** provided funds for the renovation of the Frances Tower air conditioning, roofing, and two new elevators; a new parking lot at Frances Tower; new cabinets at Standifer; reroofing at George Breece and Miller Square; and renovations at McKeen Plaza which included an updated community room and a new library on the second floor.

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

E. Major Initiatives (Continued)

For the Year (Continued)



The **Gateway Grant** in conjunction with United Way's Project Read assisted 27 adults in becoming literate. On-site instruction is provided in three developments to Housing Authority residents.



The **Drug Elimination Grant** funded the new Family Support Program which was implemented in 1998 in conjunction with the Tri-District Boys & Girls Club. This program is designed to prevent youth in the Housing Authority developments from turning to drug abuse. A total of \$395,720 was spent this year from the Drug Elimination Grant on this program and continuation of the Community Policing Program which provides for eight police officers to patrol the family developments and operate three Neighborhood Centers. The three Neighborhood Centers are headquarters for NLU's Parenting and Family Enrichment Program and Family Encounter Program, Boy Scouts, Girl Scouts, Project Read, and Tri-District Boys & Girls Club.

For the Future

- The Drug Elimination Grant funds will continue operation "Weed and Seed" within a Community Policing program as well as the "One Strike and You're Out" program to attack the drug-related crime and its associated illegal activities. The three Neighborhood Policing Centers located at Berg Jones Development, Miller Square and Robinson Place, and Bicycle Patrols which operate out of all the developments will continue to increase the interaction between police and residents and improve public safety and quality of life in the developments. A total of eight Monroe Policemen are paid out of these Community Policing Program funds.
- In addition, the continuation of the Youth Computer Learning Program, which is based on HUD's "Campus of Learners" offers youth alternatives to drugs and drug related crimes. The Youth Computer Learning Program will offer locations at the following developments: Johnson/Carver Manor, Louis Locke, Robinson Place and Berg Jones.
- Frances Tower residents will soon be enjoying the installation of two new elevators, new air conditioning, and a new roof! The present Frances Tower housing was renovated in 1978, making all the equipment being replaced more than twenty years old. One of the new safety features is a generator to operate the elevators in a power failure so that the residents can be evacuated quickly. Still to come is new carpeting in the community room, fresh paint in the hallways, and the redecorating of the beautiful and historical lobby.
- Passman Plaza II elderly housing development will be completed in the 1998-99 year. The completion of Passman Plaza II with 39 units brings the total units to 80 and is the Housing Authority's fifth elderly complex. The first phase of the construction consisted of 41 units and the second phase will consist of 39 units. Passman Plaza is a joint effort of the Housing Authority and the Ouachita Council on Aging, with funding provided by the U. S. Department of Housing and Urban Development.

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

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 generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

We believe the Housing Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 1998 provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

G. Budgetary Controls

In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. Activities of the general fund and special revenue funds are included in the annual appropriated budget. 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.

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

H. Financial Condition

The following includes the activity of the primary government only.

<u>General Government Functions</u>			
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1997</u>
Local	\$ 2,355,903	20.00	\$ 51,538
Federal	<u>9,412,688</u>	<u>80.00</u>	<u>104,110</u>
	<u>\$11,768,591</u>	<u>100.0</u>	<u>\$155,648</u>

General government expenditures of the primary government by function were as follows:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1997</u>
Current:			
Administration	\$ 879,495	7.79	\$ (73,272)
Tenant services	47,888	.42	(15,372)
Utilities	242,189	2.15	(12,890)
Ordinary maintenance and operations	1,075,507	9.52	103,407
Protective services	432,517	3.83	(68,164)
General expenditures	981,195	8.69	49,727
Nonroutine maintenance	35,862	.32	36,867
Housing assistance payments	3,826,006	33.88	41,127
Facilities acquisition and construction	2,292,470	20.30	(108,554)
Debt service:			
Principal retirement	883,515	7.82	48,957
Interest and bank charges	<u>595,155</u>	<u>5.28</u>	<u>(49,444)</u>
	<u>\$11,291,799</u>	<u>100.0</u>	<u>\$(47,611)</u>

The majority of funds received by the Housing Authority are intergovernmental revenue in the form of housing subsidy, Section 8 housing assistance and other HUD grants.

Rental income is approximately 17.6% of total revenues. The remainder of income is comprised of investment income, excess utilities and maintenance charges. The operating subsidy for owned housing increased \$175,701 and the Section 8 housing assistance had a decrease of \$80,858. Comprehensive grant revenues decreased \$9,442 and Drug Elimination grant revenues decreased \$92,500.

Housing assistance payments to landlords participating in the Section 8 program accounted for 33.88% of expenditures. The decrease in facilities acquisition and construction expenditures was the result of a new parking lot which was constructed in the 1996-1997 year.

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

H. Financial Condition (Continued)

Enterprise Activities

The Housing Authority is the contract administrator for a Section 8 new construction program. A management fee is received for this service. These activities are recorded in the new construction enterprise fund.

The management fees fund accounts for management fees received by the Housing Authority as a managing agent for several Section 202 elderly housing projects.

Fiduciary Activities

The tenant security deposit agency fund accounts for security deposits collected from tenants. The funds are held by the Housing Authority until the tenant moves out.

The deferred compensation plan agency fund is under the supervision of the Housing Authority but the plan's assets belong to the employees.

I. Cash Management

All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was \$162,413.

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

J. Debt Administration

In prior years, bonds and permanent notes were issued by the Housing Authority and guaranteed by HUD to finance the acquisition, development and rehabilitation of owned housing. Principal and interest payments on the debts are paid directly by HUD to the trustee of the debt instruments. No additional debt on behalf of the Housing Authority was issued by HUD during the 1997-98 fiscal year.

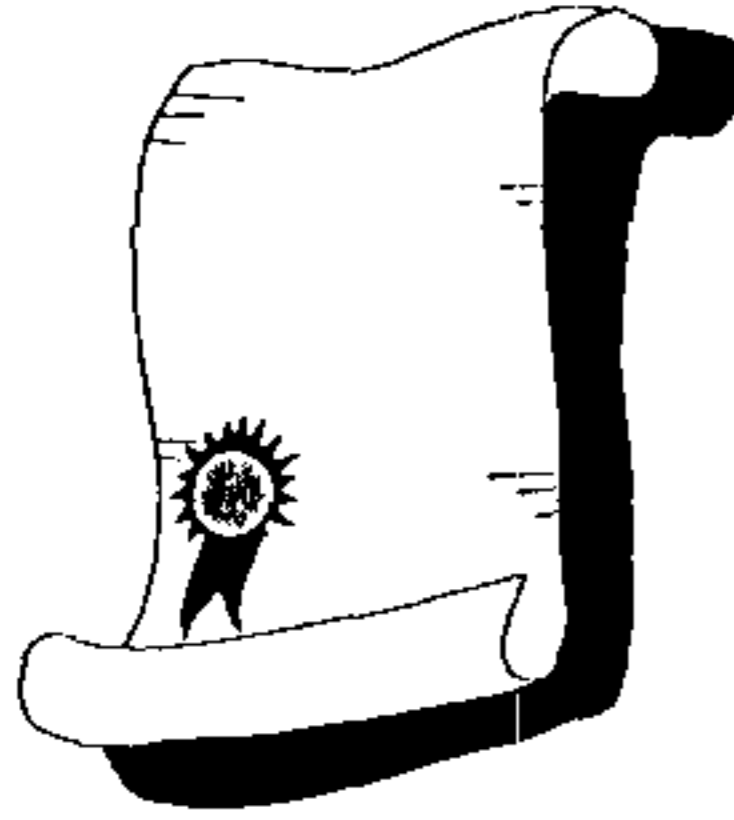
K. Risk Management

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

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

L. Independent Audits

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



M. Awards

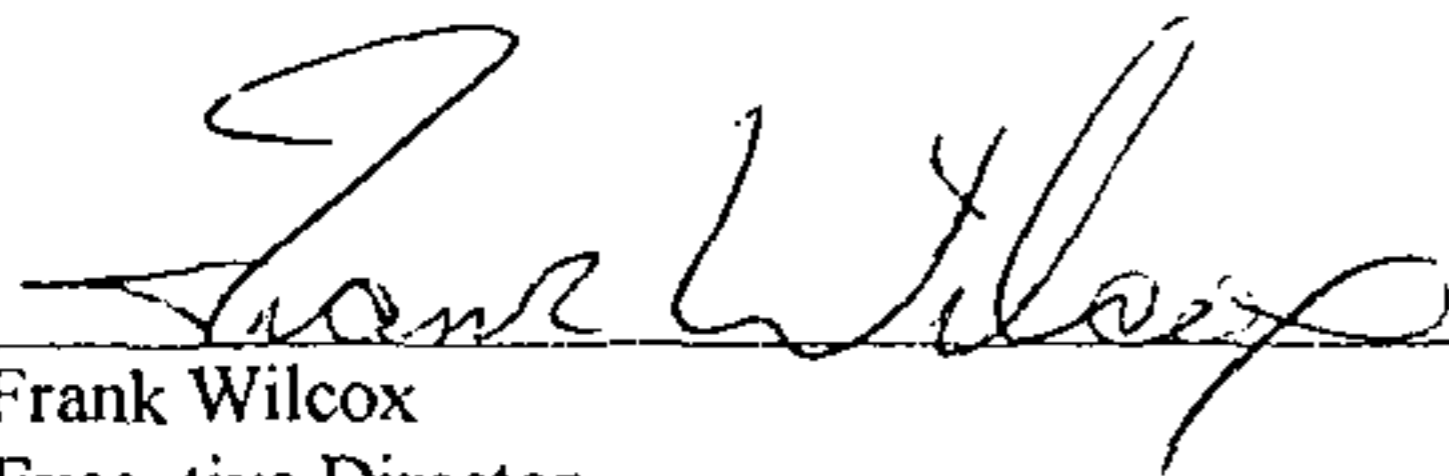
The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and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

The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

N. Acknowledgments

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



Frank Wilcox
Executive Director



Charlene VanVliet
Administrative Director

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

**Appointed Officials
June 30, 1998**

Board of Commissioners

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Gertrude Young

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Willie Haynes, Jr.

Assistant Director

Charlene VanVliet

Administrative Director

Marianne Hereford

Comp Grant Planner

Vickie C. Hunter

Housing Assistance Payments Manager

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201
Telephone: (318) 388-4422
Facsimile: (318) 388-4664
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2285 Green Acres Office Park
G.O.P. Building III, Suite 400
Bossier City, LA 71111
Telephone: (318) 741-0205
Facsimile: (318) 741-0207

Ernest L. Allen, CPA
(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of the Housing Authority of the City of Monroe, Monroe, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of the City of Monroe's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Monroe as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated October 15, 1998, on our consideration of the Housing Authority of the City of Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Housing Authority of the City of Monroe, taken as a whole. The accompanying COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES and HUD REQUIRED SCHEDULES are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

The information identified in the table of contents as the INTRODUCTORY SECTION and STATISTICAL SECTION is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the Housing Authority of the City of Monroe. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1998

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



HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1998

*******GOVERNMENTAL FUNDS*******

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 256,667	\$ 45,344	\$ 11,567	\$ 0
Investments	2,024,572	486,045	0	0
Note receivable	0	361,080	0	0
Accounts receivable	208,960	211,715	1,467,128	189,976
Interfund receivable	221,919	798	0	6,800
Prepaid insurance	144,241	6,392	0	0
Inventory	121,527	0	0	0
Land, buildings, and equipment	0	0	0	0
Other debits				
Amount available in debt service funds	0	0	0	0
Amount to be provided for retirement of general Long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,977,886	\$ 1,111,374	\$ 1,478,695	\$ 196,776
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 157,242	\$ 161,570	\$ 0	\$ 144,895
Interfund payable	0	172,802	0	51,881
Deposits due others	0	0	0	0
Deferred revenue	3,847	0	0	0
Accrued liabilities	234,214	0	0	0
Compensated absences payable	0	0	0	0
Notes and bonds payable	0	0	0	0
Long-term interest payable	0	0	0	0
Total Liabilities	\$ 395,303	\$ 334,372	\$ 0	\$ 196,776
Equity and Other Credits				
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Retained earnings	0	0	0	0
Fund balances:				
Reserved for note receivable	0	361,080	0	0
Reserved for prepaid insurance	144,241	6,392	0	0
Reserved for inventory	121,527	0	0	0
Reserved for debt payment			1,478,695	
Unreserved and undesignated	2,316,815	409,530	0	0
Total Equity and Other Credits	\$ 2,582,583	\$ 777,002	\$ 1,478,695	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 2,977,886	\$ 1,111,374	\$ 1,478,695	\$ 196,776

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

Statement A

PROPRIETARY FUNDS- ENTERPRISE	FIDUCIARY FUNDS - AGENCY	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS			
\$ 273,385	\$ 100,545	\$ 0	\$ 0	\$ 687,508	\$ 26,650	\$ 714,158
492,667	234,485	0	0	3,237,769	0	3,237,769
0	0	0	0	361,080	0	361,080
130,869	0	0	0	2,208,648	47,254	2,255,902
0	0	0	0	229,517	0	229,517
0	0	0	0	150,633	0	150,633
0	0	0	0	121,527	0	121,527
0	0	69,360,879	0	69,360,879	0	69,360,879
0	0	0	1,478,695	1,478,695	0	1,478,695
0	0	0	20,746,691	20,746,691	0	20,746,691
<u>\$ 896,921</u>	<u>\$ 335,030</u>	<u>\$ 69,360,879</u>	<u>\$ 22,225,386</u>	<u>\$ 98,582,947</u>	<u>\$ 73,904</u>	<u>\$ 98,656,851</u>
\$ 7,524	\$ 0	\$ 0	\$ 0	\$ 471,231	\$ 20,165	\$ 491,396
4,834	0	0	0	229,517	0	229,517
0	335,030	0	0	335,030	0	335,030
0	0	0	0	3,847	0	3,847
65	0	0	0	234,279	0	234,279
0	0	0	514,984	514,984	0	514,984
0	0	0	17,955,091	17,955,091	0	17,955,091
0	0	0	3,755,311	3,755,311	0	3,755,311
<u>\$ 12,423</u>	<u>\$ 335,030</u>	<u>\$ 0</u>	<u>\$ 22,225,386</u>	<u>\$ 23,499,290</u>	<u>\$ 20,165</u>	<u>\$ 23,519,455</u>
\$ 0	\$ 0	\$ 69,360,879	\$ 0	\$ 69,360,879	\$ 0	\$ 69,360,879
884,498	0	0	0	884,498	0	884,498
0	0	0	0	361,080	0	361,080
0	0	0	0	150,633	0	150,633
0	0	0	0	121,527	0	121,527
0	0	0	0	1,478,695	0	1,478,695
0	0	0	0	2,726,345	53,739	2,780,084
<u>\$ 884,498</u>	<u>\$ 0</u>	<u>\$ 69,360,879</u>	<u>\$ 0</u>	<u>\$ 75,083,657</u>	<u>\$ 53,739</u>	<u>\$ 75,137,396</u>
<u>\$ 896,921</u>	<u>\$ 335,030</u>	<u>\$ 69,360,879</u>	<u>\$ 22,225,386</u>	<u>\$ 98,582,947</u>	<u>\$ 73,904</u>	<u>\$ 98,656,851</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS AND COMPONENT UNIT
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
REVENUES			
Local sources:			
Dwelling rental	\$ 2,065,622	\$ 0	\$ 0
Interest earnings	132,315	30,098	0
Other	127,868	0	0
Federal sources:			
Operating subsidy	988,072	0	0
Annual contributions	0	4,266,672	1,478,200
Grants	21,638	416,488	0
Total revenues	\$ 3,335,515	\$ 4,713,258	\$ 1,478,200
 EXPENDITURES			
Current:			
Administration	\$ 591,413	\$ 288,082	\$ 0
Tenant services	14,174	33,714	0
Utilities	242,189	0	0
Ordinary maintenance & operations	1,072,709	2,798	0
Protective services	49,743	382,774	0
General expenditures	875,104	106,091	0
Nonroutine maintenance	35,862	0	0
Housing assistance payments	0	3,826,006	0
Homeownership	0	0	0
Facilities acquisition and construction	43,496	7,356	0
Debt service:			
Principal retirement	0	0	883,515
Interest and bank charges	0	0	595,155
Total expenditures	\$ 2,924,690	\$ 4,646,821	\$ 1,478,670
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 410,825	\$ 66,437	\$ (470)

Statement B

CAPITAL PROJECT	TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
\$ 0	\$ 2,065,622	\$ 0	\$ 2,065,622
0	162,413	0	162,413
0	127,868	15,438	143,306
0	988,072	0	988,072
0	5,744,872	0	5,744,872
2,241,618	2,679,744	181,039	2,860,783
\$ 2,241,618	\$ 11,768,591	\$ 196,477	\$ 11,965,068

\$ 0	\$ 879,495	\$ 0	\$ 879,495
0	47,888	0	47,888
0	242,189	0	242,189
0	1,075,507	0	1,075,507
0	432,517	0	432,517
0	981,195	0	981,195
0	35,862	0	35,862
0	3,826,006	0	3,826,006
0	0	164,592	164,592
2,241,618	2,292,470	0	2,292,470
0	883,515	0	883,515
0	595,155	0	595,155
\$ 2,241,618	\$ 11,291,799	\$ 164,592	\$ 11,456,391
\$ 0	\$ 476,792	\$ 31,885	\$ 508,677

(CONTINUED)

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

**GOVERNMENTAL FUNDS AND COMPONENT UNIT
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998**

	GENERAL	SPECIAL REVENUE	DEBT SERVICE
FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 2,171,758	\$ 710,565	\$ 1,479,165
PRIOR PERIOD ADJUSTMENT	0	0	0
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED	\$ 2,171,758	\$ 710,565	\$ 1,479,165
FUND BALANCES AT END OF YEAR, AS RESTATED	\$ 2,582,583	\$ 777,002	\$ 1,478,695

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

Statement B

<u>CAPITAL PROJECT</u>	<u>TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	<u>TOTAL (MEMORANDUM ONLY) REPORTING ENTITY</u>
\$ 0	\$ 4,361,488	\$ 3,448	\$ 4,364,936
<u>0</u>	<u>0</u>	<u>18,406</u>	<u>18,406</u>
<u>\$ 0</u>	<u>\$ 4,361,488</u>	<u>\$ 21,854</u>	<u>\$ 4,383,342</u>
<u>\$ 0</u>	<u>\$ 4,838,280</u>	<u>\$ 53,739</u>	<u>\$ 4,892,019</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Dwelling rental	\$ 1,961,800	\$ 2,065,622	\$ 103,822
Interest earnings	66,850	132,315	65,465
Other	147,800	127,868	(19,932)
Federal sources:			
Operating subsidy	950,102	988,072	37,970
Grants	0	21,638	21,638
Total revenues	\$ 3,126,552	\$ 3,335,515	\$ 208,963
EXPENDITURES			
Current:			
Administration	\$ 625,240	\$ 591,413	\$ 33,827
Tenant services	24,000	14,174	9,826
Utilities	252,760	242,189	10,571
Ordinary maintenance & operations	1,098,460	1,072,709	25,751
Protective services	52,510	49,743	2,767
General expenditures	898,800	875,104	23,696
Nonroutine maintenance	37,000	35,862	1,138
Facilities acquisition and construction	100,600	43,496	57,104
Total expenditures	\$ 3,089,370	\$ 2,924,690	\$ 164,680
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 37,182	\$ 410,825	\$ 373,643
FUND BALANCES AT BEGINNING OF YEAR	2,171,758	2,171,758	0
FUND BALANCES AT END OF YEAR	\$ 2,208,940	\$ 2,582,583	\$ 373,643

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 30,098	\$ 30,098
Federal sources:			
Annual contributions	4,176,808	4,266,672	89,864
Grants	<u>416,488</u>	<u>416,488</u>	<u>0</u>
Total revenues	<u>\$ 4,593,296</u>	<u>\$ 4,713,258</u>	<u>\$ 119,962</u>
EXPENDITURES			
Current:			
General expenditures	\$ 945,122	\$ 813,459	\$ 131,663
Housing assistance payments	3,648,174	3,826,006	(177,832)
Facilities acquisition and construction	<u>0</u>	<u>7,356</u>	<u>(7,356)</u>
Total expenditures	<u>\$ 4,593,296</u>	<u>\$ 4,646,821</u>	<u>\$ (53,525)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 66,437	\$ 66,437
FUND BALANCES AT BEGINNING OF YEAR	<u>710,565</u>	<u>710,565</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 710,565</u>	<u>\$ 777,002</u>	<u>\$ 66,437</u>

(CONCLUDED)

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

HOUSING AUTHORITY THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 1998

Statement D

OPERATING REVENUE	
Management fees	\$ <u>86,997</u>
OPERATING EXPENSES	
Administration	\$ 10,066
General expenditures	1,527
Housing assistance payments	<u>501,452</u>
TOTAL OPERATING EXPENSES	\$ <u>513,045</u>
OPERATING INCOME (LOSS)	\$ <u>(426,048)</u>
NON-OPERATING REVENUES	
Interest income	\$ 36,461
Federal operating grants	<u>518,383</u>
TOTAL NON-OPERATING REVENUES	\$ <u>554,844</u>
NET INCOME (LOSS)	\$ 128,796
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>755,702</u>
RETAINED EARNINGS AT END OF YEAR	\$ <u>884,498</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE -ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended June 30, 1998

Statement E

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (426,048)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Changes in operating current assets and liabilities:	
(Increase) Decrease in receivables	(128,361)
Increase (Decrease) in accounts payables	7,470
Increase (Decrease) in interfund payables	3,478
Increase (Decrease) in accrued liabilities	<u>65</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES **\$ (543,396)**

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants **\$ 518,383**

CASH FLOW FROM INVESTING ACTIVITIES:

(Increase) Decrease in investments **\$ 156,788**
Interest earnings **36,461**

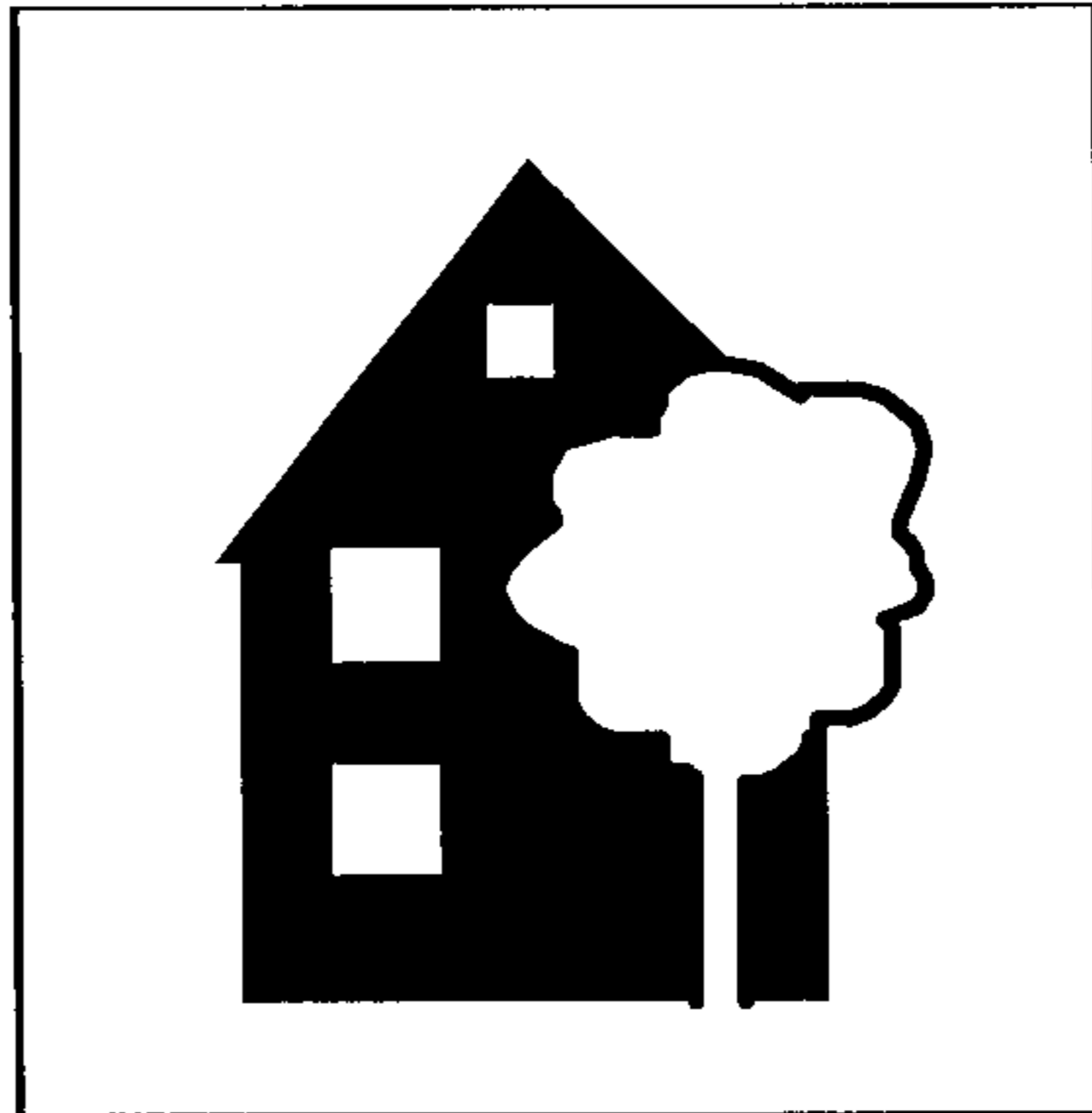
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES **\$ 193,249**

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS **\$ 168,236**

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR **105,149**

CASH AND CASH EQUIVALENTS AT END OF YEAR **\$ 273,385**

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



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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The Housing Authority has the following units:

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

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY (Continued)

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

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

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

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

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY (Continued)

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the Housing Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Funds of the Housing Authority are classified into three categories: governmental, proprietary and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds — Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General fund — the general operating fund of the Housing Authority accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low rent housing assistance programs.

Special revenue funds — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special revenue funds contain transactions of the various Section 8 Housing Assistance programs administered by the Housing Authority.

Debt service fund — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes, federal financing bonds, and bonds payable (if applicable).

Capital project fund — accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. The capital project fund contains transactions relating to active modernization and development programs.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. FUNDS AND ACCOUNT GROUPS (Continued)

Proprietary funds — Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The enterprise funds account for the activity of the Section 8 - New Construction Program for which the Housing Authority is the contract administrator and the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent.

Fiduciary funds — Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. Fiduciary funds include:

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

Tenant's security deposits agency fund — accounts for assets held by the Housing Authority as an agent for the individual tenants.

Deferred compensation plan agency fund — accounts for assets held by the Housing Authority as an agent for the employees.

Account Groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Entitlements and shared revenues are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Expenditures

Salaries are recorded as expenditures when incurred.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are consumed.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses) — Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary funds

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

Fiduciary funds

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Housing Authority holds for others in an agency capacity.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. BUDGETS

General Budget Policies

The following summarizes the budget activities of the Housing Authority during the year ended June 30, 1998:

1. The Housing Authority adopted budgets for the general fund, the special revenue funds and the capital project funds. The capital project funds budget to actual comparison has not been included since the capital project is a multiple-year endeavor.
2. All appropriations lapse at year end.
3. Formal budget integration (within the accounting records) is employed as a management control device.
4. The budget is controlled by fund at the function level. The Executive Director is authorized to transfer amounts between line items within any fund, provided such does not change the total of any function. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
5. HUD approves all budgets adopted by the Housing Authority.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with the generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted. No budget amendments were made during the year.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. 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.

F. INVESTMENTS

Investments are limited by 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.

Investments are stated at amortized cost except for investments in the deferred compensation agency fund, which are reported at market.

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

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

Definitions:

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

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

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. INVENTORY

All purchased inventory items are valued at cost using first-in, first-out method. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenditures are charged when the items are consumed.

I. PREPAID ITEMS

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

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical cost which is comprised of acquisition development and modernization costs, and property betterments and additions from operations.

K. DEFERRED REVENUES

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

L. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges including related benefits not requiring current resources is recorded in the general long-term obligations account group.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

N. FUND EQUITY

Reserves — Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns on the general-purpose financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Q. USE OF ESTIMATES

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Individual Funds

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special revenue fund			
Rental certificates	\$2,852,159	\$2,936,032	\$83,873
Mod rehab #2	113,515	120,181	6,666
Mod rehab #4	164,138	192,593	28,455

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision for special programs. Rental certificates and the mod rehab variances are the result of a change of some tenants from the mod rehab programs to the rental certificate program. HUD is not renewing mod rehab units.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1998, the Housing Authority has cash and cash equivalents (book balances) totaling \$714,158 as follows:

Demand deposit	\$155,188
Interest-bearing demand deposits	<u>558,970</u>
 Total cash and cash equivalents	 <u>\$714,158</u>

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

At year-end, the Housing Authority's carrying amount of deposits was \$714,158 and the bank balance was \$850,470. Of the bank balance, \$839,862 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remaining balance of \$10,608 was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Housing Authorities name (GASB Category 3).

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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

NOTE 4 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

At year end, the Housing Authority's investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>			<u>Fair Value</u>	<u>Carrying Amount</u>		<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		<u>Amortized Cost</u>		
U.S. Treasury Securities	<u>\$3,003,284</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$3,003,284</u>		<u>\$3,003,284</u>
Subtotal	<u>\$3,003,284</u>	<u>\$ -</u>	<u>\$ -</u>				
Investments not subject to categorization:							
Deferred compensation plan				<u>234,485</u>			<u>234,485</u>
Total investments				<u>\$234,485</u>	<u>\$3,003,284</u>		<u>\$3,237,769</u>

Due to higher cash flows at certain times during the year, the Housing Authority's investment in U. S. treasury bills for which the underlying securities were held by the Housing Authority, increased significantly. As a result, the amounts that were in Category 1 at those times were substantially higher than at year end.

NOTE 5 - NOTE RECEIVABLE

The note receivable at June 30, 1998, of \$361,080 is a note from Chauvin Pointe, Inc. made to purchase a tract of land. The interest rate is 4% per annum. The Housing Authority considers the note receivable to be fully collectible; therefore, no allowance for doubtful accounts is required.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 6 - ACCOUNTS RECEIVABLE

The receivables of \$2,255,902 at June 30, 1998, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Proprietary Funds - Enterprise Funds</u>	<u>Component Unit</u>	<u>Total</u>
Local sources:							
Tenants	\$112,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,540
Other	95,434	16,700	-	1,360	130,869	-	244,363
Other governments	-	-	-	-	-	47,254	47,254
Federal sources:							
Due from HUD	<u>986</u>	<u>195,015</u>	<u>1,467,128</u>	<u>188,616</u>	<u>-</u>	<u>-</u>	<u>1,851,745</u>
Total	<u>\$208,960</u>	<u>\$211,715</u>	<u>\$1,467,128</u>	<u>\$189,976</u>	<u>\$130,869</u>	<u>\$47,254</u>	<u>\$2,255,902</u>

NOTE 7 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 1998</u>
Land	\$ 2,110,146	\$ -	\$ -	\$ -	\$ 2,110,146
Site improvements	3,976,658	-	-	-	3,976,658
Buildings	44,219,094	115,943	-	13,113,963	57,449,000
Furniture and equipment	1,946,012	53,829	116,761	-	1,883,080
Construction in progress	<u>14,814,340</u>	<u>2,241,618</u>	<u>-</u>	<u>(13,113,963)</u>	<u>3,941,995</u>
Total	<u>\$67,066,250</u>	<u>\$2,411,390</u>	<u>\$116,761</u>	<u>\$ -</u>	<u>\$69,360,879</u>

NOTE 8 - RETIREMENT SYSTEM

The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan 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.

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

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 8 - RETIREMENT SYSTEM (Continued)

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.

The Housing Authority's total payroll for year ended June 30, 1998, was \$1,872,775. The Housing Authority's contributions were calculated using the base salary amount of \$1,380,691. The Housing Authority made the required contributions of \$193,300 for the year ended June 30, 1998.

NOTE 9 - DEFERRED COMPENSATION

The Housing Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and is administered by State of Louisiana Deferred Compensation Plan. The deferred compensation plan, available to all Housing Authority employees, permits them to defer up to \$7,500 of their annual salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred compensation plan is fully funded from employee contributions. The total fair market value of IRC 457 assets at June 30, 1998 was \$234,485.

All amounts of compensation deferred under the plan and all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Housing Authority, subject only to the claims of the Housing Authority general creditors. Participants' rights under the plans are equal to those of general creditors of the Housing Authority in an amount equal to the fair market value of the deferred account of each participant.

It is the opinion of the Housing Authority's legal counsel that the Housing Authority has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor. The Housing Authority believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10 - ACCOUNTS PAYABLE

The payables of \$491,396 at June 30, 1998, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Enterprise Funds</u>	<u>Component Unit</u>	<u>Total</u>
Vendors	\$157,242	\$ 5,786	\$ 56,834	\$ 15	\$15,305	\$235,182
Contract Retentions	-	-	88,061	-	4,860	92,921
Due to Other Governments						
Payable to HUD	<u>-</u>	<u>155,784</u>	<u>-</u>	<u>7,509</u>	<u>-</u>	<u>163,293</u>
Total	<u>\$157,242</u>	<u>\$161,570</u>	<u>\$144,895</u>	<u>\$7,524</u>	<u>\$20,165</u>	<u>\$491,396</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 11 - COMPENSATED ABSENCES

At June 30, 1998, employees of the Housing Authority have accumulated and vested \$514,984 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$514,984 is recorded within the general long-term obligations account group.

NOTE 12 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

The following is a summary of changes in agency fund deposits due others at June 30, 1998:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
Agency funds:				
Tenants Security Deposit	\$100,673	\$ 23,068	\$23,196	\$100,545
Deferred Compensation Plan	<u>117,039</u>	<u>119,152</u>	<u>1,706</u>	<u>234,485</u>
Total	<u>\$217,712</u>	<u>\$142,220</u>	<u>\$24,902</u>	<u>\$335,030</u>

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1998:

	<u>Compensated Absences</u>	<u>Notes and Bonds</u>	<u>Interest Payable - Long-Term</u>	<u>Total</u>
Balance, July 1, 1997	\$454,350	\$18,838,606	\$3,755,311	\$23,048,267
Additions	60,634	-	-	60,634
Deductions	<u>-</u>	<u>883,515</u>	<u>-</u>	<u>883,515</u>
Balance, June 30, 1998	<u>\$514,984</u>	<u>\$17,955,091</u>	<u>\$3,755,311</u>	<u>\$22,225,386</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS (Continued)

The following notes and bonds are outstanding at June 30, 1998, are HUD-guaranteed with maturities from 1998 to 2014 and interest rates from 5.0 to 6.6 percent. Bond principal and interest payable in the next fiscal year are \$934,231 and \$543,202 respectively. The individual issues are as follows:

<u>Project</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Balance June 30, 1998</u>
<u>Project notes - non-HUD (A)</u>					<u>\$7,755,904</u>
<u>Single issue bonds</u>					
LA 6-6	6-1-70	2011	5.125%	\$ 5,860,000	\$3,238,488
LA 6-7	6-1-73	2011	5.000%	1,109,737	629,724
LA 6-8	6-1-73	2011	5.000%	2,197,576	1,247,021
LA 6-9	6-1-73	2014	5.125%	2,260,000	1,461,691
LA 6-10	6-1-72	2013	5.125%	<u>3,600,000</u>	<u>2,197,385</u>
Total bonds				<u>15,027,313</u>	<u>8,774,309</u>
<u>Federal financing bank notes</u>					
LA 6-901	9-7-83	1998	6.6 %	1,270,961	116,462
LA 6-903	9-7-83	1999	6.6 %	211,014	36,216
LA 6-904	9-7-83	2000	6.6 %	3,086,716	746,739
LA 6-905	9-7-83	2001	6.6 %	<u>1,728,115</u>	<u>525,461</u>
Total federal financing bank notes				<u>6,296,806</u>	<u>1,424,878</u>
Total - bonds and notes				<u>\$21,324,119</u>	<u>\$17,955,091</u>

(A) Project notes - non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes and the interest unpaid at the time of the Act. The timing of the official cancellation of the notes and the interest due at the date of the Act is unknown. The Housing Authority has not accrued interest on project notes - non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project notes - non-HUD.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS (Continued)

All principal and interest requirements are funded in accordance with federal law by the annual contributions from U. S. Department of Housing and Urban Development. At June 30, 1998, the Housing Authority has accumulated \$1,478,695 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 1999	\$ 934,231	\$ 543,202	\$ 1,477,433
June 30, 2000	862,785	488,208	1,350,993
June 30, 2001	898,161	438,335	1,336,496
June 30, 2002	669,049	386,366	1,055,415
June 30, 2003	547,951	350,013	897,964
June 30, 2004 to maturity	<u>6,287,010</u>	<u>1,733,973</u>	<u>8,020,983</u>
	<u>\$10,199,187</u>	<u>\$3,940,097</u>	<u>\$14,139,284</u>

NOTE 14 - INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 1998, are as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Special revenue funds:	
	Rental certificates	\$101,684
	Mod rehab #1	11,796
	Mod rehab #4	41,963
	Special programs	9,761
	Capital project fund	51,881
	Proprietary fund:	
New construction	4,834	
Rental certificates	Special revenue funds:	
	Mod rehab #1	168
	Mod rehab #4	624
Mod rehab #1	Special revenue fund:	
	Mod rehab #4	6
Capital project fund	Special revenue fund:	
	Rental certificates	<u>6,800</u>
Total		<u>\$229,517</u>

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Litigation

At June 30, 1998, the Housing Authority is not involved in any threatened litigation nor is the Housing Authority exposed to any significant liability for which it is not amply insured.

Grant Disallowances

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

Construction Projects

There are certain major construction projects in progress at June 30, 1998. These include modernizing rental units at practically all of the fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Self-Insurance

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

NOTE 16 - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The Housing Authority established a risk management program for workers' compensation insurance in 1994. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the general fund. As of June 30, 1998, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 16 - RISK MANAGEMENT (Continued)

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

	<u>1997-1998</u>	<u>1996-1997</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims (including IBNRs)	36,753	24,693
Claim payments	<u>24,234</u>	<u>24,693</u>
Unpaid claims, end of fiscal year	<u>\$12,519</u>	<u>\$ -</u>

NOTE 17 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Housing Authority maintains two enterprise funds. The new construction program accounts for the activity contract administration of a Section 8 New Construction project. The management fees program accounts for the activity of managing agent of a Section 202 Elderly Housing Project. Selected segment information for the year ended June 30, 1998, is as follows:

	<u>New Construction</u>	<u>Management Fee</u>	<u>Total</u>
Operating revenues	\$ -	\$ 86,997	\$ 86,997
Operating income (loss)	(508,870)	82,822	(426,048)
Operating grants	518,383	-	518,383
Net income	15,915	112,881	128,796
Net working capital	186,641	697,857	884,498
Total assets	198,999	697,922	896,921
Total equity	186,641	697,857	884,498

NOTE 18 - PRIOR PERIOD ADJUSTMENT

A separate audit was performed of the component unit for the year ended June 30, 1997. The beginning fund balance was restated to account for a receivable which was recorded for the year ended June 30, 1997. Revenues were under-stated by \$18,406.

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

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 19 - SUBSEQUENT EVENTS

The Housing Authority received an insurance check in July 1998 of \$902,000 for roof damage received during a hail storm.

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

**COMBINING AND INDIVIDUAL FUND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

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

SPECIAL REVENUE FUNDS

RENTAL CERTIFICATES

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice; however, a public housing agency may also attach up to 15 percent of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

MOD REHAB #1, #2, #3 AND #4

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

RENTAL VOUCHERS

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

SPECIAL PROGRAMS

DRUG ELIMINATION

The purposes of the Public Housing Drug Elimination Program are to: (a) eliminate drug-related crime in and around the real property comprising public housing projects; (b) encourage Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to develop a plan that includes initiatives that can be sustained over a period of several years for addressing the problem of drug-related crime in and around the premises of the Public and Indian housing projects proposed for funding under this part, and; (c) make available federal grants to help PHAs and IHAs carry out their plans.

(Continued)

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

SPECIAL REVENUE FUNDS

SPECIAL PROGRAMS (Continued)

DRUG ELIMINATION (Continued)

Grant funds may be used for the following activities designed to reduce drug-related crime: (1) employment of security personnel; (2) reimbursement of local law enforcement agencies for additional security and protective services; (3) physical improvements designed to enhance security; (4) the employment of one or more individuals to investigate drug-related crime; (5) training, communications equipment, and other related equipment; (6) programs designed to reduce use of drugs in and around Public and Indian housing projects, including drug prevention, intervention, referral, and treatment programs, and; (7) providing funding to develop security and drug abuse prevention programs involving site residents.

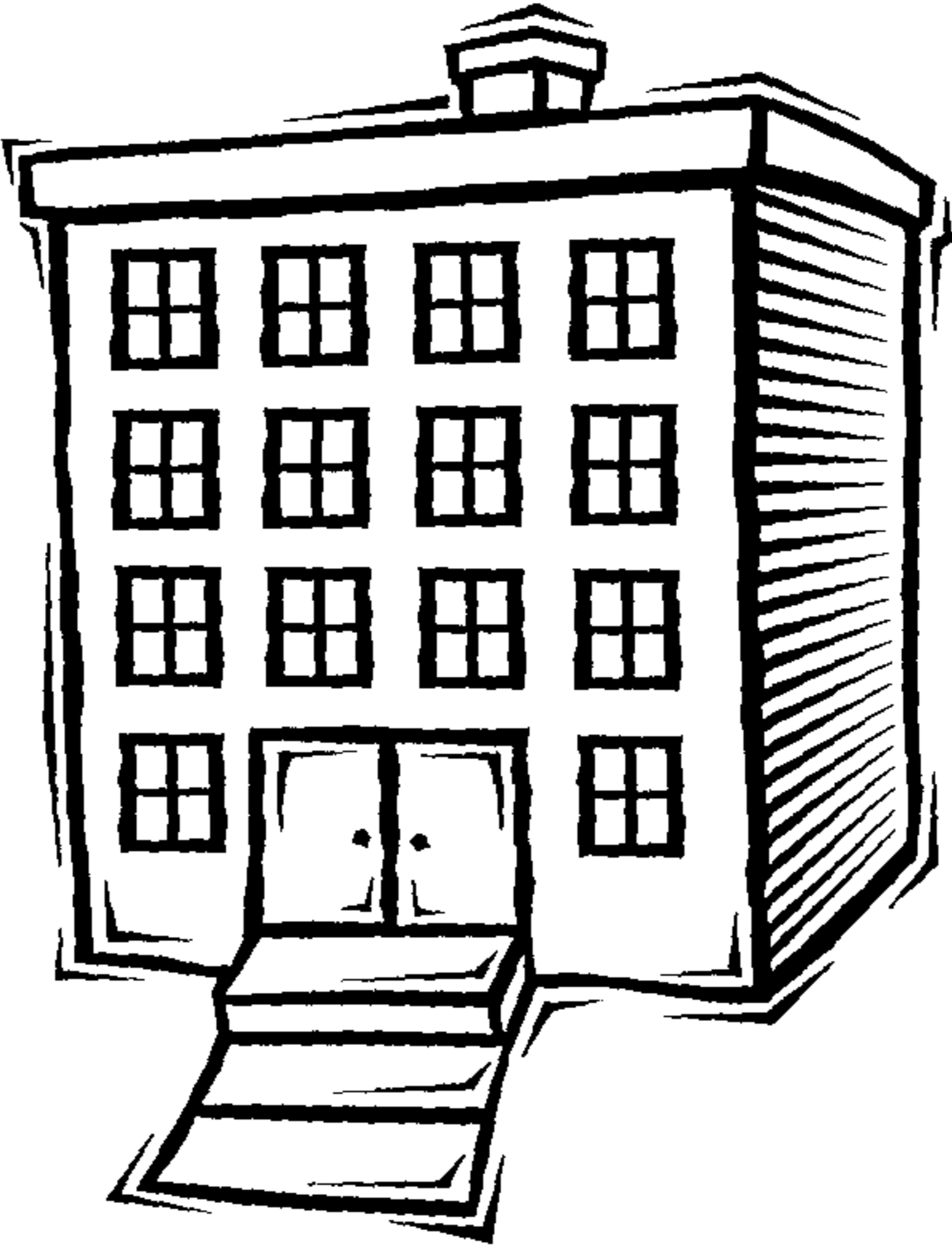
GATEWAY

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

(Concluded)

Housing Authority of the City of Monroe
Monroe, Louisiana



HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1998

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 12,154	\$ 10,606
Investments	1,195	224,983	90,170	28,106
Note receivable	361,080	0	0	0
Accounts receivable	163,841	0	7,931	0
Interfund receivable	792	6	0	0
Prepaid insurance	6,392	0	0	0
	<u>\$ 533,300</u>	<u>\$ 224,989</u>	<u>\$ 110,255</u>	<u>\$ 38,712</u>
TOTAL ASSETS				
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 2,277	\$ 146,059	\$ 60	\$ 6,919
Interfund payable	108,484	11,964	0	0
	<u>\$ 110,761</u>	<u>\$ 158,023</u>	<u>\$ 60</u>	<u>\$ 6,919</u>
Total Liabilities				
Fund balances:				
Reserved for note receivable	\$ 361,080	\$ 0	\$ 0	\$ 0
Reserved for prepaid insurance	6,392	0	0	0
Unreserved-undesignated	55,067	66,966	110,195	31,793
	<u>\$ 422,539</u>	<u>\$ 66,966</u>	<u>\$ 110,195</u>	<u>\$ 31,793</u>
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 533,300</u>	<u>\$ 224,989</u>	<u>\$ 110,255</u>	<u>\$ 38,712</u>

Exhibit 1

<u>MOD REHAB #4</u>	<u>RENTAL VOUCHERS</u>	<u>SPECIAL PROGRAMS</u>	<u>TOTAL</u>
\$ 0	\$ 22,584	\$ 0	45,344
56,271	85,320	0	486,045
0	0	0	361,080
30,182	0	9,761	211,715
0	0	0	798
0	0	0	6,392
<u>\$ 86,453</u>	<u>\$ 107,904</u>	<u>\$ 9,761</u>	<u>1,111,374</u>
\$ 76	\$ 6,179	\$ 0	161,570
42,593	0	9,761	172,802
<u>\$ 42,669</u>	<u>\$ 6,179</u>	<u>\$ 9,761</u>	<u>334,372</u>
\$ 0	\$ 0	\$ 0	361,080
0	0	0	6,392
43,784	101,725	0	409,530
<u>\$ 43,784</u>	<u>\$ 101,725</u>	<u>\$ 0</u>	<u>777,002</u>
<u>\$ 86,453</u>	<u>\$ 107,904</u>	<u>\$ 9,761</u>	<u>1,111,374</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998

	<u>RENTAL CERTIFICATES</u>	<u>MOD REHAB #1</u>	<u>MOD REHAB #2</u>	<u>MOD REHAB #3</u>
REVENUES				
Local sources:				
Interest earnings	\$ 7,737	\$ 5,402	\$ 4,417	\$ 2,922
Federal sources:				
Annual contributions	2,999,362	41,884	138,220	83,343
Grants	0	0	0	0
Total revenues	\$ 3,007,099	\$ 47,286	\$ 142,637	\$ 86,265
EXPENDITURES				
Current:				
Administration	\$ 181,176	\$ 6,515	\$ 8,667	\$ 7,372
Tenant services	0	0	0	0
Ordinary maintenance & operations	2,092	46	63	49
Protective services	0	0	0	0
General expenditures	70,273	2,301	3,107	2,479
Housing assistance payments	2,677,162	81,248	108,296	72,036
Facilities acquisition and construction	5,329	41	48	150
Total expenditures	\$ 2,936,032	\$ 90,151	\$ 120,181	\$ 82,086
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 71,067	\$ (42,865)	\$ 22,456	\$ 4,179
FUND BALANCES AT BEGINNING OF YEAR	351,472	109,831	87,739	27,614
FUND BALANCES AT END OF YEAR	\$ 422,539	\$ 66,966	\$ 110,195	\$ 31,793

Exhibit 2

<u>MOD REHAB</u> <u>#4</u>	<u>RENTAL</u> <u>VOUCHERS</u>	<u>SPECIAL</u> <u>PROGRAMS</u>	<u>TOTAL</u>
\$ 568 \$	9,052 \$	0 \$	30,098
194,888	808,975	0	4,266,672
0	0	416,488	416,488
<u>\$ 195,456 \$</u>	<u>818,027 \$</u>	<u>416,488 \$</u>	<u>4,713,258</u>
\$ 13,981 \$	70,371 \$	0 \$	288,082
0	0	33,714	33,714
93	455	0	2,798
0	0	382,774	382,774
4,750	23,181	0	106,091
173,463	713,801	0	3,826,006
306	1,482	0	7,356
<u>\$ 192,593 \$</u>	<u>809,290 \$</u>	<u>416,488 \$</u>	<u>4,646,821</u>
\$ 2,863 \$	8,737 \$	0 \$	66,437
40,921	92,988	0	710,565
<u>\$ 43,784 \$</u>	<u>101,725 \$</u>	<u>0 \$</u>	<u>777,002</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Exhibit 3

	*****RENTAL CERTIFICATES*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 7,737	\$ 7,737
Federal sources:			
Annual contributions	2,852,159	2,999,362	147,203
Total revenues	\$ 2,852,159	\$ 3,007,099	\$ 154,940
EXPENDITURES			
Current:			
General expenditures	\$ 371,727	\$ 253,541	\$ 118,186
Housing assistance payments	2,480,432	2,677,162	(196,730)
Facilities acquisition and construction	0	5,329	(5,329)
Total expenditures	\$ 2,852,159	\$ 2,936,032	\$ (83,873)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 71,067	\$ 71,067
FUND BALANCES AT BEGINNING OF YEAR	351,472	351,472	0
FUND BALANCES AT END OF YEAR	\$ 351,472	\$ 422,539	\$ 71,067

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Exhibit 4

	*****MOD REHAB #1*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 5,402	\$ 5,402
Federal sources:			
Annual contributions	147,783	41,884	(105,899)
Total revenues	\$ 147,783	\$ 47,286	\$ (100,497)
EXPENDITURES			
Current:			
General expenditures	\$ 10,896	\$ 8,862	\$ 2,034
Housing assistance payments	136,887	81,248	55,639
Facilities acquisition and construction	0	41	(41)
Total expenditures	\$ 147,783	\$ 90,151	\$ 57,632
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (42,865)	\$ (42,865)
FUND BALANCES AT BEGINNING OF YEAR	109,831	109,831	0
FUND BALANCES AT END OF YEAR	\$ 109,831	\$ 66,966	\$ (42,865)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Exhibit 5

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
*****MOD REHAB #2*****			
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 4,417	4,417
Federal sources:			
Annual contributions	<u>113,515</u>	<u>138,220</u>	<u>24,705</u>
Total revenues	<u>\$ 113,515</u>	<u>\$ 142,637</u>	<u>\$ 29,122</u>
EXPENDITURES			
Current:			
General expenditures	\$ 13,823	\$ 11,837	1,986
Housing assistance payments	99,692	108,296	(8,604)
Facilities acquisition and construction	<u>0</u>	<u>48</u>	<u>(48)</u>
Total expenditures	<u>\$ 113,515</u>	<u>\$ 120,181</u>	<u>(6,666)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 22,456</u>	<u>22,456</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>87,739</u>	<u>87,739</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 87,739</u>	<u>\$ 110,195</u>	<u>22,456</u>

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

**GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998**

Exhibit 6

	*****MOD REHAB #3*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 2,922	\$ 2,922
Federal sources:			
Annual contributions	87,810	83,343	(4,467)
Total revenues	\$ 87,810	\$ 86,265	\$ (1,545)
EXPENDITURES			
Current:			
General expenditures	\$ 11,289	\$ 9,900	\$ 1,389
Housing assistance payments	76,521	72,036	4,485
Facilities acquisition and construction	0	150	(150)
Total expenditures	\$ 87,810	\$ 82,086	\$ 5,724
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 4,179	\$ 4,179
FUND BALANCES AT BEGINNING OF YEAR	27,614	27,614	0
FUND BALANCES AT END OF YEAR	\$ 27,614	\$ 31,793	\$ 4,179

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

**GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998**

Exhibit 7

	*****MOD REHAB #4*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 568	\$ 568
Federal sources:			
Annual contributions	164,138	194,888	30,750
Total revenues	\$ 164,138	\$ 195,456	\$ 31,318
EXPENDITURES			
Current:			
General expenditures	\$ 20,940	\$ 18,824	\$ 2,116
Housing assistance payments	143,198	173,463	(30,265)
Facilities acquisition and construction	0	306	(306)
Total expenditures	\$ 164,138	\$ 192,593	\$ (28,455)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 2,863	\$ 2,863
FUND BALANCES AT BEGINNING OF YEAR	40,921	40,921	0
FUND BALANCES AT END OF YEAR	\$ 40,921	\$ 43,784	\$ 2,863

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

**GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998**

Exhibit 8

	*****RENTAL VOUCHERS*****		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 9,052	\$ 9,052
Federal sources:			
Annual contributions	811,403	808,975	(2,428)
Total revenues	\$ 811,403	\$ 818,027	\$ 6,624
EXPENDITURES			
Current:			
General expenditures	\$ 99,959	\$ 94,007	\$ 5,952
Housing assistance payments	711,444	713,801	(2,357)
Facilities acquisition and construction	0	1,482	(1,482)
Total expenditures	\$ 811,403	\$ 809,290	\$ 2,113
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 8,737	\$ 8,737
FUND BALANCES AT BEGINNING OF YEAR	92,988	92,988	0
FUND BALANCES AT END OF YEAR	\$ 92,988	\$ 101,725	\$ 8,737

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

GOVERNMENTAL FUNDS-SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Exhibit 9

	*****SPECIAL PROGRAMS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources:			
Grants	\$ 416,488	\$ 416,488	\$ 0
Total revenues	\$ 416,488	\$ 416,488	\$ 0
EXPENDITURES			
Current:			
Tenant services	\$ 11,107	\$ 33,714	\$ (22,607)
Protective services	405,381	382,774	22,607
Total expenditures	\$ 416,488	\$ 416,488	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	0

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

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

NEW CONSTRUCTION

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

MANAGEMENT FEES

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

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

**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 1998**

Exhibit 10

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 88,262	\$ 185,123	\$ 273,385
Investments	110,737	381,930	492,667
Accounts receivable	0	130,869	130,869
TOTAL ASSETS	\$ 198,999	\$ 697,922	\$ 896,921
 LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable	\$ 7,524	\$ 0	\$ 7,524
Interfund payable	4,834	0	4,834
Accrued liabilities	0	65	65
TOTAL CURRENT LIABILITIES	\$ 12,358	\$ 65	\$ 12,423
Retained Earnings	186,641	697,857	884,498
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 198,999	\$ 697,922	\$ 896,921

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
For The Year Ended June 30, 1998

Exhibit 11

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
OPERATING REVENUE			
Management fees	\$ 0	\$ 86,997	\$ 86,997
OPERATING EXPENSES			
Administration	\$ 5,891	\$ 4,175	\$ 10,066
General expenditures	1,527	0	1,527
Housing assistance payments	501,452	0	501,452
TOTAL OPERATING EXPENSES	\$ 508,870	\$ 4,175	\$ 513,045
OPERATING INCOME (LOSS)	\$ (508,870)	\$ 82,822	\$ (426,048)
NON-OPERATING REVENUES			
Interest income	\$ 6,402	\$ 30,059	\$ 36,461
Federal operating grants	518,383	0	518,383
TOTAL NON-OPERATING REVENUES	\$ 524,785	\$ 30,059	\$ 554,844
NET INCOME (LOSS)	\$ 15,915	\$ 112,881	\$ 128,796
RETAINED EARNINGS AT BEGINNING OF YEAR	170,726	584,976	755,702
RETAINED EARNINGS AT END OF YEAR	\$ 186,641	\$ 697,857	\$ 884,498

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

PROPRIETARY FUND TYPE -ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 1998

Exhibit 12

	NEW CONSTRUCTION	MANAGEMENT FEES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (508,870)	\$ 82,822	\$ (426,048)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Changes in operating current assets and liabilities:			
(Increase) Decrease in receivables	2,508	(130,869)	(128,361)
Increase (Decrease) in accounts payables	7,470	0	7,470
Increase (Decrease) in interfund payables	3,478	0	3,478
Increase (Decrease) in accrued liabilities	0	65	65
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (495,414)	\$ (47,982)	\$ (543,396)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal operating grants	\$ 518,383	\$ 0	\$ 518,383
CASH FLOW FROM INVESTING ACTIVITIES:			
(Increase) Decrease in investments	\$ (6,003)	\$ 162,791	\$ 156,788
Interest earnings	6,402	30,059	36,461
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 399	\$ 192,850	\$ 193,249
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 23,368	\$ 144,868	\$ 168,236
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	64,894	40,255	105,149
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 88,262	\$ 185,123	\$ 273,385

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

AGENCY FUNDS

TENANTS' SECURITY DEPOSITS

The activities of the various tenant security deposits accounts are accounted for in the Tenants' Security Deposit Agency Fund. While the accounts are under the supervision of the Housing Authority, they belong to the tenants and are not available for use by the Housing Authority.

DEFERRED COMPENSATION PLAN

The activities of the Deferred Compensation Plan, which was set up for the benefit of the employees of the Housing Authority, is accounted for in the Deferred Compensation Plan Agency Fund.

While the plan is under the supervision of the Housing Authority, the plan's assets belong to the employees and generally are not available for use by the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 1998

Exhibit 13

	<u>TENANTS' SECURITY DEPOSITS</u>	<u>DEFERRED COMPENSATION PLAN</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 100,545	\$ 0	\$ 100,545
Investments	<u>0</u>	<u>234,485</u>	<u>234,485</u>
TOTAL ASSETS	<u>\$ 100,545</u>	<u>\$ 234,485</u>	<u>\$ 335,030</u>
LIABILITIES			
Deposits due others	<u>\$ 100,545</u>	<u>\$ 234,485</u>	<u>\$ 335,030</u>
TOTAL LIABILITIES	<u>\$ 100,545</u>	<u>\$ 234,485</u>	<u>\$ 335,030</u>

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

**AGENCY FUNDS
Combining Schedule of Changes In Assets and Liabilities
For the Year Ended June 30, 1998**

Exhibit 14

	Balance, Beginning	Additions	Deductions	Balance, Ending
*****TENANTS' SECURITY DEPOSITS*****				
ASSETS				
Cash and cash equivalents	<u>\$ 100,673</u>	<u>\$ 23,068</u>	<u>\$ 23,196</u>	<u>\$ 100,545</u>
LIABILITIES				
Deposits due others	<u>\$ 100,673</u>	<u>\$ 23,068</u>	<u>\$ 23,196</u>	<u>\$ 100,545</u>
*****DEFERRED COMPENSATION PLAN*****				
ASSETS				
Investments	<u>\$ 117,039</u>	<u>\$ 119,152</u>	<u>\$ 1,706</u>	<u>\$ 234,485</u>
LIABILITIES				
Deposits due others	<u>\$ 117,039</u>	<u>\$ 119,152</u>	<u>\$ 1,706</u>	<u>\$ 234,485</u>
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>\$ 100,673</u>	<u>\$ 23,068</u>	<u>\$ 23,196</u>	<u>\$ 100,545</u>
Investments	<u>117,039</u>	<u>119,152</u>	<u>1,706</u>	<u>234,485</u>
TOTAL ASSETS	<u>\$ 217,712</u>	<u>\$ 142,220</u>	<u>\$ 24,902</u>	<u>\$ 335,030</u>
LIABILITIES				
Deposits due others	<u>\$ 217,712</u>	<u>\$ 142,220</u>	<u>\$ 24,902</u>	<u>\$ 335,030</u>

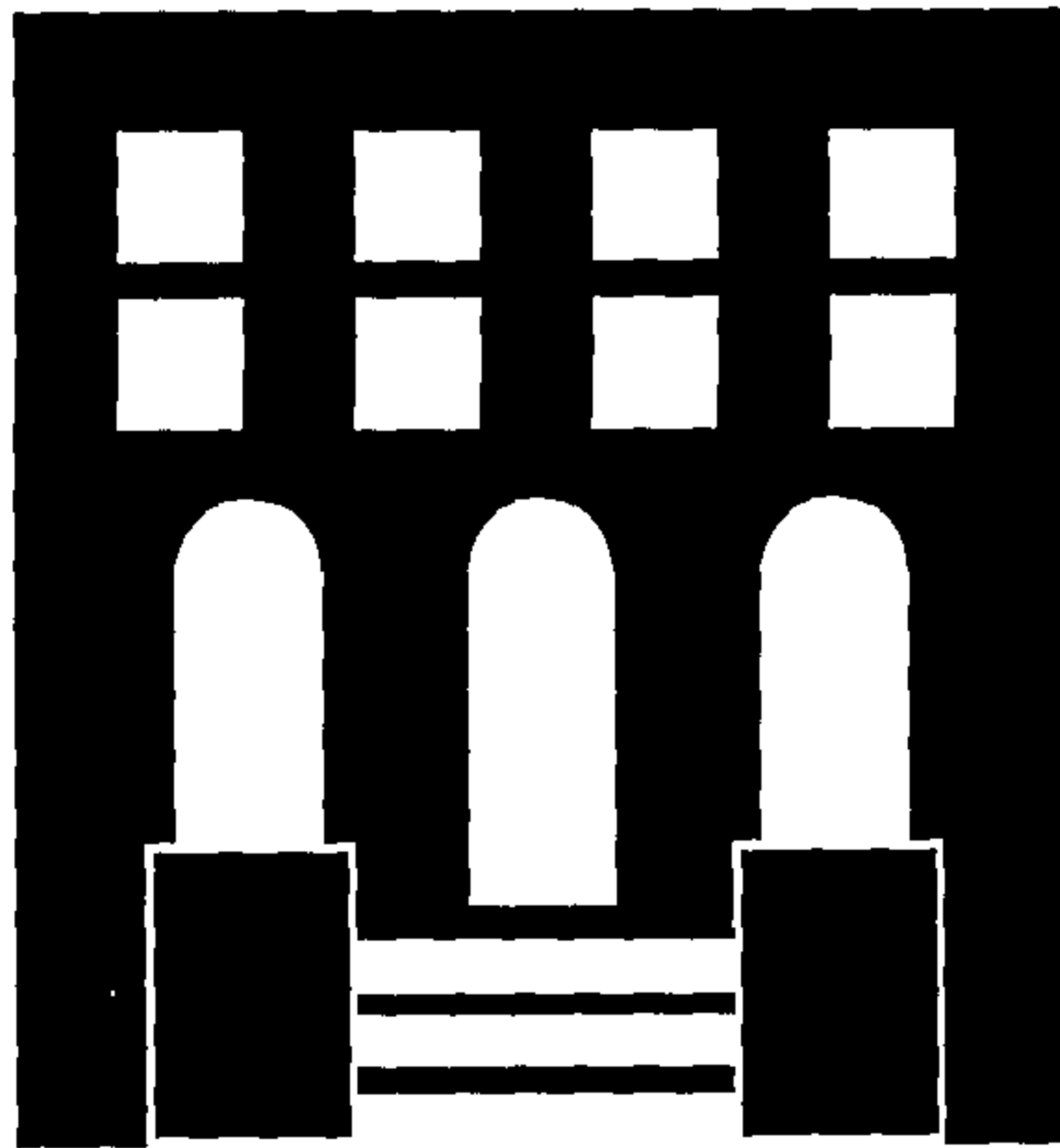
HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

TENANTS' SECURITY DEPOSITS AGENCY FUND
Schedule of Changes In Deposits Due Others
For the Year Ended June 30, 1998

Exhibit 15

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 6 - 1	\$ 3,330	\$ 500	\$ 600	\$ 3,230
LA 6 - 2	5,050	1,175	1,225	5,000
LA 6 - 3	8,375	1,925	1,950	8,350
LA 6 - 4	6,625	1,850	2,050	6,425
LA 6 - 5	11,774	3,760	3,735	11,799
LA 6 - 6	21,150	4,404	4,179	21,375
LA 6 - 7	3,387	922	872	3,437
LA 6 - 8	6,850	875	825	6,900
LA 6 - 9	7,381	1,665	1,715	7,331
LA 6 - 10	10,526	2,742	2,417	10,851
LA 6 - 11	7,175	1,450	1,550	7,075
LA 6 - 12	2,525	653	628	2,550
LA 6 - 13	5,025	1,147	1,450	4,722
LA 6 - 14	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>1,500</u>
	<u>\$ 100,673</u>	<u>\$ 23,068</u>	<u>\$ 23,196</u>	<u>\$ 100,545</u>

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



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

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed asset account group records the fixed assets of the Housing Authority which are used in governmental fund-type operations.

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -
BY SOURCE
June 30, 1998

Exhibit 16

GENERAL FIXED ASSETS:

Land	\$	2,110,146
Site improvements		3,976,658
Buildings		57,449,000
Furniture and equipment		1,883,080
Construction in progress		<u>3,941,995</u>

TOTAL GENERAL FIXED ASSETS \$ 69,360,879

INVESTMENT IN GENERAL FIXED ASSETS:

General Fund	\$	52,254,100
Rental Certificates Fund		21,746
Rental Vouchers Fund		9,639
Mod Rehab #1 Fund		11,709
Mod Rehab #2 Fund		3,890
Mod Rehab #4 Fund		3,837
Capital Project Fund		<u>17,055,958</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS \$ 69,360,879

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

**SCHEDULE OF GENERAL FIXED ASSETS -
BY PROGRAM AND FUNCTION
June 30, 1998**

	<u>LAND</u>	<u>SITE IMPROVEMENTS</u>	<u>BUILDINGS</u>
Owned Housing	\$ 2,110,146	\$ 3,976,658	\$ 44,335,037
Section 8 Programs:			
Rental Certificates	0	0	0
Rental Vouchers	0	0	0
Mod Rehab #1	0	0	0
Mod Rehab #2	0	0	0
Mod Rehab #4	0	0	0
Total Section 8 Programs	<u>0</u>	<u>0</u>	<u>0</u>
Comprehensive Grant Program	<u>0</u>	<u>0</u>	<u>13,113,963</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 2,110,146</u>	<u>\$ 3,976,658</u>	<u>\$ 57,449,000</u>

Exhibit 17

<u>FURNITURE AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
\$ 1,832,259	\$ 0	\$ 52,254,100
21,746	0	21,746
9,639	0	9,639
11,709	0	11,709
3,890	0	3,890
<u>3,837</u>	<u>0</u>	<u>3,837</u>
<u>50,821</u>	<u>0</u>	<u>50,821</u>
<u>0</u>	<u>3,941,995</u>	<u>17,055,958</u>
<u>\$ 1,883,080</u>	<u>\$ 3,941,995</u>	<u>\$ 69,360,879</u>

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY PROGRAM AND FUNCTION
For the Year Ended June 30, 1998

Exhibit 18

	<u>BALANCE</u> <u>JULY 1, 1997</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1998</u>
Owned Housing	\$ 52,208,295	\$ 162,566	\$ 116,761	\$ 52,254,100
Section 8 Programs:				
Rental Certificates	16,417	5,329	0	21,746
Rental Vouchers	8,157	1,482	0	9,639
Mod Rehab #1	11,668	41	0	11,709
Mod Rehab #2	3,842	48	0	3,890
Mod Rehab #4	<u>3,531</u>	<u>306</u>	<u>0</u>	<u>3,837</u>
Total Section 8 Programs	<u>43,615</u>	<u>7,206</u>	<u>0</u>	<u>50,821</u>
Comprehensive Grant Program	<u>14,814,340</u>	<u>2,241,618</u>	<u>0</u>	<u>17,055,958</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 67,066,250</u>	<u>\$ 2,411,390</u>	<u>\$ 116,761</u>	<u>\$ 69,360,879</u>

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

GENERAL

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1998**

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

Dr. Henry Bonner, Jr.	Chairman
Mr. Edward L. Miller	Vice Chairman
Mr. Joseph Miller	
Mr. Van Pardue	
Ms. Gertrude Young	

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



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

HUD REQUIRED SCHEDULES

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

**ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1998**

Exhibit 19

PHA OWNED HOUSING (ACC FW 2006)

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED HOUSING
UNRESERVED SURPLUS				
Balance Per Prior Audit	\$ (38,112,070)	\$ (1,991,561)	\$ 0	\$ (40,103,631)
Prior Audit Adjustments	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance Per Books, Beginning	\$ (38,112,070)	\$ (1,991,561)	\$ 0	\$ (40,103,631)
 NET (LOSS) INCOME	 (1,170,456)	 (416,489)	 0	 \$ (1,586,945)
 (Provision for) Reduction of Operating Reserve	 <u>(561,706)</u>	 <u>0</u>	 <u>0</u>	 <u>(561,706)</u>
 BALANCE, ENDING	 <u>\$ (39,844,232)</u>	 <u>\$ (2,408,050)</u>	 <u>\$ 0</u>	 <u>\$ (42,252,282)</u>
 OPERATING RESERVE				
BALANCE, BEGINNING	\$ 2,148,813	\$ 0	\$ 0	\$ 2,148,813
Provision for (Reduction of) Operating Reserve	<u>561,706</u>	<u>0</u>	<u>0</u>	<u>561,706</u>
 BALANCE, ENDING	 <u>\$ 2,710,519</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 2,710,519</u>

(CONTINUED)

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

**ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1998**

Exhibit 19

PHA OWNED HOUSING (ACC FW 2006)

	LOW RENT	SPECIAL PROGRAMS	COMPREHENSIVE GRANT	TOTAL PHA OWNED HOUSING
CUMULATIVE HUD CONTRIBUTION				
BALANCE, BEGINNING	\$ 63,532,547	\$ 0	\$ 0	\$ 63,532,547
Annual Contribution	1,478,200	0	0	1,478,200
Operating Subsidy	<u>988,072</u>	<u>0</u>	<u>0</u>	<u>988,072</u>
BALANCE ENDING	<u>\$ 65,998,819</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,998,819</u>
CUMULATIVE HUD GRANTS				
BALANCE, BEGINNING	\$ 5,424,932	\$ 1,991,562	\$ 14,814,340	\$ 22,230,834
Comprehensive Grants	<u>0</u>	<u>416,488</u>	<u>2,241,618</u>	<u>2,658,106</u>
BALANCE, ENDING	<u>\$ 5,424,932</u>	<u>\$ 2,408,050</u>	<u>\$ 17,055,958</u>	<u>\$ 24,888,940</u>
CUMULATIVE CONTRIBUTIONS				
BALANCE, BEGINNING AND ENDING	<u>\$ 271,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 271,079</u>
TOTAL SURPLUS	<u>\$ 34,561,117</u>	<u>\$ 0</u>	<u>\$ 17,055,958</u>	<u>\$ 51,617,075</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1998

SECTION 8 (ACC FW 2072 & 2170)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
UNRESERVED SURPLUS				
Balance Per Prior Audit	\$ (29,153,674)	\$ (7,117,141)	\$ (6,639,599)	\$ (1,571,684)
NET LOSS	(2,922,967)	(135,116)	(115,716)	(79,014)
HUD adjustments	3,647,067	0	(196,569)	0
(Provision for) Reduction of:				
Operating Reserve	(32,887)	42,863	(22,456)	(4,179)
Project Account	<u>417,737</u>	<u>(141,058)</u>	<u>3,043</u>	<u>(133,760)</u>
BALANCE, ENDING	<u>\$ (28,044,724)</u>	<u>\$ (7,350,452)</u>	<u>\$ (6,971,297)</u>	<u>\$ (1,788,637)</u>
OPERATING RESERVE				
BALANCE, BEGINNING	\$ 389,654	\$ 109,832	\$ 87,740	\$ 27,615
Provision for (Reduction of)				
Operating Reserve	32,887	(42,863)	22,456	4,179
Cash redeposit (withdrawal)	<u>(361,080)</u>	<u>0</u>	<u>0</u>	<u>0</u>
BALANCE, ENDING	<u>\$ 61,461</u>	<u>\$ 66,969</u>	<u>\$ 110,196</u>	<u>\$ 31,794</u>

Exhibit 20

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ (2,516,007)	\$ (8,227,398)	\$ (7,560,061)
(191,719)	(798,755)	(502,105)
33,226	2,205,970	0
(2,863)	(8,737)	(16,276)
<u>21,424</u>	<u>88,632</u>	<u>49,808</u>
<u>\$ (2,655,939)</u>	<u>\$ (6,740,288)</u>	<u>\$ (8,028,634)</u>
\$ 40,920	\$ 92,985	\$ 170,364
2,863	8,737	16,276
<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 43,783</u>	<u>\$ 101,722</u>	<u>\$ 186,640</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1998

SECTION 8 (ACC FW 2072 & 2170)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3
PROJECT ACCOUNT UNFUNDED				
BALANCE, BEGINNING	\$ 4,328,594	\$ 403,413	\$ 0	\$ 87,474
HUD adjustments	(3,647,067)	0	196,569	0
Provision for (Reduction of) Project Account Unfunded	<u>(417,737)</u>	<u>141,058</u>	<u>(3,043)</u>	<u>133,760</u>
BALANCE, ENDING	<u>\$ 263,790</u>	<u>\$ 544,471</u>	<u>\$ 193,526</u>	<u>\$ 221,234</u>
CUMULATIVE HUD CONTRIBUTION				
BALANCE, BEGINNING	\$ 24,803,316	\$ 6,725,395	\$ 6,659,382	\$ 1,484,209
HUD adjustments	0	(50,408)	0	0
Annual Contribution Earned Section 8	<u>2,999,362</u>	<u>92,292</u>	<u>122,278</u>	<u>83,343</u>
BALANCE, ENDING	<u>\$ 27,802,678</u>	<u>\$ 6,767,279</u>	<u>\$ 6,781,660</u>	<u>\$ 1,567,552</u>
TOTAL SURPLUS	<u>\$ 83,205</u>	<u>\$ 28,267</u>	<u>\$ 114,085</u>	<u>\$ 31,943</u>

Exhibit 20

MOD REHAB #4	RENTAL VOUCHERS	NEW CONSTRUCTION
\$ 72,472	\$ 2,867,902	\$ 117,885
(33,226)	(2,205,970)	0
<u>(21,424)</u>	<u>(88,632)</u>	<u>(49,808)</u>
\$ <u>17,822</u>	\$ <u>573,300</u>	\$ <u>68,077</u>
\$ 2,447,067	\$ 5,367,655	\$ 7,442,538
0	0	0
<u>194,888</u>	<u>808,975</u>	<u>518,383</u>
\$ <u>2,641,955</u>	\$ <u>6,176,630</u>	\$ <u>7,960,921</u>
\$ <u>47,621</u>	\$ <u>111,364</u>	\$ <u>187,004</u>

(CONCLUDED)

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



HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Table 1

General Fund Expenditures By Function
Fiscal Years Ended June 30, 1989 through June 30, 1998

Fiscal Year (1)	Administration	Tenant Services	Utilities	Ordinary Maintenance and Operations	Protective Services and General	Non routine Maintenance	Capital Outlay (1)	Total
1989	\$ 352,528	\$ 13,341	\$ 211,111	\$ 870,975	\$ 536,377	\$ 17,625	\$ 0	\$ 1,649,429
1990	396,585	26,394	220,031	923,968	617,953	64,410	0	1,852,755
1991	445,596	6,950	195,907	1,005,851	631,614	65,700	0	1,906,022
1992	467,392	19,020	224,776	1,123,631	716,776	57,270	0	2,141,473
1993	496,361	20,718	229,348	1,105,853	803,149	6,739	0	2,165,806
1994	513,009	19,462	252,276	1,103,969	770,324	40,628	119,929	2,819,597
1995	518,750	18,720	240,965	1,015,575	804,454	104,812	53,628	2,756,904
1996	530,293	24,550	260,056	1,040,726	804,755	12,275	38,602	2,711,257
1997	596,104	32,310	255,079	1,009,743	833,668	(1,005)	149,964	2,875,863
1998	591,413	14,174	242,189	1,072,709	924,847	35,862	43,496	2,924,690

Notes

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

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana
General Fund Revenues by Source
Fiscal Years Ended June 30, 1989 through June 30, 1998

Fiscal Year (1)	Dwelling rentals		Federal sources		Interest earnings		Other(2)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1989	\$ 1,467,515	69.45%	\$ 426,141	20.17%	\$ 58,934	2.79%	\$ 160,339	7.59%	\$ 2,112,929	100%
1990	1,482,580	61.10%	656,954	27.07%	87,786	3.62%	199,326	8.21%	2,426,646	100%
1991	1,461,960	62.91%	667,944	28.74%	53,665	2.31%	140,177	6.03%	2,323,746	100%
1992	1,581,687	61.44%	777,482	30.20%	33,304	1.29%	181,930	7.07%	2,574,403	100%
1993	1,707,758	51.87%	866,853	26.33%	26,388	0.80%	691,481	21.00%	3,292,480	100%
1994	1,754,123	61.94%	912,989	32.24%	25,722	0.91%	139,246	4.92%	2,832,080	100%
1995	1,840,540	61.77%	878,075	29.47%	42,592	1.43%	218,468	7.33%	2,979,675	100%
1996	1,898,897	63.19%	847,901	28.22%	69,373	2.31%	188,728	6.28%	3,004,899	100%
1997	1,992,296	64.65%	825,422	26.78%	110,089	3.57%	153,922	4.99%	3,081,729	100%
1998	2,065,622	61.93%	1,009,710	30.27%	132,315	3.97%	127,868	3.83%	3,335,515	100%

Note

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

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

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

Fund Balances/Equity - Owned Properties
 Fiscal Years Ended June 30, 1989 through June 30, 1998

Fiscal Year	General Fund
1988-89	\$ 671,087
1989-90	744,445
1990-91	645,812
1991-92	653,430
1992-93	1,319,190
1993-94	1,438,878
1994-95	1,661,649
1995-96	1,965,893
1996-97	2,171,759
1997-98	2,582,583

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

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

Fiscal Year	General Fund			Section 8 Program			Total		
	Number of Units	Average occupied units	Occupied ratio	Number of units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio
1989	1,522	1,514	99.47%	1,026	N/A	0.00%	2,548	1,514	N/A
1990	1,522	1,504	98.82%	1,026	N/A	0.00%	2,548	1,504	N/A
1991	1,522	1,488	97.77%	1,102	1,063	96.46%	2,624	2,551	97.22%
1992	1,522	1,497	98.36%	1,118	1,020	91.23%	2,640	2,517	95.34%
1993	1,522	1,478	97.11%	1,192	1,184	99.33%	2,714	2,662	98.08%
1994	1,522	1,511	99.28%	1,192	1,079	90.52%	2,714	2,590	95.43%
1995	1,522	1,513	99.41%	1,238	1,196	96.61%	2,760	2,709	98.15%
1996	1,522	1,504	98.82%	1,240	1,134	91.45%	2,762	2,638	95.51%
1997	1,522	1,504	98.82%	1,240	1,139	91.85%	2,762	2,643	95.69%
1998	1,522	1,510	99.21%	1,242	1,209	97.34%	2,764	2,719	98.37%

Table 5

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Property Characteristics and Dwelling Unit Composition
June 30, 1998

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition						Total
				Zero	One	Two	Three	Four	Five	
LA006-001	George Breece Manor	306 Winnsboro Road	10/31/51	10	20	15	5	50		
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	03/31/52	18	28	24	6	76		
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	08/31/52	20	59	32	14	125		
LA006-004	Louis Lock Homes	306 Winnsboro Road	08/31/52	16	46	28	10	100		
LA006-005	Foster Heights	Swayze and Louberta Sts.	09/30/54	8	89	72	6	175		
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	06/30/73	10	79	120	71	300		
LA006-007	Scattered Sites	Scattered Sites	07/31/71			20	20	49		
LA006-008	Scattered Sites	Scattered Sites	02/29/72			39	38	96		
LA006-009	Robinson Place	1207 Milliken Drive	09/30/73			41	41	103		
LA006-010	Miller Square	4200 Matthew Street	04/30/73			60	62	152		
LA006-011	Frances Tower	300 Harrison Street	08/31/78		130			130		
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	03/31/80		28	8		36		
LA006-013	McKeen Plaza I	1500 McKeen Place	01/31/80		100			100		
LA006-013	Group Homes		08/31/84		30			30		
Total Units				342	349	459	273	99	1,522	
Managed Units										
064-EH150	Quachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	06/15/89	21	70			91		
LA48-S941-0x	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	11/01/96		40	1		41		
Tax Credit De Claiborne Creek, Inc.				72				72		
Total Managed Units				21	142	40	1	0	204	

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE
Monroe, Louisiana

Public Housing Management Assessment Program (PHMAP) SCORES
Fiscal Years Ended June 30, 1991 through June 30, 1998

<u>FISCAL YEAR</u>	<u>SCORE</u>
06/30/91	90.71%
06/30/92	90.48%
06/30/93	95.71%
06/30/94	95.24%
06/30/95	94.74%
06/30/96	92.37%
06/30/97	99.25%
06/30/98	99.25%

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

**Single Audit Report
And Management Letter Items
For the Year Ended June 30, 1998**

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

Release Date _____

Housing Authority of the City of Monroe
Monroe, Louisiana

Single Audit Report
And Management Letter Items
For the Year Ended June 30, 1998

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ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Monroe, LA 71211-6075

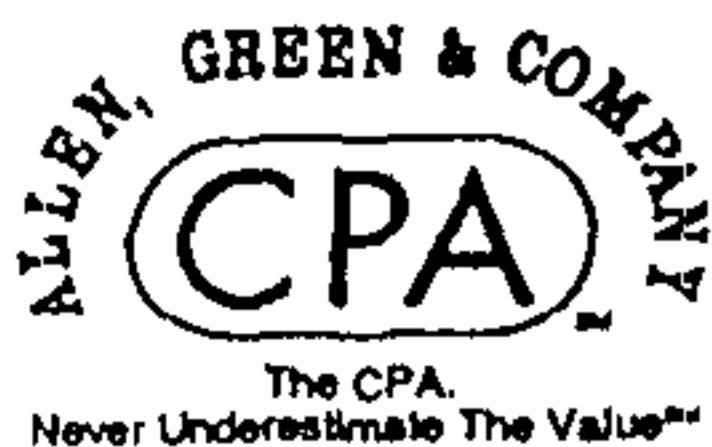
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(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA



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

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the general-purpose financial statements of the Housing Authority of the City of Monroe, Monroe, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the Board, management, federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1998

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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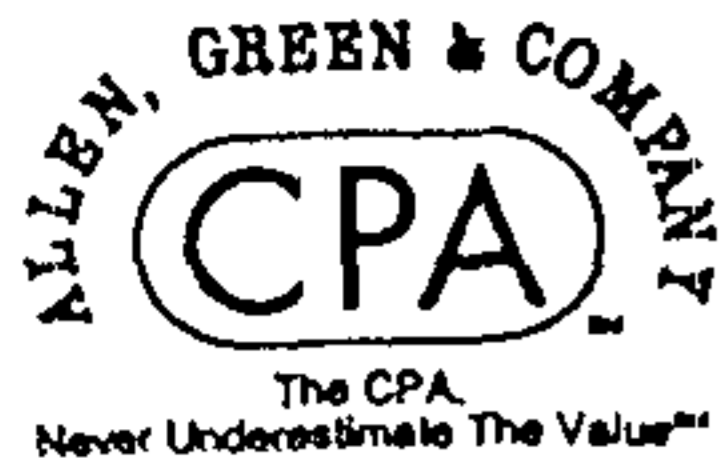
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Margie Williamson, CPA



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

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe, Monroe, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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

In our opinion, the Housing Authority of the City of Monroe complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

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

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

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

This report is intended for the information of the Board, management, federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1998

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

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture Passed through Louisiana Department of Education: Child and Adult Care Food Program	10.558	N/A	\$ <u>9,386</u>
United States Department of Education Passed Through Louisiana Department of Education: Adult Education - State Administered Basic Grant Program (Gateway Grant)	84.002	GC-4-93	<u>34,714</u>
United States Department of Health & Human Services Passed Through Louisiana Department of Social Services: Payments to States for Child Care Assistance	93.575	N/A	<u>12,252</u>
United States Department of Housing and Urban Development Direct Programs			
Public and Indian Housing			
Basic Contribution	14.850	FW2006	1,478,200
Operating Subsidy	14.850	FW2006	<u>988,072</u>
Total Program			<u>2,466,272</u>
Public and Indian Housing Drug Elimination Program	14.854	FW2006	381,774
Public and Indian Housing Comprehensive Grant Programs	14.852	N/A	2,241,618
Section 8 Rental Certificate Program	14.867	FW2072(EX)	2,999,362
Section 8 Moderate Rehabilitation			
Mod Rehab #1	14.856	FW2072(MR)	41,884
Mod Rehab #2	14.856	FW2072(MR)	138,220
Mod Rehab #3	14.856	FW2072(MR)	83,343
Mod Rehab #4	14.856	FW2072(MR)	<u>194,888</u>
Total Program			<u>458,335</u>
Section 8 Rental Vouchers Program	14.855	FW2072(VO)	<u>808,975</u>
Section 8 New Construction	14.182	FW2072(VO)	<u>518,383</u>
Passed Through the City of Monroe, Louisiana Home Investment Partnerships Program (Home Program)	14.239	N/A	<u>181,039</u>
Total United States Department of Housing and Urban Development			<u>10,055,758</u>
Total Cash Federal Awards			<u>\$10,112,110</u>

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

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the Housing Authority's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows:

Federal Sources

General Fund	\$ 1,009,710
Special Revenue Funds:	
Rental Certificates	2,999,362
Mod Rehab #1	41,884
Mod Rehab #2	138,220
Mod Rehab #3	83,343
Mod Rehab #4	194,888
Rental Vouchers	808,975
Special Programs	416,488
Debt Service	1,478,200
Capital Project	2,241,618
Proprietary Funds - Enterprise Fund	518,383
Component Unit	<u>181,039</u>
	<u>\$10,112,110</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MATCHING REVENUES

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

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

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

NOTE 6 - LOANS OUTSTANDING

The Housing Authority is indebted to the U. S. Department of Housing & Urban Development for project notes of \$7,755,904 at year-end. Also, the U. S. Department of Housing and Urban Development has guaranteed through the annual contribution contract the single issue bonds and federal financing bank notes totaling \$10,199,187 of the Housing Authority at year-end.

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

**Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1998**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Audit of Federal Awards

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

Cluster (as defined by OMB Circular No. A-133 Provisional Compliance Supplement)

CFDA #14.857	Section 8 Rental Certificate Program
CFDA #14.856	Section 8 Moderate Rehabilitation
CFDA #14.855	Section 8 Rental Voucher
CFDA #14.182	Section 8 New Construction
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$303,363.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

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

OTHER INFORMATION

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

Management Letter Items

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Ernest L. Allen, CPA
(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA



Management Letter Report

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

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

This report is intended for the information of the Board, management, federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 15, 1998

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

**Status of Prior Management Letter Items
June 30, 1998**

1. Credits to Tenant's Accounts Receivable

Condition: We tested ten credits to accounts receivable for proper authorization. Of the ten items tested, four did not have proper authorization.

Corrective action taken: The Housing Authority has developed a new procedure to ensure that credits to tenants accounts receivable is properly authorized and that the authorization is documented. At the end of each month a printout of all credits to tenants accounts receivable is forwarded to the Assistant Executive Director. His approval is documented by an initial on the listing.