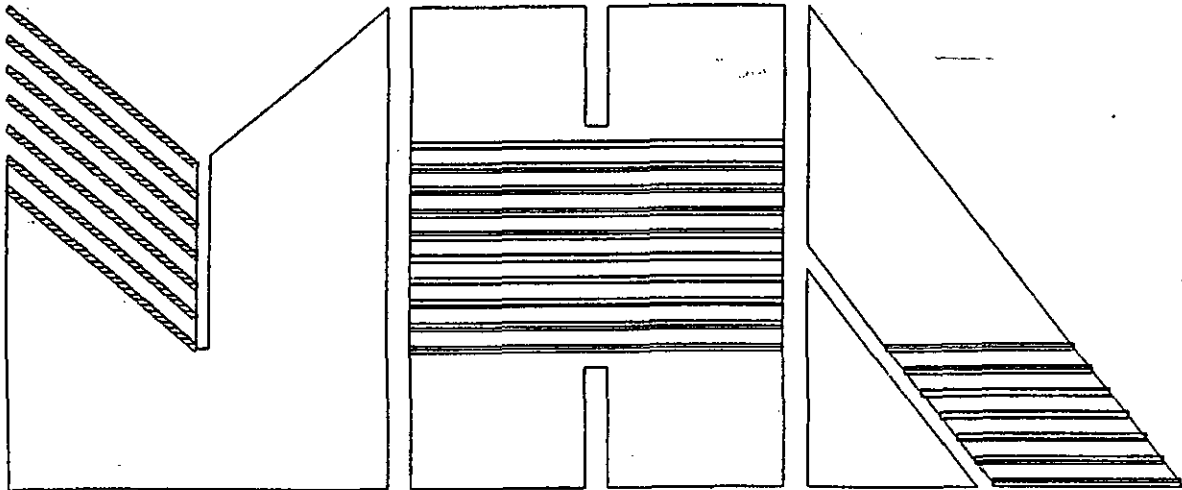


# Housing Authority of the City of Monroe Monroe, Louisiana



## Comprehensive Annual Financial Report

For the Year ended June 30, 2004

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

Release Date 1-26-05

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

**Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2004**

**Frank L. Wilcox  
Executive Director**

**Janet Sanderford  
Administrative Director**

**Prepared by the Accounting Department**

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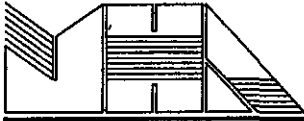
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**Housing Authority of the City of Monroe**



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# INTRODUCTORY SECTION



**MONROE HOUSING AUTHORITY** 300 Harrison St. Monroe, LA 71201 318 388-1500

Frank L. Wilcox, Exec. Director Henry Bonner Jr., Chairman Edward L. Miller, Vice Chairman Joseph H. Miller Van Pardue Roxie Jackson

December 29, 2004

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, 2004, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

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

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

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

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

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

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

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

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

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

**D. Major Initiatives** The Housing Authority received a 92% PHAS from the Department of Housing and Urban Development. Ninety percent and above qualifies as a "High Performer" by HUD standards. This rating is a result of a lot of hard work by the staff, and management's decision to set the PHAS score as a priority.



**Homeownership Program** administered by Homeownership placed nine families in newly constructed homes. Homeownership, in cooperation with the City of Monroe's Community Development Department, has assisted 212 homeowners with home purchases totaling over \$7,700,000.



**The Capital Fund Program** provided funds for more than \$3,000,000 in renovations for our Foster Height development and for the Community Pavilions in Robinson Place and Miller Square developments.



The Housing Authority has **rental assistance** programs that were created under Section 8 of the 1974 federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe.



The Housing Authority now manages a total of 5 Section 202 properties consisting of a total of 250 units of elderly housing. The Housing Authority also manages 4 tax credit properties with a total of 271 units also for elderly housing .



In cooperation with the Ouachita Council on Aging, Operation Independence provides housekeeping services, weekend meals and transportation to Frances Towers and McKeen Plaza. Funding is provided through the ROSS grant. Funding is also provided from the City of Monroe through a Community Block Grant to provide these needed services to our frail and elderly residents at Ouachita Grand Plaza

The Housing Authority was also awarded a Neighborhood Networks grant to provide computer training and related services to our residents. The community room at Miller Square was remodeled to house the new computers and training area.

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

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

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



As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2004, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

**G. Cash Management** All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was \$126,430.00.

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

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

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

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

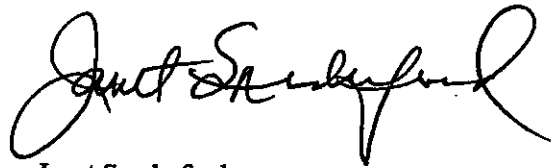
The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

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



Frank L. Wilcox  
Executive Director



Janet Sanderford  
Administrative Director

**Housing Authority of the City of Monroe**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the  
City of Monroe, Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Zjelke*

President

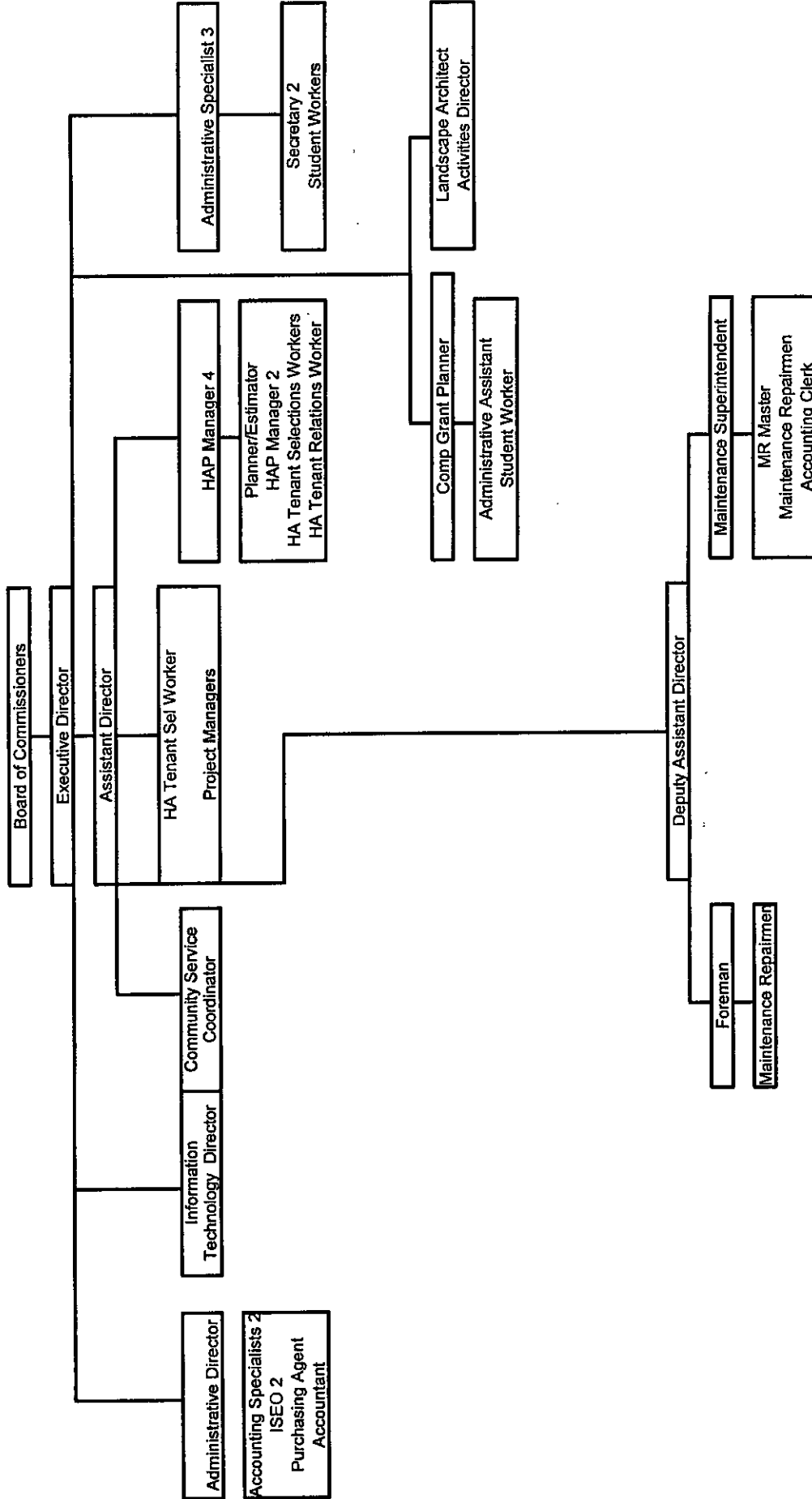
*Jeffrey R. Emery*

Executive Director

HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



**Housing Authority of the City of Monroe**

**Appointed Officials  
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

**Selected Administrative Officials**

Frank L. Wilcox

Executive Director

Willie Haynes, Jr.

Assistant Director

Janet Sanderford

Administrative Director

Marieanne Hereford

Comp Grant Planner

Vickie C. Hunter  
Manager

Housing Assistance Payments

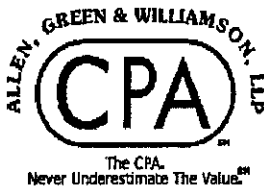
**Housing Authority of the City of Monroe**



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# FINANCIAL SECTION





# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street

Monroe, LA 71201

Phone: (318) 388-4422

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Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA

(Retired)

1963 - 2000

## INDEPENDENT AUDITORS' REPORT

### Board Members

Housing Authority of the City of Monroe  
Monroe, Louisiana

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2004, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority as of June 30, 2004, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated December 29, 2004, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2004

**Housing Authority of the City of Monroe**

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

## Housing Authority of the City of Monroe

### Management's Discussion and Analysis (MD&A) June 30, 2004

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$37,052 (*net assets*). Of this amount, \$5,799 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets increased by \$1,440. This increase is attributable in large part to \$3,941 capital contribution from the U. S. Department of Housing and Urban Development.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$2,916, or 40 percent of the general fund total operating expenses.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

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

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

#### USING THIS ANNUAL REPORT

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

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

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

## Housing Authority of the City of Monroe

### Management's Discussion and Analysis (MD&A) June 30, 2004

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

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

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

#### FINANCIAL ANALYSIS

The Housing Authority's net assets were \$37,052 million at June 30, 2004. Of this amount, \$5,799 million was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Housing Authority's ability to use those net assets for day-to-day operations.

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

**Table 1**  
**Net Assets**  
**(in thousands)**

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Current assets	\$ 7,965	\$ 7,453
Capital assets, net	<u>31,253</u>	<u>29,950</u>
Total assets	<u>39,218</u>	<u>37,403</u>
Current liabilities	1,570	1066
Long-term liabilities	<u>596</u>	<u>725</u>
Total liabilities	<u>2,166</u>	<u>1,791</u>
Net assets		
Invested in capital assets, net of related debt	31,253	29,950
Restricted	0	6
Unrestricted	<u>5,799</u>	<u>5,656</u>
Total net assets	<u>\$37,052</u>	<u>\$35,612</u>

**Housing Authority of the City of Monroe**

**Management's Discussion and Analysis (MD&A)  
June 30, 2004**

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

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Beginning net assets	\$35,612	\$34,187
Revenues:		
Operating revenues		
Rental and other	<u>3,153</u>	<u>2,934</u>
Total operating revenues	<u>3,153</u>	<u>2,934</u>
Expenses:		
Operating expenses		
Administration	2,284	2,011
Tenant services	316	975
Utilities	367	348
Ordinary maintenance and operations	1,846	1,903
Protective services	160	322
General expenses	649	570
Other operating expenses	0	7
Housing assistance payments	6,176	5,780
Depreciation	<u>2,200</u>	<u>1,937</u>
Total expenses	<u>13,998</u>	<u>13,854</u>
Non-operating revenues		
Interest earnings	128	241
Federal grants	8,699	9,325
Interest proceeds	20	0
Capital contributions	<u>3,438</u>	<u>2,779</u>
Total non-operating revenues	<u>12,285</u>	<u>12,345</u>
Increase (decrease) in net assets	<u>1,440</u>	<u>1,425</u>
Ending net assets	<u>\$37,052</u>	<u>\$35,612</u>

## Housing Authority of the City of Monroe

### Management's Discussion and Analysis (MD&A) June 30, 2004

Total revenues increased \$170 due mainly to:

- increase in capital contributions of \$1,162 due to increase in spending in the capital fund program.
- increase in rental income of \$219 due to increase in unit months leased.
- decrease in federal grants of \$1,129 due mainly to an decrease in operating subsidy for public housing of \$291, a decrease in temporary assistance to needy families funding of \$526, and a decrease in drug elimination funds of \$179.

Total operating expenses increased \$144 due mainly to:

- increase in housing assistance in Section 8 of \$395.
- decrease in administrative cost in public housing of \$119.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### *Capital Assets*

At June 30, 2004, the Housing Authority had \$31,253 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$1,303, or 4 percent, from last year.

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

	Governmental Activities	
	2004	2003
Land	\$ 2,007	\$ 2,007
Construction in progress	3,717	8,306
Site improvements	9,021	1,411
Buildings	15,979	17,589
Furniture and equipment	<u>529</u>	<u>637</u>
Totals	<u>\$31,253</u>	<u>\$29,950</u>

This year's additions of \$11,547 are mainly the result of the renovation work at Foster Heights and for the Community Pavilions in Robinson Place and Miller Square paid for by the federal and capital fund program. No debt was issued for these additions.

Major capital projects are planned for the 2004-2005 fiscal year at Foster Heights, George Breece, and Johnson-Carver Terrace. We anticipate capital additions will be comparable to the 2003-2004 fiscal year. We present more detailed information about our capital assets in the note to the financial statements.

**Housing Authority of the City of Monroe**

**Management's Discussion and Analysis (MD&A)**

**June 30, 2004**

***Debt***

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

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

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2004-2005 have already been approved by HUD and no major changes are expected.

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

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

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



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**Housing Authority of the City of Monroe**

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Balance Sheet  
June 30, 2004**

**Statement A**

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 274,284	\$ 54,223	\$ 1,218,796	\$ 1,547,303	\$ 472,404
Investments	2,356,066	315,874	1,152,404	3,824,344	0
Notes receivable	0	361,080	0	361,080	0
Accounts receivable, net	1,408,271	141,664	2,318	1,552,253	53,991
Interfund receivable	98,354	0	0	98,354	0
Prepaid items and other assets	243,614	10,729	0	254,343	0
Inventory	117,071	0	0	117,071	0
Restricted assets - investments	117,790	91,989	0	209,779	0
<b>Total Current Assets</b>	<b>4,615,450</b>	<b>975,559</b>	<b>2,373,518</b>	<b>7,964,527</b>	<b>526,395</b>
<b>Capital Assets, net</b>					
Land and construction in progress	5,724,408	0	0	5,724,408	0
Buildings, and equipment (net)	25,514,644	14,380	0	25,529,024	0
<b>Total Capital Assets, net</b>	<b>31,239,052</b>	<b>14,380</b>	<b>0</b>	<b>31,253,432</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>\$ 35,854,502</b>	<b>\$ 989,939</b>	<b>\$ 2,373,518</b>	<b>\$ 39,217,959</b>	<b>\$ 526,395</b>

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Balance Sheet  
June 30, 2004**

**Statement A**

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 578,319	\$ 153,364	\$ 29	\$ 731,712	\$ 2,377
Interfund payable	0	77,151	21,203	98,354	0
Accrued liabilities	247,048	4,424	0	251,472	0
Deposits due others	117,790	91,970	0	209,760	0
Deferred revenues	7,560	0	935	8,495	83
Current portion of long term debt	<u>206,554</u>	<u>63,177</u>	<u>0</u>	<u>269,731</u>	<u>0</u>
<b>Total Current Liabilities</b>	<b>1,157,271</b>	<b>390,086</b>	<b>22,167</b>	<b>1,569,524</b>	<b>2,460</b>
<b>Noncurrent Liabilities</b>					
Compensated absences payable	<u>542,647</u>	<u>53,414</u>	<u>0</u>	<u>596,061</u>	<u>0</u>
<b>Total Liabilities</b>	<b><u>1,699,918</u></b>	<b><u>443,500</u></b>	<b><u>22,167</u></b>	<b><u>2,165,585</u></b>	<b><u>2,460</u></b>
<b>NET ASSETS</b>					
Invested in capital assets	31,239,052	14,380	0	31,253,432	0
Unrestricted	<u>2,915,532</u>	<u>532,059</u>	<u>2,351,351</u>	<u>5,798,942</u>	<u>523,935</u>
<b>NET ASSETS</b>	<b><u>34,154,584</u></b>	<b><u>546,439</u></b>	<b><u>2,351,351</u></b>	<b><u>37,052,374</u></b>	<b><u>523,935</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>					
	<b><u>\$ 35,854,502</u></b>	<b><u>\$ 989,939</u></b>	<b><u>\$ 2,373,518</u></b>	<b><u>\$ 39,217,959</u></b>	<b><u>\$ 526,395</u></b>

(CONCLUDED)

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

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2004**

Statement B

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
<b>OPERATING REVENUES</b>					
Dwelling rental	\$ 2,700,435	\$ 0	\$ 0	\$ 2,700,435	\$ 0
Other	<u>307,814</u>	<u>0</u>	<u>144,834</u>	<u>452,648</u>	<u>231,751</u>
Total operating revenues	<u>3,008,249</u>	<u>0</u>	<u>144,834</u>	<u>3,153,083</u>	<u>231,751</u>
<b>OPERATING EXPENSES</b>					
Administration	1,618,425	634,057	31,639	2,284,121	8,404
Tenant services	307,347	0	8,526	315,873	0
Utilities	367,349	0	0	367,349	0
Ordinary maintenance & operations	1,842,326	3,894	0	1,846,220	0
Protective services	160,231	0	0	160,231	0
General expenses	621,099	27,437	0	648,536	0
Other operating expenses	0	0	0	0	0
Housing assistance payments	0	5,794,116	382,269	6,176,385	0
Homeownership	0	0	0	0	71,378
Depreciation	<u>2,195,734</u>	<u>4,174</u>	<u>0</u>	<u>2,199,908</u>	<u>0</u>
Total operating expenses	<u>7,112,511</u>	<u>6,463,678</u>	<u>422,434</u>	<u>13,998,623</u>	<u>79,782</u>
Income (loss) from Operations	<u>(4,104,262)</u>	<u>(6,463,678)</u>	<u>(277,600)</u>	<u>(10,845,540)</u>	<u>151,969</u>
<b>Nonoperating revenues (expenses)</b>					
Interest earnings/loss	61,304	24,489	42,334	128,127	0
Federal grants	1,821,196	6,477,148	400,554	8,698,898	26,221
Insurance proceeds	<u>20,350</u>	<u>0</u>	<u>0</u>	<u>20,350</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>1,902,850</u>	<u>6,501,637</u>	<u>442,888</u>	<u>8,847,375</u>	<u>26,221</u>
<b>NET INCOME (Loss) before Contributions and Transfers</b>	<b>(2,201,412)</b>	<b>37,959</b>	<b>165,288</b>	<b>(1,998,165)</b>	<b>178,190</b>
Capital contributions	3,438,120	0	0	3,438,120	0
Transfers	<u>102,925</u>	<u>(681,586)</u>	<u>578,661</u>	<u>0</u>	<u>0</u>
Change in net assets	1,339,633	(643,627)	743,949	1,439,955	178,190
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>32,814,951</u></b>	<b><u>1,190,066</u></b>	<b><u>1,607,402</u></b>	<b><u>35,612,419</u></b>	<b><u>345,745</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 34,154,584</u></b>	<b><u>\$ 546,439</u></b>	<b><u>\$ 2,351,351</u></b>	<b><u>\$ 37,052,374</u></b>	<b><u>\$ 523,935</u></b>

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

**Housing Authority of the City of Monroe**



**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2004**

Statement C

	<u>TENANT</u>		<u>OTHER</u>	<u>TOTAL</u>	<u>COMPONENT</u>
	<u>BASED</u>			<u>PRIMARY</u>	<u>UNIT</u>
	<u>GENERAL</u>	<u>SECTION 8</u>	<u>ENTERPRISE</u>	<u>GOVERNMENT</u>	<u>HOMEOWNERSHIP</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rental receipts	\$ 2,697,505	\$ 0	\$ 0	\$ 2,697,505	\$ 0
Other receipts (expenses)	(400,385)	142,051	266,440	8,106	241,244
Payments to vendors	(3,355,842)	(209,810)	(28,424)	(3,594,076)	(90,780)
Payments to employees	(1,351,214)	(340,756)	(10,677)	(1,702,647)	0
Payments to private landlords	0	(5,745,185)	(382,269)	(6,127,454)	0
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(2,409,936)</u>	<u>(6,153,700)</u>	<u>(154,930)</u>	<u>(8,718,566)</u>	<u>150,464</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Federal grants	1,318,716	6,477,148	403,118	8,198,982	26,221
Transfer from other funds	0	13,666	578,661	592,327	0
Transfer to funds	(13,666)	(578,661)	0	(592,327)	0
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>1,305,050</u>	<u>5,912,153</u>	<u>981,779</u>	<u>8,198,982</u>	<u>26,221</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase fixed assets	(3,488,420)	(15,124)	0	(3,503,544)	0
Contributed capital	3,940,600	0	0	3,940,600	0
Proceeds from sale of asset	24,188	0	0	24,188	0
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>\$ 476,368</u>	<u>\$ (15,124)</u>	<u>\$ 0</u>	<u>\$ 461,244</u>	<u>\$ 0</u>

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended June 30, 2004**

Statement C

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT HOMEOWNERSHIP</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Proceeds from sales and maturities					
of investments	\$ 3,310,896	\$ 592,241	\$ 1,296,819	\$ 5,199,956	\$ 0
Investment earnings/loss	61,304	24,489	42,334	128,127	
Purchase investments	<u>(2,473,856)</u>	<u>(407,863)</u>	<u>(1,136,544)</u>	<u>(4,018,263)</u>	<u>0</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>898,344</u>	<u>208,867</u>	<u>202,609</u>	<u>1,309,820</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	269,826	(47,804)	1,029,458	1,251,480	176,685
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>4,458</u>	<u>102,027</u>	<u>189,338</u>	<u>295,823</u>	<u>295,719</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>274,284</u>	<u>54,223</u>	<u>1,218,796</u>	<u>1,547,303</u>	<u>472,404</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	(4,104,262)	(6,463,678)	(277,600)	(10,845,540)	151,969
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	2,195,734	4,174	0	2,199,908	0
Change in assets and liabilities:					
Receivables, net	(626,420)	(107,949)	503	(733,866)	9,493
Due from other funds	(98,354)	250,000	100,000	251,646	
Inventories	6,944	0	0	6,944	0
Prepaid items	16,968	14,751	0	31,719	0
Accounts payables	533,371	67,427	29	600,827	(10,998)
Accrued expenses	14,214	4,424	0	18,638	0
Deferred revenue	1,869	0	935	2,804	0
Due to other funds	<u>(350,000)</u>	<u>77,151</u>	<u>21,203</u>	<u>(251,646)</u>	<u>0</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ (2,409,936)</u>	<u>\$ (6,153,700)</u>	<u>\$ (154,930)</u>	<u>\$ (8,718,566)</u>	<u>\$ 150,464</u>

(CONCLUDED)

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

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

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

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

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing 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 is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Monroe, serve a staggered term of four years.

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1,389
Contract Administrator		
Section 8 New Construction	FW 2170	99
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe		74
South Pointe		36

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

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

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

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

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

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

Monroe Affordable Homeownership Community Housing Development Organization, Inc., (Homeownership) is a legally separate entity. The City of Monroe appointed the initial members. The Housing Authority can, to a limited degree, impose its will on Homeownership, and the Housing Authority provides office space, and some furnishings to Homeownership. Homeownership is fiscally dependent on the Housing Authority. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The separate financial statements of Homeownership can be obtained from the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone (318)388-1500.

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

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

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the drug elimination program, the capital fund program and the economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The other enterprise fund accounts for the activity of the Section 8 - New Construction Program for which the Housing Authority is the contract administrator, the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent, and the Monroe Housing Facilities Corporation.

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

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

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

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

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

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

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

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

**Definitions:**

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

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

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

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

**G. INVENTORY** All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

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

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of five percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15 - 40 years
Furniture and equipment	5 - 7 years

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

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

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

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

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

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

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

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

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

**NOTE 2 - DEPOSITS AND INVESTMENTS** Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$1,885,342, which includes the following:

Cash and cash equivalents	\$1,547,303
Demand deposits classified as restricted assets	209,779
Management fees classified as investments	<u>128,260</u>
Total	\$1,885,342

The bank balance was \$2,112,956. Of the bank balance, \$200,000 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remainder of \$1,912,956 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

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

Included in the time deposits above is \$209,779 restricted for tenant security deposits and family self sufficiency escrow.

The carrying amount of deposits for Homeownership, a discretely presented component unit, was \$472,404 and the bank balance was \$472,692. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by Homeownership's agent in Homeownership's name (GASB Category 1). \$372,692 was collateralized with securities held by the pledging financial institution's trust department or agent by not in Homeownership's name (GASB Category 3).

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.

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

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

<u>Type of investment</u>	<u>Carrying Amount</u>	
	<u>Category 1</u>	<u>Fair Value</u>
U. S. Treasury Securities	<u>\$3,696,084</u>	<u>\$3,696,084</u>

**NOTE 3 - NOTE RECEIVABLE** The note receivable at June 30, 2004, of \$361,080 is a note from Chauvin Pointe, Inc., made to purchase a tract of land. The interest rate is four percent per annum. The Housing Authority considers the note receivable to be fully collectible; therefore, no allowance for doubtful accounts is required.

**NOTE 4 - ACCOUNTS RECEIVABLE** The receivables at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>General</u>	<u>Tenant-Based Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
<b>Local sources:</b>				
Tenants	\$ 47,802	\$ 0	\$ 0	\$ 47,802
Other	109,793	26,600	0	136,393
<b>Federal sources:</b>				
Due from HUD	<u>1,250,676</u>	<u>115,064</u>	<u>2,318</u>	<u>1,368,058</u>
Total	<u>\$1,408,271</u>	<u>\$141,664</u>	<u>\$2,318</u>	<u>\$1,552,253</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$1,485. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development. The Housing Authority expects to collect those balances in full.

The receivable balance of \$53,991 for Homeownership, a discretely presented component unit, is a local source receivable from other local governments.

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

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

	Balance <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Ending</u>
Land	\$ 2,006,932	\$ 0	\$ 0	\$ 2,006,932
Construction in progress	8,305,665	3,438,180	8,026,369	3,717,476
Exhaustible capital assets				
Site improvements	5,788,429	8,039,694	0	13,828,123
Buildings	40,435,944	0	13,384	40,422,560
Furniture and equipment	<u>1,579,748</u>	<u>70,114</u>	<u>65,386</u>	<u>1,584,476</u>
Total	<u>58,116,718</u>	<u>11,547,988</u>	<u>8,105,139</u>	<u>61,559,567</u>
Less accumulated depreciation				
Site improvements	4,377,453	429,366	0	4,806,819
Buildings	22,846,644	1,597,258	0	24,443,902
Furniture and equipment	<u>942,826</u>	<u>168,991</u>	<u>56,403</u>	<u>1,055,414</u>
Total	<u>28,166,923</u>	<u>2,195,615</u>	<u>56,403</u>	<u>30,306,135</u>
Capital assets, net	<u>\$29,949,795</u>	<u>\$ 9,352,373</u>	<u>\$ 8,048,736</u>	<u>\$31,253,432</u>

**NOTE 6 - RETIREMENT SYSTEM** The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

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

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

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

The Housing Authority's total payroll for year ended June 30, 2004, was \$2,321,261. The Housing Authority's contributions were calculated using the base salary amount of \$1,982,860. The Housing Authority made the required contributions of \$286,000 for the year ended June 30, 2004.

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

**NOTE 7 - ACCOUNTS PAYABLE** The payables at June 30, 2004, are as follows:

	<u>General</u>	<u>Tenant-Based Section 8</u>	<u>Other Enterprise</u>	<u>Total</u>
Vendors	\$ 43,605	\$ 153,364	\$ 29	\$ 196,998
Contract Retentions	<u>534,714</u>	<u>0</u>	<u>0</u>	<u>534,714</u>
Total	<u>\$ 578,319</u>	<u>\$ 153,364</u>	<u>\$ 29</u>	<u>\$ 731,712</u>

The accounts payable balance of \$2,377 for Homeownership, a discretely presented component unit, is vendor account payables.

**NOTE 8 - COMPENSATED ABSENCES** At June 30, 2004, employees of the Housing Authority have accumulated and vested \$865,792 of employee leave benefits, including \$61,526 of salary related benefits which was computed in accordance with GASB Codification Section C60. In the past the liability has been liquidated by the general fund.

**NOTE 9 - GENERAL LONG-TERM OBLIGATIONS** The following is a summary of the long-term obligation transactions for the year ended June 30, 2004:

	<u>Compensated Absences</u>
Balance, beginning	\$801,199
Additions	133,151
Deductions	<u>68,558</u>
Balance, ending	<u>\$865,792</u>
Amounts due in one year	<u>\$269,731</u>

**NOTE 10 - INTERFUND TRANSACTIONS**

**Interfund receivables/payables** at June 30, 2004, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General	Tenant Based Section 8	\$77,151
	Other Enterprise	<u>21,203</u>
Total		<u>\$98,354</u>

The interfund receivables/payables assist programs to cover cost until grant monies are received.



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

**Interfund transfers** at June 30, 2004 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Tenant Based Section 8	\$102,925
Other Enterprise	Tenant Based Section 8	<u>578,661</u>
Total		<u>\$681,586</u>

The general fund transferred to Tenant Based Section 8 a liability for compensated absences for employees working in the Section 8 Vouchers program. The transfer to the other enterprise funds was a transfer from Section 8 Vouchers in November 2003 to the Monroe Housing Facilities Corporation (a non profit corporation governed by the Housing Authority Board of Commissioners) for renovation of a building purchased by the Housing Authority.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At June 30, 2004, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

**Construction Projects** There are certain major construction projects in progress at June 30, 2004. 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. The outstanding construction commitment was approximately \$3,000,000 as of June 30, 2004.

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

**NOTE 12 - RISK MANAGEMENT** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The Housing Authority established a risk management program for workers' compensation insurance in 1994. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expense reported in the general fund. As of June 30, 2004, such interfund premiums did not exceed reimbursable expenses. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenses in the individual funds.

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

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

	<u>2003-2004</u>	<u>2002-2003</u>
Unpaid claims, beginning	\$ 19,068	\$ 31,777
Incurred claims (including IBNRs)	18,459	21,776
Claim payments	<u>(24,420)</u>	<u>(34,485)</u>
Unpaid claims, ending	<u>\$ 13,107</u>	<u>\$ 19,068</u>

The amount of unpaid claims does not include incremental costs.

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

**NOTE 13 - ECONOMIC DEPENDENCE** Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$12,137,018 to the Housing Authority, which represents approximately 75% of the Housing Authority's total revenue for the year.

**Housing Authority of the City of Monroe**  
**Nonmajor Enterprise Funds**

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

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

**MONROE HOUSING FACILITIES** This fund accounts for the activities of the Monroe Housing Facilities Corporation which is a non-profit corporation to expedite renovation of a building purchased by the Housing Authority.

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**NONMAJOR ENTERPRISE FUNDS  
Combining Balance Sheet  
June 30, 2004**

**Exhibit 1**

	<b>MANAGEMENT FEES</b>	<b>SECTION 8 NEW CONSTRUCTION</b>	<b>MONROE HOUSING FACILITIES</b>	<b>TOTAL NONMAJOR FUNDS</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 311,715	\$ 326,722	\$ 580,359	\$ 1,218,796
Investments	1,148,693	3,711	0	1,152,404
Accounts receivable, net	0	2,318	0	2,318
Interfund receivable	0	0	0	0
<b>Total Current Assets</b>	<b>1,460,408</b>	<b>332,751</b>	<b>580,359</b>	<b>2,373,518</b>
<b>TOTAL ASSETS</b>	<b>1,460,408</b>	<b>332,751</b>	<b>580,359</b>	<b>2,373,518</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	29	0	0	29
Interfund payable	21,103	100	0	21,203
Deferred revenues	0	935	0	935
<b>Total Current Liabilities</b>	<b>21,132</b>	<b>1,035</b>	<b>0</b>	<b>22,167</b>
<b>NET ASSETS</b>				
Unrestricted	1,439,276	331,716	580,359	2,351,351
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,460,408</b>	<b>\$ 332,751</b>	<b>\$ 580,359</b>	<b>\$ 2,373,518</b>

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS  
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 For the Year Ended June 30, 2004

Exhibit 2

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
<b>OPERATING REVENUES</b>				
Other	\$ 144,834	\$ 0	\$ 0	\$ 144,834
Total operating revenues	144,834	0	0	144,834
<b>OPERATING EXPENSES</b>				
Administration	29,102	2,537	0	31,639
Tenant services	8,526	0	0	8,526
Housing assistance payments	0	382,269	0	382,269
Total operating expenses	37,628	384,806	0	422,434
Income (loss) from Operations	107,206	(384,806)	0	(277,600)
<b>Nonoperating revenues (expenses)</b>				
Interest earnings/loss	43,931	(3,295)	1,698	42,334
Federal grants	0	400,554	0	400,554
Total nonoperating revenues (expenses)	43,931	397,259	1,698	442,888
<b>NET INCOME (Loss) before</b>				
Contributions and transfers	151,137	12,453	1,698	165,288
Transfers	0	0	578,661	578,661
Change in net assets	151,137	12,453	580,359	743,949
NET ASSETS AT BEGINNING OF YEAR	1,288,139	319,263	0	1,607,402
NET ASSETS AT END OF YEAR	\$ 1,439,276	\$ 331,716	\$ 580,359	\$ 2,351,351

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2004

Exhibit 3

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Other receipts	\$ 265,357	\$ 1,083	\$ 0	\$ 266,440
Payments to vendors	(27,735)	(689)	0	(28,424)
Payments to employees	(9,864)	(813)	0	(10,677)
Payments to private landlords	0	(382,269)	0	(382,269)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>227,758</u>	<u>(382,688)</u>	<u>0</u>	<u>(154,930)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Federal grants	0	403,118	0	403,118
Transfer from other funds	0	0	578,661	578,661
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>0</u>	<u>403,118</u>	<u>578,661</u>	<u>981,779</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	1,164,957	131,862	0	1,296,819
Investment earnings/loss	43,931	(3,295)	1,698	42,334
Purchase of investments	(1,132,867)	(3,677)	0	(1,136,544)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>76,021</u>	<u>124,890</u>	<u>1,698</u>	<u>202,609</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>303,779</u>	<u>145,320</u>	<u>580,359</u>	<u>1,029,458</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>7,936</u>	<u>181,402</u>	<u>0</u>	<u>189,338</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 311,715</u>	<u>\$ 326,722</u>	<u>\$ 580,359</u>	<u>\$ 1,218,796</u>

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**NONMAJOR ENTERPRISE FUNDS  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2004**

Exhibit 3

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL NONMAJOR FUNDS</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 107,206	\$ (384,806)	\$ 0	\$ (277,600)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
Receivables, net	(580)	1,083	0	503
Due from other funds	100,000	0	0	100,000
Accounts payables	29	0	0	29
Due to other funds	21,103	100	0	21,203
Deferred revenue	0	935	0	935
	<u>0</u>	<u>935</u>	<u>0</u>	<u>935</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 227,758</u>	<u>\$ (382,688)</u>	<u>\$ 0</u>	<u>\$ (154,930)</u>

(CONCLUDED)

**Housing Authority of the City of Monroe  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2004**

**Exhibit 4**

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. Roxie Jackson



**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ACTUAL CAPITAL FUND  
COST CERTIFICATE  
June 30, 2004**

**Exhibit 5**

1. The actual Capital Fund costs is as follows:

	<u>PROJECT</u> <u>LA-48P00650203</u>
Funds Approved	\$ 505,789
Funds Expended	<u>505,789</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	505,789
Funds Expended	<u>505,789</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated August 2, 2004, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE CITY OF MONROE**

**ACTUAL CAPITAL FUND  
COST CERTIFICATE**

**June 30, 2004**

**Exhibit 6**

1. The actual Capital Fund costs is as follows:

	<u>PROJECT LA-48P00650103</u>
Funds Approved	\$ 2,537,885
Funds Expended	<u>2,537,885</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,537,885
Funds Expended	<u>2,537,885</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated February 23, 2004, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

**Housing Authority of the City of Monroe**



**HOUSING AUTHORITY OF THE CITY OF MONROE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

Line Item	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
111 Cash - Unrestricted	\$892,074	\$326,722	\$3,159	\$274,284	\$0
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$117,790	\$0
100 Total Cash	\$892,074	\$326,722	\$3,159	\$392,074	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$2,318	\$647	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$109,793	\$0
126 Accounts Receivable - Tenants - Dwelling Rents Allowance for Doubtful Accounts - Dwelling	\$0	\$0	\$0	\$49,287	\$0
126.1 Rents	\$0	\$0	\$0	(\$1,485)	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
Total Receivables, net of allowances for doubtful 120 accounts	\$0	\$2,318	\$647	\$157,595	\$0
131 Investments - Unrestricted	\$1,148,693	\$3,711	\$0	\$2,356,066	\$0
132 Investments Restricted	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$228,131	\$0
143 Inventories	\$0	\$0	\$0	\$117,071	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0
144 Interprogram Due From	\$0	\$0	\$0	\$814,316	\$0
150 Total Current Assets	\$2,040,767	\$332,751	\$3,806	\$4,063,253	\$0
161 Land	\$0	\$0	\$0	\$2,006,932	\$0
162 Buildings	\$0	\$0	\$0	\$54,250,684	\$0
163 Furniture, Equipment & Machinery - Dwellings Furniture, Equipment & Machinery -	\$0	\$363	\$0	\$259,733	\$0
164 Administration	\$0	\$0	\$0	\$1,233,640	\$0
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	(\$363)	\$0	(\$30,229,413)	\$0
167 Construction In Progress	\$0	\$0	\$0	\$0	\$0
Total Fixed Assets, Net of Accumulated 160 Depreciation	\$0	\$0	\$0	\$27,521,576	\$0
174 Other Assets	\$0	\$0	\$0	\$17,483	\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$27,539,059	\$0
190 Total Assets	\$2,040,767	\$332,751	\$3,806	\$31,602,312	\$0

Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Temporary Assistance for Needy Families	Total
\$0	\$51,064	\$0	\$472,404	\$0	\$2,019,707
\$0	\$0	\$0	\$0	\$0	\$117,790
\$0	\$51,064	\$0	\$472,404	\$0	\$2,137,497
\$8,810	\$114,417	\$1,241,866	\$53,991	\$0	\$1,422,049
\$0	\$387,680	\$0	\$0	\$0	\$497,473
\$0	\$0	\$0	\$0	\$0	\$49,287
\$0	\$0	\$0	\$0	\$0	(\$1,485)
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$8,810	\$502,097	\$1,241,866	\$53,991	\$0	\$1,967,324
\$0	\$315,874	\$0	\$0	\$0	\$3,824,344
\$0	\$91,989	\$0	\$0	\$0	\$91,989
\$0	\$10,729	\$0	\$0	\$0	\$236,860
\$0	\$0	\$0	\$0	\$0	\$117,071
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$814,316
\$8,810	\$971,753	\$1,241,866	\$526,395	\$0	\$9,189,401
\$0	\$0	\$0	\$0	\$0	\$2,006,932
\$0	\$0	\$0	\$0	\$0	\$54,250,684
\$0	\$90,740	\$0	\$0	\$0	\$350,836
\$0	\$0	\$0	\$0	\$0	\$1,233,640
\$0	\$0	\$0	\$0	\$0	\$0
\$0	(\$76,360)	\$0	\$0	\$0	(\$30,306,136)
\$0	\$0	\$3,717,476	\$0	\$0	\$3,717,476
\$0	\$14,380	\$3,717,476	\$0	\$0	\$31,253,432
\$0	\$0	\$0	\$0	\$0	\$17,483
\$0	\$14,380	\$3,717,476	\$0	\$0	\$31,270,915
\$8,810	\$986,133	\$4,959,342	\$526,395	\$0	\$40,460,316

**HOUSING AUTHORITY OF THE CITY OF MONROE**  
**FINANCIAL DATA SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Line Item	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
312 Accounts Payable <= 90 Days	\$29	\$0	\$0	\$30,647	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$12,958	\$0
Accrued Compensated Absences - Current					
322 Portion	\$0	\$0	\$0	\$206,554	\$0
341 Tenant Security Deposits	\$0	\$0	\$0	\$117,790	\$0
342 Deferred Revenues	\$0	\$935	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$247,048	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$7,560	\$0
347 Interprogram Due To	\$21,103	\$100	\$0	\$0	\$0
310 Total Current Liabilities	\$21,132	\$1,035	\$0	\$622,557	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$542,647	\$0
350 Total Noncurrent Liabilities	\$0	\$0	\$0	\$542,647	\$0
300 Total Liabilities	\$21,132	\$1,035	\$0	\$1,165,204	\$0
508 Total Contributed Capital	\$0	\$0	\$0	\$0	\$0
508.1 Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$0	\$27,521,576	\$0
511 Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0
511.1 Restricted Net Assets	\$0	\$0	\$0	\$0	\$0
512.1 Unrestricted Net Assets	\$2,019,635	\$331,716	\$3,806	\$2,915,532	\$0
513 Total Equity/Net Assets	\$2,019,635	\$331,716	\$3,806	\$30,437,108	\$0
600 Total Liabilities and Equity/Net Assets	\$2,040,767	\$332,751	\$3,806	\$31,602,312	\$0

Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Temporary Assistance for Needy Families	Total
\$0	\$153,364	\$534,714	\$2,377	\$0	\$721,131
\$0	\$0	\$0	\$0	\$0	\$12,958
\$0	\$63,177	\$0	\$0	\$0	\$269,731
\$0	\$0	\$0	\$0	\$0	\$117,790
\$0	\$0	\$0	\$83	\$0	\$1,018
\$0	\$91,970	\$0	\$0	\$0	\$339,018
\$0	\$4,424	\$0	\$0	\$0	\$11,984
\$8,810	\$77,151	\$707,152	\$0	\$0	\$814,316
\$8,810	\$390,086	\$1,241,866	\$2,460	\$0	\$2,287,946
\$0	\$53,414	\$0	\$0	\$0	\$596,061
\$0	\$53,414	\$0	\$0	\$0	\$596,061
\$8,810	\$443,500	\$1,241,866	\$2,460	\$0	\$2,884,007
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$14,380	\$3,717,476	\$0	\$0	\$31,253,432
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$528,253	\$0	\$523,935	\$0	\$6,322,877
\$0	\$542,633	\$3,717,476	\$523,935	\$0	\$37,576,309
\$8,810	\$986,133	\$4,959,342	\$526,395	\$0	\$40,460,316

**HOUSING AUTHORITY OF THE CITY OF MONROE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$2,700,435	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$303,976	\$0
705	Total Tenant Revenue	\$0	\$0	\$0	\$3,004,411	\$0
706	HUD PHA Operating Grants	\$0	\$400,554	\$67,853	\$931,275	\$143,187
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$45,629	(\$3,295)	\$0	\$61,304	\$0
713.1	Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
715	Other Revenue	\$144,834	\$0	\$0	\$20,350	\$0
716	Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$3,838	\$0
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$190,463	\$397,259	\$67,853	\$4,021,178	\$143,187
911	Administrative Salaries	\$9,864	\$813	\$4,007	\$586,687	\$0
912	Auditing Fees	\$0	\$1,000	\$0	\$9,280	\$0
914	Compensated Absences	\$0	\$0	\$0	\$68,558	\$0
915	Employee Benefit Contributions - Administrative	\$2,136	\$340	\$1,060	\$256,237	\$0
916	Other Operating - Administrative	\$17,102	\$384	\$0	\$195,183	\$0
922	Relocation Costs	\$0	\$0	\$0	\$0	\$0
924	Tenant Services - Other	\$8,526	\$0	\$0	\$25,244	\$37,849
931	Water	\$0	\$0	\$0	\$7,523	\$0
932	Electricity	\$0	\$0	\$0	\$271,289	\$0
933	Gas	\$0	\$0	\$0	\$83,151	\$0
938	Other Utilities Expense	\$0	\$0	\$0	\$5,386	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$760,562	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$326,391	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$0	\$416,510	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$338,863	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$51,081	\$105,338
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$3,812	\$0
961	Insurance Premiums	\$0	\$0	\$0	\$313,706	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$233,941	\$0
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$73,452	\$0
969	Total Operating Expenses	\$37,628	\$2,537	\$5,067	\$4,026,856	\$143,187
970	Excess Operating Revenue over Operating Expenses	\$152,835	\$394,722	\$62,786	(\$5,678)	\$0
973	Housing Assistance Payments	\$0	\$382,269	\$62,425	\$0	\$0
974	Depreciation Expense	\$0	\$0	\$0	\$2,195,734	\$0
900	Total Expenses	\$37,628	\$384,806	\$67,492	\$6,222,590	\$143,187
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$152,835	\$12,453	\$361	(\$2,201,412)	\$0



Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Temporary Assistance for Needy Families	Total
\$0	\$0	\$0	\$0	\$0	\$2,700,435
\$0	\$0	\$0	\$0	\$0	\$303,976
\$0	\$0	\$0	\$0	\$0	\$3,004,411
\$52,434	\$6,409,295	\$502,480	\$26,221	\$191,820	\$8,725,119
\$0	\$0	\$3,438,120	\$0	\$0	\$3,438,120
\$0	\$24,209	\$0	\$0	\$0	\$127,847
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$231,751	\$0	\$396,935
\$0	\$0	\$0	\$0	\$0	\$3,838
\$0	\$280	\$0	\$0	\$0	\$280
\$52,434	\$6,433,784	\$3,940,600	\$257,972	\$191,820	\$15,696,550
\$0	\$327,836	\$298,396	\$0	\$0	\$1,227,603
\$0	\$11,100	\$5,000	\$0	\$0	\$26,380
\$0	\$8,913	\$0	\$0	\$0	\$77,471
\$0	\$132,318	\$51,683	\$0	\$0	\$443,774
\$0	\$148,823	\$66,177	\$79,782	\$0	\$507,451
\$0	\$0	\$45,376	\$0	\$0	\$45,376
\$52,434	\$0	\$35,848	\$0	\$191,820	\$351,721
\$0	\$0	\$0	\$0	\$0	\$7,523
\$0	\$0	\$0	\$0	\$0	\$271,289
\$0	\$0	\$0	\$0	\$0	\$83,151
\$0	\$0	\$0	\$0	\$0	\$5,386
\$0	\$0	\$0	\$0	\$0	\$760,562
\$0	\$0	\$0	\$0	\$0	\$326,391
\$0	\$3,894	\$0	\$0	\$0	\$420,404
\$0	\$0	\$0	\$0	\$0	\$338,863
\$0	\$0	\$0	\$0	\$0	\$156,419
\$0	\$0	\$0	\$0	\$0	\$3,812
\$0	\$27,437	\$0	\$0	\$0	\$341,143
\$0	\$0	\$0	\$0	\$0	\$233,941
\$0	\$0	\$0	\$0	\$0	\$73,452
\$52,434	\$660,321	\$502,480	\$79,782	\$191,820	\$5,702,112
\$0	\$5,773,463	\$3,438,120	\$178,190	\$0	\$9,994,438
\$0	\$5,731,691	\$0	\$0	\$0	\$6,176,385
\$0	\$4,174	\$0	\$0	\$0	\$2,199,908
\$52,434	\$6,396,186	\$502,480	\$79,782	\$191,820	\$14,078,405
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$37,598	\$3,438,120	\$178,190	\$0	\$1,618,145

**HOUSING AUTHORITY OF THE CITY OF MONROE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

Line Item	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program
1102 Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0
1103 Beginning Equity	\$1,288,139	\$319,263	\$3,445	\$24,465,184	\$44,102
1104 Correction of Errors	\$578,661	\$0	\$0	\$8,173,336	(\$44,102)
1113 (Per ACC) Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$566,662	\$0	\$0	\$0
1114 Months	\$0	\$0	\$0	\$0	\$0
1115 Contingency Reserve, ACC Program Reserve	\$0	\$410,556	\$0	\$0	\$0
1116 Total Annual Contributions Available	\$0	\$977,218	\$0	\$0	\$0
1120 Unit Months Available	0	1,164	264	17,107	0
1121 Number of Unit Months Leased	0	1,146	244	16,903	0

Resident Opportunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Component Units	Temporary Assistance for Needy Families	Total
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$1,188,621	\$8,305,665	\$345,745	\$0	\$35,958,164
\$0	(\$681,586)	(\$8,026,309)	\$0	\$0	\$0
\$0	\$6,136,549	\$0	\$0	\$0	\$6,703,211
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$6,695,093	\$0	\$0	\$0	\$7,105,649
\$0	\$12,831,642	\$0	\$0	\$0	\$13,808,860
0	17,628	0	0	0	36,163
0	17,242	0	0	0	35,535

**Housing Authority of the City of Monroe**



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# STATISTICAL SECTION

HOUSING AUTHORITY OF THE CITY OF MONROE

Table 1

General Fund Expenditures/Expenses By Function  
Fiscal Years Ended June 30, 2004

Fiscal Year	Administration	Tenant Services	Utilities	Ordinary Maintenance and Operations	Protective Services and General	Non routine Maintenance	Capital Outlay	Depreciation	Total
1994 (1)	\$ 513,009	\$ 19,462	\$ 252,276	\$ 1,103,969	\$ 770,324	\$ 40,628	\$ 119,929	\$ 0	\$ 2,819,597
1995	518,750	18,720	240,965	1,015,575	804,454	104,812	53,628	0	2,756,904
1996	530,293	24,550	260,056	1,040,726	804,755	12,275	38,602	0	2,711,257
1997	596,104	32,310	255,079	1,009,743	833,668	(1,005)	149,964	0	2,875,863
1998	591,413	14,174	242,189	1,072,709	924,847	35,862	43,496	0	2,924,690
1999	655,729	16,802	251,858	1,173,265	1,077,231	35,366	60,524	0	3,270,795
2000 (2)	1,429,853	31,990	292,397	1,220,846	1,419,470	528,206	0	1,744,301	6,667,163
2001	1,615,349	628,396	375,917	1,678,209	555,543	45,282	0	1,878,217	6,776,913
2002	1,363,800	1,131,795	272,370	1,714,052	814,363	39,776	0	1,987,358	7,323,514
2003	1,416,579	875,514	348,220	1,898,927	876,414	7,278	0	1,935,867	7,460,799
2004	\$ 1,618,425	\$ 307,347	\$ 367,349	\$ 1,842,326	\$ 781,330	\$ 0	\$ 0	\$ 2,195,734	\$ 7,112,511

Notes:

- (1) Beginning with the fiscal year 1994, the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.
- (2) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.

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

Table 2

## HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source  
Fiscal Years Ended June 30, 2004

Fiscal Year	Dwelling rentals		Federal sources		Interest earnings		Other (3)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1994 (1)	\$ 1,754,123	61.94%	\$ 912,989	32.24%	\$ 25,722	0.91%	\$ 139,246	4.92%	\$ 2,832,080	100%
1995	1,840,540	61.77%	878,075	29.47%	42,592	1.43%	218,468	7.33%	2,979,675	100%
1996	1,898,897	63.19%	847,901	28.22%	69,373	2.31%	188,728	6.28%	3,004,899	100%
1997	1,992,296	64.65%	825,422	26.78%	110,089	3.57%	153,922	4.99%	3,081,729	100%
1998	2,065,622	61.93%	1,009,710	30.27%	132,315	3.97%	127,868	3.83%	3,335,515	100%
1999	2,152,080	50.53%	986,785	23.17%	141,479	3.32%	978,310	22.97%	4,258,654	100%
2000 (2)	2,352,614	51.90%	1,780,911	39.29%	174,677	3.85%	224,741	4.96%	4,532,943	100%
2001	2,340,075	53.34%	1,542,010	35.15%	213,326	4.86%	291,307	6.64%	4,386,718	100%
2002	2,287,079	45.31%	2,345,945	46.48%	172,241	3.41%	242,023	4.80%	5,047,288	100%
2003	2,485,881	43.41%	2,781,522	48.58%	156,426	2.73%	302,381	5.28%	5,726,210	100%
2004	\$ 2,700,435	61.25%	\$ 1,318,716	29.91%	\$ 61,304	1.39%	\$ 328,164	7.44%	\$ 4,408,619	

## Notes:

- (1) Beginning with the fiscal year 1994, the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.  
(2) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.  
(3) The other amount column includes maintenance charges, late charges and other miscellaneous revenue.

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

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

Fund Balances/Equity - General Fund  
Fiscal Years Ended June 30, 2004

Fiscal Year	General Fund
1994	\$ 1,438,878
1995	1,661,649
1996	1,965,893
1997	2,171,759
1998	2,582,583
1999	3,648,642
2000 (1)	2,749,533
2001	2,828,739
2002	2,802,725
2003	2,868,585
2004	\$ 2,915,532

(1) For the years ended June 30, 2000 and thereafter, the numbers reflect unrestricted net assets.

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



Table 4

## HOUSING AUTHORITY OF THE CITY OF MONROE

**Tenant Demographics:  
Occupancy Ratios by Program  
Fiscal Years Ended June 30, 2004**

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
1995	1,522	1,513	99.41%	1,238	1,196	96.61%	2,760	2,709
1996	1,522	1,504	98.82%	1,240	1,134	91.45%	2,762	2,638
1997	1,522	1,504	98.82%	1,240	1,139	91.85%	2,762	2,643
1998	1,522	1,510	99.21%	1,242	1,209	97.34%	2,764	2,719
1999	1,522	1,492	98.03%	1,242	1,206	97.10%	2,764	2,698
2000	1,522	1,496	98.29%	1,246	1,213	97.35%	2,768	2,709
2001	1,522	1,452	95.40%	1,297	1,276	98.38%	2,819	2,728
2002	1,522	1,369	89.92%	1,488	1,434	96.37%	3,010	2,803
2003	1,522	1,389	91.26%	1,490	1,438	96.51%	3,012	2,827
2004	1,522	1,403	92.18%	1,469	1,457	99.18%	2,991	2,860

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

Table 5

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition  
June 30, 2004

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	80	121	69	300		
LA006-007	Scattered Sites	Scattered Sites	07/31/71		20	20	20	49		
LA006-008	Scattered Sites	Scattered Sites	02/29/72		39	38	19	96		
LA006-009	Robinson Place	1207 Milliken Drive	09/30/73		41	41	21	103		
LA006-010	Miller Square	4200 Matthew Street	04/30/73		60	62	30	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		
LA006-014	Group Homes (scattered sites)	Scattered Sites	08/31/84	30				30		
<b>Total Units</b>				342	350	460	271	89	1,522	
<b>Managed Units</b>										
064-EH150	Ouachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	06/15/89	21	70				91	
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	11/01/86		40	1			41	
Tax Credit Dev.	Claiborne Creek Apartments, LP	200 Claiborne Dr., West Monroe	10/01/97		72				72	
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	11/01/98		39				39	
Tax Credit Dev.	Claiborne Creek II, LP	200 Claiborne Dr., West Monroe	10/01/89		60	12			72	
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	11/01/01		24	50			74	
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	04/01/04		65				65	
064-EE100	South Pointe I	100 South Pointe Drive, Monroe	05/01/02		36				36	
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	06/01/04		44				44	
<b>Total Managed Units</b>				21	406	63	0	0	0	490

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE

Public Housing Management Assessment Program (PHMAP) SCORES  
 Fiscal Years Ended June 30, 1992 through June 30, 1999  
 Public Housing Assessment System (PHAS) SCORES  
 Fiscal Year Ended June 30, 2000 through June 30, 2001

<u>Fiscal Year</u>	<u>Score</u>
1995	94.74%
1996	92.37%
1997	99.25%
1998	99.25%
1999	94.75%
2000	92.40%
2001	90.00%
2002	98.00%
2003	98.00%
2004	92.00%

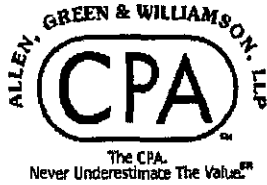
Source: Real Estate Assessment Center (REAC)

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

**Single Audit Report  
For the Year Ended June 30, 2004**

**Housing Authority of the City of Monroe  
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Tim Green, CPA

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(Retired)  
1963 - 2000

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

### Board Members

Housing Authority of the City of Monroe  
Monroe, Louisiana

We have audited the financial statements of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2004, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

### 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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

### Compliance and Other Matters

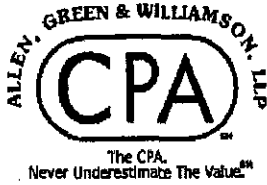
As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2004



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1963 - 2000

## **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 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, 2004. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; 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 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, 2004.

### **Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Housing Authority as of and for the year ended June 30, 2004, and have issued our report thereon dated December 29, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2004



**Housing Authority of the City of Monroe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2004**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
<b>CASH FEDERAL AWARDS</b>			
<b>United States Department of Health &amp; Human Services</b>			
Passed Through Louisiana Department of Social Services:			
Temporary Assistance for Needy Families	93.558	N/A	\$ <u>191,820</u>
<b>Total United States Department of Health and Human Services</b>			<u>191,820</u>
<b>United States Department of Housing and Urban Development</b>			
Direct Programs			
Public and Indian Housing - Operating Subsidy	14.850a	FW2006	931,275
Public and Indian Housing Drug Elimination Program	14.854	FW2006	143,187
Resident Opportunity and Support Services	14.870	N/A	52,434
Section 8 Housing Choice Voucher Program	14.871	FW2072(VO)	6,408,648
Section 8 New Construction	14.856	FW2072(VO)	400,554
Shelter Plus Care	14.238	N/A	68,500
Public Housing Capital Fund Program	14.872	N/A	3,940,600
Passed Through the City of Monroe, Louisiana:			
Home Investment Partnerships Program (Home Program)	14.239	N/A	<u>26,221</u>
<b>Total United States Department of Housing and Urban Development</b>			<u>11,971,419</u>
<b>Total Cash Federal Awards</b>			<u>\$12,163,239</u>

**Housing Authority of the City of Monroe**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2004**

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

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

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

<u>Federal Sources</u>	
General Fund	5,259,316
Tenant Based Section 8	6,477,148
Other Enterprise	400,554
Component Unit	26,221
	<u>\$12,163,239</u>

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

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

**Housing Authority of the City of Monroe  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2004**

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

**Financial Statement Audit**

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

**Audit of Federal Awards**

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

CFDA #14.871	Section 8 Housing Choice Voucher Program
CFDA #14.872	Capital Fund Program
- 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 \$364,897.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.