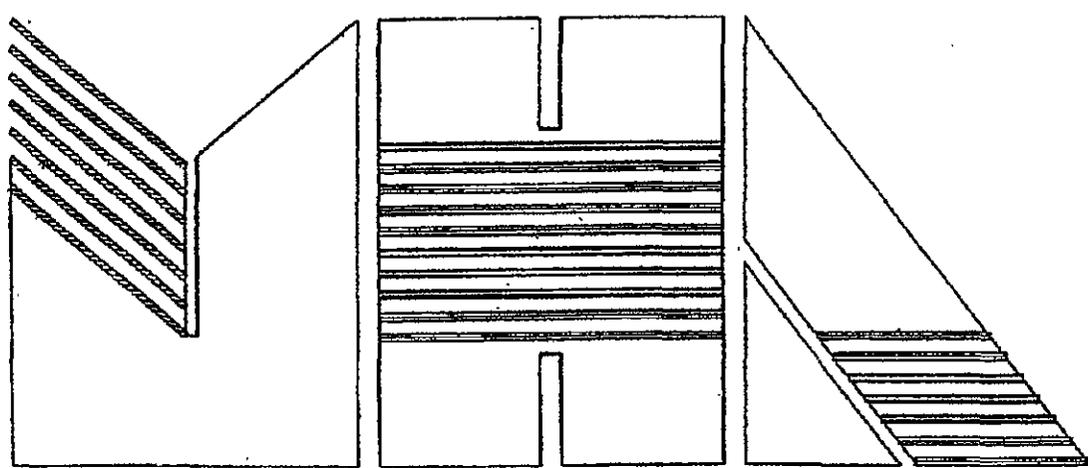


Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

For the Year ended June 30, 2009

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 1/27/10

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

Comprehensive Annual Financial Report

For the Year Ended June 30, 2009

**Frank L. Wilcox
Executive Director**

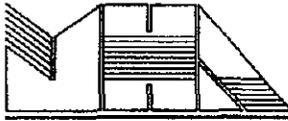
**Janet Sanderford
Administrative Director**

Prepared by the Accounting Department

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

	<u>Statement</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1-4
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting		5
Organizational Chart		7
Appointed Officials		
Board of Commissioners		8
Selected Administrative Officials		8
FINANCIAL SECTION		
INDEPENDENT AUDITORS' REPORT		9-10
REQUIRED SUPPLEMENTAL INFORMATION		11
Management's Discussion and Analysis (MD&A)		12-16
BASIC FINANCIAL STATEMENTS:		17
Balance Sheet	A	18-19
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B	20-21
Statement of Cash Flows	C	22-23
Notes to the Basic Financial Statements		
Index		24
Notes		25-33
Supplementary Information		
	<u>Exhibit</u>	
NONMAJOR ENTERPRISE FUNDS		
Combining Balance Sheet	1	35
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	2	36
Combining Statement of Cash Flows	3	37-38
Schedule of Compensation Paid Board Members	4	39
HUD REQUIRED SCHEDULES:		
Financial Data Schedule	5	40-57
Actual Capital Fund Cost Certificate	6	58
STATISTICAL SECTION		
	<u>Table</u>	
Contents		59
Net Assets by Component	1	60
Changes in Net Assets	2	61
General Fund Revenues by Source	3	62
Tenant Demographics: Occupancy Ratios By Program	4	63
Demographic and Economic Statistics	5	64
Principal Employers	6	65
Property Characteristics and Dwelling Composition	7	66
Government Employees	8	67

INTRODUCTORY SECTION



December 31, 2009

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, 2009, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

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

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

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

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

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

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

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

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

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

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

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



The **Capital Fund Program** provided funds for our Miller Square Development Renovations for over \$2.8 million. The Monroe Housing Authority also received Capital Fund Recovery Grant Program funds in the amount of \$3.6 million. These funds will be used for renovations of the Standifer Village portion of our Robinson Place development along with improvements to our Cooley Homes development and upgrades to Frances Tower.



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



The Housing Authority now manages a total of 5 Section 202 properties consisting of a total of 250 units of elderly housing. The Housing Authority also manages 5 tax credit properties with a total of 331 units also for elderly housing. There are currently 36 additional units under construction that will be available in the coming year for our senior citizens.



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

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

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

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2009, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

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

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

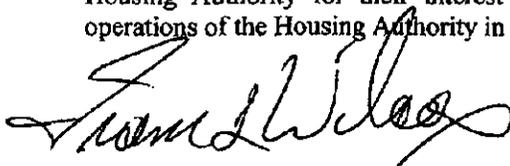
The Housing Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by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

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

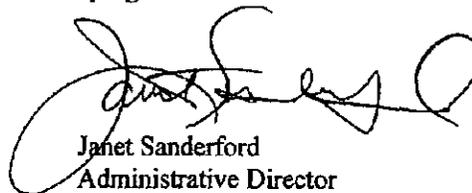
J. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable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

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

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



Frank L. Wilcox
Executive Director



Janet Sanderford
Administrative Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the
City of Monroe, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



A handwritten signature in black ink, appearing to be "J.R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emery", written in a cursive style.

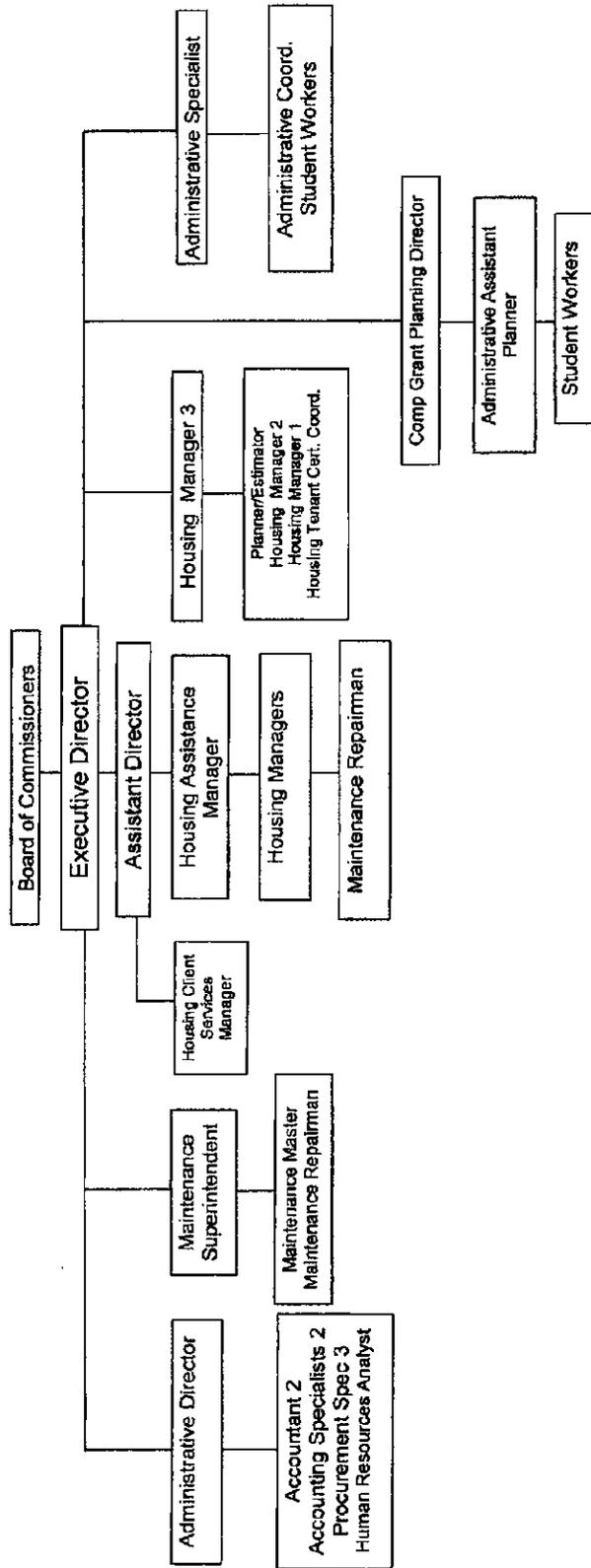
Executive Director

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HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



Housing Authority of the City of Monroe

**Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Janet Sanderford

Administrative Director

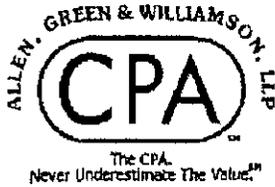
Marieanne Hereford

Comp Grant Planner

Naomi Jackson

Section 8 Director

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 8075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Quint Martin, CPA
Brian McBride, CPA
Cindy Thomason, CPA
Angie Williamson, CPA
Joshua Legg, CPA

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

INDEPENDENT AUDITORS' REPORT

Board Members

Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the accompanying financial statements of the discretely presented component unit, 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, 2009, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority as of June 30, 2009, 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 31, 2009, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2009

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, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 4 of this report. Dollar amounts presented in the MD&A are presented in thousands. The Homeownership component unit did not issue a separate audit report.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$41,610 (*net assets*). Of this amount, \$10,229 (*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 \$3,359, for the current year. This is mainly due to increased operating subsidy and stimulus grant received.
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$7,531, or 81.6% 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, 2009

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 \$41,610 at June 30, 2009. Of this amount, \$10,229 was unrestricted. Restricted net assets of \$526 are reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use for items other than the housing assistance payments (HAP) for the Section 8 Tenant Based program.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, capital fund, and economic development programs. The tenant based Section 8 fund accounts for the Section 8 Voucher program, the Disaster Voucher program, and the DHAP program. 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)
June 30,

	2009	2008	Variance
Current assets	\$ 13,587	\$ 11,269	\$ 2,318
Capital assets, net	30,855	28,983	1,872
Total assets	<u>44,442</u>	<u>40,252</u>	<u>4,190</u>
Current liabilities	2,017	1,327	690
Long-term liabilities	815	674	141
Total liabilities	<u>2,832</u>	<u>2,001</u>	<u>831</u>
Net assets			
Invested in capital assets	30,855	28,983	1,872
Restricted	526	1,025	(499)
Unrestricted	10,229	8,243	1,986
Total net assets	<u>\$ 41,610</u>	<u>\$ 38,251</u>	<u>\$ 3,359</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2009

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

	2009	2008	Variance
Beginning net assets	\$ 38,251	\$ 38,020	\$ 231
Revenues:			
Operating revenues			
Rental and other	4,515	3,967	548
Federal grants	11,666	10,750	916
Total operating revenues	<u>16,181</u>	<u>14,717</u>	<u>1,464</u>
Expenses:			
Operating expenses			
Administration	2,542	2,636	(94)
Tenant services	225	215	10
Utilities	410	434	(24)
Ordinary maintenance and operations	2,391	2,125	266
Protective services	66	69	(3)
General expenses	1,410	896	514
Housing assistance payments	6,250	6,020	230
Nonroutine maintenance	46	29	17
Depreciation	3,120	2,844	276
Total expenses	<u>16,460</u>	<u>15,268</u>	<u>1,192</u>
Non-operating revenues			
Interest earnings	260	452	(192)
Gain(Loss) on sale of equipment	(6)	(16)	10
Total non-operating revenues	<u>254</u>	<u>436</u>	<u>(182)</u>
Net income (loss) before capital contributions	<u>(25)</u>	<u>(115)</u>	<u>90</u>
Capital contributions	3,384	346	3,038
Increase (decrease) in net assets	<u>3,359</u>	<u>231</u>	<u>3,128</u>
Ending net assets	<u>\$ 41,610</u>	<u>\$ 38,251</u>	<u>\$ 3,359</u>

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2009**

Total operating revenues increased \$1,464:

- The general fund's operating revenue increased \$1,553 due to an increase in operating subsidy and stimulus grant.
- The Section 8 fund's operating revenue decreased \$132 due to using prior years' reserves to offset HAP costs.
- The other enterprise's operating revenue increased \$43 due to increased management fees.

Total operating expenses increased \$1,192:

- The general fund's operating expenses increased \$791. This change was due to increased salaries and maintenance costs.
- The Section 8 funds operating expenses increased \$338 which was mainly due to increased salaries and HAP costs
- The other enterprise's operating expenses increased \$64 due to expenses associated with the new Annex building.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the Housing Authority had \$30,855 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 \$1,872 or 6.5 %, from last year.

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

	2009	2008
Land	\$ 2,007	\$ 2,007
Construction in progress	2,893	1,877
Buildings and site improvements	25,237	24,569
Furniture and equipment	718	530
Totals	\$ 30,855	\$ 28,983

This year's additions of \$5,022 are mainly the result of renovations at Miller Square and Robinson Place.

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

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2009**

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2009-2010 have already been approved by HUD and no major changes are expected.

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

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

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

Housing Authority of the City of Monroe

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Balance Sheet
June 30, 2009

Statement A

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,936,952	\$ 728,083	\$ 974,265	\$ 3,637,300	\$ 488,227
Investments	6,440,641	264,104	1,223,541	7,928,286	0
Accounts receivable, net	926,755	80,077	259,400	1,266,232	15,124
Interfund receivable	0	0	140,517	140,517	0
Prepaid items and other assets	288,286	5,645	0	293,931	0
Inventory	23,658	0	0	23,658	0
Restricted assets					
Cash	190,843	106,183	0	297,026	0
Total Current Assets	9,807,135	1,182,092	2,597,723	13,586,950	503,351
Capital Assets, net					
Land and construction in progress	4,900,550	0	0	4,900,550	0
Buildings and equipment (net)	24,483,876	72,901	1,397,991	25,954,768	0
Total Capital Assets, net	29,384,426	72,901	1,397,991	30,855,318	0
TOTAL ASSETS	\$ 39,191,561	\$ 1,254,993	\$ 3,995,714	\$ 44,442,268	\$ 503,351

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Balance Sheet
June 30, 2009

Statement A

	GENERAL	TENANT BASED SECTION 8	OTHER ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT HOMEOWNERSHIP
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 358,676	\$ 37,623	\$ 126,820	\$ 523,119	\$ 16,600
Interfund payable	0	0	140,517	140,517	0
Accrued liabilities	377,877	16,043	0	393,920	0
Deferred revenue	75,165	153	0	75,318	0
Current portion of long term debt	522,986	63,816	0	586,801	0
Current liabilities paid with Restricted Assets:					
Deposits due others	190,843	106,163	0	297,026	0
Total Current Liabilities	1,525,547	223,817	267,337	2,016,701	16,600
Noncurrent Liabilities					
Compensated absences payable	750,141	65,558	0	815,699	0
Total Liabilities	2,275,688	289,375	267,337	2,832,400	16,600
NET ASSETS					
Invested in capital assets	29,384,426	72,901	1,397,991	30,855,318	0
Restricted for HAP	0	525,379	0	525,379	0
Unrestricted	7,531,447	367,338	2,330,366	10,229,171	486,751
NET ASSETS	36,915,873	965,618	3,728,377	41,609,868	486,751
TOTAL LIABILITIES AND NET ASSETS	\$ 39,191,561	\$ 1,254,993	\$ 3,995,714	\$ 44,442,268	\$ 503,351

(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, 2009**

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>
OPERATING REVENUES					
Dwelling rental	\$ 3,211,979	\$ 0	\$ 0	\$ 3,211,979	\$ 0
Other	997,020	12,968	292,929	1,302,917	30,254
Federal grants	4,809,740	6,856,536	0	11,666,276	500
Total operating revenues	<u>9,018,739</u>	<u>6,869,504</u>	<u>292,929</u>	<u>16,181,172</u>	<u>30,754</u>
OPERATING EXPENSES					
Administration	1,783,068	721,362	37,622	2,542,052	167
Tenant services	194,810	0	30,607	225,417	0
Utilities	410,236	0	112	410,348	0
Ordinary maintenance & operations	2,349,260	18,357	23,728	2,391,345	0
Protective services	65,809	0	0	65,809	0
General expenses	1,324,460	75,942	10,000	1,410,402	15,125
Housing assistance payments	0	6,249,980	0	6,249,980	0
Homeownership	0	0	0	0	22,294
Nonroutine maintenance	45,717	0	0	45,717	0
Depreciation	3,055,624	15,502	48,373	3,119,499	0
Total operating expenses	<u>9,228,984</u>	<u>7,081,143</u>	<u>150,442</u>	<u>16,460,569</u>	<u>37,586</u>
Income (loss) from Operations	<u>(210,245)</u>	<u>(211,639)</u>	<u>142,487</u>	<u>(279,397)</u>	<u>(6,832)</u>
Nonoperating revenues (expenses)					
Investment earnings and gains/losses	59,931	53,032	147,109	260,072	1,852
Gain (loss) on sale of equipment	<u>(5,767)</u>	<u>0</u>	<u>0</u>	<u>(5,767)</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>54,164</u>	<u>53,032</u>	<u>147,109</u>	<u>254,305</u>	<u>1,852</u>
NET INCOME (Loss) before Contributions and Transfers					
	(156,081)	(158,607)	289,596	(25,092)	(4,980)
Capital contributions	3,383,537	0	0	3,383,537	0
Transfers in	0	0	129,441	129,441	0
Transfers out	<u>0</u>	<u>0</u>	<u>(129,441)</u>	<u>(129,441)</u>	<u>0</u>
Total contributions and transfers	<u>3,383,537</u>	<u>0</u>	<u>0</u>	<u>3,383,537</u>	<u>0</u>
Change in net assets	<u>\$ 3,227,456</u>	<u>\$ (158,607)</u>	<u>\$ 289,596</u>	<u>\$ 3,358,445</u>	<u>\$ (4,980)</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2009

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>
NET ASSETS AT BEGINNING OF YEAR	\$ 33,656,840	\$ 1,155,802	\$ 3,438,781	\$ 38,251,423	\$ 491,731
PRIOR PERIOD ADJUSTMENT	<u>31,577</u>	<u>(31,577)</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	<u>33,688,417</u>	<u>1,124,225</u>	<u>3,438,781</u>	<u>38,251,423</u>	<u>491,731</u>
NET ASSETS AT END OF YEAR	<u>\$ 36,915,873</u>	<u>\$ 955,618</u>	<u>\$ 3,728,377</u>	<u>\$ 41,609,868</u>	<u>\$ 488,751</u>

(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 Cash Flows
For the Year Ended June 30, 2009**

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>
CASH FLOWS FROM OPERATING ACTIVITIES					
Rental receipts	\$ 3,245,689	\$ 0	\$ 0	\$ 3,245,689	\$ 15,130
Other receipts (expenses)	1,130,746	12,968	355,459	1,499,173	0
Payments to vendors	(3,654,915)	(519,505)	(70,107)	(4,244,527)	(20,986)
Payments to employees	(2,063,773)	(291,553)	(21,962)	(2,377,288)	0
Payments to private landlords	0	(6,249,980)	0	(6,249,980)	0
Payments to others	0	0	(10,000)	(10,000)	0
Federal grants	<u>4,162,559</u>	<u>6,927,628</u>	<u>0</u>	<u>11,090,187</u>	<u>500</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,820,306</u>	<u>(120,442)</u>	<u>253,390</u>	<u>2,953,254</u>	<u>(5,356)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Special items	<u>31,577</u>	<u>(31,577)</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>31,577</u>	<u>(31,577)</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase capital assets	(3,670,730)	(50,677)	(1,286,165)	(5,007,572)	0
Contributed capital	3,383,537	0	0	3,383,537	0
Sale of capital assets	<u>10,075</u>	<u>0</u>	<u>0</u>	<u>10,075</u>	<u>0</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(277,118)</u>	<u>(50,677)</u>	<u>(1,286,165)</u>	<u>(1,613,960)</u>	<u>0</u>
CASH FLOW FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	960,000	0	1,402,476	2,362,476	0
Investment earnings and gains/losses	59,931	53,032	147,109	260,072	1,852
Purchase investments	<u>(3,934,629)</u>	<u>(13,783)</u>	<u>0</u>	<u>(3,948,412)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (2,914,698)</u>	<u>\$ 39,249</u>	<u>\$ 1,549,585</u>	<u>\$ (1,325,864)</u>	<u>\$ 1,852</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2009**

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>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (339,933)	\$ (163,447)	\$ 516,810	\$ 13,430	\$ (3,504)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,467,728</u>	<u>995,713</u>	<u>457,455</u>	<u>3,920,896</u>	<u>491,731</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,127,795</u>	<u>832,266</u>	<u>974,265</u>	<u>3,934,326</u>	<u>488,227</u>
Reconciliation to financial statements:					
Cash	1,936,952	726,083	974,265	3,637,300	488,227
Restricted cash (deposits due others)	<u>190,843</u>	<u>108,183</u>	<u>0</u>	<u>297,026</u>	<u>0</u>
	<u>2,127,795</u>	<u>832,266</u>	<u>974,265</u>	<u>3,934,326</u>	<u>488,227</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	(210,245)	(211,639)	142,487	(279,397)	(6,832)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	3,055,624	15,502	48,373	3,119,499	0
Change in assets and liabilities:					
Receivables, net	(610,870)	53,363	12,403	(545,104)	(15,124)
Interfund receivables	4,443	0	(140,517)	(136,074)	0
Inventories	2,212	0	54,570	56,782	16,600
Prepaid items	(37,804)	(2,094)	0	(39,898)	0
Accounts payables	336,619	17,366	0	354,005	0
Accrued expenses	13,687	1,053	0	14,740	0
Deferred revenue	72,046	153	0	72,199	0
Interfund payables	0	0	136,074	136,074	0
Deposits due others	4,154	(9,438)	0	(5,284)	0
Compensated absences	<u>190,440</u>	<u>15,272</u>	<u>0</u>	<u>205,712</u>	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,820,306</u>	<u>\$ (120,442)</u>	<u>\$ 253,390</u>	<u>\$ 2,953,254</u>	<u>\$ (5,358)</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
June 30, 2009

INDEX

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	25
A. REPORTING ENTITY.....	25
B. FUNDS.....	26
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	26
Proprietary Funds	26
D. CASH AND CASH EQUIVALENTS	27
E. INVESTMENTS	27
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	27
G. INVENTORY	27
H. PREPAID ITEMS	27
I. CAPITAL ASSETS	28
J. DEFERRED REVENUES	28
K. COMPENSATED ABSENCES	28
L. RESTRICTED NET ASSETS	28
M. INTERFUND ACTIVITY	28
N. USE OF ESTIMATES	28
NOTE 2 - DEPOSITS AND INVESTMENTS	28
NOTE 3 - ACCOUNTS RECEIVABLE.....	30
NOTE 4 - CAPITAL ASSETS	30
NOTE 5 - RETIREMENT SYSTEM	30
NOTE 6 - ACCOUNTS PAYABLE	31
NOTE 7 - ACCRUED LIABILITIES	31
NOTE 8 - COMPENSATED ABSENCES	31
NOTE 9 - GENERAL LONG-TERM OBLIGATIONS	32
NOTE 10 - INTERFUND TRANSACTIONS	32
NOTE 11 - COMMITMENTS AND CONTINGENCIES.....	32
NOTE 12 - RISK MANAGEMENT	33
NOTE 13 - ECONOMIC DEPENDENCE.....	33
NOTE 14 - INSURANCE PROCEEDS	33
NOTE 15 - PRIOR PERIOD ADJUSTMENT	33

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

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

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

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1,522
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1,481
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Passman Plaza III, Inc.		60
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe, LLP		74
Chauvin Pointe II, LLP		65
South Pointe, LLP		37
South Pointe II, LLP		44

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

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

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

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

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets 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.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

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

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

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

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

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

Definitions:

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

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

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

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

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2009. Fair value was determined by obtaining "quoted" year-end market prices.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

As of June 30, 2009 the Housing Authority has a majority of its assets in U. S. Treasuries managed by a financial institution. The account managed by a financial institution has a fair market value of \$3,915,764 as of June 30, 2009. The mortgage backed securities are rated A-1 plus according to Standard and Poor's. The debt investments represent 49.4% of the Housing Authority's investments as of this date.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment</u>	
		<u>Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
U.S. Treasury obligations	\$2,048,059	\$1,091,959	\$ 956,100
Mortgage backed securities	<u>1,867,705</u>	<u>814,211</u>	<u>1,053,494</u>
Total debt investments	3,915,764	<u>\$1,906,170</u>	<u>\$2,009,594</u>
Certificates of deposit	<u>4,012,522</u>		
Total investments	<u>\$7,928,286</u>		

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

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

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2009 the Housing Authority bank balance was \$8,415,767 (which includes \$4,012,522 in certificates of deposits classified as investment along with \$297,026 classified as restricted cash for tenant security deposits and family self-sufficiency deposits). Of this amount, \$7,915,767 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

The Monroe Affordable Homeownership Community Housing Development Organization, Inc. has a bank balance of \$488,227 as of June 30, 2009. Of this amount, \$238,227 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Homeownership's name.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority does maintain investment accounts at a financial institution. As of June 30, 2009 the Housing Authority had \$3,915,764 in U. S. Treasuries which are held by the financial institution but not in the Housing Authority's name.

Concentration of Credit Risk-Investments:

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Mortgage Corp	\$ 743,581	9.4
Federal National Mortgage Assn.	<u>1,124,124</u>	14.2
Total	<u>\$1,867,705</u>	

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

NOTE 3 - ACCOUNTS RECEIVABLE The receivables at June 30, 2009, are as follows:

Class of Receivables	General	Tenant-Based Section 8	Other Enterprise	Homeownership	Total
Local sources:					
Tenants	\$ 35,725	\$ -	\$ -	\$ -	\$ 35,725
Other	124,290	26,600	259,400	15,124	425,414
Federal sources:					
Due from HUD	766,740	53,477	-	-	820,217
Total	<u>\$ 926,755</u>	<u>\$ 80,077</u>	<u>\$ 259,400</u>	<u>\$ 15,124</u>	<u>\$ 1,281,356</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$2,944. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development and repayment agreements for fraudulently reporting wrong income amounts for past rental calculations. The Housing Authority accounts receivable - other is net of an allowance for doubtful accounts of \$17,898. The Component Unit has an allowance for doubtful accounts set up for \$15,125 which is due from other governments.

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,006,932	\$ -	\$ -	\$ 2,006,932
Construction in progress	1,877,595	4,651,737	3,635,714	2,893,618
Total capital assets, non depreciable	<u>3,884,527</u>	<u>4,651,737</u>	<u>3,635,714</u>	<u>4,900,550</u>
Capital assets, depreciable				
Buildings and site improvements	63,953,638	3,635,714	20,885	67,568,467
Furniture and equipment	1,881,034	370,003	130,307	2,120,730
Total capital assets, depreciable	<u>65,834,672</u>	<u>4,005,717</u>	<u>151,192</u>	<u>69,689,197</u>
Less accumulated depreciation				
Buildings and site improvements	39,384,816	2,946,781	-	42,331,597
Furniture and equipment	1,351,296	172,718	121,182	1,402,832
Total	<u>40,736,112</u>	<u>3,119,499</u>	<u>121,182</u>	<u>43,734,429</u>
Net Depreciable Assets	<u>25,098,560</u>	<u>886,218</u>	<u>30,010</u>	<u>25,954,768</u>
Total capital assets, net	<u>\$ 28,983,087</u>	<u>\$ 5,537,955</u>	<u>\$ 3,665,724</u>	<u>\$ 30,855,318</u>

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

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

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

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

The Housing Authority's contributions were calculated using the base salary amount of \$2,461,514. The members' contributions were \$8,051 for the year ended June 30, 2009. The Housing Authority made the required contributions of \$352,706 for the year ended June 30, 2009.

NOTE 6 - ACCOUNTS PAYABLE The payables at June 30, 2009, are as follows:

	General	Tenant-Based Section 8	Other Enterprise	Homeownership	Total
Vendors	\$ 286,676	\$ 19,894	\$ -	\$ 16,600	\$ 323,170
HUD	-	17,729	-	-	17,729
Contract Retentions	72,000	-	126,820	-	198,820
Total	<u>\$ 358,676</u>	<u>\$ 37,623</u>	<u>\$ 126,820</u>	<u>\$ 16,600</u>	<u>\$ 539,719</u>

NOTE 7 - ACCRUED LIABILITIES The accrued liabilities at June 30, 2009, are as follows:

	General	Tenant Based Section 8	Total
Payments in lieu of taxes	\$ 280,914	\$ -	\$ 280,914
Salaries and benefits	96,963	16,043	113,006
Total	<u>\$ 377,877</u>	<u>\$ 16,043</u>	<u>\$ 393,920</u>

NOTE 8 - COMPENSATED ABSENCES At June 30, 2009, employees of the Housing Authority have accumulated and vested \$1,402,500 of employee leave benefits, including \$99,667 of salary related benefits which was computed in accordance with GASB Codification Section C60. In the past the liability has been liquidated by the General fund and Tenant Based Section 8 fund.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

NOTE 9 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2009:

	<u>Compensated Absences</u>
Beginning Balance	\$ 1,196,788
Additions	586,801
Deletions	381,089
Ending Balance	<u>\$ 1,402,500</u>
Amounts Due Within One Year	<u>\$ 586,801</u>

NOTE 10 - INTERFUND TRANSACTIONS

Interfund receivables/payables at June 30, 2009, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
Other Enterprise	\$ 140,517	Other Enterprise	\$ 140,517

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

Interfund transfers in/out at June 30, 2009, are as follows:

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Enterprise	\$ 129,441	Other Enterprise	\$ 129,441

The purpose of the interfund transfer was to close the section 8 new construction fund to the management fee fund due to the contract expiration.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2009, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

Construction Projects There are certain construction projects in progress at June 30, 2009. These include modernizing rental units at practically all fourteen projects. These projects are being funded by HUD. Funds

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2009

are requested periodically as the cost is incurred. The capital fund 2008 and capital fund 2009 ARRA are currently open construction projects. The remaining grant amount outstanding at June 30, 2009 is \$1,899,025.

NOTE 12 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

NOTE 13 - ECONOMIC DEPENDENCE Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$15,049,813 to the Housing Authority, which represents approximately 76% of the Housing Authority's total revenue for the year.

NOTE 14 - INSURANCE PROCEEDS In fiscal year end June 30, 2009 the Housing Authority received \$117,365 for insurance proceeds for damage to a public housing unit which is classified as other income in the statement of revenues, expenses, and changes in fund net assets.

NOTE 15 - PRIOR PERIOD ADJUSTMENT Fiscal year end June 30, 2008 was the first year for the Department of Housing and Urban Development's project level reporting. Due to this implementation, the general fund charges management and bookkeeping fees to the section 8 fund. However, these fees were eliminated in error. This error caused the general fund's net assets to be understated and the section 8 fund's net assets to be overstated by \$31,577. Although the individual funds were reported incorrectly, the net effect on the government as a whole was zero.

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 five Section 202 Elderly Projects and four tax credit elderly properties.

SECTION 8 - NEW CONSTRUCTION Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and affordable 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, 2009**

Exhibit 1

	<u>MANAGEMENT FEES</u>	<u>SECTION 8 NEW CONSTRUCTION</u>	<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL NONMAJOR FUNDS</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 974,265	\$ 0	\$ 0	\$ 974,265
Investments	1,223,541	0	0	1,223,541
Accounts receivable, net	259,400	0	0	259,400
Interfund receivable	<u>140,517</u>	<u>0</u>	<u>0</u>	<u>140,517</u>
Total Current Assets	2,597,723	0	0	2,597,723
Buildings and equipment, net	<u>0</u>	<u>0</u>	<u>1,397,991</u>	<u>1,397,991</u>
Total Capital Assets (net)	<u>0</u>	<u>0</u>	<u>1,397,991</u>	<u>1,397,991</u>
TOTAL ASSETS	<u>2,597,723</u>	<u>0</u>	<u>1,397,991</u>	<u>3,995,714</u>
LIABILITIES				
Current liabilities				
Accounts payable	0	0	126,820	126,820
Interfund payable	<u>0</u>	<u>0</u>	<u>140,517</u>	<u>140,517</u>
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>267,337</u>	<u>267,337</u>
NET ASSETS				
Invested in capital assets	0	0	1,397,991	1,397,991
Unrestricted	<u>2,597,723</u>	<u>0</u>	<u>(267,337)</u>	<u>2,330,386</u>
Total Net Assets	<u>2,597,723</u>	<u>0</u>	<u>1,130,654</u>	<u>3,728,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,597,723</u>	<u>\$ 0</u>	<u>\$ 1,397,991</u>	<u>\$ 3,995,714</u>

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, 2009

Exhibit 2

	MANAGEMENT FEES	SECTION 8 NEW CONSTRUCTION	MONROE HOUSING FACILITIES	TOTAL NONMAJOR FUNDS
OPERATING REVENUES				
Other	\$ 290,059	\$ 0	\$ 2,870	\$ 292,929
Total operating revenues	290,059	0	2,870	292,929
OPERATING EXPENSES				
Administration	36,680	0	942	37,622
Tenant services	30,607	0	0	30,607
Utilities	0	0	112	112
Ordinary maintenance & operations	135	0	23,593	23,728
General expenses	10,000	0	0	10,000
Depreciation expense	0	0	48,373	48,373
Total operating expenses	77,422	0	73,020	150,442
Income (loss) from Operations	212,637	0	(70,150)	142,487
Nonoperating revenues (expenses)				
Investment earnings and gains/losses	131,641	0	15,468	147,109
Total nonoperating revenues (expenses)	131,641	0	15,468	147,109
NET INCOME (Loss) before				
Contributions and transfers	344,278	0	(54,682)	289,596
Transfers in	129,441	0	0	129,441
Transfers out	0	(129,441)	0	(129,441)
Total transfers	129,441	(129,441)	0	0
Change in net assets	473,719	(129,441)	(54,682)	289,596
NET ASSETS AT BEGINNING OF YEAR	2,124,004	129,441	1,185,336	3,438,781
NET ASSETS AT END OF YEAR	\$ 2,597,723	\$ 0	\$ 1,130,654	\$ 3,728,377

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2009**

Exhibit 3

	<u>MANAGEMENT</u>	<u>SECTION 8 NEW</u>	<u>MONROE HOUSING</u>	<u>TOTAL NONMAJOR</u>
	<u>FEES</u>	<u>CONSTRUCTION</u>	<u>FACILITIES</u>	<u>FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Other receipts	\$ 161,945	\$ 0	\$ 193,514	\$ 355,459
Payments to vendors	(47,262)	0	(22,845)	(70,107)
Payments to employees	(20,160)	0	(1,802)	(21,962)
Payments to others	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>(10,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>84,523</u>	<u>0</u>	<u>168,867</u>	<u>253,390</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to/from other funds	<u>129,441</u>	<u>(129,441)</u>	<u>0</u>	<u>0</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>129,441</u>	<u>(129,441)</u>	<u>0</u>	<u>0</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	<u>0</u>	<u>0</u>	<u>(1,286,165)</u>	<u>(1,286,165)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>(1,286,165)</u>	<u>(1,286,165)</u>
 CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	393,548	112,287	896,643	1,402,476
Investment earnings and gains/losses	<u>131,641</u>	<u>0</u>	<u>15,468</u>	<u>147,109</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>525,187</u>	<u>112,287</u>	<u>912,111</u>	<u>1,549,585</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	739,151	(17,154)	(205,187)	516,810
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	<u>235,114</u>	<u>17,154</u>	<u>205,187</u>	<u>457,455</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR				
	<u>\$ 974,265</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 974,265</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2009**

Exhibit 3

	<u>MANAGEMENT</u>	<u>SECTION 8</u>	<u>MONROE</u>	<u>TOTAL</u>
	<u>FEES</u>	<u>NEW</u>	<u>HOUSING</u>	<u>NONMAJOR</u>
	<u>CONSTRUCTION</u>	<u>FACILITIES</u>	<u>FUNDS</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Operating income (loss)	\$ 212,637	\$ 0	\$ (70,150)	\$ 142,487
Adjustments to reconcile operating income				
to net cash provided (used) by operating				
activities:				
Depreciation expense	0	0	48,373	48,373
Change in assets and liabilities:				
Receivables, net	12,403	0	0	12,403
Interfund receivables	(140,517)	0	0	(140,517)
Accounts payables	0	0	54,570	54,570
Interfund payables	0	0	136,074	136,074
	<u>0</u>	<u>0</u>	<u>136,074</u>	<u>136,074</u>
 NET CASH PROVIDED (USED) BY OPERATING				
ACTIVITIES	<u>\$ 84,523</u>	<u>\$ 0</u>	<u>\$ 168,867</u>	<u>\$ 253,390</u>

(CONCLUDED)

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2008**

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
Financial Data Schedule - Balance Sheet
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
111 Cash - Unrestricted	2,425,708	974,265		488,227	200,704	
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted					525,379	
114 Cash - Tenant Security Deposits	190,843					
115 Cash - Restricted for Payment of Current Liabilities					106,183	
100 Total Cash	2,616,551	974,265	-	488,227	832,266	-
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government				30,249		
125 Accounts Receivable - Miscellaneous		259,400			26,600	
126 Accounts Receivable - Tenants	38,669					
126.1 Allowance for Doubtful Accounts - Tenants	(2,944)					
126.2 Allowance for Doubtful Accounts - Other		-		(15,125)	-	
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery	19,887					
128.1 Allowance for Doubtful Accounts - Fraud	(17,898)					
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	37,714	259,400	-	15,124	26,600	-
131 Investments - Unrestricted	2,000,000	1,223,541			264,104	
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets					5,645	
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From		140,517			560	95,594
145 Assets Held for Sale						
150 Total Current Assets	4,654,265	2,597,723	-	503,351	1,129,175	95,594

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
						4,088,904		4,088,904
						525,379		525,379
						190,843		190,843
						106,183		106,183
						4,911,309		4,911,309
27,431	26,046	766,740				820,217		820,217
					122,301	152,550		152,550
						286,000		286,000
						38,669		38,669
						(2,944)		(2,944)
						(15,125)		(15,125)
						19,887		19,887
						(17,898)		(17,898)
27,431	26,046	766,740	-	-	122,301	1,281,356	-	1,281,356
					4,440,641	7,928,286		7,928,286
					288,286	293,931		293,931
					23,658	23,658		23,658
	243,105			16,954		496,730		496,730
27,431	269,151	766,740	-	16,954	4,874,886	14,935,270	-	14,935,270
								(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
161 Land	2,006,932					
162 Buildings	66,131,633	1,436,834				
163 Furniture, Equipment & Machinery - Dwellings	902,549					
164 Furniture, Equipment & Machinery - Administration	637,867	17,965			171,697	
165 Leasehold Improvements						
166 Accumulated Depreciation	(43,369,691)	(56,808)			(98,796)	
167 Construction in Progress	2,893,618					
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	29,202,908	1,397,991	-	-	72,901	-
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	29,202,908	1,397,991	-	-	72,901	-
190 Total Assets	33,857,173	3,995,714	-	503,351	1,202,076	95,594

**Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14,182	6	14,871	97,109
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	32,614	126,820		16,600	19,894	
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	51,793				16,043	
322 Accrued Compensated Absences - Current Portion	105,264				63,815	
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						17,729
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	280,914					
341 Tenant Security Deposits	190,843					
342 Deferred Revenues	74,465				153	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities					106,183	
346 Accrued Liabilities - Other						
347 Inter Program - Due To		140,517			355,653	
348 Loan Liability - Current						
310 Total Current Liabilities	735,893	267,337	-	16,600	561,741	17,729
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	266,141				65,558	
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	266,141	-	-	-	65,558	-
300 Total Liabilities	1,002,034	267,337	-	16,600	627,299	17,729

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
		459,834			28,922	488,756		488,756
		306,206			19,856	521,990		521,990
					45,170	113,006		113,006
					417,722	586,801		586,801
						17,729		17,729
						280,914		280,914
						190,843		190,843
		700				75,318		75,318
						106,183		106,183
560						496,730		496,730
560	-	766,740	-	-	511,670	2,878,270	-	2,878,270
					484,000	815,699		815,699
					484,000	815,699	-	815,699
560	-	766,740	-	-	995,670	3,693,969	-	3,693,969

(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
508.1 Invested In Capital Assets, Net of Related Debt	29,202,908	1,397,991	-	-	72,901	-
509.2 Fund Balance Reserved						
511.2 Unreserved, Designated Fund Balance						
511.1 Restricted Net Assets	-	-	-	-	525,379	-
512.1 Unrestricted Net Assets	3,652,231	2,330,386	-	486,751	(23,503)	77,865
512.2 Unreserved, Undesignated Fund Balance						
513 Total Equity/Net Assets	32,855,139	3,728,377	-	486,751	574,777	77,865
600 Total Liabilities and Equity/Net Assets	33,857,173	3,995,714	-	503,351	1,202,076	95,594

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	BLIM	Total
-	-	-	-	-	181,518	30,855,318	-	30,855,318
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	525,379	-	525,379
26,871	269,151	-	-	16,954	3,879,216	10,715,922	-	10,715,922
26,871	269,151	-	-	16,954	4,060,734	42,096,619	-	42,096,619
27,431	269,151	766,740	-	16,954	5,056,404	45,790,588	-	45,790,588
								(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
70300 Net Tenant Rental Revenue	3,172,559					
70400 Tenant Revenue - Other	39,420					
70500 Total Tenant Revenue	3,211,979	-	-	-	-	-
70600 HUD PHA Operating Grants	4,659,270				6,363,303	41,853
70610 Capital Grants	2,611,450					
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants				500		
71100 Investment Income - Unrestricted	-	147,109		1,852	53,032	
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of						
71310 Cost of Sale of Assets						
71400 Fraud Recovery	60,068				12,968	
71500 Other Revenue	593,786	292,929		30,254		
71600 Gain or Loss on Sale of Capital	(12,029)					
72000 Investment Income - Restricted						
70000 Total Revenue	11,124,524	440,038	-	32,606	6,429,303	41,853

Exhibit 5

14.DVP	14.IKB	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
						3,172,559		3,172,559
						39,420		39,420
						3,211,979		3,211,979
33,416	334,400	134,606	15,864			11,582,712		11,582,712
		772,087				3,383,537		3,383,537
					841,638	841,638	(666,358)	175,280
					182,140	182,140	(127,688)	54,452
					215,327	215,327	(182,140)	33,187
					566,313	566,313	(566,313)	-
					1,805,418	1,805,418	(1,542,499)	262,919
				83,564		84,064		84,064
					59,931	261,924		261,924
						73,036		73,036
					80,247	997,216		997,216
					6,262	(5,767)		(5,767)
33,416	334,400	906,693	15,864	83,564	1,951,858	21,394,119	(1,542,499)	19,851,620

(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
91100 Administrative Salaries	393,988	20,160			244,063	
91200 Auditing Fees	12,655				11,100	
91300 Management Fee	670,761					
91310 Book-keeping Fee	127,688				87,640	
91400 Advertising and Marketing	5,920	642			418	
91500 Employee Benefit contributions - Administrative	166,997	4,364			111,687	
91600 Office Expenses	64,269	58			52,575	
91700 Legal Expense	896	600			75	
91800 Travel	4,665	150			3,430	
91810 Allocated Overhead						
91900 Other	343,060	11,648		167	35,094	
91000 Total Operating - Administrative	1,790,899	37,622	-	167	546,082	-
92000 Asset Management Fee	182,140				175,280	
92100 Tenant Services - Salaries						
92200 Relocation Costs	66,300					
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	37,196	30,607				
92500 Total Tenant Services	103,496	30,607	-	-	-	-
93100 Water	14,113	24				
93200 Electricity	309,312	67				
93300 Gas	73,311					
93400 Fuel						
93500 Labor						
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	5,923	21				
93000 Total Utilities	402,659	112	-	-	-	-

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
		13,359			315,724	987,294		987,294
					5,645	29,400		29,400
						670,761	(666,358)	4,403
						215,328	(182,140)	33,188
					1,272	8,252		8,252
		4,918			220,772	508,738		508,738
					92,434	209,336		209,336
					2,923	4,494		4,494
					23,253	31,498		31,498
		40,879			65,036	495,884		495,884
-	-	59,156	-	-	727,059	3,160,985	(848,498)	2,312,487
						357,420	(127,688)	229,732
		75,450				141,750		141,750
			15,864			83,667		83,667
-	-	75,450	15,864	-	-	225,417	-	225,417
					315	14,452		14,452
					5,185	314,564		314,564
					1,830	75,141		75,141
					247	6,191		6,191
-	-	-	-	-	7,577	410,348	-	410,348
								(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
94100 Ordinary Maintenance and	558,342	1,802				
94200 Ordinary Maintenance and	444,602	1,006			5,509	
94300 Ordinary Maintenance and	1,281,526	20,088			12,848	
94500 Employee Benefit Contributions - Ordinary Maintenance	216,608	832				
94000 Total Maintenance	2,501,078	23,728	-	-	18,357	-
95100 Protective Services - Labor	65,809					
95200 Protective Services - Other						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	65,809	-	-	-	-	-
96110 Property Insurance	172,701				3,796	
96120 Liability Insurance	121,301					
96130 Workmen's Compensation	28,066				8,331	
96140 All Other Insurance						
96100 Total insurance Premiums	322,068	-	-	-	12,127	-
96200 Other General Expenses		10,000		22,294		
96210 Compensated Absences	105,264				63,815	
96300 Payments in Lieu of Taxes	280,913					
96400 Bad debt - Tenant Rents	148,544					
96500 Bad debt - Mortgages						
96600 Bad debt - Other				15,125		
96800 Severance Expense						
96000 Total Other General Expenses	534,721	10,000	-	37,419	63,815	-
96710 Interest of Mortgage (or Bonds)						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and	-	-	-	-	-	-
96900 Total Operating Expenses	5,902,870	102,069	-	37,586	815,661	-

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
					270,573	830,717		830,717
					38,879	489,996		489,996
					9,374	1,323,836	(566,313)	757,523
					95,669	313,109		313,109
-	-	-	-	-	414,495	2,957,658	(566,313)	2,391,345
						65,809		65,809
-	-	-	-	-	-	65,809	-	65,809
					14,233	190,730		190,730
					8,006	129,307		129,307
					27,710	64,107		64,107
-	-	-	-	-	49,949	384,144	-	384,144
						32,294		32,294
					417,722	586,801		586,801
						280,913		280,913
						148,544		148,544
						15,125		15,125
-	-	-	-	-	417,722	1,063,677	-	1,063,677
-	-	-	-	-	-	-	-	-
-	-	134,606	15,864	-	1,616,802	8,625,458	(1,542,499)	7,082,959

(CONTINUED)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2009

LA006

	Project Total	1	14.182	6	14.871	97.109
97000 Excess of Operating Revenue over Operating Expenses	5,221,654	337,969	-	(4,980)	5,613,642	41,853
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized	45,717					
97300 Housing Assistance Payments					6,029,014	68,600
97350 HAP Portability-In						
97400 Depreciation Expense	3,026,945	48,373			15,502	
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	8,975,532	150,442	-	37,586	6,860,177	68,600
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer						
10092 Inter Project Excess Cash Transfer						
10093 Transfers between Program and Project - In	2,295,264					
10094 Transfers between Project and Program - Out	(2,295,264)					
10100 Total Other financing Sources	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	2,148,992	289,596	-	(4,980)	(430,874)	(26,747)

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
33,416	334,400	772,087	-	83,564	335,056	12,768,661	-	12,768,661
						45,717		45,717
9,743	65,249			77,374		6,249,980		6,249,980
					28,679	3,119,499		3,119,499
9,743	65,249	134,606	15,864	77,374	1,645,481	18,040,654	(1,542,499)	16,498,155
						2,295,264		2,295,264
						(2,295,264)		(2,295,264)
-	-	-	-	-	-	-	-	-
23,673	269,151	772,087	-	6,190	306,377	3,353,465	-	3,353,465

(CONTINUED)

**Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2009**

LA006

	Project Total	1	14.182	6	14.871	97.109
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-
11030 Beginning Equity	29,934,060	3,309,340	129,441	491,731	1,005,651	104,612
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	772,087	129,441	(129,441)	-	-	-
11050 Changes in Compensated Absence						
11060 Changes in Contingent Liability						
11070 Changes in Unrecognized Pension						
11080 Changes in Special						
11090 Changes in Allowance for						
11100 Changes in Allowance for						
11170 Administrative Fee Equity					49,398	
11180 Housing Assistance Payments Equity					525,379	
11190 Unit Months Available	18,216	-	-	-	17,700	157
11210 Number of Unit Months Leased	17,025	-	-	-	17,528	157
11270 Excess Cash	1,458,545					
11610 Land Purchases	-					
11620 Building Purchases	3,383,538					
11630 Furniture & Equipment - Dwelling Purchases	79,247					
11640 Furniture & Equipment - Administrative Purchases	173,953					
11650 Leasehold Improvements	-					
11660 Infrastructure Purchases	-					
13510 CFFP Debt Service Payments	-					
13901 Replacement Housing Factor	-					

Exhibit 5

14.DVP	14.IKE	14.885	14.870	14.238	COCC	Subtotal	ELIM	Total
-	-	-	-	-	-	-	-	-
3,198	-	-	-	10,764	3,754,357	38,743,154	-	38,743,154
-	-	(772,087)	-	-	-	-	-	-
						49,398		49,398
						525,379		525,379
34	90	-	-	262	-	36,459	-	36,459
34	90	-	-	262	-	35,096	-	35,096
						1,458,545		1,458,545
						-		-
						3,383,538		3,383,538
						79,247		79,247
					67,972	241,925		241,925
					-	-		-
					-	-		-
					-	-		-
					-	-		-
								(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE
June 30, 2009

Exhibit 6

1. The actual Capital Fund costs is as follows:

	PROJECT
	<u>LA-48P006501-07</u>
Funds Approved	\$ 2,645,628
Funds Expended	<u>2,645,628</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	2,645,628
Funds Expended	<u>2,645,628</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 July 24, 2009, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the Housing Authority's financial performance and well being has changed over time.

Net Assets by Component
Changes in Net Assets

	Table Number	Page Number
1	1	60
2	2	61

Revenue Capacity

This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.

General Fund Revenues by Source

3	3	62
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Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.

Tenant Demographics
Demographic and Economic Statistics
Principal Employers

4	4	63
5	5	64
6	6	65

Operating Information

This schedule contains service and infrastructure data to help the reader understand how the information in the Housing Authority's financial report relates to the services the Housing Authority provides and the activities it performs.

Property Characteristics and Dwelling Unit Composition
Government Employees

7	7	66
8	8	67

Table 1

HOUSING AUTHORITY OF THE CITY OF MONROE

Net Assets by Component
 Fiscal Years Ended June 30, 2000 through June 30, 2009
 (Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Investment in capital assets, net of related debt	\$ 24,669,216	\$ 25,854,247	\$ 26,972,552	\$ 29,949,795	\$ 31,253,432	\$ 30,362,037	\$ 29,532,342	\$ 31,382,733	\$ 28,983,087	\$ 30,855,318
Restricted	0	168,000	0	6,068	0	854,531	881,322	924,004	1,025,137	525,379
Unrestricted	4,836,362	4,833,739	5,214,259	5,656,555	5,798,942	4,890,468	5,382,428	5,713,630	6,243,199	10,228,171
Total net assets	\$ 29,505,580	\$ 30,852,986	\$ 34,188,851	\$ 35,612,418	\$ 37,052,374	\$ 36,107,457	\$ 35,198,093	\$ 38,020,367	\$ 36,251,423	\$ 41,608,868

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

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Assets
Fiscal Years Ended June 30, 2000 through June 30, 2009
(Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues										
Dwelling rental	\$ 2,352,614	\$ 2,340,075	\$ 2,287,079	\$ 2,486,881	\$ 2,700,435	\$ 2,823,998	\$ 2,841,760	\$ 2,907,100	\$ 3,164,389	\$ 3,211,979
Other	391,456	370,554	348,811	448,266	452,648	678,279	572,762	634,857	802,952	1,302,917
Federal grants	6,707,318	6,592,828	6,555,787	9,325,504	8,668,888	8,141,550	6,927,213	9,425,662	10,750,048	11,889,276
Total operating revenues	9,451,389	9,303,456	11,191,677	12,259,651	11,851,891	11,644,227	12,341,735	12,967,619	14,717,386	16,181,172
Operating Expenses										
Administration	1,851,378	2,241,287	1,952,449	2,010,953	2,284,121	2,101,573	2,379,995	2,382,853	2,835,568	2,542,052
Tenant services	31,990	628,396	1,131,785	975,514	315,873	285,149	348,551	384,774	215,115	226,417
Utilities	252,397	375,917	272,370	348,220	367,349	374,904	428,884	398,921	433,830	410,348
Ordinary maintenance & operations	1,224,788	1,680,801	1,716,338	1,802,738	1,846,220	1,839,019	1,881,640	2,085,887	2,124,854	2,391,345
Protective services	423,330	54,035	310,812	321,708	160,231	56,888	61,372	80,550	88,711	85,809
General expenses	1,117,805	507,428	520,014	570,111	648,536	730,308	665,668	667,092	896,368	1,410,402
Housing assistance payments	4,426,126	4,487,506	5,559,039	5,780,292	6,176,395	6,081,456	6,180,218	6,039,930	6,020,187	6,249,980
Nonroutine maintenance	528,206	45,282	39,776	7,278	0	3,471	14,582	42,608	29,342	45,717
Depreciation	1,744,301	1,878,217	1,980,055	1,936,658	2,199,908	2,555,236	2,692,332	2,723,296	2,843,882	3,119,489
Total operating expenses	11,619,421	11,808,867	13,489,648	13,653,673	13,889,623	14,008,605	14,654,152	14,803,911	15,267,937	16,460,569
Income (Loss) from Operations	(2,168,032)	(2,505,412)	(2,297,971)	(1,594,022)	(2,146,642)	(2,384,378)	(2,312,417)	(1,936,292)	(550,551)	(279,397)
Nonoperating Revenues (Expenses)										
Investment earnings	250,680	300,405	265,686	240,946	128,127	17,966	236,936	338,999	451,495	260,072
Gain (loss) on sale of equipment	0	0	0	0	20,350	0	0	(1,003)	(5,767)	(5,767)
Total nonoperating revenues (expenses)	250,680	300,405	265,686	240,946	148,477	17,966	236,936	337,996	435,518	254,305
Net Income (Loss) before Contributions and Transfers	(1,917,352)	(2,305,007)	(2,032,285)	(1,353,076)	(1,998,165)	(2,366,512)	(2,075,481)	(1,598,296)	(115,035)	(25,092)
Capital Contributions	1,446,580	3,652,417	5,368,150	2,778,644	3,438,120	1,401,595	2,164,117	3,922,670	346,081	3,383,637
Special Items	0	0	0	0	0	0	0	(500,000)	0	0
Change in Net Assets	(470,772)	1,347,410	3,333,865	1,425,568	1,439,955	(944,917)	89,638	1,824,274	231,056	3,358,445

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

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 2000 Through 2009

Fiscal Year	Dwelling rentals		Federal sources		Interest earnings		Other (2)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
2000 (1)	\$ 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%	213,328	4.85%	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%	156,428	2.73%	302,381	5.28%	5,726,210	100%
2004	2,700,435	61.25%	1,318,716	29.81%	61,304	1.39%	328,164	7.44%	4,408,619	100%
2005	2,823,398	60.23%	1,377,018	29.38%	47,955	1.02%	439,042	9.37%	4,687,393	100%
2006	2,841,760	57.27%	1,676,316*	33.78%	140,648	2.83%	303,254	6.11%	4,961,978	100%
2007	2,807,100	49.54%	2,267,397	40.02%	218,595	3.86%	372,783	6.56%	5,665,875	100%
2008	\$ 3,164,386	41.37%	\$ 3,754,375	48.09%	\$ 182,351	2.36%	\$ 546,972	7.15%	\$ 7,648,084	100%
2009	\$ 3,211,979	35.38%	\$ 4,809,740	52.98%	\$ 59,931	0.66%	\$ 997,020	10.95%	\$ 9,078,670	100%

Notes:

- (1) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.
(2) The other amount column includes maintenance charges, late charges and other miscellaneous revenue.
(3) The federal sources do not include capital contributions.

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

Table 4

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 2000 Through 2009

Fiscal Year	General Fund			Section 8 Program			Total		
	Number of Units	Average occupied units	Occupied ratio	Number of units	Average occupied units	Occupied ratio	Number of Units	Average occupied units	Occupied ratio
2000	1,522	1,496	98.29%	1,246	1,213	97.35%	2,768	2,709	97.87%
2001	1,522	1,452	95.40%	1,297	1,276	98.38%	2,819	2,728	96.77%
2002	1,522	1,369	89.92%	1,488	1,434	96.37%	3,010	2,803	93.11%
2003	1,522	1,389	91.26%	1,490	1,438	96.51%	3,012	2,827	93.86%
2004	1,518	1,409	92.82%	1,469	1,457	99.16%	2,987	2,866	95.95%
2005	1,518	1,423	93.74%	1,491	1,425	95.57%	3,009	2,848	94.65%
2006	1,518	1,414	93.15%	1,471	1,404	95.45%	2,989	2,818	94.28%
2007	1,518	1,384	91.17%	1,469	1,401	95.37%	2,987	2,785	93.24%
2008	1,518	1,479	97.43%	1,510	1,498	99.21%	3,028	2,977	98.32%
2009	1,518	1,419	93.48%	1,520	1,506	99.08%	3,038	2,925	96.28%

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

Table 5

HOUSING AUTHORITY OF THE CITY OF MORNOE
Monroe, Louisiana
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2000	53,107	\$ 3,838,829	72	5.5 %
2001	52,147	4,041,979	78	6.0
2002	52,178	4,206,595	81	6.1
2003	52,023	4,286,735	82	7.7
2004	52,145	4,453,211	85	6.4
2005	51,914	4,687,014	90	6.4
2006	N/A	4,920,424	N/A	4.6
2007	51,555	5,092,604	99	5.6
2008	N/A	5,264,784	N/A	5.4
2009	51,208	5,610,656	110	9.0

Sources:

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

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

Principal Employers

	2009			2008		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
St. Francis Medical Center	1	2,500	3.09%	2	1,600	1.98%
J.P. Morgan Chase	2	1,800	2.22%	1	1,800	2.22%
Century Link (formerly known as CenturyTel)	3	1,360	1.68%	4	1,470	1.82%
Foster Farms	4	1,100	1.36%			
Graphic Packaging	5	1,100	1.36%	3	1,500	1.85%
Glenwood Regional Medical Center	6	900	1.11%	5	950	1.17%
Entergy	7	470	0.58%	7	470	0.58%
Accent Marketing	8	470	0.58%			
Bancroft Bag	9	400	0.49%	8	450	0.56%
Berry Plastics Corporation	10	360	0.44%			
International Paper (Morehouse Parish)				6	600	0.74%
Tycoo Plastics, Inc				9	420	0.52%
ANGUS Chemical Company				10	150	0.19%

Source: Monroe Chamber of Commerce

Notes:

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

Table 7

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition
June 30, 2009

Project Number	Name of Development	Address	Year built or acquired	Bedroom Composition					Total
				Zero	One	Two	Three	Four	
LA006-001	George Breece Manor	308 Winstboro Road	31-Oct-51	10	20	15	5		50
LA006-002	Johnson-Carver Terrace	Texas Ave. (31 Carroll Dr.)	31-Mar-52	18	28	24	6		76
LA006-003	Johnson-Carver Terrace	Texas Ave. (31 Camell Dr.)	31-Aug-52	20	59	32	14		125
LA006-004	Louis Lock Homes	306 Winstboro Road	31-Aug-52	16	46	28	10		100
LA006-005	Foster Heights	Swayze and Louberia Sts.	30-Sep-54	8	89	72	6		175
LA006-006	Burg Jones Lane	2601 Burg Jones Lane	30-Jun-73	10	80	121	69	20	300
LA006-007	Scattered Sites	Scattered Sites	31-Jul-71			20	20	9	49
LA006-008	Scattered Sites	Scattered Sites	28-Feb-72			39	38	19	96
LA006-009	Robinson Place	1207 Miliken Drive	30-Sep-73			41	41	21	103
LA006-010	Miller Square	4200 Matthew Street	30-Apr-73			60	62	30	152
LA006-011	Frances Tower	300 Harrison Street	31-Aug-73		130				130
LA006-012	Standifer Homes (scattered sites)	Scattered Sites	31-Mar-80			28	8		36
LA006-013	McKeen Plaza I	1500 McKeen Place	31-Jan-80		100				100
LA006-014	Group Homes (scattered sites)	Scattered Sites	31-Aug-84	30					30
Total Units				342	350	460	271	99	1,522
Managed Units									
064-EH150	Quachita Grand Plaza, Inc. (Mgr. Apt.)	501 South Grand	15-Jun-88	21	70				91
064-EE037	Passman Plaza, Inc. (Mgr. Apt.)	230 DeSiard Plaza Dr., #101-141	1-Nov-86	40	1				41
064-EE050	Passman Plaza II, Inc.	230 DeSiard Plaza Dr.	1-Nov-88	39					39
Tax Credit Dev.	Passman Plaza III, Inc.	235 Lake Passman Dr.	1-Mar-08		60				60
Tax Credit Dev.	Claiborne Creek Apartments, LP	200 Claiborne Dr., West Monroe	1-Oct-97	72					72
Tax Credit Dev.	Claiborne Creek II, LP	200 Claiborne Dr., West Monroe	1-Oct-99	80	12				72
Tax Credit Dev.	Chauvin Pointe I	325 Chauvin Pointe Drive, Monroe	1-Nov-01	24	50				74
Tax Credit Dev.	Chauvin Pointe II	325 Chauvin Pointe Drive, Monroe	1-Apr-04	65					65
064-EE100	South Pointe I (Mgr. Apt.)	100 South Pointe Drive, Monroe	1-May-02	36	1				37
064-EE137	South Pointe II	100 South Pointe Drive, Monroe	1-Jun-04	44					44
Total Managed Units				21	450	124	0	0	595

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

Table 8

HOUSING AUTHORITY OF THE CITY OF MONROE
 Monroe, Louisiana

Government Employees

	2009			2008		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	37	7	44	35	6	41
Capital Fund	3	1	4	3	0	3
Maintenance	27	6	33	25	5	30
Security Attendants	0	15	15	0	16	16
Trash Pick-Up	0	5	5	0	4	4
Students	0	9	9	0	10	10
	67	43	110	63	41	104

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

Notes:

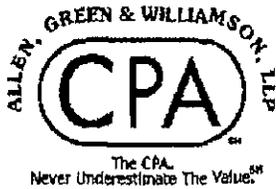
(1) Information on number of employees was only available for two years.

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

**Single Audit Report
For the Year Ended June 30, 2009**

Housing Authority of the City of Monroe
Table of Contents

	<u>Page</u>
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	1-2
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>	3-4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-11
Summary Schedule of Prior Audit Findings	12
Corrective Action Plan for Current-Year Findings and Questioned Costs	13-16
Status of Prior Year Management Letter Items	17



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Quint Martin, CPA
Brian McBride, CPA
Cindy Thomason, CPA
Angie Williamson, CPA

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

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

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

We have audited the financial statements of the 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, 2009, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

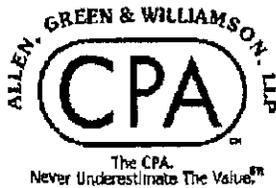
As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2009



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

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

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 09-F1, 09-F2, and 09-F3.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 09-F1, 09-F2, 09-F3, and 09-F4 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control. We did not consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of 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, 2009, and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2009

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs			
Low Rent Public Housing	14.850a	LA006(OFND)	\$ 4,277,492
Resident Opportunity and Support Services	14.870	LA006REF018A004	15,864
Section 8 Housing Choice Voucher Program	14.871	LA006VO, LA006AF, LA006FS	6,363,303
Disaster Voucher Program	14.DVP	LA006DH, LA006DI,	33,416
Shelter Plus Care	14.238	N/A	83,564
Capital Fund Cluster:			
Public Housing Capital Fund Program	14.872	LA48P006501-07, LA48P006501-08	2,993,228
Public Housing Capital Fund Stimulus (Formula) (Recovery Act Funded)	14.885	LA48S006501-09	<u>906,693</u>
Total Capital Fund Cluster			3,899,921
United States Department of Homeland Security			
Passed through United States Department of Housing and Urban Development			
Disaster Housing Assistance Grant (DHAP)	97.109	LA006F1, LA006F2, LA006FE, LA006IE, LA006I1, LA006I4, LA006I5, LA006I2	376,253
Total Cash Federal Awards			<u>\$ 15,049,813</u>

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

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

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

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

Federal Sources

Federal grants	\$11,666,276
Capital contributions	<u>3,383,537</u>
Total	<u>\$15,049,813</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, 2009**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were four significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed three audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA# 14.871 Section 8 Housing Choice Vouchers
 - CFDA# 97.109 Disaster Housing Assistance Grant

 - Capital Fund Cluster:
 - CFDA# 14.872 Public Housing Capital Fund Program
 - CFDA# 14.885 Public Housing Capital Fund Stimulus (Formula) (Recovery Act Funded)
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$451,494.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

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

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

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

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

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

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

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

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

Possible asserted effect (cause effect):

Cause: Changes in personnel are a contributing factor and lack of quality control procedures are possible causes to the finding on test of resident files.

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

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

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

Recommendations to prevent future occurrences: Employees within the Section 8 department should receive training on the requirements of Form 50058. The employees should be aware of the documentation that is required to be on file. The Housing Authority should have quality control procedures in place to detect and implement strengthen weaknesses within the tenant files.

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

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

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

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

Possible asserted effect (cause effect):

Cause: The Housing Authority was unaware of the reporting requirements concerning HUD Form 60002.

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

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure all required reports are completed properly and submitted timely to HUD.

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

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

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

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

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

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

Possible asserted effect (cause effect):

Cause: The Housing Authority did not monitor the requests and deposits for the capital fund program to ensure that the monies they are requesting are spent during the three day requirement.

Effect: The Housing Authority did not meet all federal requirements related to cash management.

Recommendations to prevent future occurrences: The Housing Authority should establish quality control procedures to ensure that monies drawn down agree to the invoices needed to be paid and should establish procedures to ensure payments are made within three days of receipt of funds.

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

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

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

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

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

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

Possible asserted effect (cause effect):

Cause: The Housing Authority was not aware of the guidelines for the Buy American provision of the American Recovery and Reinvestment Act of 2009.

Effect: The Housing Authority may not have met federal guidelines to ensure stimulus money was being spent on products manufactured in the United States of America.

Recommendations to prevent future occurrences: The Housing Authority should require a certificate in every bid package where federal stimulus money are being used to fund capital projects to require the vendor to certify that the Buy American provisions will be met. Once guidance is released, the Housing Authority should take steps to ensure controls are in place immediately.

**Housing Authority of the City of Monroe
Summary Schedule of Prior Audit Findings
June 30, 2009**

Reference # and title: 08-F1 Test of Resident Files

Origination Date: This finding originated in fiscal year 2005.

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers	14.871	2008

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

Section 8 Vouchers files: Forty resident files were tested for various attributes. The following exceptions were noted in testing form 50058:

- 7 instances were noted in which the date of last passed HQS inspection on 50058 does not agree with date on the inspection form.
- 13 instances were noted in which the date of last annual HQS inspection on 50058 does not agree with the date on inspection form.
- 6 instances were noted in which the food stamp income was verified but not included on the 50058.
- 2 instances were noted in which the food stamp income was reported on 50058 but not verified by third party.
- 2 instances were noted in which the social security number on the 50058 does not agree to supporting documentation.
- 2 instances were noted in which the date of birth did not agree to the supporting documentation.

Corrective action planned: See corrective action for current year finding 09-F1.

Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2009

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

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

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

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

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

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

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

Corrective action planned: Errors have been cut dramatically over the past year, however we see the need for continuing education on the importance of verifying tenant information. Ongoing training and diligence should help to keep errors to a minimum.

Person responsible for corrective action:

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

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

**Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2009**

Anticipated completion date: Immediately.

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

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

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

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

Corrective action planned: In the past, there hadn't been a particular person assigned to make sure that this form was submitted. This is now one of the specific duties assigned to a person in the accounting staff.

Person responsible for corrective action:

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

Anticipated completion date: Immediately.

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

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

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

**Housing Authority of the City of Monroe
 Corrective Action Plan for the Current-Year Findings and Questioned Costs
 For the Year Ended June 30, 2009**

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

Corrective action planned: In February 2009 I over-requested the 2008 CFP. It was a typing error when I completed the LOCCS Request Form. The documentation was attached with the proper amount that should have been requested.

This error was discovered in August 2009. We were in the process of several renovation/improvement contracts in order to close out this grant. It was decided that the expenses were there to offset the error so I did not request any more funds.

Since that time, it was discovered that the error was made on account #1460, but the expenses were for other acct. lines.

I discussed this error with Linda Drake, HUD New Orleans. She stated that I needed to wire the over-request back to HUD and request the funds under the correct account #.

In order to prevent this from happening again, Marianne will review all LOCCS request before they go to accounting. In addition, Janet will review request form with attached backup to verify amounts.

Person responsible for corrective action:

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

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

Anticipated completion date: Immediately.

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

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

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

Housing Authority of the City of Monroe
Corrective Action Plan for the Current-Year Findings and Questioned Costs
For the Year Ended June 30, 2009

guidance on the Buy American requirement.

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

Corrective action planned: MHA was notified of the ARRA Funds in February 2009. We were shovel ready for a contract for Miller Square. MHA immediately advertised and awarded a contract.

Regulations concerning "Buy American" were issued in June, at this time we had two contracts in place. Another contract was already advertised at this point, (signed contract in July, 2009).

A second regulation, PHA-2009-31 concerning "Buy American" was issued in August. At this time, we developed our Implementation Guidance based on the ARRA regulations.

All contractors have submitted documentation certifying their compliance with the ARRA "Buy American" Guidelines.

We now have in place all required procedures for future contracts.

Person responsible for corrective action:

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

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

Anticipated completion date: Immediately.

Housing Authority of City of Monroe
Status of Prior Year Management Letter Items
June 30, 2009

08-M1

Late Filing of Audit Report with the Legislative Auditor's Office

Comment: The Housing Authority is required by state law to file the audit report with the Legislative Auditor within 6 months of year end. Due to delays in submitting the unaudited financial data schedule with the Real Estate Assessment Center (REAC) the report could not be submitted within the six month deadline.

Management's action taken: The public housing submitted the June 30, 2009 audit report by the required date.

08-M2

Late Deposits of Rental Receipts

Comment: A sample of forty rental receipts was selected for testing of several attributes including timely deposit. Six of the forty receipts were not deposited timely. Timely for purposes of this test was considered to be three business days. Some of these deposits were held for longer than a week before the deposit was taken to the bank.

Management's action taken: All deposits were made timely. This item is considered cleared.