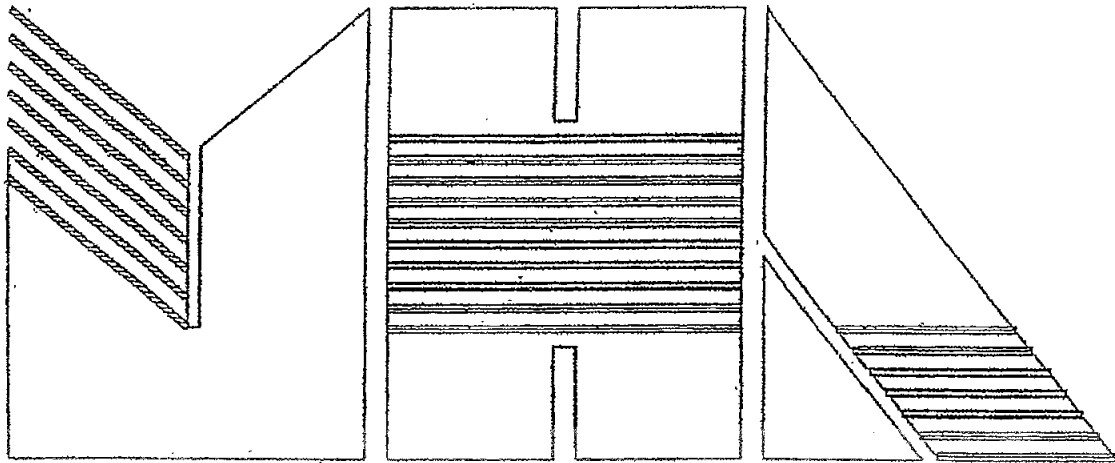


Housing Authority of the City of Monroe

Monroe, Louisiana



Comprehensive Annual Financial Report

As Of And For the Year Ended June 30, 2017

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

Comprehensive Annual Financial Report

As of And For the Year Ended June 30, 2017

**Frank L. Wilcox
Executive Director**

**Janet Sanderford
Administrative Director**

Prepared by the Accounting Department

Housing Authority of the City of Monroe

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Housing Authority of the City of Monroe

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INTRODUCTORY SECTION



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

March 5, 2018

Hal Hinchliffe, Chairman
and Members of the Board
Housing Authority of the City of Monroe
Monroe, Louisiana

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 2017, 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 and basic financial statements. Various statements are also used to demonstrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.
- (3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Housing Authority for the past ten years.

The Housing Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

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

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

The governing body of the Housing Authority is its Board of Commissioners ("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.

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 Performance" from the Department of Housing and Urban Development. This result of a dedicated caring staff and management's decision to set a High Performance rating as one of their highest goals.

On March 9, 2016, our area was hit with historic flooding that affected 251 of our homes and offices. During the 2017 fiscal year, we completed all repairs associated with flood remediation for a total cost of almost \$2.3 million. Kitchen and bath renovations of \$1.4 million were completed at our Foster Heights community with funds from our Capital Fund. We will be looking at spending \$2.5 million, also from our Capital Fund, in the upcoming year for kitchen and bath renovations at our Robinson Place and Locke-Breece communities.



The Housing Authority has rental assistance programs that were created under Section 8 of the 1974 Federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe. The Department of Housing & Urban Development assesses Section 8 programs thru its SEMAP assessment. The last available score posted for Monroe Housing Authority was 97.



The Housing Authority now manages a total of 6 Section 202 properties consisting of a total of 286 units of elderly housing. The Housing Authority also manages 5 tax credit properties with a total of 335 units also for elderly housing. We also manage 16 units specifically designed for handicapped families. We plan to add 50 tax credit, mixed finance, new construction single family homes within the Robinson Place community with an estimated cost of \$9 million. We also have been awarded \$3.4 million on flood recovery CDBG funds to develop 23 3-bedroom, 2 bath single family homes in the 3rd and 4th street area as part of the neighborhood revitalization.



Seniors – Through partnership with the Ouachita Council on Aging, Senior Care Services, ULM, LSU AgCenter, and numerous health care and fitness organizations, MHA continues to provide our resident seniors with programs and supportive services designed to allow them to age in place with dignity and respect.

Residents – MHA continues to provide HiSet (GED) training and testing, career training, and job readiness skills services for our adult residents through partnerships with Delta Community College, ULM, Opportunities Industrialization Center of Ouachita (OIC), Job Skills Institute, and NOVA Workforce Institute of Northeast Louisiana.

Children – Through partnerships with the Children’s Coalition of Northeast Louisiana, CenturyLink, YMCA, and OIC, Monroe Housing Authority continues to provide early childhood educational opportunities and child care services to our resident children and families.

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

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

the valuation of costs and benefits requires estimates and judgments by management. We believe the Housing Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations.

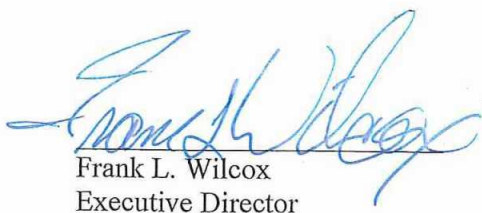
G. Budgetary Controls In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. Revisions to the budget enacted require Housing Authority approval. As demonstrated by the statements and schedules included in the financial section of this report, the Housing Authority continues to meet its responsibility for sound financial management.

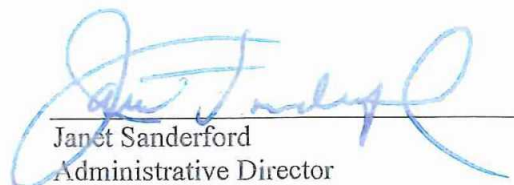
H. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules was performed in accordance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

I. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants. The Housing Authority has received the GFOA Certificate since 1998.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

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


Frank L. Wilcox
Executive Director


Janet Sanderford
Administrative Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

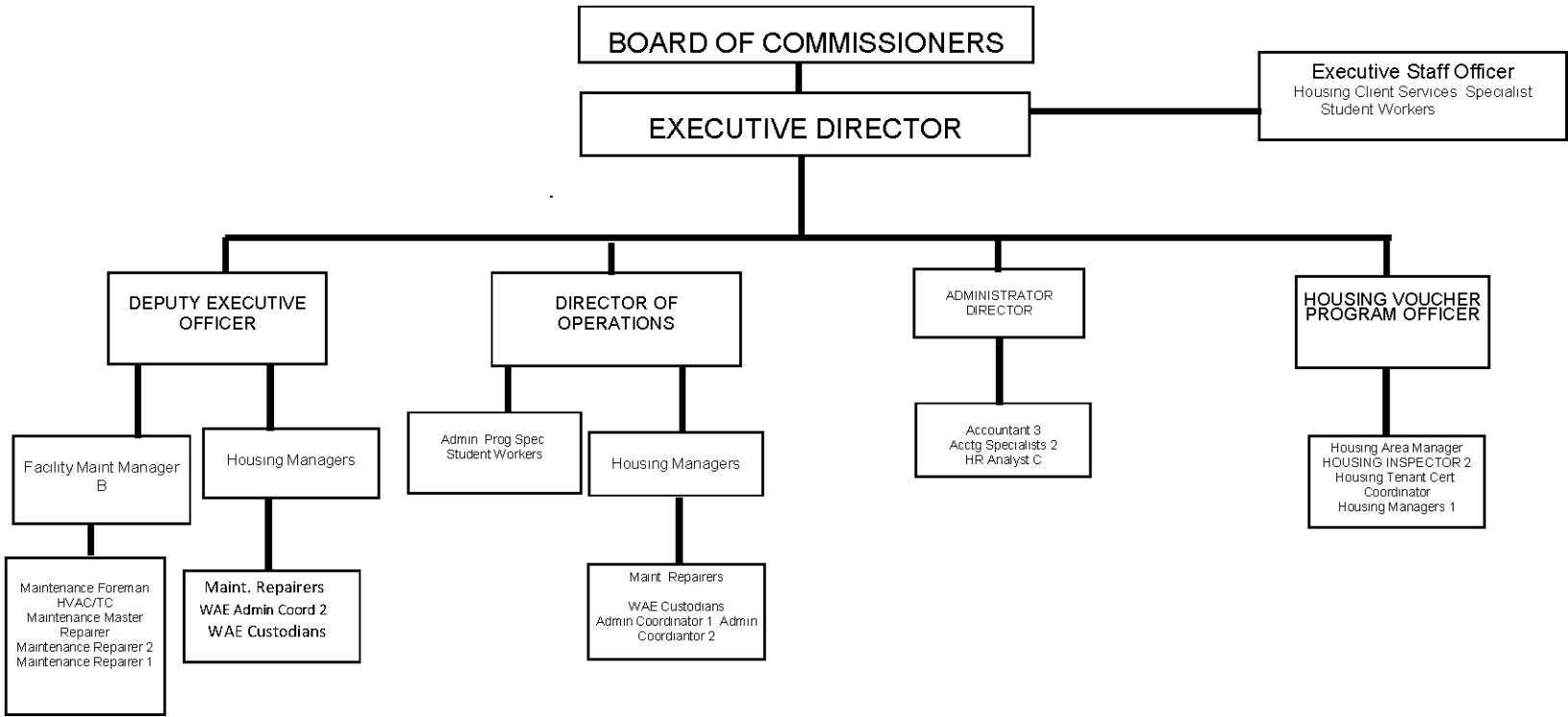
Executive Director/CEO

Housing Authority of the City of Monroe

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Housing Authority of the City of Monroe

**MONROE HOUSING AUTHORITY
ORGANIZATIONAL CHART**



Housing Authority of the City of Monroe

Appointed Officials Board of Commissioners

Mr. Hal Hinchliffe, Chairman

Mr. Rick Miller, Vice Chairman

Mr. Joe Farr

Ms. Patricia Gix

Ms. Beverly V. Lewis

Dr. Henry Bonner, Chairman, Emeritus

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Bobby Simmons

Deputy Director

Cheryl Farmer

Director of Operations

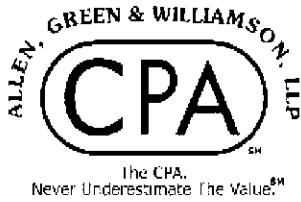
Janet Sanderford

Administrative Director

Naomi Jackson

Section 8 Director

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4864

Toll-free: (888) 741-0205

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

Eddi Hernandez, CPA
Jemie Henry, CPA
Romie Jacola, CPA
Audit Manager: Margie Williamson, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Monroe, Louisiana as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 5, 2018 on our consideration of the Housing Authority of the City of Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

March 5, 2018

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

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 9 through 12 of this report. Dollar amounts presented in the MD&A are presented in thousands.

FINANCIAL HIGHLIGHTS In fiscal year 2017, the Housing Authority had the following changes:

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$48,019 (*net position*). Of this amount, \$20,028 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net position decreased by \$2,461 for current year which is mostly attributable to \$3,541 depreciation expense for capital assets.
- At the end of the current fiscal year, unrestricted net position for the general fund was \$11,393 or 81% 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, Management Fees fund and Monroe Housing Facilities fund.

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

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

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017**

Reporting the Housing Authority's Most Significant Funds

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

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

FINANCIAL ANALYSIS

The Housing Authority's net position was \$48,019 at June 30, 2017. Of this amount, \$20,028 was unrestricted. Restricted net position of \$0 is reported separately to show legal constraints from U. S. Department of Housing and Urban Development regulations that limit the Housing Authority to use these funds only for housing assistance payments (HAP) of the Section 8 Tenant Based program.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, capital fund, resident opportunities and supportive services, economic development programs, and the Central Office Cost Center. The tenant based Section 8 fund accounts for the Section 8 Housing Choice Voucher program, the Disaster Voucher program, the DHAP program, and the SNAP program. The Monroe Housing Facilities and Management Fees earned on properties managed by the Housing Authority are accounted for in separate funds. Our analysis below focuses on the net position and the change in net position of the primary government as a whole.

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017

Table 1
Net Position
(in thousands)
June 30,

	2017	2016	Variance
Current assets	\$ 21,497	\$ 22,125	\$ (628)
Capital assets	27,991	31,363	(3,372)
Other noncurrent assets	1,865	420	1,445
Total assets	<u>51,353</u>	<u>53,908</u>	<u>(2,555)</u>
Current liabilities	1,971	2,055	(84)
Noncurrent liabilities	1,363	1,373	(10)
Total liabilities	<u>3,334</u>	<u>3,428</u>	<u>(94)</u>
Net position			
Investment in capital assets	27,991	31,363	(3,372)
Restricted	-	189	(189)
Unrestricted	20,028	18,928	1,100
Total net position	<u>\$ 48,019</u>	<u>\$ 50,480</u>	<u>\$ (2,461)</u>

Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017

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

	2017	2016	Variance
Beginning net position	\$ 50,480	\$ 52,656	\$ (2,176)
Revenues:			
Operating revenues			
Rental and other	6,134	5,935	199
Federal grants	13,869	14,256	(387)
Total operating revenues	<u>20,003</u>	<u>20,191</u>	<u>(188)</u>
Expenses:			
Operating expenses			
Administration	3,298	3,280	18
Tenant services	158	105	53
Utilities	445	379	66
Ordinary maintenance and operations	6,417	7,233	(816)
Protective services	77	87	(10)
General expenses	1,512	1,400	112
Housing assistance payments	7,092	6,675	417
Depreciation	3,541	3,654	(113)
Total expenses	<u>22,540</u>	<u>22,813</u>	<u>(273)</u>
Non-operating revenues			
Interest earnings	31	30	1
Gain(Loss) on sale of equipment	12	(59)	71
Total non-operating revenues	<u>43</u>	<u>(29)</u>	<u>72</u>
Net income (loss) before capital contributions	(2,494)	(2,651)	157
Capital contributions	<u>33</u>	<u>475</u>	<u>(442)</u>
Increase (decrease) in net position	<u>(2,461)</u>	<u>(2,176)</u>	<u>(285)</u>
Ending net position	<u>\$ 48,019</u>	<u>\$ 50,480</u>	<u>\$ (2,461)</u>

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017**

Total operating revenues decreased \$188.

- The general fund's operating revenue decreased \$425 due primarily to a decrease in revenues associated with the Capital Fund Program grant. The 2016 and 2017 were not fully obligated until after June 30, 2017.
- The Section 8 fund's operating revenue increased \$241 due to an increase in the number of units leased over the 12 month period.
- The management fees' operating revenue decreased \$4 due to 5 properties underpaying management fees by 1 month. Next year will show those properties paying 13 months.

Total operating expenses decreased \$273.

- The general fund's operating expenses decreased \$897. This change was due primarily to expenses associated with the March 2016 flood were less this year than last year.
- The Section 8 funds operating expenses increased \$539. This change was due to an increase in the number of units leased.
- The management fees' operating expenses decreased \$5. This change was due to the amount of grants given out dropped from \$30,000 to \$25,000.
- The Monroe housing facilities' operating expenses increased \$90. This change was due to consultation contracts to explore new property development.

Capital contributions decreased \$442 due to a change in our capitalization policy in the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the Housing Authority had \$27,991 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$3,372 or 11%, from last year.

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

	2017	2016
Land	\$ 2,483	\$ 2,483
Construction in progress	-	390
Buildings and site improvements	25,146	28,220
Furniture and equipment	362	270
Totals	\$ 27,991	\$ 31,363

This year's decrease of \$3,372 is mainly due to current year depreciation expense of approximately the same amount partially offset by current year dispositions.

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

**Housing Authority of the City of Monroe
Management's Discussion and Analysis (MD&A)
June 30, 2017**

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

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

Housing Authority of the City of Monroe

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Net Position
June 30, 2017

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,388,617	\$ 326,422	\$ 1,101,905
Investments	7,833,484	-	-
Accounts receivable, net	513,745	77,168	-
Notes receivable	-	-	-
Interfund receivable	17,711	-	-
Prepaid items and other assets	312,574	3,326	-
Inventory	1,474	-	-
Restricted assets			
Cash for deposits due others	363,588	13,502	-
Total Current assets	<u>14,431,193</u>	<u>420,418</u>	<u>1,101,905</u>
Noncurrent Assets:			
Notes receivable	-	-	-
Capital Assets, net			
Land and construction in progress	2,062,904	-	-
Buildings and equipment (net)	<u>24,853,923</u>	<u>6,678</u>	<u>-</u>
Total noncurrent assets	<u>26,916,827</u>	<u>6,678</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 41,348,020</u>	<u>\$ 427,096</u>	<u>\$ 1,101,905</u>

Statement A

<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
\$ 1,920,304	\$ 8,737,248
3,425,656	11,259,140
80,776	671,689
117,060	117,060
-	17,711
-	315,900
-	1,474
-	377,090
<u>5,543,796</u>	<u>21,497,312</u>
1,865,424	1,865,424
420,000	2,482,904
<u>647,126</u>	<u>25,507,727</u>
<u>2,932,550</u>	<u>29,856,055</u>
<u>\$ 8,476,346</u>	<u>\$ 51,353,367</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Net Position
June 30, 2017

	<u>GENERAL</u>	<u>TENANT BASED SECTION 8</u>	<u>MANAGEMENT FEES</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 526,281	\$ 21,304	\$ -
Interfund payable	-	-	-
Accrued liabilities	533,543	15,376	-
Unearned revenue	14,677	-	-
Current portion of compensated absences payable	401,972	56,860	-
Current Liabilities Paid with Restricted Assets			
Deposits due others	<u>363,588</u>	<u>13,500</u>	<u>-</u>
Total Current Liabilities	1,840,061	107,040	-
Noncurrent Liabilities			
Compensated absences payable	<u>1,198,022</u>	<u>164,958</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,038,083</u>	<u>271,998</u>	<u>-</u>
NET POSITION			
Investment in capital assets	26,916,827	6,678	-
Unrestricted	<u>11,393,110</u>	<u>148,420</u>	<u>1,101,905</u>
TOTAL NET POSITION	<u>\$ 38,309,937</u>	<u>\$ 155,098</u>	<u>\$ 1,101,905</u>

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

Statement A

<u>MONROE HOUSING FACILITIES</u>	<u>TOTAL GOVERNMENT</u>
\$ 6,486	\$ 554,071
17,711	17,711
-	548,919
-	14,677
-	458,832
-	<u>377,088</u>
24,197	1,971,298
-	<u>1,362,980</u>
24,197	<u>3,334,278</u>
1,067,126	27,990,631
<u>7,385,023</u>	<u>20,028,458</u>
<u>\$ 8,452,149</u>	<u>\$ 48,019,089</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

**Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017**

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
OPERATING REVENUES			
Dwelling rental	\$ 4,488,026	\$ -	\$ -
Other	989,923	260,749	347,232
Federal grants	6,191,333	7,678,092	-
Total operating revenues	<u>11,669,282</u>	<u>7,938,841</u>	<u>347,232</u>
OPERATING EXPENSES			
Administration	2,359,464	861,536	68,351
Tenant services	157,778	-	-
Utilities	431,402	-	-
Ordinary maintenance & operations	6,313,565	10,937	-
Protective services	77,286	-	-
General expenses	1,349,036	132,837	25,000
Housing assistance payments	-	7,092,256	-
Depreciation	3,445,086	3,965	-
Total operating expenses	<u>14,133,617</u>	<u>8,101,531</u>	<u>93,351</u>
Income (loss) from Operations	<u>(2,464,335)</u>	<u>(162,690)</u>	<u>253,881</u>
Nonoperating revenues (expenses)			
Investment earnings and gains/losses	8,257	15	-
Gains/losses on disposal of capital assets	12,174	-	-
Total nonoperating revenues (expenses)	<u>20,431</u>	<u>15</u>	<u>-</u>
Net Income (Loss) before capital contributions	(2,443,904)	(162,675)	253,881
Capital contributions	33,000	-	-
Change in net position	(2,410,904)	(162,675)	253,881
NET POSITION AT BEGINNING OF YEAR	<u>40,720,841</u>	<u>317,773</u>	<u>848,024</u>
NET POSITION AT END OF YEAR	<u>\$ 38,309,937</u>	<u>\$ 155,098</u>	<u>\$ 1,101,905</u>

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

Statement B

MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
\$ -	\$ 4,488,026
48,000	1,645,904
-	13,869,425
<u>48,000</u>	<u>20,003,355</u>
8,502	3,297,853
-	157,778
13,903	445,305
92,954	6,417,456
-	77,286
5,256	1,512,129
-	7,092,256
91,773	3,540,824
<u>212,388</u>	<u>22,540,887</u>
<u>(164,388)</u>	<u>(2,537,532)</u>
22,954	31,226
-	12,174
<u>22,954</u>	<u>43,400</u>
(141,434)	(2,494,132)
-	33,000
(141,434)	(2,461,132)
<u>8,593,583</u>	<u>50,480,221</u>
<u>\$ 8,452,149</u>	<u>\$ 48,019,089</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2017

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 4,511,177	\$ -	\$ -
Other receipts	966,564	248,886	299,218
Payments to vendors	(7,169,798)	(575,042)	(13,017)
Payments to employees	(3,564,375)	(451,437)	(55,334)
Payments to private landlords	-	(7,096,272)	-
Payments to others	-	-	(25,000)
Federal grants	6,249,580	7,678,092	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	993,148	(195,773)	205,867
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase capital assets	(168,068)	-	-
Proceeds from sale of capital assets	12,174	-	-
Contributed capital	33,000	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(122,894)	-	-
CASH FLOW FROM INVESTING ACTIVITIES:			
Investment earnings and gains/losses	8,257	19	-
Purchase of investments	(3,590,995)	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (3,582,738)	\$ 19	\$ -

Statement C

MONROE HOUSING FACILITIES		TOTAL GOVERNMENT	
\$	48,000	\$	4,559,177
	-		1,514,668
	(115,934)		(7,873,791)
	(1,808)		(4,072,954)
	-		(7,096,272)
	(1,530,614)		(1,555,614)
	-		13,927,672
<hr/>			
	(1,600,356)		(597,114)
<hr/>			
	-		(168,068)
	-		12,174
	-		33,000
<hr/>			
	-		(122,894)
<hr/>			
	22,954		31,230
	(2,001,775)		(5,592,770)
<hr/>			
\$	(1,978,821)	\$	(5,561,540)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2017

	GENERAL	TENANT BASED SECTION 8	MANAGEMENT FEES
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (2,712,484)	\$ (195,754)	\$ 205,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,464,689</u>	<u>535,678</u>	<u>896,038</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>5,752,205</u>	<u>339,924</u>	<u>1,101,905</u>
Reconciliation to financial statements:			
Cash	5,388,617	326,422	1,101,905
Restricted cash (deposits due others)	<u>363,588</u>	<u>13,502</u>	<u>-</u>
	<u>5,752,205</u>	<u>339,924</u>	<u>1,101,905</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(2,464,335)	(162,690)	253,881
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	3,445,086	3,965	-
Change in assets and liabilities:			
Accounts receivables, net	38,014	(11,863)	-
Notes receivable, net	-	-	-
Interfund receivables	30,303	-	-
Inventories	(362)	-	-
Prepaid items and other assets	(10,901)	-	-
Accounts payable	11,791	(33,661)	-
Accrued expenses	(458)	(1,111)	-
Unearned revenue	(3,332)	(4,016)	-
Interfund payables	(48,014)	-	(48,014)
Deposits due others	23,357	4,569	-
Compensated absences	<u>(28,001)</u>	<u>9,034</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 993,148</u>	<u>\$ (195,773)</u>	<u>\$ 205,867</u>

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

Statement C

MONROE HOUSING FACILITIES	TOTAL GOVERNMENT
\$ (3,579,177)	\$ (6,281,548)
5,499,481	15,395,886
1,920,304	9,114,338
1,920,304	8,737,248
-	377,090
1,920,304	9,114,338
(164,388)	(2,537,532)
91,773	3,540,824
(68,776)	(42,625)
(1,530,614)	(1,530,614)
48,014	78,317
-	(362)
-	(10,901)
6,053	(15,817)
(129)	(1,698)
-	(7,348)
17,711	(78,317)
-	27,926
-	(18,967)
\$ (1,600,356)	\$ (597,114)

(CONCLUDED)

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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

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

The Housing Authority has the following units:

PHA Owned Housing	FW 2006	1518
Section 8		
Housing Choice Vouchers	FW 2072 (VO)	1558
Managing Agent (Section 202 Elderly Housing Projects)		
Ouachita Grand Plaza, Inc.		91
Passman Plaza, Inc.		41
Passman Plaza II, Inc.		39
Passman Plaza III, Inc.		60
Claiborne Creek Apartments, LLP		72
Claiborne Creek II, LLP		60
Chauvin Pointe, LLP		74
Chauvin Pointe II, LLP		65
South Pointe, LLP		37
South Pointe II, LLP		44
South Pointe III, LLP		36
South Pointe IV, LLP		4
Alabama Place, LLP		16
Franciscan Apartments		8

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

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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

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

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

Monroe Housing Facilities Corporation (Corporation) is a legally separate entity. The Board is the same as the Board of Commissioners of the Housing Authority. The Corporation is fiscally dependent on the Housing Authority because operations and administration of the Corporation are handled by the same personnel of the Housing Authority, and no costs are being charged to the Corporation for these services. Based on the above, it has been determined that the Corporation is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through blended presentation. The Corporation does not issue separate financial statements.

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

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the capital fund program, the resident opportunities and supportive services program, the economic development program and the Central Office Cost Center. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The management fees fund accounts for the activity of the Section 202 elderly housing projects for which the Housing Authority is the managing agent and the Monroe housing facilities fund accounts for the activity of the Monroe Housing Facilities Corporation.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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

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

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

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

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

Definitions:

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

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

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

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

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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

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

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

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

J. UNEARNED REVENUES The Housing Authority reports unearned revenues on its statement of net position. Unearned revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual, compensatory, and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. The Board may approve payment of one-half of sick leave if the employee has been with the Housing Authority for ten years and is 55 years of age. Compensatory leave credited to an employee may be used by the employee or may be paid out to the employee at any time. The Board may approve employees' extended time off prior to their retirement, to use accumulated leave balances above the compensated absence payout policy.

L. RESTRICTED NET POSITION Net position is reported as restricted when constraints placed on net position use are either:

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

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The restricted net position for housing assistance payments (HAP) reported in the Statement of Net Position is restricted by enabling legislation.

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

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

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

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

NOTE 2 - CASH AND CASH EQUIVALENTS The Housing Authority's deposits are recorded at cost. The carrying amount of deposits totaled \$20,373,478, which includes \$11,259,140 held in certificates of deposit that are classified as investments and \$377,090 in deposits due others classified as restricted deposits.

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

Credit Rate Risk: The Housing Authority investments are in certificates of deposit, which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2017 the Housing Authority bank balance was \$20,784,381, in which \$19,284,381 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

NOTE 3 - ACCOUNTS RECEIVABLE The receivables at June 30, 2017, are as follows:

Class of Receivables	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Local sources:				
Tenants	\$ 35,321	\$ -	\$ -	\$ 35,321
Other	192,294	77,168	80,776	350,238
Federal sources:				
Due from HUD	286,130	-	-	286,130
Total	\$ 513,745	\$ 77,168	\$ 80,776	\$ 671,689

The tenants account receivable is net of an allowance for doubtful accounts of \$3,926. 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 \$112,607.

NOTE 4 - NOTES RECEIVABLE The Housing Authority entered into a note receivable during the year ended June 30, 2013. The note receivable was between Monroe Housing Facilities and Alabama Place for cost incurred with the construction of the property. The amount of the note receivable at June 30, 2017 was \$420,106. Of this amount, \$32,731 is due within a year to Monroe Housing Facilities.

During the fiscal year ended June 30, 2017, the Housing Authority's Monroe Housing Facilities fund entered into two notes receivables. One notes was with Claiborne Creek I for \$877,731 and the other note was with Claiborne Creek II for \$691,560, in order to provide a bridge loan until permanent financing could be arranged,

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

at an interest rate of 3%. The amount of the notes receivable at June 30, 2017 was \$1,562,378 in which \$84,329 is due within one year.

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

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital Assets, nondepreciable				
Land	\$ 2,482,904	\$ -	\$ -	\$ 2,482,904
Construction in progress	390,304	-	390,304	-
Total capital assets, non depreciable	<u>2,873,208</u>	<u>-</u>	<u>390,304</u>	<u>2,482,904</u>
Capital assets, depreciable				
Buildings and site improvements	93,591,711	406,324	-	93,998,035
Furniture and equipment	1,634,057	156,429	50,237	1,740,249
Total capital assets, depreciable	<u>95,225,768</u>	<u>562,753</u>	<u>50,237</u>	<u>95,738,284</u>
Less accumulated depreciation				
Buildings and site improvements	65,371,197	3,481,226	-	68,852,423
Furniture and equipment	1,364,389	59,598	45,853	1,378,134
Total	<u>66,735,586</u>	<u>3,540,824</u>	<u>45,853</u>	<u>70,230,557</u>
Net Depreciable Assets	<u>28,490,182</u>	<u>(2,978,071)</u>	<u>4,384</u>	<u>25,507,727</u>
Total capital assets, net	<u>\$ 31,363,390</u>	<u>\$ (2,978,071)</u>	<u>\$ 394,688</u>	<u>\$ 27,990,631</u>

NOTE 6 - RETIREMENT SYSTEM The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority. The Housing Authority does not have any assets in a trust to fund pension benefits.

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

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.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

The Housing Authority's contributions were calculated using the base salary amount of \$2,780,878. The members' contributions were \$8,970 for the year ended June 30, 2017. The Housing Authority made the required contributions of \$389,323 for the year ended June 30, 2017.

During the fiscal year ended June 30, 2017, the Housing Authority had \$6,637 in forfeitures that was recognized in the current year pension expense. At June 30, 2017, the Housing Authority had \$0 in payables to the retirement plan for the June 2017 employee and employer required contributions.

NOTE 7 - ACCOUNTS PAYABLE The payables at June 30, 2017, are as follows:

	General	Tenant Based Section 8	Monroe Housing Facilities	Total
Vendors	\$ 432,503	\$ 21,304	\$ 6,486	\$ 460,293
Retainage Payable	93,778	-	-	93,778
Total	<u>\$ 526,281</u>	<u>\$ 21,304</u>	<u>\$ 6,486</u>	<u>\$ 554,071</u>

NOTE 8 - ACCRUED LIABILITIES The accrued liabilities at June 30, 2017, are as follows:

	General	Tenant Based Section 8	Total
Payments in lieu of taxes	\$ 410,293	\$ -	\$ 410,293
Salaries and benefits	123,250	15,376	138,626
Total	<u>\$ 533,543</u>	<u>\$ 15,376</u>	<u>\$ 548,919</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2017, employees of the Housing Authority have accumulated and vested \$1,821,812 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. In the past, the liability has been liquidated by the General fund and Tenant Based Section 8 fund.

NOTE 10 - LONG-TERM LIABILITES The following is a summary of the long-term liabilities for the year ended June 30, 2017:

	Compensated Absences
Beginning Balance	\$ 1,840,775
Additions	408,511
Deletions	427,474
Ending Balance	<u>\$ 1,821,812</u>
Amounts Due Within One Year	<u>\$ 458,832</u>

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

NOTE 11 - INTERFUND TRANSACTIONS

Interfund receivables/payables at June 30, 2017, are as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
General Fund	\$ 17,711	Monroe Housing Facilities	\$ 17,711

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2017, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

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

Construction Commitments There are certain construction projects in progress at June 30, 2017. These include modernizing kitchens and bathrooms at the Foster Heights development. These projects are being funded by HUD through capital fund 2016 monies, in which funds are requested periodically as the cost is incurred. The total contracts open at June 30, 2017 were \$1,390,000 in which \$554,950 were outstanding commitments at June 30, 2017.

NOTE 13 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance through the Louisiana Housing Council Authorities Group Self-Insurance Trust; however, the Housing Authority does not carry flood insurance. This self-insurance program is a public entity risk pool, which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments. The current policy limits on most commercial coverage has been in effect for multiple years. Settled claims have not exceeded commercial excess coverage in any of the last three years. The Housing Authority has not made any significant reductions in insurance coverage.

NOTE 14 - ECONOMIC DEPENDENCE Due to the amount of funding received, the Housing Authority is economically dependent on the Department of Housing and Urban Development. The Department of Housing and Urban Development provided \$13,902,425 to the Housing Authority, which represents approximately 70% of the Housing Authority's total revenue for the year.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements
June 30, 2017

NOTE 15 - OPERATING LEASE The Housing Authority leases three copiers under noncancelable operating leases. Total costs for such leases were \$5,739 for the year ended June 30, 2017. The minimum lease payables for these leases at June 30, 2017 is \$23,408.

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 4,928
2019	4,928
2020	4,928
2021	4,928
2022	3,696
Total	<u>\$ 23,408</u>

NOTE 16 - INSURANCE PROCEEDS In the fiscal year ended June 30, 2017 the Housing Authority received \$78,938 in insurance proceeds for damage to public housing units which is classified as other income in the statement of revenues, expenses and changes in fund net position.

NOTE 17 - SUBSEQUENT EVENTS In July 2017, the Housing Authority was awarded \$741,574 from the final judgement in the repeal of past recaptures of operating reserves by HUD.

In October 2017, the Housing Authority entered into a \$189,500 contract for shingle replacement at Breece Place.

In December 2017, the Housing Authority entered into a \$2,532,000 contract for kitchen and bathroom renovations at Robinson Place and Breece Place.

In February 2018, the Housing Authority board voted to provide a notes receivable up to \$2 million from the Monroe Housing Facilities Corporation to Robinson Place II to provide a bridge loan until permanent financing can be arranged.

NOTE 18 - RESERVES HELD WITH HUD Due to HUD operating the Section 8 Housing Choice Voucher Program under cash management, HUD maintains reserves for the Housing Authority that have not been utilized. As of June 30, 2017, the Housing Authority had \$301,770 in HUD-Held Reserves.

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017**

Exhibit 1

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

Mr. Hal Hinchliffe, Chairman

Mr. Rick Miller, Vice Chairman

Mr. Joe Farr

Ms. Patricia Gix

Mr. William Smart – resigned June 2017

Ms. Beverly V. Lewis – appointed September 2017

Housing Authority of the City of Monroe
Schedule of Compensation, Benefits and Other Payments to Agency Head (Executive Director)
For the Year Ended June 30, 2017

Exhibit 2

Agency Head Name: Frank Wilcox, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$144,456
Benefits-insurance	12,432
Benefits-retirement	23,304
Benefits – performance incentive	13,001
Car allowance	9,000
Cell phone	739
Dues	45
Reimbursements	166
Registration fees	1,040
Conference travel	5,437

**Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet**

June 30, 2017

	Project Total	14.267 Continuum of Care Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$4,757,169		\$156,120		\$89,251
113 Cash - Other Restricted					\$0
114 Cash - Tenant Security Deposits	\$363,588				
115 Cash - Restricted for Payment of Current Liabilities					\$13,502
100 Total Cash	\$5,120,757	\$0	\$156,120	\$0	\$102,753
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$274,835				
124 Accounts Receivable - Other Government				\$11,295	
125 Accounts Receivable - Miscellaneous					\$10,000
126 Accounts Receivable - Tenants	\$39,247				
126.1 Allowance for Doubtful Accounts - Tenants	-\$3,926				
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery	\$15,601				\$167,461
128.1 Allowance for Doubtful Accounts - Fraud	-\$12,314				-\$100,293
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$313,443	\$0	\$0	\$11,295	\$77,168
131 Investments - Unrestricted	\$6,447,297				
142 Prepaid Expenses and Other Assets					\$3,326
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
150 Total Current Assets	\$11,881,497	\$0	\$156,120	\$11,295	\$183,247
161 Land	\$2,062,904				
162 Buildings	\$92,561,201				
163 Furniture, Equipment & Machinery - Dwellings	\$148,989				
164 Furniture, Equipment & Machinery - Administration	\$1,114,425				\$58,697
166 Accumulated Depreciation	-\$69,097,126				-\$52,019
167 Construction in Progress					
160 Total Capital Assets, Net of Accumulated Depreciation	\$26,790,393	\$0	\$0	\$0	\$6,678
171 Notes, Loans and Mortgages Receivable - Non-Current					
173 Grants Receivable - Non Current					
180 Total Non-Current Assets	\$26,790,393	\$0	\$0	\$0	\$6,678
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$38,671,890	\$0	\$156,120	\$11,295	\$189,925

Exhibit 3

14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	1 Business Activities	COCC	Subtotal	ELIM	Total
\$0	\$81,051	\$3,022,209	\$631,448	\$8,737,248		\$8,737,248
				\$0		\$0
				\$363,588		\$363,588
				\$13,502		\$13,502
\$0	\$81,051	\$3,022,209	\$631,448	\$9,114,338	\$0	\$9,114,338
				\$274,835		\$274,835
				\$11,295		\$11,295
		\$80,776	\$189,007	\$279,783		\$279,783
				\$39,247		\$39,247
				-\$3,926		-\$3,926
		\$0	\$0	\$0		\$0
		\$117,060		\$117,060		\$117,060
				\$183,062		\$183,062
				-\$112,607		-\$112,607
\$0	\$0	\$197,836	\$189,007	\$788,749	\$0	\$788,749
		\$3,425,656	\$1,386,187	\$11,259,140		\$11,259,140
			\$312,574	\$315,900		\$315,900
			\$1,474	\$1,474		\$1,474
			\$0	\$0		\$0
		\$0	\$29,006	\$29,006	-\$11,295	\$17,711
\$0	\$81,051	\$6,645,701	\$2,549,696	\$21,508,607	-\$11,295	\$21,497,312
		\$420,000		\$2,482,904		\$2,482,904
		\$1,436,834		\$93,998,035		\$93,998,035
				\$148,989		\$148,989
		\$6,761	\$411,376	\$1,591,259		\$1,591,259
		-\$796,469	-\$284,942	-\$70,230,556		-\$70,230,556
\$0	\$0	\$1,067,126	\$126,434	\$27,990,631	\$0	\$27,990,631
		\$1,865,424		\$1,865,424		\$1,865,424
\$0	\$0	\$2,932,550	\$126,434	\$29,856,055	\$0	\$29,856,055
\$0	\$81,051	\$9,578,251	\$2,676,130	\$51,364,662	-\$11,295	\$51,353,367

(continued)

**Housing Authority of the City of Monroe
Financial Data Schedule - Balance Sheet**

June 30, 2017

	Project Total	14.267 Continuum of Care Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$154,321				\$21,304
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$50,907				\$15,374
322 Accrued Compensated Absences - Current Portion	\$140,435				\$56,860
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$410,293				
341 Tenant Security Deposits	\$363,588				
342 Unearned Revenue	\$14,677				
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					\$13,502
346 Accrued Liabilities - Other					
347 Inter Program - Due To				\$11,295	
348 Loan Liability - Current					
310 Total Current Liabilities	\$1,134,221	\$0	\$0	\$11,295	\$107,040
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$244,279				\$164,958
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$244,279	\$0	\$0	\$0	\$164,958
300 Total Liabilities	\$1,378,500	\$0	\$0	\$11,295	\$271,998
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$26,790,393				\$6,678
511.4 Restricted Net Position	\$0				
512.4 Unrestricted Net Position	\$10,502,997	\$0	\$156,120	\$0	-\$88,751
513 Total Equity - Net Assets / Position	\$37,293,390	\$0	\$156,120	\$0	-\$82,073
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$38,671,890	\$0	\$156,120	\$11,295	\$189,925

Exhibit 3

14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	1 Business Activities	COCC	Subtotal	ELIM	Total
		\$6,486	\$371,960	\$554,071		\$554,071
			\$72,343	\$138,624		\$138,624
			\$261,537	\$458,832		\$458,832
				\$410,293		\$410,293
				\$363,588		\$363,588
				\$14,677		\$14,677
				\$13,502		\$13,502
		\$17,711		\$29,006	-\$11,295	\$17,711
\$0	\$0	\$24,197	\$705,840	\$1,982,593	-\$11,295	\$1,971,298
			\$953,743	\$1,362,980		\$1,362,980
\$0	\$0	\$0	\$953,743	\$1,362,980	\$0	\$1,362,980
\$0	\$0	\$24,197	\$1,659,583	\$3,345,573	-\$11,295	\$3,334,278
		\$1,067,126	\$126,434	\$27,990,631		\$27,990,631
				\$0		\$0
\$0	\$81,051	\$8,486,928	\$890,113	\$20,028,458	\$0	\$20,028,458
\$0	\$81,051	\$9,554,054	\$1,016,547	\$48,019,089	\$0	\$48,019,089
\$0	\$81,051	\$9,578,251	\$2,676,130	\$51,364,662	-\$11,295	\$51,353,367

(continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2017

	Project Total	14.267 Continuum of Care Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services
70300 Net Tenant Rental Revenue	\$4,488,026			
70400 Tenant Revenue - Other	\$316,883			
70500 Total Tenant Revenue	\$4,804,909	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$6,067,546	\$17,835		\$123,787
70610 Capital Grants	\$33,000			
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70750 Other Fees				
70700 Total Fee Revenue				
71100 Investment Income - Unrestricted	\$6,557			
71400 Fraud Recovery	\$48,332			
71500 Other Revenue	\$219,794			
71600 Gain or Loss on Sale of Capital Assets	\$2,370			
72000 Investment Income - Restricted				
70000 Total Revenue	\$11,182,508	\$17,835	\$0	\$123,787
91100 Administrative Salaries	\$382,711	\$4,415		\$57,271
91200 Auditing Fees	\$37,448			
91300 Management Fee	\$1,166,227			
91310 Book-keeping Fee	\$133,530			
91400 Advertising and Marketing	\$24,476			
91500 Employee Benefit contributions - Administrative	\$191,225	\$956		\$16,406
91600 Office Expenses	\$181,904	\$448		\$7,869
91700 Legal Expense	\$3,568			
91800 Travel	\$5,842			\$1,163
91900 Other	\$9,816			
91000 Total Operating - Administrative	\$2,136,747	\$5,819	\$0	\$82,709
92000 Asset Management Fee	\$182,090			
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				

Exhibit 3

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	1 Business Activities	COCC	Subtotal	ELIM	Total
					\$4,488,026		\$4,488,026
					\$316,883		\$316,883
\$0	\$0	\$0	\$0	\$0	\$4,804,909	\$0	\$4,804,909
\$7,660,257					\$13,869,425		\$13,869,425
					\$33,000		\$33,000
				\$1,312,308	\$1,312,308	-\$1,127,128	\$185,180
				\$182,090	\$182,090	-\$182,090	\$0
				\$226,120	\$226,120	-\$133,530	\$92,590
			\$347,232		\$347,232		\$347,232
				\$1,720,518	\$1,720,518	-\$1,442,748	\$277,770
\$15			\$22,954	\$1,700	\$31,226		\$31,226
\$155,143					\$203,475		\$203,475
\$105,606			\$48,000	\$782,918	\$1,156,318	-\$655,773	\$500,545
				\$9,804	\$12,174		\$12,174
\$7,921,021	\$0	\$0	\$418,186	\$2,514,940	\$22,178,277	-\$2,098,521	\$20,079,756
\$296,396			\$45,486	\$803,658	\$1,589,937		\$1,589,937
\$4,000				\$9,000	\$50,448		\$50,448
\$185,180					\$1,351,407	-\$1,127,128	\$224,279
\$92,590					\$226,120	-\$133,530	\$92,590
\$55				\$6,780	\$31,311		\$31,311
\$110,472			\$9,848	\$359,791	\$688,698		\$688,698
\$99,326			\$817	\$182,674	\$473,038		\$473,038
			\$9,622	\$7,948	\$21,138		\$21,138
\$1,857				\$25,959	\$34,821		\$34,821
\$65,841			\$11,080	\$4,856	\$91,593		\$91,593
\$855,717	\$0	\$0	\$76,853	\$1,400,666	\$4,558,511	-\$1,260,658	\$3,297,853
					\$182,090	-\$182,090	\$0

(continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2017

	Project Total	14.267 Continuum of Care Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services
92400 Tenant Services - Other	\$116,700			\$41,078
92500 Total Tenant Services	\$116,700	\$0	\$0	\$41,078
93100 Water	\$30,879			
93200 Electricity	\$278,033			
93300 Gas	\$86,233			
93500 Labor				
93600 Sewer	\$29,344			
93000 Total Utilities	\$424,489	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$489,220			
94200 Ordinary Maintenance and Operations - Materials and Other	\$503,134			
94300 Ordinary Maintenance and Operations Contracts	\$3,706,489			
94500 Employee Benefit Contributions - Ordinary Maintenance	\$160,104			
94000 Total Maintenance	\$4,858,947	\$0	\$0	\$0
95100 Protective Services - Labor	\$71,070			
95200 Protective Services - Other Contract Costs	\$1,239			
95500 Employee Benefit Contributions - Protective Services	\$4,977			
95000 Total Protective Services	\$77,286	\$0	\$0	\$0
96110 Property Insurance	\$206,435			
96120 Liability Insurance	\$130,424			
96130 Workmen's Compensation	\$29,366			
96140 All Other Insurance				
96100 Total insurance Premiums	\$366,225	\$0	\$0	\$0
96200 Other General Expenses				
96210 Compensated Absences	\$124,755			
96300 Payments in Lieu of Taxes	\$410,294			
96400 Bad debt - Tenant Rents	\$151,904			
96600 Bad debt - Other		\$370		
96000 Total Other General Expenses	\$686,953	\$370	\$0	\$0
96900 Total Operating Expenses	\$8,849,437	\$6,189	\$0	\$123,787
97000 Excess of Operating Revenue over Operating Expenses	\$2,333,071	\$11,646	\$0	\$0

Exhibit 3

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	1 Business Activities	COCC	Subtotal	ELIM	Total
					\$157,778		\$157,778
\$0	\$0	\$0	\$0	\$0	\$157,778	\$0	\$157,778
			\$1,015	\$261	\$32,155		\$32,155
			\$11,473	\$3,825	\$293,331		\$293,331
			\$1,252	\$2,589	\$90,074		\$90,074
			\$163	\$238	\$29,745		\$29,745
\$0	\$0	\$0	\$13,903	\$6,913	\$445,305	\$0	\$445,305
			\$1,518	\$477,630	\$968,368		\$968,368
\$5,301			\$1,401	\$70,133	\$579,969		\$579,969
\$5,636			\$89,874	\$22,718	\$3,824,717	-\$474,123	\$3,350,594
			\$161	\$153,120	\$313,385		\$313,385
\$10,937	\$0	\$0	\$92,954	\$723,601	\$5,686,439	-\$474,123	\$5,212,316
					\$71,070		\$71,070
					\$1,239		\$1,239
					\$4,977		\$4,977
\$0	\$0	\$0	\$0	\$0	\$77,286	\$0	\$77,286
\$3,257			\$3,231	\$11,348	\$224,271		\$224,271
			\$2,025	\$7,111	\$139,560		\$139,560
\$9,036				\$40,767	\$79,169		\$79,169
\$12,293	\$0	\$0	\$5,256	\$59,226	\$443,000	\$0	\$443,000
			\$25,000		\$25,000		\$25,000
\$47,124				\$236,632	\$408,511		\$408,511
					\$410,294		\$410,294
					\$151,904		\$151,904
					\$370		\$370
\$47,124	\$0	\$0	\$25,000	\$236,632	\$996,079	\$0	\$996,079
\$926,071	\$0	\$0	\$213,966	\$2,427,038	\$12,546,488	-\$1,916,871	\$10,629,617
\$6,994,950	\$0	\$0	\$204,220	\$87,902	\$9,631,789	-\$181,650	\$9,450,139

(continued)

Housing Authority of the City of Monroe
Financial Data Schedule - Income Statement
For the Year Ended June 30, 2017

	Project Total	14.267 Continuum of Care Program	14.IKE DHAP-IKE	14.870 Resident Opportunity and Supportive Services
97200 Casualty Losses - Non-capitalized	\$1,386,791			
97300 Housing Assistance Payments		\$12,016		
97350 HAP Portability-In				
97400 Depreciation Expense	\$3,415,200			
97500 Fraud Losses				
90000 Total Expenses	\$13,651,428	\$18,205	\$0	\$123,787
10010 Operating Transfer In	\$0			
10020 Operating transfer Out	\$0			
10091 Inter Project Excess Cash Transfer In	\$3,200,000			
10092 Inter Project Excess Cash Transfer Out	-\$3,200,000			
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$2,468,920	-\$370	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$39,762,310	\$370	\$156,120	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	17549	42		
11210 Number of Unit Months Leased	17154	42		
11270 Excess Cash	\$10,132,194			
11610 Land Purchases	\$0			
11620 Building Purchases	\$33,000			
11630 Furniture & Equipment - Dwelling Purchases	\$0			
11640 Furniture & Equipment - Administrative Purchases	\$73,689			
11650 Leasehold Improvements Purchases	\$0			
11660 Infrastructure Purchases	\$0			

Exhibit 3

14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	97.109 Disaster Housing Assistance Grant	1 Business Activities	COCC	Subtotal	ELIM	Total
					\$1,386,791	-\$181,650	\$1,205,141
\$6,985,257					\$6,997,273		\$6,997,273
\$94,983					\$94,983		\$94,983
\$3,965			\$91,773	\$29,886	\$3,540,824		\$3,540,824
\$73,050					\$73,050		\$73,050
\$8,083,326	\$0	\$0	\$305,739	\$2,456,924	\$24,639,409	-\$2,098,521	\$22,540,888
\$10,992					\$10,992	-\$10,992	\$0
	-\$10,992				-\$10,992	\$10,992	\$0
					\$3,200,000	-\$3,200,000	\$0
					-\$3,200,000	\$3,200,000	\$0
\$10,992	-\$10,992	\$0	\$0	\$0	\$0	\$0	\$0
-\$151,313	-\$10,992	\$0	\$112,447	\$58,016	-\$2,461,132	\$0	-\$2,461,132
\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$69,240	\$10,992	\$81,051	\$9,441,607	\$958,531	\$50,480,221		\$50,480,221
-\$68,648					-\$68,648		-\$68,648
-\$13,425					-\$13,425		-\$13,425
18696					36287		36287
18522					35718		35718
					\$10,132,194		\$10,132,194
				\$0	\$0		\$0
				\$0	\$33,000		\$33,000
				\$0	\$0		\$0
				\$53,394	\$127,083		\$127,083
				\$0	\$0		\$0
				\$0	\$0		\$0

(concluded)

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE - CFP
June 30, 2017

Exhibit 4-1

1. The actual Capital Fund costs is as follows:

	PROJECT LA-48P006501-14
Funds Approved	\$ 2,109,258
Funds Expended	<u>2,109,258</u>
Excess of Funds Approved	<u><u>-</u></u>
Funds Advanced	2,109,258
Funds Expended	<u>2,109,258</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated September 9, 2016, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE - CFP
June 30, 2017

Exhibit 4-2

1. The actual Capital Fund costs is as follows:

	PROJECT LA-48P006501-15
Funds Approved	\$ 2,154,358
Funds Expended	<u>2,154,358</u>
Excess of Funds Approved	<u><u>-</u></u>
Funds Advanced	2,154,358
Funds Expended	<u>2,154,358</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated December 6, 2016, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

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

Housing Authority of the City of Monroe

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STATISTICAL SECTION

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

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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.		
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 Revenue Capacity		
This schedule contains information to help the reader assess the Housing Authority's most significant revenue source.		
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 Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Housing Authority's financial activities take place.		
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 Operating Information		
These schedules contain service and infrastructure data to help the reader understand how the information in the Housing Authority's financial report relates to the services the Housing Authority provides and the activities it performs.		
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HOUSING AUTHORITY OF THE CITY OF MONROE

Net Position by Component
 Fiscal Years Ended June 30, 2008 through June 30, 2017
 (Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Investment in capital assets	\$ 28,983,087	\$ 30,855,318	\$ 31,420,632	\$ 33,885,659	\$ 36,731,313	\$ 35,644,380	\$ 35,463,463	\$ 34,469,168	\$ 31,363,390	\$ 27,990,631
Restricted	1,025,137	525,379	703,543	607,284	356,954	407,318	18,807	154,626	189,160	0
Unrestricted	8,243,199	10,229,171	12,261,649	14,312,114	13,350,060	15,376,586	16,211,688	18,032,211	18,927,674	20,028,458
Total net position	\$ 38,251,423	\$ 41,609,868	\$ 44,385,824	\$ 48,805,057	\$ 50,438,327	\$ 51,428,284	\$ 51,693,958	\$ 52,656,005	\$ 50,480,224	\$ 48,019,089

Table 2

HOUSING AUTHORITY OF THE CITY OF MONROE

Changes in Net Position
Fiscal Years Ended June 30, 2008 through June 30, 2017
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues										
Dwelling rental	\$ 3,164,386	\$ 3,211,979	\$ 3,388,086	\$ 3,349,432	\$ 3,395,763	\$ 3,598,384	\$ 3,964,000	\$ 4,100,781	\$ 4,379,807	\$ 4,488,026
Other	802,952	1,302,917	1,119,251	1,228,055	1,458,192	1,635,189	1,565,857	1,468,057	1,555,778	1,645,904
Federal grants	10,750,048	11,666,276	12,374,005	12,685,295	12,281,784	11,902,646	11,823,604	12,907,171	14,255,814	13,869,425
Total operating revenues	<u>14,717,386</u>	<u>16,181,172</u>	<u>16,881,342</u>	<u>17,262,782</u>	<u>17,135,739</u>	<u>17,136,219</u>	<u>17,353,461</u>	<u>18,476,009</u>	<u>20,191,399</u>	<u>20,003,355</u>
Operating Expenses										
Administration	2,635,568	2,542,052	3,530,597	3,248,924	2,919,618	3,048,675	3,138,980	3,197,155	3,280,757	3,297,853
Tenant services	215,115	225,417	81,529	66,246	111,297	63,897	117,279	172,699	104,674	157,778
Utilities	433,830	410,348	359,819	393,963	352,448	359,075	409,961	369,884	378,956	445,305
Ordinary maintenance & operations	2,124,954	2,391,345	2,440,800	2,852,076	3,216,455	3,195,123	3,270,470	3,007,479	7,232,949	6,417,456
Protective services	68,711	65,809	73,265	143,627	164,820	166,129	158,283	111,922	87,420	77,286
General expenses	896,368	1,410,402	1,292,643	1,306,456	1,259,721	1,129,036	1,307,706	1,200,209	1,400,380	1,512,129
Housing assistance payments	6,020,167	6,249,980	6,527,216	6,633,258	7,079,337	7,015,090	6,749,646	6,988,936	6,674,689	7,092,256
Nonroutine maintenance	29,342	45,717	0	0	0	0	0	0	0	0
Depreciation	2,843,882	3,119,499	3,182,945	3,393,658	3,590,084	3,667,184	3,721,468	3,676,837	3,653,570	3,540,824
Total operating expenses	<u>15,267,937</u>	<u>16,460,569</u>	<u>17,488,814</u>	<u>18,038,208</u>	<u>18,693,780</u>	<u>18,644,209</u>	<u>18,873,793</u>	<u>18,725,121</u>	<u>22,813,395</u>	<u>22,540,887</u>
Income (Loss) from Operations	<u>(550,551)</u>	<u>(279,397)</u>	<u>(607,472)</u>	<u>(775,426)</u>	<u>(1,558,041)</u>	<u>(1,507,990)</u>	<u>(1,520,332)</u>	<u>(249,112)</u>	<u>(2,621,996)</u>	<u>(2,537,532)</u>
Nonoperating Revenues (Expenses)										
Investment earnings and gains/losses	451,495	260,072	115,285	77,766	50,493	52,697	43,311	28,936	30,025	31,226
Gain (loss) disposal of capital assets	(15,979)	(5,767)	11,515	0	8,965	0	10,590	(230,021)	(59,089)	12,174
Total nonoperating revenues (expenses)	<u>435,516</u>	<u>254,305</u>	<u>126,800</u>	<u>77,766</u>	<u>59,458</u>	<u>52,697</u>	<u>53,901</u>	<u>(201,085)</u>	<u>(29,064)</u>	<u>43,400</u>
Net Income (Loss) before Contributions and Transfers	<u>(115,035)</u>	<u>(25,092)</u>	<u>(480,672)</u>	<u>(697,660)</u>	<u>(1,498,583)</u>	<u>(1,455,293)</u>	<u>(1,466,431)</u>	<u>(450,197)</u>	<u>(2,651,060)</u>	<u>(2,494,132)</u>
Capital Contributions	<u>346,091</u>	<u>3,383,537</u>	<u>3,315,383</u>	<u>5,116,893</u>	<u>3,234,170</u>	<u>2,445,250</u>	<u>1,732,105</u>	<u>1,412,244</u>	<u>475,279</u>	<u>33,000</u>
Change in Net Position	<u>\$ 231,056</u>	<u>\$ 3,358,445</u>	<u>\$ 2,834,711</u>	<u>\$ 4,419,233</u>	<u>\$ 1,735,587</u>	<u>\$ 989,957</u>	<u>\$ 265,674</u>	<u>\$ 962,047</u>	<u>\$ (2,175,781)</u>	<u>\$ (2,461,132)</u>

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30, 2008 Through 2017

Fiscal Year	Dwelling rentals		Federal sources (2)		Interest earnings		Other (1)		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
2008	\$ 3,164,386	41.37%	\$ 3,754,375	49.09%	\$ 182,351	2.38%	\$ 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	10.98%	9,078,670	100%
2010	3,388,086	37.12%	4,883,093	53.51%	97,692	1.07%	757,291	8.30%	9,126,162	100%
2011	3,349,432	35.83%	5,118,704	54.76%	74,977	0.80%	805,128	8.61%	9,348,241	100%
2012	3,395,763	37.48%	4,613,406	50.92%	43,388	0.48%	1,007,068	11.12%	9,059,625	100%
2013	3,598,384	41.17%	4,143,185	47.41%	32,887	0.38%	965,163	11.04%	8,739,619	100%
2014	3,964,000	40.38%	4,820,440	49.10%	22,070	0.22%	1,010,272	10.29%	9,816,782	100%
2015	4,100,781	40.92%	4,986,086	49.75%	7,714	0.08%	928,058	9.26%	10,022,639	100%
2016	4,379,807	36.38%	6,726,774	55.87%	7,481	0.06%	926,220	7.69%	12,040,282	100%
2017	4,488,026	38.39%	6,191,333	52.97%	8,257	0.07%	1,002,097	8.57%	11,689,713	100%

(1) The other amount column includes maintenance charges, late charges, other miscellaneous revenue and gain on sale of capital assets.
 (2) The federal sources do not included capital contributions.

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

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30, 2008 Through June 30, 2017

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

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

Table 5

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

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

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	N/A	\$ 5,570,682	\$ 32,204	5.4
2009	51,208	5,610,656	32,365	9.0
2010	51,555	5,697,958	33,753	10.1
2011	48,815	6,098,000	33,930	10.5
2012	49,183	5,999,437	33,942	8.1
2013	49,156	6,012,791	33,846	7.5
2014	49,761	6,308,115	35,482	6.8
2015	49,601	6,480,620	36,293	6.6
2016	49,598	6,515,194	36,425	6.6
2017	49,367	6,490,904	36,214	6.1

- (1) Population data is for Monroe City & obtained from U. S. Census Bureau.
- (2) Personal Income and Per Capita Income data is for metropolitan area & is obtained from Bureau of Economic Analysis, U. S Dept. of Commerce
- (3) Unemployment rate obtained from U. S. Bureau of Labor Statistics.

Table 6

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

Principal Employers

	2017			2008		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
Ouachita Parish School Board	1	3,086	4.57%	1	3,029	4.48%
Century Link (formerly known as CenturyTel)	2	2,360	3.50%	4	1,500	2.22%
Monroe City School District	3	1,774	2.63%	5	1,400	2.07%
St. Francis Medical Center	4	1,584	2.35%	3	1,750	2.59%
IASIS Healthcare Corporation (Glenwood Hospital)	5	1,156	1.71%	10	586	0.87%
City Monroe	6	1,098	1.63%	6	1,000	1.48%
JP Morgan Chase Bank	7	1,090	1.62%	2	1,800	2.66%
Walmart Stores	8	912	1.35%			
ULM	9	852	1.26%	7	1,067	1.58%
Graphic Packaging	10	840	1.24%	8	1,100	1.63%
E.A. Conway				9	959	1.42%

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

HOUSING AUTHORITY OF THE CITY OF MONROE

Property Characteristics and Dwelling Unit Composition
June 30, 2017

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

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

Table 8

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

**Government Employees
For Calendar Years 2016 and 2007**

	2016			2007		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Administrative	39	6	45	34	6	40
Capital Fund	0	0	0	3	0	3
Maintenance	27	13	40	27	5	32
Security Attendants	0	12	12	0	16	16
Trash Pick-Up	0	0	0	0	3	3
Students	0	16	16	0	9	9
	66	47	113	64	39	103

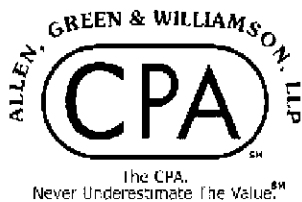
Source: Records of the Housing Authority of the City of Monroe.

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

**Single Audit Report
For the Year Ended June 30, 2017**

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Audit Manager: Margie Williamson, CPA

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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated March 5, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

Housing Authority's Response to Findings

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

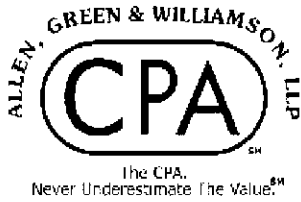
Purpose of this Report

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 5, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Monroe's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2017. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-003. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-003, that we consider to be a significant deficiency.

The Housing Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year

Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of each major fund of the Housing Authority, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements. We issued our report thereon dated March 5, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 5, 2018

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

FEDERAL GRANTOR/ <u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing	14.850	LA 006-00000116D	\$ 2,280,072
Low Rent Public Housing	14.850	LA 006-00000117D	<u>2,280,221</u>
Low Rent Public Housing Total			\$ 4,560,293
Section 8 Housing Choice Voucher Program	14.871	LA006VO, LA006AF	7,660,257
Resident Opportunity and Supportive Services	14.870	LA006RPS042A015	123,787
Continuum of Care	14.267	LA0158L6H051406 (SNAP)	17,835
Public Housing Capital Fund Program	14.872	LA48P006501-15	9,020
Public Housing Capital Fund Program	14.872	LA48P006501-16	<u>1,531,233</u>
Public Housing Capital Fund Program Total			<u>1,540,253</u>
Total Cash Federal Awards			<u>\$ 13,902,425</u>

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

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. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the Schedule. Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

<u>Federal Sources</u>	<u>Amount</u>
Federal grants	\$ 13,869,425
Capital contributions	33,000
Total	<u><u>\$ 13,902,425</u></u>

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

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$750,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

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

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The significant deficiency is not considered to be a material weakness.
- iii. There was one instance of noncompliance as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance (2 CFR 200). The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program is:
 - CFDA# 14.872 Public Housing Capital Fund Program
 - CFDA# 14.871 Section 8 Housing Choice Voucher Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance (2 CFR 200) was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance (2 CFR 200).

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Reference # and title: 2017-001 Late Submission of the Audit Report to the Legislative Auditor

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

Criteria or specific requirement: The audit report should be filed timely to the Louisiana Legislative Auditor (LLA) within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

Condition found: The Housing Authority had a software conversion during the fiscal year. Due to the difficulties that occurred from the conversion process, the Housing Authority’s trial balances needed additional reviews by the Accounting Personnel to ensure complete and accurate reporting. Therefore, the Housing Authority’s audit report was not submitted to the Louisiana Legislative Auditor by the required timeline.

Context: This finding appears to be an isolated instance.

Possible asserted effect (cause and effect):

Cause: The original trial balances provided for audit were not complete and accurate due to difficulties from the mapping of accounts in the software conversion process. Additional time was needed for the Housing Authority to finalize year-end account balances.

Effect: The Housing Authority did not meet the compliance requirement with the State of Louisiana.

Recommendation to prevent future occurrences: Proper internal controls should be established to ensure year-end trial balances are complete prior to submission for audit.

Origination date and prior year reference (if applicable): This finding originated for fiscal year ended June 30, 2017.

View of responsible official: Due to difficulties incurred with a software conversion, we were not able to provide the auditors the information they needed in time for them to complete our audit timely. This was strictly a conversion problem and will not have an impact on future timely audit submissions.

Reference # and title: 2017-002 Untimely Deposits

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

Criteria or specific requirement: Good internal controls over deposits include receipts being deposited in a timely manner. According to the Housing Authority’s practice, deposits should be made within three business days from receipt.

Condition found: When testing a sample of daily deposits, which consisted of 37 deposits, it was noted that 18 of the deposits were made in excess of 3 business days of receipts. These deposits ranged from 4 to 38 days from the date of receipt.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Context: This finding appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause of the untimely deposits.

Effect: The Housing Authority internal controls over deposits were weakened.

Recommendation to prevent future occurrences: The Housing Authority should establish procedures to ensure that deposits are made in a timely manner and in accordance with the Housing Authority's practice.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended June 30, 2017.

View of responsible official: Procedures have been established to help ensure timely deposits. These procedures include a requirement of deposit batches being turned in to the accounting department by the manager at a minimum of once a week. These batches will be audited for correct and timely deposits. Untimely deposits will require a written explanation of why the deposit was not made when required. Weekly managers' meeting will stress the importance of making deposits timely.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

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

Reference # and title: 2017-003 Section 8 Employee Certifications

<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 Voucher Program	14.871	2016 and 2017

Criteria or specific requirement: In accordance with the Uniform Guidance §200.430, the standards for documentation of personnel expenses must be based on records that accurately reflect the work performed. These records must (a) be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable and properly allocated; (b) be incorporated into the official records of the agency; and (c) reasonably reflect the total activity for which the employee is compensated by the agency.

Condition found: When testing the compensation of personnel charged to the Section 8 program, it was noted that, although the employees are maintaining timesheets of hours worked, the timesheets being maintained do not reflect the activity for which the employee is being compensated.

Context: The sample consisted of eight out of ten employees charged to the Section 8 program. The finding appears to be systemic.

Possible asserted effect (cause effect):

Cause: The auditor was unable to determine the cause.

Effect: The Housing Authority may not have met all federal requirements regarding allowable costs/cost principles.

Recommendations to prevent future occurrences: The Housing Authority should establish procedures to ensure all federal program employees document or certify the federal activity they are being compensated for to be in accordance with Uniform Guidance.

Origination date and prior year reference (if applicable): This finding originated in the fiscal year ended June 30, 2017.

View of responsible official: Timesheets now reflect the federal program that an employee is compensated for. This statement is directly above the signature line of the employee.

Housing Authority of the City of Monroe

OTHER INFORMATION



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

**Summary Status Of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2017**

Reference # and title:	2016-001	Test of Tenant Participation Funds
Federal program and specific federal award identification:	CFDA Number	Award Year
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2015 & 2016

Condition: When tenant participation funds are provided to a Public Housing Authority (PHA), the PHA must provide those funds to duly elected resident councils. Funding provided by a PHA to a duly elected resident council may be made only under a written agreement between the PHA and the resident council that includes a resident council budget. PHAs are permitted to fund \$25 per unit per year for units represented by duly elected resident councils for resident services. Of this \$25, \$15 per unit per year is provided to fund tenant participation activities. The agreement must require the local resident council to account to the PHA for the use of the funds and permit the PHA to inspect and audit the resident council's financial records related to the agreement (24 CFR section 964.150).

In testing a sample of expenditures paid with resident council funds and reviewing the agreements and budgets for the resident councils, the following was noted:

- In testing a sample of six expenditures paid with resident council funds, it was noted that three invoices were not signed off by members of the resident council.
- In reviewing the agreements between the PHA and the resident council, it was noted that the by-laws have not been updated in years to reflect the current practices of the resident council.
- In reviewing the budgets prepared for the resident participation funds, it was noted that the unused funds for one project from the previous year were carried forward incorrectly into current year's budget. It was also noted that the incorrect funds were allocated to this same project. The PHA allocated the minimum amount per the regulation, which only requires \$15 per unit per year to be provided to fund tenant participation activities; however, the PHA's practice has been to allocate \$25 per unit.

Corrective action taken: New policies and procedures will be established and presented to the residents at the time of their budget consideration. The procedures will include that at minimum, two representatives from the resident councils will sign off on any invoice that is paid with resident participation funds. This finding is considered to be cleared.

Respectfully submitted,


Janet Sanderford
Administrative Director



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Frank L. Wilcox, Executive Director • Hal Hinchliffe, Chairman • Rick Miller, Vice Chairman • Joe Farr • Patricia Gix • Beverly Lewis

**Corrective Action Plan for the Current Year Findings and Questioned Costs
For the Year Ended June 30, 2017**

Reference # and title: **2017-001** **Late Submission of the Audit Report to the Legislative Auditor**

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

Condition: The audit report should be filed timely to the Louisiana Legislative Auditor (LLA) within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

The Housing Authority had a software conversion during the fiscal year. Due to the difficulties that occurred from the conversion process, the Housing Authority's trial balances needed additional reviews by the Accounting Personnel to ensure complete and accurate reporting. Therefore, the Housing Authority's audit report was not submitted to the Louisiana Legislative Auditor by the required timeline.

Corrective action planned: No corrective action needed. This was an isolated event and will not be repeated.

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: Complete as of February 26, 2018.

Reference # and title: **2017-002** **Untimely Deposits**

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

Condition: Good internal controls over deposits include receipts being deposited in a timely manner. According to the Housing Authority's practice, deposits should be made within three business days from receipt.

When testing a sample of daily deposits, which consisted of 37 deposits, it was noted that 18 of the deposits were made in excess of 3 business days of receipts. These deposits ranged from 4 to 38 days from the date of receipt.

Corrective action planned: Increased awareness of the importance of timely deposits and implications of failure to do so.

**Corrective Action Plan for the Current Year Findings and Questioned Costs
For the Year Ended June 30, 2017**

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: Awareness training to be completed by the end of March, 2018.

Reference # and title: 2017-003 Section 8 Employee Certifications

<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 Voucher Program	14.871	2016 and 2017

Condition: In accordance with the Uniform Guidance §200.430, the standards for documentation of personnel expenses must be based on records that accurately reflect the work performed. These records must (a) be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable and properly allocated; (b) be incorporated into the official records of the agency; and (c) reasonably reflect the total activity for which the employee is compensated by the agency.

When testing the compensation of personnel charged to the Section 8 program, it was noted that, although the employees are maintaining timesheets of hours worked, the timesheets being maintained do not reflect the activity for which the employee is being compensated.

Corrective action planned: An extra line will be added to the timesheets reflecting the federal program under which the employee has worked.

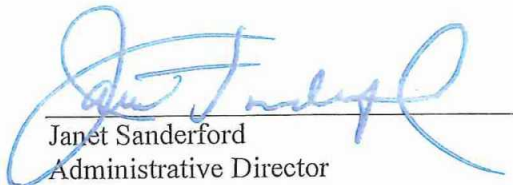
Person responsible for corrective action:

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

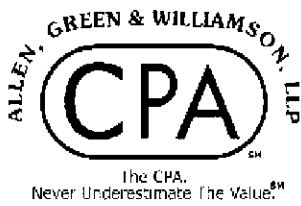
Telephone: (318) 388-1500
Fax: (318) 329-1397

Anticipated completion date: February 23, 2018

Respectfully submitted,



Janet Sanderford
Administrative Director



ALLEN, GREEN & WILLIAMSON, LLP

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Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henry, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

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

Management Letter

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

In planning and performing our audit of the financial statements of each major fund of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated March 5, 2018, on the financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments and management's responses are summarized as follows:

2017-M1 Travel Receipts

Comment: Best practices require all receipts turned in to be itemized to ensure costs incurred are allowable and reasonable to the public purpose. Additionally, meal receipts should adequately document those that attended and the public purpose of the costs incurred. When testing travel disbursements, it was noted that the Housing Authority does not require itemized meal receipts to be submitted at the time that the requests for reimbursements are processed.

Recommendation: The Housing Authority should establish procedures to ensure all receipts are itemized and properly documented so that all costs reimbursed are allowable and for a public purpose.

Management's response: Anyone who turns in a receipt for travel reimbursement will be notified they are required to turn in an itemized receipt, not just the credit card receipt with which the item was paid.

2017-M2

Policies and Procedures

Comment: Good internal controls and best practices require the Housing Authority to have well documented policies and procedures relating to standard operating procedures and financial procedures. These policies and procedures should be reviewed periodically for necessary changes. Furthermore, the Uniform Guidance requires additional policies and procedures related to federal funds such as time-minimizing elapsing for cash management, procurement procedures for micro purchases of greater than \$3,500, and allowable costs principles. When reviewing the policies and procedures of the Housing Authority, it was noted that several of the policies have not been updated for several years. Additionally, some of the policies do not include procedural activities such as credit card purchases, ethics training, quotes regarding micro purchases, receipts and etc.

Recommendation: The Housing Authority's written policies and procedures should be reviewed and revised accordingly to include best practices of the Uniform Guidance. Additionally procedures should be established to ensure annual reviews are completed of the Housing Authority's written policies and procedures for necessary updates.

Management's response: Our policies and procedures will be reviewed and adjusted accordingly.

2017-M3

Allowance for Doubtful Accounts

Comment: Good internal controls require that accounts receivable be reviewed at least annually to determine if any allowances for doubtful accounts and write-offs are necessary. When reviewing the allowance for doubtful accounts and the fraud accounts receivable for the Section 8 program, it was noted that the Housing Authority did not write-off any accounts receivable during the year nor was the allowance adequately adjusted for the collectability of the accounts. Although the adjustment was not considered material, the auditors proposed an adjusting entry in order for the allowance to better reflect the collectability of the accounts.

Recommendation: The Housing Authority should establish procedures to better evaluate the collectability of the fraud accounts receivable rather than using a flat percentage when establishing the allowance for doubtful accounts. Additionally, this process should be completed at least annually.

Management's response: Due to software conversion, this year-end procedure was overlooked. This will not be repeated.

2017-M4

Testing of Journal Entries

Comment: Good checks and balances include levels of review and approval of manual journal entries. When testing journal entries, it was noted that in some circumstances the same person initiated and posted the journal entries without a second level of review.

Recommendation: The Housing Authority should establish policies and procedures to ensure all journal entries are being reviewed by a second person, as well as all journal entries be maintained with the supporting documentation.

Management's response: Staffing turnover and software conversion had delayed implementation of dual journal entry review; however, a system is now in place where the accounting director and lead accountant will review each other's journal entries.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of each major fund of the Housing Authority, as of and for the year ended June 30, 2017, which collectively comprise the Housing Authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
March 5, 2018

**Housing Authority of the City of Monroe
Status of Prior Year Management Letter Item
For Year Ended June 30, 2017**

2016-M1

Testing of Journal Entries

Comment: In testing a sample of fifty-five manual journal entries, the following was noted:

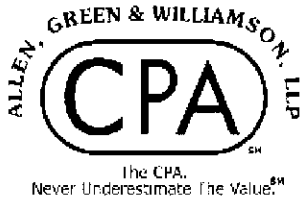
- The Housing Authority drew down money to COCC from budget line item 1406 in error.
- When recording compensated absences balances, the Housing Authority used the amounts for leave used instead of the amounts for leave earned.

Also, it was noted that journal entries do not always have copies of supporting documentation attached, but rather maintained in other areas. Furthermore, journal entries are not reviewed/signed off by another person.

Recommendation: The Housing Authority should establish policies and procedures to ensure all journal entries are supported by adequate documentation. Procedures should also be established to ensure journal entries are being reviewed by a second person.

Management's response: HUD has specified that 10% of a CFP grant may be charged to Capital Funds for management fees due to the Central Office Cost Center for administering the grant. This has always been under line item 1406. A different line item was on the CFP budget for this particular year.

See current year management letter item 2017-M4.



ALLEN, GREEN & WILLIAMSON, LLP

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

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

We have performed the procedures enumerated below, which were agreed to by the management of Housing Authority of the City of Monroe and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended June 30, 2017. The Housing Authority's management is responsible for the control and compliance with those areas identified in the SAUPs. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

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

- **Budgeting-** Written policies and procedures over budgeting exist; however, the procedures do not address amending the budget.
- **Purchasing-** There were no written procedures noted addressing (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- **Receipts-** A written policy over petty cash exists; however, the policy does not address processing, reviewing, and approving deposits. There were no written procedures noted over processing, reviewing, and preparing deposits.
- **Contracting-** Written procedures over contracting exist; however, they do not provide enough detail regarding (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards-** There were no written policies or procedures noted over (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- **Travel & Expense Reimbursement-** There were no written procedures noted over (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics-** Written procedures over ethics exist; however, they do not address (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Management's Response: Our policies and procedures will be reviewed and rewritten accordingly.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Comment: When reviewing bank reconciliations for a sample of three bank accounts, a total of 36 reconciliations, it was noted that all 36 reconciliations tested were approved by someone who was involved in transactions associated with the bank accounts. Additionally, for all 12 reconciliations tested for the General Fund, there was no documentation available reflecting that management had researched reconciling items that had been outstanding for more than six months.

Management's Response: The accounting director will continue to monitor these reconciliations; however the accountant 3 on staff will also sign off on the reconciliations.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than five locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: Five collection locations were tested. There were five exceptions (one at each location) noted where the person responsible for collecting cash was also responsible for either making deposits or recording transactions. However, it should be noted that three of the locations tested do not accept cash as a form of payment. Additionally, the other two locations have a very low threshold with respect to the amount of cash that is accepted.

The highest dollar week of cash collections was tested for each location. Several of the 37 deposits made during that week of cash collections were not made within one day of collection and were made as follows: three deposits were made within two days, two deposits were made within three days, two deposits were made within four days, one deposit was made within five days, two deposits were made within six days, one deposit was made within seven days, three deposits were made within eight days, three deposits were made with 10-15 days, three deposits were made within 16-25 days, one deposit was made within 26-35 days, and two deposits were made within 36-38 days.

Management's Response: Improved training stressing the importance of timely deposits will be conducted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Comment: In testing the 25 disbursements, the following exceptions were noted:

- One exception was noted where a purchase order was required, but was not issued.
- Three exceptions were noted related to a purchase order that was both initiated and approved by the same person.

In testing 1 location for the disbursement process, it was noted that the person who processes vendor disbursements has access to adding new vendors to the purchasing system.

Management's Response: Improved training on the policies of the Housing Authority will be implemented. We will update our internal controls to a two party system.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

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

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: One exception was noted involving meals that were reimbursed at an amount that was in excess of the GSA rate. It should be noted that the client does not have set rates and does not follow GSA.

Management's Response: Our policies and procedures will be reviewed and updated as needed.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: All documentation was tested for payroll and retirement contributions made during the fiscal period. One payment out of the 36 tested was noted as not being paid by the required deadline. Additionally, one reporting form was not submitted to the corresponding agency by the required deadline.

Management's Response: This was due to software conversion and will not be repeated.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Comment: Three exceptions were noted which involved two employees who had received ethics training in the prior year but not in the current year and one part-time employee who had not received any ethics training.

Management's Response: More attention will be paid to the required ethics training.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Comment: These procedures are not applicable as the entity has no debt obligations that would require debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance area identified in the SAUPs and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. 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
March 5, 2018