

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2022

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Denham Springs
Denham Springs, Louisiana

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Denham Springs, Louisiana as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Denham Springs, Louisiana basic financial statements as listed in the table of contents.

Opinion Unit	Type of Opinion
General Fund	Unmodified
Housing Choice Vouchers Fund	Unmodified
Aggregate Discretely Presented Component Units	Adverse

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the Housing Authority of the City of Denham Springs, Louisiana as of September 30, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General and Housing Choice Voucher Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the General and Housing Choice Voucher Fund of the Housing Authority of the City of Denham Springs, Louisiana as of September 30, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Housing Authority of Denham Springs, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to the Adverse Opinion on Component Units

As discussed in Note 1 of the financial statements, the Authority has three non-major component units. The Authority has elected to not include those combined component units in the current year. Accounting principles generally accepted in the United States of America require that those non-major component units be combined and shown by discrete presentation, which would increase the assets and net position and change the expenses of the governmental unit. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter.

Other Matters

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Denham Springs, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of the City of Denham Springs, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Denham Springs, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 5 to 11 be presented to supplement the basic financial statements.

Such information, is the responsibility of management and, 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 general 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 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 Denham Springs, Louisiana's basic financial statements. The financial data schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 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, financial data schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 on our consideration of the Housing Authority of the City of Denham Springs, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Denham Springs, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Denham Springs, Louisiana's internal control over financial reporting and compliance.



Mike Estes, P.C.
Fort Worth, Texas
March 27, 2023

HOUSING AUTHORITY OF DENHAM SPRINGS, LA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
September 30, 2022

The management of Housing Authority of Denham Springs, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2022. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,761,668 at the close of the fiscal year ended 2022.
 - ✓ Of this amount \$1,123,245 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$407,830 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 42% of the total operating expenses of \$967,087 for the fiscal year 2022, which means the Authority might be able to operate about 5 months using the unrestricted assets alone, compared to 9 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$123,725, a 4% decrease from the prior fiscal year 2021.
- The decrease in net position of these funds was accompanied by an increase in unrestricted cash by \$1,243,357 from fiscal year 2021.
- The Authority Spent \$1,105,195 to purchase 28.44 acres in the City where it plans to rebuild. The purchase was principally funded by unexpended insurance proceeds.
- These changes led to a decrease in total assets by \$137,791 and a decrease in total liabilities by \$14,066. As related measure of financial health, there are still over \$103 of current assets covering each dollar of total current liabilities, which compares to \$3 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2022?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. 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 enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in net position. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Public Housing Capital Fund Program	\$ -
Low Rent Public Housing	-
Housing Choice Vouchers	700,963
Cares LR	4,350
Cares S8	13,365
Total funding received this current fiscal year	<u>\$ 718,678</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

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 for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

Housing Authority of Denham Springs, LA
Management's Discussion and Analysis (MD&A)
September 30, 2022

FINANCIAL ANALYSIS

The Housing Authority's net position was \$2,761,668 as of September 30, 2022. Of this amount, \$1,123,245 was invested in capital assets, \$1,230,593 was restricted, and \$407,830 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
As of September 30, 2022**

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets	\$ 457,899	\$ 496,355
Restricted assets	1,230,593	2,435,123
Capital assets, net of depreciation	1,123,245	18,050
Other assets	224,506	224,506
Total assets	<u>3,036,243</u>	<u>3,174,034</u>
LIABILITIES		
Current liabilities	7,308	250,093
Non-current liabilities	267,272	38,548
Total liabilities	<u>274,580</u>	<u>288,641</u>
NET POSITION		
Invested in capital assets, net of depreciation	1,123,245	18,050
Net position restricted	1,230,593	2,421,758
Unrestricted net position	407,830	445,585
Total net position	<u>\$ 2,761,668</u>	<u>\$ 2,885,393</u>

The net position of these funds decreased by \$123,725, or by 4%, from those of fiscal year 2021, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Housing Authority of Denham Springs, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2022

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended September 30, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
HUD grants for operations	\$ 718,678	\$ 1,124,617
Other non-tenant revenue	<u>124,332</u>	<u>17,825</u>
Total operating revenues	<u>843,010</u>	<u>1,142,442</u>
OPERATING EXPENSES		
General	23,458	68,054
Ordinary maintenance and repairs	869	709
Administrative expenses and management fees	231,150	217,844
Utilities	6,972	5,706
Tenant services	-	364
Federal Housing Assistance Payments (HAP) to landlords & Ports	704,638	812,748
Casualty Loss	-	4,680
Depreciation	<u>-</u>	<u>2,846</u>
Total operating expenses	<u>967,087</u>	<u>1,112,951</u>
Income (losses) from operations	<u>(124,077)</u>	<u>29,491</u>
NON-OPERATING REVENUES		
Interest income	<u>352</u>	<u>1,598</u>
Total non-operating revenues	<u>352</u>	<u>1,598</u>
Income (losses) before capital contributions	(123,725)	31,089
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(123,725)</u>	<u>31,089</u>
NET POSITION - BEGINNING	2,885,393	2,854,304
NET POSITION - END	<u>\$ 2,761,668</u>	<u>\$ 2,885,393</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions decreased \$300,678 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Federal revenues from HUD for operations decreased by \$405,939 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs.
- Total other operating revenue increased by \$106,507 and interest income decreased by \$1,246 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses decreased \$145,864, or by 13%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense decreased by \$2,846 from that of the prior fiscal year.
- Maintenance and repairs increased by \$160 from that of the prior fiscal year due to changes in the following: Materials used increased by \$3 and contract labor costs increased by \$157.
- General Expenses decreased by \$44,597 from that of the prior fiscal year. Insurance premiums decreased by \$39,160 and other general expenses decreased by \$6,336. Lastly, compensated absences increased by \$899.
- Administrative Expenses increased by \$13,306 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$11,645 and related employee benefit contributions decreased by \$5,504; therefore, total staff salaries and benefit costs increased. In addition, staff travel reimbursements decreased by \$84, office expenses increased by \$2,523 and sundry expenses increased by \$4,726.
- Housing Assistance Payments to landlords decreased by \$108,110 from that of the prior fiscal year partly because there was a decrease in the number of tenants qualifying for subsidy during the year.
- Utilities Expense increased by \$1,266 from that of the prior fiscal year because water cost increased by \$515, electricity cost increased by \$137, gas cost increased by \$1,282, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$668.
- Total Tenant Services decreased by \$364 from that of the prior fiscal year.
- Casualty losses decreased by \$4,680 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the Housing Authority had a total cost of \$1,137,470 invested in a broad range of assets and construction in progress. This amount, not including depreciation, represents increases of \$1,105,195 from the prior year. The housing authority purchased land to rebuild. More detailed information about capital assets appears in the notes to the financial statements.

Statement of Capital Assets As of September 30, 2022

	<u>2022</u>	<u>2021</u>
Land	\$ 1,122,395	\$ 17,200
Construction in progress	850	850
Furniture and equipment	14,225	14,225
Accumulated Depreciation	<u>(14,225)</u>	<u>(14,225)</u>
Total	<u>\$ 1,123,245</u>	<u>\$ 18,050</u>

Debt

Non-current liabilities also include accrued annual leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

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 Federal budget than by local economic conditions.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Fred Banks, at Housing Authority of Denham Springs, LA; PO Box 910, Denham Springs, LA 70727-0910.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 213,339	\$ 67,242	\$ 280,581
Investments - Unrestricted	169,639	0	169,639
Accounts receivable net	0	5,626	5,626
Prepaid items and other assets	2,053	0	2,053
Restricted assets - cash and cash equivalents	932,339	298,254	1,230,593
	<u>1,317,370</u>	<u>371,122</u>	<u>1,688,492</u>
Capital Assets, net			
Land and other non-depreciated assets	1,122,395	0	1,122,395
Other capital assets - net of depreciation	850	0	850
	<u>1,123,245</u>	<u>0</u>	<u>1,123,245</u>
Noncurrent			
Other Assets	224,506	0	224,506
	<u>224,506</u>	<u>0</u>	<u>224,506</u>
Total Assets	<u>\$ 2,665,121</u>	<u>371,122</u>	<u>\$ 3,036,243</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 2,055	\$ 1,927	\$ 3,982
Compensated absences payable	2,545	776	3,321
	<u>4,600</u>	<u>2,703</u>	<u>7,303</u>
Noncurrent Liabilities			
Compensated absences payable	32,766	9,995	42,761
Noncurrent liabilities - other	224,511	0	224,511
	<u>257,277</u>	<u>9,995</u>	<u>267,272</u>
Total Liabilities	<u>261,877</u>	<u>12,698</u>	<u>274,575</u>
NET POSITION			
Net investment in capital assets, net of related debt	1,123,245	0	1,123,245
Restricted	932,339	298,254	1,230,593
Unrestricted	347,660	60,170	407,830
	<u>2,403,244</u>	<u>358,424</u>	<u>2,761,668</u>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
OPERATING REVENUES			
Governmental operating grants	\$ 4,350	\$ 714,328	\$ 718,678
Lawsuit settlement	103,681		103,681
Ports	2,804	17,847	20,651
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	110,835	732,175	843,010
OPERATING EXPENSES			
Administration	125,640	105,510	231,150
Utilities	6,972	0	6,972
Ordinary maintenance & operations	869	0	869
General expenses	18,243	5,215	23,458
Housing assistance payments	0	687,378	687,378
Port-in housing assistance payments	0	17,260	17,260
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	151,724	815,363	967,087
	<hr/>	<hr/>	<hr/>
Income (Loss) from Operations	(40,889)	(83,188)	(124,077)
Non Operating Revenues (Expenses)			
Interest earnings	341	11	352
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	341	11	352
	<hr/>	<hr/>	<hr/>
Income (Loss) before contribution	(40,548)	(83,177)	(123,725)
Capital Contribution			
	0	0	0
	<hr/>	<hr/>	<hr/>
Change in net position	(40,548)	(83,177)	(123,725)
Total net position - beginning	2,443,792	441,601	2,885,393
	<hr/>	<hr/>	<hr/>
Total net position - ending	\$ 2,403,244	\$ 358,424	\$ 2,761,668
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts	102,135	0	102,135
Federal grants	4,350	715,111	719,461
Payments to vendors	(48,128)	(42,825)	(90,953)
Payments to employees – net	(95,137)	(69,384)	(164,521)
Payments to private landlords	0	(704,638)	(704,638)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	(36,780)	(101,736)	(138,516)
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,105,195)	0	(1,105,195)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	(1,105,195)	0	(1,105,195)
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	343	11	354
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	343	11	354
	<u> </u>	<u> </u>	<u> </u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,141,632)	(101,725)	(1,243,357)
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS			
Beginning of Fiscal Year	2,287,310	467,221	2,754,531
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS			
End of Fiscal Year	\$ 1,145,678	365,496	1,511,174
	<u> </u>	<u> </u>	<u> </u>

Continued

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (40,889)	\$ (83,188)	\$ (124,077)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Change in assets and liabilities:			
Prepaid items	2,924	1,918	4,842
Accounts payable	1,185	(7,101)	(5,916)
Unearned revenue	0	(13,365)	(13,365)
Net cash provided (used) by operations	\$ (36,780)	\$ (101,736)	\$ (138,516)

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Denham Springs, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 52
Section 8	
Housing Choice Vouchers	LA-120

The August 2016 flood rendered the entire Low Rent site and office not habitable. The U.S. Department of Homeland Security’s Federal Emergency Management Agency (FEMA) awarded \$9,543,384 of federal funding for the rebuilding of the site and office.

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

The Housing Authority is a related organization of the City of Denham Springs since the City of Denham Springs appoints a voting majority of the Housing Authority’s governing board. The City of Denham Springs 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 Denham Springs. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Denham Springs.

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 criteria 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:

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

Ashley Place Limited Partnership (Ashley Place I), Ashley Place Development II Limited Partnership (Ashley Place II), and Ashley Place Development III Limited Partnership (Ashley Place III) are legally separate entities. The managing general partner of Ashley Place I is the Denham Springs Community Corporation. The managing general partner of Ashley Place II and Ashley Place III is Denham Springs Community GP, LLC. The Board of Directors of Denham Springs Community Corporation and the Denham Springs Community GP, LLC consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing bodies of Ashley Place I, II, and III.

The Denham Springs Community Corporation and the Denham Springs Community GP, LLC, are included in the financial statements as blended entities, as part of the General Fund. In prior years, Ashley Place I, II and III were included in the financial statements through discrete presentation as one combined fund. According to GASBS 14, neither Ashley Place I, II, or III are considered major funds. According to GASBS 14, non-major component units should be aggregated. Management has elected to not include the combined discretely presented financial statements in the current year.

Ashley Place I, II, and III have been audited for the year ended December 31, 2021, (a nine month difference than the primary entity) all by one other accounting firm.

The separate financial statements of Ashley Place I, II, and III can be obtained from the Housing Authority of the City of Denham Springs, 600 Eugene Street, P.O. Box 910, Denham Springs, Louisiana. Denham Springs Community Corporation and Denham Springs Community GP, LLC do not issue separate financial statements.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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 are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating 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, of less than ninety days, 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.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$1,511,174. This is comprised of cash and cash equivalents of \$280,581 and restricted assets – cash of \$1,230,593, on the statement of net position.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority 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 quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

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.

Definitions:

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

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

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

H. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management’s estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

I. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid 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 prepaid revenue is removed from the statement of net position and the revenue is recognized.

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

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

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

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

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as 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.

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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 statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2022. Deposits are stated at cost, which approximates fair value.

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

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority’s only investments are certificates of deposit.

Custodial Credit Risk: The Authority’s policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$932,339 of insurance proceeds are restricted. \$219,254 and \$79,000 of DHAP-Ike and Katrina disaster funds are also restricted.

At September 30, 2022, the Housing Authority’s carrying amount of deposits was \$1,680,688 and the bank balance was \$1,693,565, which includes \$169,639 in certificates of deposits classified as investments. Petty cash consists of \$125. \$669,658 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$1,023,907 was covered by pledged securities. However, this \$1,023,907 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, 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 (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2022, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
HUD	0	5,626	5,626
Total	\$ 0	\$ 5,626	\$ 5,626

NOTE 4 – OTHER ASSETS Fees originated from Ashley Place I, II and III. Those entities are described in Note 1, A, Reporting Entity. The noncurrent assets as of December 31, 2021 are as follows:

	<u>Ashley Place I</u>	<u>Ashley Place II</u>	<u>Ashley Place III</u>	<u>Total</u>
Developer fee	\$ 214,310	\$ 449,718	\$ 400,538	\$ 1,064,566
Partners fee	175,714	144,000	144,000	463,714
	390,024	593,718	544,538	1,528,280
Allowance for doubtful accounts	340,873	499,720	463,181	1,303,774
Total Non-current receivables	49,151	93,998	81,357	224,506

Long-term obligations offset this by an equal amount. See Note 9.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 17,200	\$ 1,105,195	\$ 0	\$ 1,122,395
Construction in progress	850	0	0	850
Depreciable assets:				
Furniture and equipment	14,225	0	0	14,225
Total capital assets	32,275	1,105,195	0	1,137,470
Less: accumulated depreciation				
Furniture and equipment	14,225	0	0	14,225
Total accumulated depreciation	14,225	0	0	14,225
Total capital assets, net	\$ 18,050	\$ 1,105,195	\$ 0	\$ 1,123,245

The August 2016 flood rendered the entire Low Rent site and office not habitable. It has been determined that the entire Low Rent site will be demolished and replaced. The units will be rebuilt.

NOTE 6 – ACCOUNTS PAYABLE The payables at September 30, 2022 are as follows:

	General	Housing Choice Voucher	Total
Vendors	\$ 971	\$ 411	\$ 1,382
Other	1,084	0	1,084
Federal sources:			
Grants	0	1,516	1,516
Total	\$ 2,055	\$ 1,927	\$ 3,982

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 7 – COMPENSATED ABSENCES At September 30, 2022, employees of the Housing Authority have accumulated and vested \$46,082 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 8 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2022.

	Compensated Absences	Non-Current Liabilities	Total
Balance, beginning	\$ 43,184	\$ 224,506	\$ 267,690
Additions	2,898	0	2,898
Deletions	0	0	0
Balance, ending	46,082	224,506	270,588
Amounts due in one year	\$ 3,321	\$ 0	\$ 3,321

NOTE 9 – ACCRUED LIABILITIES - OTHER Of the total amount, \$224,506 is due consultants from the origination and development of Ashley Place I, II, and III. This amount is equal to total December 31, 2021 receivable from partners less the estimated allowance for uncollectible accounts, as shown on Note 4.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES At September 30, 2022, the Housing Choice Voucher (HCV) Fund owes the General Fund \$44,455. For financial statement purposes, this amount was deducted from HCV Fund cash and added to General Fund cash.

NOTE 11 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after completing one year of employment.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 8% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$14,947 for the year ended September 30, 2022, of which \$8,968 was paid by the Housing Authority and \$5,979 was paid by employees. No payments were made out of the forfeiture account.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Commitments On October 1, 2019, the Authority renewed an Employment Agreement with the Executive Director. The agreement was for five years, unless terminated earlier by either party. The contract was renewed a prior agreement.

The contract can be terminated with cause, for non performance of the duties on the part of the Executive Director, or other good and valid cause which has proven detrimental effect to the operation of the Authority. Due process is required to terminate with cause. The process is outlined in the Agreement.

If the Executive Director is terminated without cause, the Director is entitled to receive the remainder of his compensation for the current contract year and the base compensation for one additional year.

In addition, the Executive Director is entitled to all earned annual leave at the time of separation, regardless of the reason for the separation.

Litigation The Housing Authority is not presently involved in litigation.

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

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Construction Projects There are certain renovation or construction projects in progress at September 30, 2022. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of public liability, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc Group Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 13 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$718,678 to the Housing Authority, which represents approximately 85% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 14 - SUBSEQUENT EVENTS The entire Low Rent site, the office and much of the Section Eight Voucher sites were flooded in August 2016. The Low Rent and original office are still not usable. A determination has been made that all of the standing but unused structures must be demolished and removed. Due to flood plain issues, the site may not be rebuilt on the original site. On February 26, 2019, the Authority was awarded \$9,543,384 by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to assist in paying for approximately 90% of the new construction. It is anticipated that state and federal grants will fund the other 10%. This funding is authorized under Section 428 of the Robert T. Stafford Act.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

On October 8, 2021, the Authority purchased 28.44 acres in the City where it plans to rebuild. The \$1,105,195 purchase price was principally funded by unexpended insurance proceeds.

In early March 2022, the Authority approved an independent proposal from a consultant who will develop a plan which will be negotiated with FEMA, which is a necessary step.

In February 2023, the Authority received \$817,969 from FEMA which is related to the above.



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CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

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

Housing Authority of Denham Springs
Denham Springs, Louisiana

We have audited, 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, the financial statements of each major fund, of the Housing Authority of the City of Denham Springs, Louisiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Denham Springs, Louisiana's basic financial statements, and have issued our report thereon dated March 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Denham Springs, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Audit Findings 2022-001.

Response to Finding

The Housing Authority of Denham Springs, Louisiana's response to the finding identified in our audit is described in the accompanying Views of Responsible Officials and Planned Corrective Actions. The Housing Authority of Denham Springs, Louisiana's response was not subjected to the auditing procedure 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 27, 2023

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements- Unmodified – General Fund
Unmodified – Housing Choice Voucher Fund
Adverse – Aggregate Discretely Presented
Component Units

2. Internal Control Over Financial Reporting:

- a. Material weakness(es) identified? _____ yes ✓ no
b. Significant deficiency(ies) identified? _____ yes ✓ none reported

3. Noncompliance material to financial statements noted? ✓ yes _____ no

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

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

Housing Choice Voucher Program #14.871-Special Tests

2022-001-Lack of Adequate Quality Control Review

Criteria and Specific Requirement

The Authority should have documented internal control over compliance of the tenant file functions and waiting lists that are sufficient to detect errors and oversights.

Condition Found

In the current year, we reviewed fifteen tenant files during our audit. There were no move-ins during the year, and thus all fifteen files that we reviewed were annual or interim re-examinations. Ten did not have an annual physical inspection documented. Of the fifteen files, two did not have a documented Enterprise Income Verification (EIV).

Cause

The principal person responsible for tenant file functions was ill a good part of the year, which left the PHA short-handed. In any event, the PHA should perform annual physical inspections and EIV checks.

Effect

Landlords may need to make physical corrections or renovations to the units under lease. The longer annual inspections are deferred, the likelihood decreases that the needed changes will be timely made. EIVs are a good way to make sure the tenant is reporting all earned income to the Authority.

Recommendation

Physical inspections and EIVs should be timely performed.

Origination Date and Prior Year Reference

We noted in for the year ended September 30, 2020 that the quality control documentation was not adequate. The finding was repeated for the year ended September 30, 2021.

View of Responsible Official

I am Fred Banks, Executive Director and Designated Person to answer this finding. As noted above, we were short of personnel for much of the year, although I tried to find experienced help. We hope to adequately address all of the quality control issues for the current year.

DENHAM SPRINGS HOUSING AUTHORITY
600 Eugene Street
Denham Springs, LA 70726
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HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2022

2022-001-Lack of Adequate Quality Control Review

Condition In the current year, we reviewed fifteen tenant files during our audit. There were no move-ins during the year, and thus all fifteen files that we reviewed were annual or interim re-examinations. Ten did not have an annual physical inspection documented. Of the fifteen files, two did not have a documented Enterprise Income Verification (EIV).

Corrective Action Planned: I am Fred Banks, Executive Director and Designated Person to answer this finding. As noted above, we were short of personnel for much of the year, although I tried to find experienced help. We hope to adequately address all of the quality control issues for the current year.

Person Responsible for Corrective Action:

Fred Banks, Executive Director
Housing Authority of Denham Springs
600 Eugene Street
Denham Springs, LA 70726

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Anticipated Completion Date- September 30, 2023

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2022

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

Housing Choice Voucher Program #14.871-Special Tests

2021-001-Lack of Adequate Quality Control Review

Condition

In the current year, we reviewed fifteen tenant files during our audit. In five of the fifteen, the September 2021 Housing Assistance Payment (HAP) actually paid to the landlord was an incorrect amount. The correct amount was determined by reviewing the correctness of the last HUD 50058 prepared and in effect before the payment of the September HAPs. Of the five errors noted above, the net effect that there was an underpayment of 3.1%. Total HAP payments for the year, net of ports, was \$798,558. If the 3.1% noted error rate applied to the total HAPs paid for the entire year, total HAPs were underpaid by \$24,754 (\$798,558 time 3.1%).

Statement of Auditing Standards (SAS) #115 dictates that either “inadequate design of controls over the preparation of the financial statements” or “absent or inadequate segregation of duties within a significant account or process” are defined by the Standard is defined as at least a significant deficiency, if not a material weakness.

An independent quality control was performed and documented during the year. However, the review was not sufficient to detect the above errors noted during the independent audit.

Recommendation

The Authority should perform and document quality control on the tenant files on a continual, representative basis.

Current Status

No errors in the comparison of HUD 50058 amounts not agreeing to HAP payments were noted in the current year. However, other exceptions were noted. The finding is repeated.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED SEPTEMBER 30, 2022

Agency Head Name: Fred Banks, Executive Director

Purpose	Amount
Salary	\$ 86,819
Benefits-insurance	212
Benefits-retirement	6,750
Benefits-<list any other here>	
Car allowance	3,000
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	140
Travel	
Registration fees	125
Conference travel	20
Continuing professional education fees	
Housing	
Unvouchered expenses*	79
Special meals	
Total	\$ 97,145

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Housing Choice Voucher	14.871	\$ 700,963
COVID-19-Housing Choice Voucher	14.871	13,365
COVID-19-Low-Income Housing Operating Subsidy	14.850	4,350
Total United States Department of Housing and Urban Development		\$ 718,678
Total Expenditures of Federal Awards		\$ 718,678

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Denham Springs, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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:

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 718,678
Total	\$ 718,678

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

NOTE 5 – 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.



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ACCOUNTANTS

and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

AGREED UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Directors of the Denham Springs Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Denham Springs Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Denham Springs Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

The Denham Springs Housing Authority has agreed to an acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2021 through September 30, 2022. Additionally, LLA has agreed and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results of Testing:

Prior to the beginning of the audit year, the Authority already had the policies listed above as (a) through (i). Debt Service is not applicable. The Authority does not have the policies listed above as (k) and (l).

Recommendation

The Authority should adopt the Information Technology/Disaster Recovery and Sexual Harassment policies.

View of Responsible Officials

We will comply with the auditor's recommendation.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results of Testing:

- (a)-the board of commissioners met in accordance with the bylaws.
- (b)-the minutes are thorough and well documented. However, Management should reference the comparison of budget-to-actual amounts.
- (c)-the unassigned fund balance at the end of the prior year was a positive amount.

Recommendation

The budget-to-actual comparisons should be documented.

View of Responsible Official

We will comply with the auditor's recommendation.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Testing:

No exceptions were noted in the above tests.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results of Testing:

Presently the Low Rent units are not habitable. The Housing Choice Voucher federal funds are received by direct deposit.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results of Testing:

Not applicable.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results of Testing:

A surety-fidelity bond was in force for the entire year.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements*

when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results of Testing:

Not applicable.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results of Testing:

Payments are made and processed only from the Authority office.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.(Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)

Results of Testing:

No exceptions were noted in the above tests.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Testing:

No exceptions were noted in the above tests.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

Results of Testing:

Management represents that the list we have of credit and debit cards is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. (Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results of Testing:

No exceptions were noted in the above tests.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results of Testing:

No exceptions were noted in the above tests.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

No exceptions were noted in the above tests.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Testing:

No exceptions were noted in the above tests.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of Testing:

No exceptions were noted in the above tests.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results of Testing:

The exception noted in the above tests is that two employees did not document their daily attendance.

Recommendation

All employees are required to document their daily attendance. It is not required to document the time arrived, time left, although that is preferable. At a minimum, there should be a record made at the time of days worked, days off for sick or vacation, for all employees. This was documented for all but two.

View of Responsible Official

We will comply with the auditor's recommendation.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results of Testing:

Management represents that no termination payments were made in the year. We did not note any in our tests.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Testing:

Management represents that all reports were timely filed and that there are no past-due amounts. We did not note any past-due amounts in our tests.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results of Testing:

No exceptions were noted in this area.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Results of Testing:

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results of Testing:

Not applicable.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Testing:

Management represents that they are not aware of any misappropriations of public funds or assets during the audit year. We did not note any during our tests.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly posted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results of Testing:

We performed the procedure and discussed the results with management. The Authority, while it does have IT controls, has not yet addressed the items noted above in (a) and (b) with its IT provider. The computers do have the anti-virus software noted in (c).

Recommendation

Management should obtain documentation from its IT provider that backups are in line with those noted in (a) and restorations are timely performed as noted in (b).

View of Responsible Official

We will comply with the auditor's recommendation.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results of Testing:

Sexual harassment training has not been obtained it appears from anyone.

Recommendation

We will obtain the training in the current year.

View of Responsible Official

We will comply with the auditor's recommendation.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results of Testing:

The policy is yet to be adopted.

Recommendation

The policy should be posted after its adoption.

View of Responsible Official

We will comply with the auditor's recommendation.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Results of Testing:

Management represents that they did not receive any sexual harassment complaints during the year.

We were engaged by the Denham Springs Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas 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.

We are required to be independent of the Denham Springs Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas 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 LLA as a public document.



Mike Estes, P.C.
Fort Worth, Texas
March 27, 2023

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Balance Sheet Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
111 Cash - Unrestricted	\$163,690			\$49,630	\$219,254	\$67,242		\$79,000	\$578,816	\$578,816
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted	\$932,339								\$932,339	\$932,339
114 Cash - Tenant Security Deposits										
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	\$1,096,029	\$0	\$0	\$49,630	\$219,254	\$67,242	\$0	\$79,000	\$1,511,155	\$1,511,155
121 Accounts Receivable - PHA Projects						\$102			\$102	\$102
122 Accounts Receivable - HUD Other Projects						\$5,524			\$5,524	\$5,524
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous				\$224,506					\$224,506	\$224,506
126 Accounts Receivable - Tenants						\$0			\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants						\$0			\$0	\$0
126.2 Allowance for Doubtful Accounts - Other				\$0		\$0			\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable	\$1								\$1	\$1
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1	\$0	\$0	\$224,506	\$0	\$5,626	\$0	\$0	\$230,133	\$230,133
131 Investments - Unrestricted	\$169,638			\$19					\$169,657	\$169,657
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$2,053								\$2,053	\$2,053
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From										
145 Assets Held for Sale										
150 Total Current Assets	\$1,267,721	\$0	\$0	\$274,155	\$219,254	\$72,868	\$0	\$79,000	\$1,912,998	\$1,912,998

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Balance Sheet Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
161 Land	\$1,122,395								\$1,122,395	\$1,122,395
162 Buildings										
163 Furniture, Equipment & Machinery - Dwellings										
164 Furniture, Equipment & Machinery - Administration	\$14,225								\$14,225	\$14,225
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$14,225								-\$14,225	-\$14,225
167 Construction in Progress	\$850								\$850	\$850
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,123,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,123,245	\$1,123,245
171 Notes, Loans and Mortgages Receivable - Non-Current										
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										
173 Grants Receivable - Non Current										
174 Other Assets										
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$1,123,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,123,245	\$1,123,245
200 Deferred Outflow of Resources										
290 Total Assets and Deferred Outflow of Resources	\$2,390,966	\$0	\$0	\$274,155	\$219,254	\$72,868	\$0	\$79,000	\$3,036,243	\$3,036,243
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$971					\$411			\$1,382	\$1,382
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable										
322 Accrued Compensated Absences - Current Portion	\$2,545					\$776			\$3,321	\$3,321
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs						\$1,516			\$1,516	\$1,516
332 Account Payable - PHA Projects										

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Balance Sheet Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
333 Accounts Payable - Other Government										
341 Tenant Security Deposits										
342 Unearned Revenue										
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue										
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities				\$5					\$5	\$5
346 Accrued Liabilities - Other	\$1,084			\$224,506					\$225,590	\$225,590
347 Inter Program - Due To										
348 Loan Liability - Current										
310 Total Current Liabilities	\$4,600	\$0	\$0	\$224,511	\$0	\$2,703	\$0	\$0	\$231,814	\$231,814
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue										
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other										
354 Accrued Compensated Absences - Non Current	\$32,766					\$9,995			\$42,761	\$42,761
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities										
350 Total Non-Current Liabilities	\$32,766	\$0	\$0	\$0	\$0	\$9,995	\$0	\$0	\$42,761	\$42,761
300 Total Liabilities	\$37,366	\$0	\$0	\$224,511	\$0	\$12,698	\$0	\$0	\$274,575	\$274,575
400 Deferred Inflow of Resources										
508.4 Net Investment in Capital Assets	\$1,123,245	\$0					\$0		\$1,123,245	\$1,123,245
511.4 Restricted Net Position	\$932,339	\$0			\$219,254		\$0	\$79,000	\$1,230,593	\$1,230,593
512.4 Unrestricted Net Position	\$298,016	\$0	\$0	\$49,644	\$0	\$60,170	\$0	\$0	\$407,830	\$407,830
513 Total Equity - Net Assets / Position	\$2,353,600	\$0	\$0	\$49,644	\$219,254	\$60,170	\$0	\$79,000	\$2,761,668	\$2,761,668
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,390,966	\$0	\$0	\$274,155	\$219,254	\$72,868	\$0	\$79,000	\$3,036,243	\$3,036,243

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants			
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$324		\$324
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$106,485		\$106,485
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$106,809	\$0	\$106,809
91100 Administrative Salaries	\$81,891		\$81,891
91200 Auditing Fees	\$5,500		\$5,500
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$11,473		\$11,473
91600 Office Expenses	\$9,667		\$9,667
91700 Legal Expense			
91800 Travel	\$2,114		\$2,114
91810 Allocated Overhead			
91900 Other	\$10,645		\$10,645
91000 Total Operating - Administrative	\$121,290	\$0	\$121,290
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$1,034		\$1,034
93200 Electricity	\$4,628		\$4,628
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer	\$1,282		\$1,282

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$28		\$28
93000 Total Utilities	\$6,972	\$0	\$6,972
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other	\$86		\$86
94300 Ordinary Maintenance and Operations Contracts	\$783		\$783
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$869	\$0	\$869
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$209		\$209
96120 Liability Insurance	\$6,857		\$6,857
96130 Workmen's Compensation	\$2,847		\$2,847
96140 All Other Insurance	\$649		\$649
96100 Total insurance Premiums	\$10,562	\$0	\$10,562
96200 Other General Expenses			
96210 Compensated Absences	\$7,681		\$7,681
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$7,681	\$0	\$7,681
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$147,374	\$0	\$147,374
97000 Excess of Operating Revenue over Operating Expenses	-\$40,565	\$0	-\$40,565
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense			
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$147,374	\$0	\$147,374

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$40,565	\$0	-\$40,565
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,394,165	\$0	\$2,394,165
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
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			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	0		0
11210 Number of Unit Months Leased	0		0
11270 Excess Cash	\$316,448		\$316,448
11610 Land Purchases	\$1,105,195	\$0	\$1,105,195
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
70300 Net Tenant Rental Revenue										
70400 Tenant Revenue - Other										
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$4,350				\$700,963	\$13,365		\$718,678	\$718,678
70610 Capital Grants										
70710 Management Fee										
70720 Asset Management Fee										
70730 Book Keeping Fee										
70740 Front Line Service Fee										
70750 Other Fees										
70700 Total Fee Revenue										
70800 Other Government Grants										
71100 Investment Income - Unrestricted	\$324			\$17		\$11			\$352	\$352
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery										
71500 Other Revenue	\$106,485					\$17,847			\$124,332	\$124,332
71600 Gain or Loss on Sale of Capital Assets										
72000 Investment Income - Restricted										
70000 Total Revenue	\$106,809	\$4,350	\$0	\$17	\$0	\$718,821	\$13,365	\$0	\$843,362	\$843,362
91100 Administrative Salaries	\$81,891					\$46,385	\$3,591		\$131,867	\$131,867
91200 Auditing Fees	\$5,500					\$5,500			\$11,000	\$11,000
91300 Management Fee										
91310 Book-keeping Fee										
91400 Advertising and Marketing										
91500 Employee Benefit contributions - Administrative	\$11,473					\$15,170			\$26,643	\$26,643
91600 Office Expenses	\$9,667	\$4,350				\$8,104	\$9,774		\$31,895	\$31,895

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
91700 Legal Expense										
91800 Travel	\$2,114					\$906			\$3,020	\$3,020
91810 Allocated Overhead										
91900 Other	\$10,645					\$16,080			\$26,725	\$26,725
91000 Total Operating - Administrative	\$121,290	\$4,350	\$0	\$0	\$0	\$92,145	\$13,365	\$0	\$231,150	\$231,150
92000 Asset Management Fee										
92100 Tenant Services - Salaries										
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services										
92400 Tenant Services - Other										
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$1,034								\$1,034	\$1,034
93200 Electricity	\$4,628								\$4,628	\$4,628
93300 Gas										
93400 Fuel										
93500 Labor										
93600 Sewer	\$1,282								\$1,282	\$1,282
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense	\$28								\$28	\$28
93000 Total Utilities	\$6,972	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,972	\$6,972
94100 Ordinary Maintenance and Operations - Labor										
94200 Ordinary Maintenance and Operations - Materials and Other	\$86								\$86	\$86
94300 Ordinary Maintenance and Operations Contracts	\$783								\$783	\$783
94500 Employee Benefit Contributions - Ordinary Maintenance										
94000 Total Maintenance	\$869	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$869	\$869
95100 Protective Services - Labor										
95200 Protective Services - Other Contract Costs										

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
95300 Protective Services - Other										
95500 Employee Benefit Contributions - Protective Services										
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$209								\$209	\$209
96120 Liability Insurance	\$6,857					\$1,450			\$8,307	\$8,307
96130 Workmen's Compensation	\$2,847					\$1,978			\$4,825	\$4,825
96140 All Other Insurance	\$649								\$649	\$649
96100 Total insurance Premiums	\$10,562	\$0	\$0	\$0	\$0	\$3,428	\$0	\$0	\$13,990	\$13,990
96200 Other General Expenses						\$559			\$559	\$559
96210 Compensated Absences	\$7,681					\$1,228			\$8,909	\$8,909
96300 Payments in Lieu of Taxes										
96400 Bad debt - Tenant Rents										
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$7,681	\$0	\$0	\$0	\$0	\$1,787	\$0	\$0	\$9,468	\$9,468
96710 Interest of Mortgage (or Bonds) Payable										
96720 Interest on Notes Payable (Short and Long Term)										
96730 Amortization of Bond Issue Costs										
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$147,374	\$4,350	\$0	\$0	\$0	\$97,360	\$13,365	\$0	\$262,449	\$262,449
97000 Excess of Operating Revenue over Operating Expenses	-\$40,565	\$0	\$0	\$17	\$0	\$621,461	\$0	\$0	\$580,913	\$580,913
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized										
97300 Housing Assistance Payments						\$687,378			\$687,378	\$687,378
97350 HAP Portability-In						\$17,260			\$17,260	\$17,260

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
97400 Depreciation Expense										
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$147,374	\$4,350	\$0	\$0	\$0	\$801,998	\$13,365	\$0	\$967,087	\$967,087
10010 Operating Transfer In										
10020 Operating transfer Out										
10030 Operating Transfers from/to Primary Government										
10040 Operating Transfers from/to Component Unit										
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)										
10091 Inter Project Excess Cash Transfer In										
10092 Inter Project Excess Cash Transfer Out										
10093 Transfers between Program and Project - In										
10094 Transfers between Project and Program - Out										
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$40,565	\$0	\$0	\$17	\$0	-\$83,177	\$0	\$0	-\$123,725	-\$123,725
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,394,165	\$0	\$0	\$49,627	\$219,254	\$143,347	\$0	\$79,000	\$2,885,393	\$2,885,393
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors						\$0			\$0	\$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										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary										
	Project Total	14.PHC Public Housing CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	6.2 Component Unit - Blended	14.IKE DHAP-IKE	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	Subtotal	Total
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity						\$60,170			\$60,170	\$60,170
11180 Housing Assistance Payments Equity						\$0			\$0	\$0
11190 Unit Months Available	0					1095			1095	1095
11210 Number of Unit Months Leased	0					1095			1095	1095
11270 Excess Cash	\$316,448								\$316,448	\$316,448
11610 Land Purchases	\$1,105,195								\$1,105,195	\$1,105,195
11620 Building Purchases	\$0								\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0								\$0	\$0
11650 Leasehold Improvements Purchases	\$0								\$0	\$0
11660 Infrastructure Purchases	\$0								\$0	\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0