

**Housing Authority of the
TOWN OF INDEPENDENCE**
Independence, Louisiana

**Annual Financial Report
As of and for the Year Ended September 30, 2020**

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana
Basic Financial Statements

As of and for the Year Ended September 30, 2020
With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Required Supplementary Information		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Statement of Net Position	A	13
Statement of Revenues, Expenses and Changes in Net Position	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
Supplemental Information		
Financial Data Schedule		25
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		30
Statement and Certification of Actual Modernization Cost		31
Schedule of Compensation Paid Board Members		33
Other Reports		
Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		34
Schedule of Audit Findings		36
Schedule of Prior Audit Findings		37

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Town of Independence
Independence, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the Town of Independence (the authority) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana
Independent Auditor's Report, 2020
Page Two

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the Town of Independence as of September 30, 2020, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the authority's basic financial statements. The Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Statement and Certification of Actual Modernization Cost are presented for purposes of additional analysis and are not a required part of the basic financial statements.

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana
Independent Auditor's Report, 2020
Page Three

The Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Statement and Certification of Actual Modernization Cost are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Compensation of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 28, 2021 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 28, 2021

Housing Authority of the Town of Independence
Independence, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2020

The management of Housing Authority of Independence, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2020. 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 \$441,517 at the close of the fiscal year ended 2020.
 - ✓ Of this amount \$347,460 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 \$94,057 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 26% of the total operating expenses of \$360,043 for the fiscal year 2020, which means the Authority might be able to operate about 3 months using the unrestricted assets alone, compared to 3 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$26,482, a 6% increase from the prior fiscal year 2019.
- The increase in net position of these funds was accompanied by a decrease in unrestricted cash by \$47,424 from fiscal year 2019.
- The Authority Spent \$63,638 on capital asset additions.
- These changes led to an increase in total assets by \$36,761 and an increase in total liabilities by \$10,279. As related measure of financial health, there are still over \$4 of current assets covering each dollar of total current liabilities, which compares to \$4 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 2020?" 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 of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

The Authority accounts for all financial activity in a single enterprise fund. 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	\$ 76,761
Low Rent Public Housing	170,559
Cares LR	<u>4,005</u>
Total funding received this current fiscal year	<u>\$ 251,325</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.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$441,517 as of September 30, 2020. Of this amount, \$347,460 was invested in capital assets and \$94,057 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

Housing Authority of Independence, LA
Management's Discussion and Analysis (MD&A)
September 30, 2020

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
As of September 30, 2020**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets	\$ 136,989	\$ 120,538
Capital assets, net of depreciation	347,460	327,150
Total assets	<u>484,449</u>	<u>447,688</u>
LIABILITIES		
Current liabilities	38,010	28,643
Non-current liabilities	4,922	4,010
Total liabilities	<u>42,932</u>	<u>32,653</u>
NET POSITION		
Invested in capital assets, net of depreciation	347,460	327,150
Unrestricted net position	94,057	87,885
Total net position	<u>\$ 441,517</u>	<u>\$ 415,035</u>

The net position of these funds increased by \$26,482, or by 6%, from those of fiscal year 2019, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Housing Authority of Independence, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2020

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended September 30, 2020**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tenant Revenue	\$ 130,554	\$ 107,359
HUD grants for operations	191,061	237,727
Other non-tenant revenue	4,229	567
Total operating revenues	<u>325,844</u>	<u>345,653</u>
OPERATING EXPENSES		
General	55,480	41,567
Ordinary maintenance and repairs	110,400	131,293
Administrative expenses and management fees	98,455	97,008
Utilities	44,847	34,923
Protective services	4,524	3,828
Tenant services	3,008	410
Depreciation	43,329	32,075
Total operating expenses	<u>360,043</u>	<u>341,104</u>
Income (losses) from operations	<u>(34,199)</u>	<u>4,549</u>
NON-OPERATING REVENUES		
Interest income	417	703
Gains from sale or disposal of assets	-	1,850
Total non-operating revenues	<u>417</u>	<u>2,553</u>
Income (losses) before capital contributions	<u>(33,782)</u>	<u>7,102</u>
CAPITAL CONTRIBUTIONS	<u>60,264</u>	<u>48,600</u>
CHANGES IN NET POSITION	<u>26,482</u>	<u>55,702</u>
NET POSITION - BEGINNING	415,035	359,333
NET POSITION - END	<u>\$ 441,517</u>	<u>\$ 415,035</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions decreased \$8,145 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$23,195 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which decreased by \$2,208.
- Federal revenues from HUD for operations decreased by \$46,666 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. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD increased by \$11,664 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2017 through 2019, and submitted a new grant during fiscal year 2020.
- Total other operating revenue increased by \$3,662 and interest income decreased by \$286 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$18,939, or by 6%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$11,254 from that of the prior fiscal year.
- Maintenance and repairs decreased by \$20,893 from that of the prior fiscal year due to changes in the following: Repair staff wages decreased by \$934 and related employee benefit contributions increased by \$3,679. Materials used decreased by \$21,033 and contract labor costs decreased by \$2,605.
- General Expenses increased by \$13,913 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$1,548. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$2,454, other general expenses increased by \$4,982 and bad debts decreased by \$6,588. Lastly, compensated absences increased by \$11,517.
- Administrative Expenses increased by \$1,447 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries decreased by \$2,798 and related employee benefit contributions increased by \$7,318; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees decreased by \$3,723. In addition, staff travel reimbursements decreased by \$2,812, office expenses decreased by \$3,434 and sundry expenses increased by \$6,896.
- Utilities Expense increased by \$9,924 from that of the prior fiscal year because water cost increased by \$4,872, electricity cost increased by \$226, gas cost increased by \$431, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$4,395.
- Total Tenant Services increased by \$2,598 from that of the prior fiscal year. Relocation costs decreased by \$200 and other tenant services increased by \$2,798. The increase in tenant services was caused by the response to the COVID 19 virus. Operating Subsidy was increased to cover these expenses.
- Protective services increased by \$696 from that of the prior fiscal year.

Housing Authority of Independence, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the Housing Authority had a total cost of \$3,621,186 invested in a broad range of assets and construction in progress from projects funded in 2017 through 2019, listed below. This amount, not including depreciation, represents increases of \$63,638 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets
 As of September 30, 2020**

	<u>2020</u>	<u>2019</u>
Land	\$ 61,000	\$ 61,000
Construction in progress	-	48,600
Buildings	3,128,252	3,016,014
Leasehold improvements	319,406	319,406
Furniture and equipment	112,528	112,528
Accumulated Depreciation	<u>(3,273,726)</u>	<u>(3,230,398)</u>
Total	<u>\$ 347,460</u>	<u>\$ 327,150</u>

As of the end of the 2020 fiscal year, the Authority is still in the process of completing HUD grants of \$289,126 obtained during 2017 through 2019 fiscal years. A total remainder of \$105,318 will be received and spent for completing these projects during fiscal year 2021.

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. The capital budgets for the 2021 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, 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 Arlene Liuzza, at Housing Authority of Independence, LA; PO Box 56, Independence, LA 70443.

**Housing Authority of the Town of Independence
Independence, Louisiana
Statement of Net Position
As of September 30, 2020**

ASSETS

Current assets

Cash and cash equivalents	99,387
Receivables:	
Tenant rents, net of allowance	1,829
Accrued interest receivable	5
Miscellaneous, net of allowance	1,578
Prepaid expenses	20,584
Inventory, net of allowance	3,688
Restricted assets - cash and cash equivalents	9,918
Total current assets	136,989

Noncurrent assets

Capital assets:	
Nondepreciable capital assets:	
Land	61,000
Total nondepreciable capital assets	61,000
Depreciable capital assets:	
Buildings and improvements	3,447,658
Furniture and equipment	112,528
Less accumulated depreciation	(3,273,726)
Total depreciable capital assets, net of accumulated depreciation	286,460
Total capital assets, net of accumulated depreciation	347,460
Total assets	484,449

TOTAL ASSETS 484,449

(continued)

Housing Authority of the Town of Independence
Independence, Louisiana
Statement of Net Position
As of September 30, 2020

LIABILITIES AND NET POSITION**Current Liabilities**

Accounts payable	2,638
Payable to other governments	8,513
Accrued wages payable	8,305
Accrued compensated absences	4,154
Unearned revenue	987
Other liability	3,495
Security deposit liability	9,918
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Total current liabilities38,010

Noncurrent liabilities

Accrued compensated absences	4,922
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Total noncurrent liabilities4,922

TOTAL LIABILITIES42,932

NET POSITION

Net Investments in Capital Assets	347,460
Unrestricted	94,057
	<hr/>

TOTAL NET POSITION\$ 441,517

The accompanying notes are an integral part of these financial statements.

Housing Authority of the Town of Independence
Independence, Louisiana
Statement of Revenues, Expenses, and Changes In Net Position
For the Year ended September 30, 2020

Operating Revenues	
HUD Operating Grants	\$ 191,061
Dwelling Rental	129,977
Other Operating	<u>577</u>
Total operating revenues	<u>321,615</u>
Operating Expenses	
General and administrative	153,935
Repairs and maintenance	110,400
Utilities	44,847
Tenant services	3,008
Protection services	4,524
Depreciation and amortization	<u>43,329</u>
Total operating expenses	<u>360,043</u>
Operating income (loss)	(38,428)
Nonoperating Revenues (Expenses):	
Interest revenue	417
Miscellaneous revenues	<u>4,229</u>
Total nonoperating revenues (expenses)	<u>4,646</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(33,782)
Capital contributions (grants)	60,264
Increase (decrease) in net position	26,482
Net position, beginning of year	<u>415,035</u>
Net position, end of year	<u><u>\$ 441,517</u></u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the Town of Independence
Statement of Cash Flows
For the Year ended September 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from federal subsidies	\$ 191,061
Receipts from tenants	128,205
Payments to suppliers	(232,781)
Payments to employees	<u>(83,227)</u>
Net cash provided by operating activities	<u>3,258</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	<u>4,229</u>
Net cash provided by noncapital financing activities	<u>4,229</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital grants	60,264
Purchase and construction of capital assets	<u>(63,638)</u>
Net cash (used in) capital and related financing activities	<u>(3,374)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>417</u>
Net cash provided by investing activities	<u>417</u>
Net increase (decrease) in cash and cash equivalents	<u>4,530</u>
Cash and cash equivalents - beginning of year	<u>104,775</u>
Cash and Cash equivalents - unrestricted	99,387
Cash and Cash equivalents - restricted	9,918
Total Cash and Cash Equivalents - end of year	<u>\$ 109,305</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (38,428)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	43,329
Changes in assets and liabilities:	
Tenant rents, net of allowance	(1,341)
Accrued interest receivable	14
Miscellaneous receivables	1,650
Prepaid insurance	(14,000)
Inventories	1,756
Accounts payable	1,891
Accrued wages payable	2,461
PILOT Payable	1,548
Accrued compensated absences	1,905
Unearned revenue	(2,151)
Other liability	3,495
Security deposit liability	<u>1,129</u>
Net cash provided by operating activities	<u>\$ 3,258</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana
Notes to the Basic Financial Statements
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Reporting Entity

The Housing Authority of The Town of Independence (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Town of Independence, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14, as amended by GASB statement No. 39 and GASB Statement No. 61, establishes criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected authority members are financially accountable.

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

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

(2) Funds

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

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, and tenant dwelling rents. Operating expenses include General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis—For State and Local Governments*, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

(3) Measurement focus and basis of accounting

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 management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

(4) Assets, liabilities, and net position

(a) Deposits and Investments

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

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

(c) Restricted Assets

Cash equal to the amount of tenant security deposits is reflected as restricted.

(d) Capital Assets

Capital assets of the authority are included in the statement of net position and are recorded at actual cost. The capitalization threshold is \$2,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-5 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2020, management of the authority did not establish an allowance for doubtful accounts.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and sick pay is accrued when incurred and reported as a liability.

Employees earn from 98 to 192 annual leave hours per year and may accumulate an unlimited number of annual leave hours. Employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when leave is earned.

(h) Restricted net position

Restricted net positions are reported as restricted when constraints placed on net positions 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 resources are available.

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

(i) Use of estimates

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

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2020, the authority's carrying amount of deposits was \$109,035, which includes the following:

Cash and cash equivalents-unrestricted	\$99,387
Cash and cash equivalents- restricted	9,918
Total	\$109,035

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$119,821 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The bank balances at September 30, 2020 totaled \$119,821

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Assets:				
Land	\$ 61,000	\$ -	\$ -	\$ 61,000
Construction in Progress	48,600	-	-	-
Depreciable Assets:				
Building and improvements	3,335,420	63,638	-	3,447,658
Furniture and equipment	112,528	-	-	112,528
Total	<u>3,557,548</u>	<u>63,638</u>	<u>-</u>	<u>3,621,186</u>
Less accumulated depreciation				
Building and improvements	3,147,029	37,537	-	3,184,566
Furniture and equipment	83,368	5,792	-	89,160
Total accumulated depreciation	<u>3,230,397</u>	<u>43,329</u>	<u>-</u>	<u>3,273,726</u>
Net Capital Assets	<u>\$ 327,151</u>	<u>\$ 20,309</u>	<u>\$ -</u>	<u>\$ 347,460</u>

NOTE D – COMPENSATED ABSENCES

At September 30, 2020, employees of the authority have accumulated and vested \$9,076 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$4,922 is reported in long-term debt.

NOTE E – LONG TERM OBLIGATIONS

As of September 30, 2020, long term obligations consisted of compensated absences in the amount of 4,922. The following is a summary of the changes in the long-term obligations for the year ended September 30, 2020.

	Compensated Absences
Balance as of October 1, 2019	\$3,161
Additions	6,561
Deductions	(646)
Balance as of September 30, 2020	<u>9,076</u>
Long Term Portion	<u>4,922</u>
Amount due in one year (Short term)	<u>\$4,154</u>

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

NOTE F – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore, the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE G - RETIREMENT PLAN

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, 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 authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to eight percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. No payments were made out of the forfeiture account.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended September 30, 2020, was \$87,593. The authority's contributions were calculated using the base salary amount of \$75,307. The authority made the required contributions of \$6,025 for the year ended September 30, 2020.

NOTE H – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Notes to the Financial Statements, 2020 – Continued

The 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 property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE I – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

NOTE J – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through January 28, 2021 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE K – ECONOMIC DEPENDENCE

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$251,325 to the authority, which represents approximately 65% of the authority's total revenue for the year.

Financial Data Schedule

Town of Independence HA (LA099)							
INDEPENDENCE, LA							
Entity Wide Balance Sheet Summary							
Submission Type:		Audited/Non Single Audit		Fiscal Year End: 09/30/2020			
			Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111	Cash - Unrestricted		\$99,387		\$99,387		\$99,387
112	Cash - Restricted - Modernization and Development						
113	Cash - Other Restricted						
114	Cash - Tenant Security Deposits		\$9,918		\$9,918		\$9,918
115	Cash - Restricted for Payment of Current Liabilities						
100	Total Cash		\$109,305	\$0	\$109,305		\$109,305
121	Accounts Receivable - PHA Projects						
122	Accounts Receivable - HUD Other Projects						
124	Accounts Receivable - Other Government						
125	Accounts Receivable - Miscellaneous						
126	Accounts Receivable - Tenants		\$1,829		\$1,829		\$1,829
126.1	Allow ance for Doubtful Accounts - Tenants		\$0		\$0		\$0
126.2	Allow ance for Doubtful Accounts - Other		\$0		\$0		\$0
127	Notes, Loans, & Mortgages Receivable - Current		\$1,578		\$1,578		\$1,578
128	Fraud Recovery						
128.1	Allow ance for Doubtful Accounts - Fraud						
129	Accrued Interest Receivable		\$5		\$5		\$5
120	Total Receivables, Net of Allow ances for Doubtful Accounts		\$3,412	\$0	\$3,412		\$3,412
131	Investments - Unrestricted						
132	Investments - Restricted						
135	Investments - Restricted for Payment of Current Liability						
142	Prepaid Expenses and Other Assets		\$20,584		\$20,584		\$20,584
143	Inventories		\$4,098		\$4,098		\$4,098
143.1	Allow ance for Obsolete Inventories		-\$410		-\$410		-\$410
144	Inter Program Due From						
145	Assets Held for Sale						
150	Total Current Assets		\$136,989	\$0	\$136,989		\$136,989
161	Land		\$61,000		\$61,000		\$61,000
162	Buildings		\$3,128,252		\$3,128,252		\$3,128,252
163	Furniture, Equipment & Machinery - Dw ellings		\$33,761		\$33,761		\$33,761
164	Furniture, Equipment & Machinery - Administration		\$78,767		\$78,767		\$78,767
165	Leasehold Improvements		\$319,406		\$319,406		\$319,406
166	Accumulated Depreciation		-\$3,273,726		-\$3,273,726		-\$3,273,726
167	Construction in Progress						
168	Infrastructure						
160	Total Capital Assets, Net of Accumulated Depreciation		\$347,460	\$0	\$347,460		\$347,460
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		\$347,460	\$0	\$347,460		\$347,460
200	Deferred Outflow of Resources						
290	Total Assets and Deferred Outflow of Resources		\$484,449	\$0	\$484,449		\$484,449

Financial Data Schedule

Town of Independence HA (LA099)

INDEPENDENCE, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 09/30/2020			
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$2,638		\$2,638		\$2,638
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$8,305		\$8,305		\$8,305
322 Accrued Compensated Absences - Current Portion	\$4,154		\$4,154		\$4,154
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$8,513		\$8,513		\$8,513
341 Tenant Security Deposits	\$9,918		\$9,918		\$9,918
342 Unearned Revenue	\$987		\$987		\$987
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$3,495		\$3,495		\$3,495
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$38,010	\$0	\$38,010		\$38,010
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	\$4,922		\$4,922		\$4,922
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$4,922	\$0	\$4,922		\$4,922
300 Total Liabilities	\$42,932	\$0	\$42,932		\$42,932
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$347,460		\$347,460		\$347,460
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$94,057	\$0	\$94,057		\$94,057
513 Total Equity - Net Assets / Position	\$441,517	\$0	\$441,517		\$441,517
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$484,449	\$0	\$484,449		\$484,449

Financial Data Schedule

Town of Independence HA (LA099)

INDEPENDENCE, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 09/30/2020				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total	
70300 Net Tenant Rental Revenue	\$129,977		\$129,977		\$129,977	
70400 Tenant Revenue - Other	\$577		\$577		\$577	
70500 Total Tenant Revenue	\$130,554	\$0	\$130,554	\$0	\$130,554	
70600 HUD PHA Operating Grants	\$187,056	\$4,005	\$191,061		\$191,061	
70610 Capital Grants	\$60,264		\$60,264		\$60,264	
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue			\$0	\$0	\$0	
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$417		\$417		\$417	
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	\$4,229		\$4,229		\$4,229	
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$382,520	\$4,005	\$386,525	\$0	\$386,525	
91100 Administrative Salaries	\$40,951		\$40,951		\$40,951	
91200 Auditing Fees	\$10,300		\$10,300		\$10,300	
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$199		\$199		\$199	
91500 Employee Benefit contributions - Administrative	\$22,401		\$22,401		\$22,401	
91600 Office Expenses	\$9,033		\$9,033		\$9,033	
91700 Legal Expense						
91800 Travel	\$3,723		\$3,723		\$3,723	
91810 Allocated Overhead						
91900 Other	\$10,290	\$1,558	\$11,848		\$11,848	
91000 Total Operating - Administrative	\$96,897	\$1,558	\$98,455	\$0	\$98,455	
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$561	\$2,447	\$3,008		\$3,008	
92500 Total Tenant Services	\$561	\$2,447	\$3,008	\$0	\$3,008	

Financial Data Schedule

Town of Independence HA (LA099)

INDEPENDENCE, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 09/30/2020				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total	
93100 Water	\$15,834		\$15,834		\$15,834	
93200 Electricity	\$9,601		\$9,601		\$9,601	
93300 Gas	\$1,316		\$1,316		\$1,316	
93400 Fuel						
93500 Labor						
93600 Sewer	\$18,096		\$18,096		\$18,096	
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$44,847	\$0	\$44,847	\$0	\$44,847	
94100 Ordinary Maintenance and Operations - Labor	\$46,642		\$46,642		\$46,642	
94200 Ordinary Maintenance and Operations - Materials and Other	\$21,065		\$21,065		\$21,065	
94300 Ordinary Maintenance and Operations Contracts	\$21,461		\$21,461		\$21,461	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,232		\$21,232		\$21,232	
94000 Total Maintenance	\$110,400	\$0	\$110,400	\$0	\$110,400	
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs	\$4,524		\$4,524		\$4,524	
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$4,524	\$0	\$4,524	\$0	\$4,524	
96110 Property Insurance	\$15,443		\$15,443		\$15,443	
96120 Liability Insurance	\$4,767		\$4,767		\$4,767	
96130 Workmen's Compensation	\$4,025		\$4,025		\$4,025	
96140 All Other Insurance	\$3,447		\$3,447		\$3,447	
96100 Total insurance Premiums	\$27,682	\$0	\$27,682	\$0	\$27,682	
96200 Other General Expenses	\$5,110		\$5,110		\$5,110	
96210 Compensated Absences	\$14,175		\$14,175		\$14,175	
96300 Payments in Lieu of Taxes	\$8,513		\$8,513		\$8,513	
96400 Bad debt - Tenant Rents						
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$27,798	\$0	\$27,798	\$0	\$27,798	
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	
96900 Total Operating Expenses	\$312,709	\$4,005	\$316,714	\$0	\$316,714	
97000 Excess of Operating Revenue over Operating Expenses	\$69,811	\$0	\$69,811	\$0	\$69,811	

Financial Data Schedule

Town of Independence HA (LA099)						
INDEPENDENCE, LA						
Entity Wide Revenue and Expense Summary						
Submission Type: Audited/Non Single Audit		Fiscal Year End: 09/30/2020				
		Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
97100	Extraordinary Maintenance					
97200	Casualty Losses - Non-capitalized					
97300	Housing Assistance Payments					
97350	HAP Portability-In					
97400	Depreciation Expense	\$43,329		\$43,329		\$43,329
97500	Fraud Losses					
97600	Capital Outlays - Governmental Funds					
97700	Debt Principal Payment - Governmental Funds					
97800	Dwelling Units Rent Expense					
90000	Total Expenses	\$356,038	\$4,005	\$360,043	\$0	\$360,043
10010	Operating Transfer In	\$16,497		\$16,497	-\$16,497	\$0
10020	Operating transfer Out	-\$16,497		-\$16,497	\$16,497	\$0
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
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$26,482	\$0	\$26,482	\$0	\$26,482
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030	Beginning Equity	\$415,035	\$0	\$415,035		\$415,035
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					
11100	Changes in Allowance for Doubtful Accounts - Other					
11170	Administrative Fee Equity					
11180	Housing Assistance Payments Equity					
11190	Unit Months Available	643		643		643
11210	Number of Unit Months Leased	639		639		639
11270	Excess Cash	\$48,917		\$48,917		\$48,917
11610	Land Purchases	\$0		\$0		\$0
11620	Building Purchases	\$60,264		\$60,264		\$60,264
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 Independence

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

For the Year Ended September 30, 2020

Arlene Liuzza , Executive Director

Purpose	Amount
Salary	\$39,929
Benefits-insurance	10,570
Benefits-retirement	3,194
Car allowance	
Reported value of the use of a vehicle provided by the agency for this FY, this should correspond to IRS reporting.	
Travel	377
Per diem	400
Registration fees	
Unvouchered Expenses (such as advances not settled up @ FYE)	
All other	

Note: If the agency head served part of the fiscal year, indicate how many months were served, and include information on all agency heads who served during the fiscal year.

Housing Authority of the Town of Independence
Independence, Louisiana
Statement and Certification of Actual Modernization Costs
For the Year Ended September 30, 2020

Project Number:	LA48P099501-15
Original Funds Approved	\$ 60,306
Less Funds Expended (Actual Modernization Cost)	<u>60,306</u>
Excess Funds Approved	<u>\$ -</u>
Funds Disbursed	\$ 60,306
Less Funds Expended (Actual Modernization Cost)	<u>60,306</u>
Excess Funds Disbursed	<u>\$ -</u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated March 27, 2019 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

Project Number:	LA48P099501-16
Original Funds Approved	\$ 63,868
Less Funds Expended (Actual Modernization Cost)	<u>63,868</u>
Excess Funds Approved	<u>\$ -</u>
Funds Disbursed	\$ 63,868
Less Funds Expended (Actual Modernization Cost)	<u>63,868</u>
Excess Funds Disbursed	<u>\$ -</u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated April 30, 2019 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

Housing Authority of the Town of Independence
Independence, Louisiana
Statement and Certification of Actual Modernization Costs
For the Year Ended September 30, 2020

Project Number:	LA48P099501-17
Original Funds Approved	\$ 69,648
Less Funds Expended (Actual Modernization Cost)	<u>69,648</u>
Excess Funds Approved	<u><u>\$ -</u></u>
Funds Disbursed	\$ 69,648
Less Funds Expended (Actual Modernization Cost)	<u>69,648</u>
Excess Funds Disbursed	<u><u>\$ -</u></u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated October 07, 2019 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

Project Number:	LA48P099501-18
Original Funds Approved	\$ 107,274
Less Funds Expended (Actual Modernization Cost)	<u>107,274</u>
Excess Funds Approved	<u><u>\$ -</u></u>
Funds Disbursed	\$ 107,274
Less Funds Expended (Actual Modernization Cost)	<u>107,274</u>
Excess Funds Disbursed	<u><u>\$ -</u></u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated February 27, 2020 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

**HOUSING AUTHORITY OF THE
TOWN OF INDEPENDENCE**

Independence, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended September 30, 2020

Board members serve without compensation.

William Daniel McCaskill, CPA
A Professional Accounting Corporation
415 Magnolia Lane
Mandeville, Louisiana 70471

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

Board of Commissioners
Housing Authority of the Town of Independence
Independence, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of Independence, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the authority'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control.

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

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana
Report on Internal Control... *Government
Auditing Standards, 2020*
Page Two

My 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 my audit I did not identify any deficiencies in internal control that I 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 authority's financial statements are free from material misstatement, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 28, 2021

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

Independence, Louisiana

Schedule of Findings
Fiscal Year Ended September 30, 2020

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified? _____yes X none reported

Noncompliance material to financial statements
noted? _____yes X no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**HOUSING AUTHORITY OF THE
TOWN OF INDEPENDENCE**

Independence, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2020

There were no findings in the prior audit.