

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2020

Mike Estes, P.C.
A Professional Accounting Corporation

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ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Denham Springs, Louisiana as of and for the year ended September 30, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including 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 and 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 we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Summary of Opinions

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

Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Authority’s legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Authority’s primary government unless the Authority also issues financial statements for the financial reporting entity that include the financial data for its component units. The Authority has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, fund balances, liabilities, deferred inflows of resources, net position, revenues, expenses of the Authority has not been determined.

Adverse Opinion

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, 2020, 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.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Housing Authority of the City of Denham Springs, Louisiana as of September 30, 2020, 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.

Unmodified Opinion

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of Denham Springs, Louisiana, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements’ Discussion and Analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing

the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Denham Springs, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, 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*, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, 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*, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, and other information as listed on the table of contents 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 June 9, 2021 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 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
June 9, 2021

HOUSING AUTHORITY OF DENHAM SPRINGS, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

September 30, 2020

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, 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 \$2,854,304 at the close of the fiscal year ended 2020.
 - ✓ Of this amount \$20,045 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ Also, of this amount, \$1,976,945 of net position is restricted for the Housing Choice Voucher program.
 - ✓ The remainder of \$857,314 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 71% of the total operating expenses of \$1,200,565 for the fiscal year 2020, which means the Authority might be able to operate about 9 months using the unrestricted assets alone, compared to 8 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$6,500, a slight increase from the prior fiscal year 2019.
- The increase in net position of these funds was accompanied by an increase in cash and cash equivalents of \$68,934.
- These changes led to a decrease in total assets by \$54,211 and an increase in total liabilities of \$47,711.
- 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

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	\$ 188,764
Low Rent Public Housing	41,593
Housing Choice Vouchers	950,783
Cares S8	<u>7,052</u>
Total funding received this current fiscal year	<u>\$ 1,188,192</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.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$2,854,304 as of September 30, 2020. Of this amount, \$20,045 was invested in capital assets and \$857,314 was unrestricted. There were \$1,976,945 in specific assets restricted for the Housing Choice Voucher (HCV) program.

CONDENSED FINANCIAL STATEMENTS

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets	\$ 2,914,783	\$ 2,857,727
Capital assets, net of depreciation	20,045	22,890
Other assets	224,506	224,506
Total assets	<u>3,159,334</u>	<u>3,105,123</u>
LIABILITIES		
Current liabilities	47,333	6,935
Non-current liabilities	257,697	250,384
Total liabilities	<u>305,030</u>	<u>257,319</u>
NET POSITION		
Invested in capital assets, net of depreciation	20,045	22,890
Net position restricted for the Housing Choice Voucher program	1,976,945	2,033,127
Unrestricted net position	857,314	791,787
Total net position	<u>\$ 2,854,304</u>	<u>\$ 2,847,804</u>

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

The net position of these funds increased by \$6,500, or by 0%, from those of fiscal year 2019, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

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		
Insurance proceeds	\$ -	\$ 962,856
HUD grants for operations	1,188,192	1,045,601
Other non-tenant revenue	15,549	24,157
Total operating revenues	<u>1,203,741</u>	<u>2,032,614</u>
OPERATING EXPENSES		
General	70,397	71,516
Ordinary maintenance and repairs	434	3,237
Administrative expenses and management fees	217,919	228,748
Utilities	4,959	5,196
Federal Housing Assistance Payments (HAP) to landlords & Ports	890,309	841,891
Casualty Loss	13,140	25,572
Depreciation	2,845	2,846
Tenant services	562	-
Total operating expenses	<u>1,200,565</u>	<u>1,179,006</u>
Income (losses) from operations	<u>3,176</u>	<u>853,608</u>
NON-OPERATING REVENUES		
Interest income	3,324	2,965
Total non-operating revenues	<u>3,324</u>	<u>2,965</u>
Income (losses) before capital contributions	6,500	856,573
CAPITAL CONTRIBUTIONS	-	-
CHANGES IN NET POSITION	<u>6,500</u>	<u>856,573</u>
NET POSITION - BEGINNING	2,847,804	1,991,231
NET POSITION - END	<u>\$ 2,854,304</u>	<u>\$ 2,847,804</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions decreased \$825,338 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Federal revenues from HUD for operations increased by \$142,591 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.
- The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2018 through 2020, and submitted a new grant during fiscal year 2020.
- Total other operating revenue decreased by \$8,608 and interest income increased by \$359 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$21,559, or by 2%, 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 \$1 from that of the prior fiscal year.
- Maintenance and repairs decreased by \$2,803 from that of the prior fiscal year due to changes in the following: Materials used decreased by \$448 and contract labor costs decreased by \$2,355.
- General Expenses decreased by \$1,119 from that of the prior fiscal year.
- Administrative Expenses decreased by \$10,829 from that of the prior fiscal year.
- Housing Assistance Payments to landlords increased by \$48,418 from that of the prior fiscal year partly because there was an increase in the number of tenants qualifying for subsidy during the year.
- Utilities Expense decreased by \$237 from that of the prior fiscal year because water cost decreased by \$425, electricity cost increased by \$5 and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$183.
- Casualty losses decreased by \$12,432 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the Housing Authority had a total cost of \$31,425 invested in a broad range of assets and construction in progress from projects funded in 2018 through 2020, listed below. This amount, not including depreciation, represents increases of \$0 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	\$ 17,200	\$ 17,200
Furniture and equipment	14,225	14,225
Accumulated Depreciation	<u>(11,380)</u>	<u>(8,535)</u>
Total	<u>\$ 20,045</u>	<u>\$ 22,890</u>

As of the end of the 2020 fiscal year, the Authority is still in the process of completing HUD grants of \$275,327 obtained during 2018 through 2020 fiscal years. A total remainder of \$544 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 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, 2020

	General	Housing Choice Voucher	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 319,119	\$ 359,108	\$ 678,227
Investments - Unrestricted	168,961	0	168,961
Interest receivable	57	0	57
Accounts receivable net	1,358	1,028	2,386
Prepaid items and other assets	45,979	3,146	49,125
Restricted assets - cash and cash equivalents	1,969,046	46,981	2,016,027
Total Current Assets	2,504,520	410,263	2,914,783
Capital Assets, net			
Land and other non-depreciated assets	17,200	0	17,200
Other capital assets - net of depreciation	2,845	0	2,845
Total Capital Assets, net	20,045	0	20,045
Noncurrent			
Other Assets	224,506	0	224,506
Total Assets	\$ 2,749,071	410,263	\$ 3,159,334
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 3,688	\$ 0	\$ 3,688
Unearned income	0	39,082	39,082
Compensated absences payable	2,931	1,632	4,563
Total Current Liabilities	6,619	40,714	47,333
Noncurrent Liabilities			
Compensated absences payable	27,074	6,117	33,191
Noncurrent liabilities - other	224,506	0	224,506
Total Noncurrent Liabilities	251,580	6,117	257,697
Total Liabilities	258,199	46,831	305,030
NET POSITION			
Net investment in capital assets, net of related debt	20,045	0	20,045
Restricted	1,969,046	7,899	1,976,945
Unrestricted	501,781	355,533	857,314
Net Position	2,490,872	363,432	2,854,304

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, 2020

	General	Housing Choice Voucher	Total
OPERATING REVENUES			
Governmental operating grants	\$ 230,357	\$ 957,835	\$ 1,188,192
Other	4,387	11,162	15,549
Total Operating Revenues	234,744	968,997	1,203,741
OPERATING EXPENSES			
Administration	123,034	94,885	217,919
Casualty losses	13,140	0	13,140
Utilities	4,959	0	4,959
Ordinary maintenance & operations	434	0	434
General expenses	57,873	12,524	70,397
Depreciation	2,845	0	2,845
Housing assistance payments	0	880,989	880,989
Port-in housing assistance payments	0	9,320	9,320
Tenant services	0	562	562
Total Operating Expenses	202,285	998,280	1,200,565
Income (Loss) from Operations	32,459	(29,283)	3,176
Non Operating Revenues (Expenses)			
Interest earnings	3,309	15	3,324
Total Non-Operating Revenues	3,309	15	3,324
Income (Loss) before contribution	35,768	(29,268)	6,500
Capital Contribution	0	0	0
Change in net position	35,768	(29,268)	6,500
Total net position - beginning	2,455,104	392,700	2,847,804
Total net position - ending	\$ 2,490,872	\$ 363,432	\$ 2,854,304

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, 2020

	General	Housing Choice Voucher	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts	4,387	10,084	14,471
Federal grants	244,043	996,917	1,240,960
Payments to vendors	(100,005)	(53,436)	(153,441)
Payments to employees – net	(92,273)	(54,517)	(146,790)
Payments to private landlords	0	(890,309)	(890,309)
Net cash provided (used) by operating activities	56,152	8,739	64,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	3,254	15	3,269
Purchase of investments	(1,226)	0	(1,226)
Net cash provided (used) by investing activities	2,028	15	2,043
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,180	8,754	66,934
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	2,229,985	397,335	2,627,320
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 2,288,165	406,089	2,694,254

Continued

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2020

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 32,459	\$ (29,283)	\$ 3,176
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	2,845	0	2,845
Change in assets and liabilities:			
Accounts receivable	13,686	0	13,686
A/P Vendors	6,908	641	7,549
Prepaid items	254	(1,701)	(1,447)
Unearned revenue	0	39,082	39,082
Net cash provided (used) by operations	<u>\$ 56,152</u>	<u>\$ 8,739</u>	<u>\$ 64,891</u>

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, 2020

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

SEPTEMBER 30, 2020

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. The grant expires in 2022.

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, 2020

- 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 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, 2020, (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, 2020

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, and the blended component units. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program, and the Disaster Housing Assistance Program, and the Disaster Housing Assistance Program – Ike.

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 \$2,694,254. This is comprised of cash and cash equivalents of \$678,227 and restricted assets – cash of \$2,016,027, on the statement of net position.

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

SEPTEMBER 30, 2020

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, 2020

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. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

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, 2020

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, 2020. 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: \$1,969,046 of insurance proceeds are restricted. \$39,082 is restricted for an amount equal to HAP unearned revenue. \$7,899 is restricted in the Housing Choice Voucher fund for HAP Equity.

At September 30, 2020, the Housing Authority's carrying amount of deposits was \$2,863,090 and the bank balance was \$2,873,507, which includes \$168,961 in certificates of deposits classified as investments. Petty cash consists of \$125. \$500,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$2,373,507 was covered by pledged securities. However, this \$2,373,507 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, 2020

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2020, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
HUD	1,358	0	1,358
Ports- Other PHA's	0	1,028	1,028
	<u>1,358</u>	<u>1,028</u>	<u>2,386</u>
Total	\$ 1,358	\$ 1,028	\$ 2,386

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, 2020 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	160,169	132,000	132,000	424,169
	<u>374,479</u>	<u>581,718</u>	<u>532,538</u>	<u>1,488,735</u>
Allowance for doubtful accounts	325,328	487,720	451,181	1,264,229
Total Non-current receivables	<u>49,151</u>	<u>93,998</u>	<u>81,357</u>	<u>224,506</u>

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, 2020

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	\$ 0	\$ 0	\$ 17,200
Depreciable assets:				
Furniture and equipment	14,225	0	0	14,225
Total capital assets	31,425	0	0	31,425
Less: accumulated depreciation				
Furniture and equipment	8,535	2,845	0	11,380
Total accumulated depreciation	8,535	2,845	0	11,380
Total capital assets, net	\$ 22,890	\$ (2,845)	\$ 0	\$ 20,045

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, 2020 are as follows:

	General	Housing Choice Voucher	Total
Vendors	\$ 775	\$ 0	\$ 775
Payroll taxes & Retirement withheld	2,598	0	2,598
Utilities	315	0	315
Total	\$ 3,688	\$ 0	\$ 3,688

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

SEPTEMBER 30, 2020

NOTE 7 – COMPENSATED ABSENCES At September 30, 2020, employees of the Housing Authority have accumulated and vested \$37,754 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, 2020.

	Compensated Absences	Non-Current Liabilities	Total
Balance, beginning	\$ 30,108	\$ 224,506	\$ 254,614
Additions	10,078	0	10,078
Deletions	(2,432)	0	(2,432)
Balance, ending	37,754	224,506	262,260
Amounts due in one year	\$ 4,563	\$ 0	\$ 4,563

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, 2020 receivable from partners less the estimated allowance for uncollectible accounts, as shown on Note 4.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES At September 30, 2020, the Housing Choice Voucher Fund (HCV) owes the General Fund \$19,951. 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, 2020

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 \$14,047 for the year ended September 30, 2020, of which \$8,428 was paid by the Housing Authority and \$5,619 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.

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

SEPTEMBER 30, 2020

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.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2020. 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 \$1,188,192 to the Housing Authority, which represents approximately 98% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 14 – NET ASSETS – RESTRICTED \$7,899 of general net assets are restricted for the Housing Choice Voucher Fund. \$1,969,046 is restricted for insurance proceeds received, but not expended.

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

SEPTEMBER 30, 2020

NOTE 15 - 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. Management is seeking an alternative site to purchase and rebuild. 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 accomplish to this task. This funding is authorized under Section 428 of the Robert T. Stafford Act. The grant expires in 2022.

COVID-19- The COVID-19 pandemic has impacted the Authority's dealings with tenants and applicants. The Authority received a CARES Act grant of \$46,134.

NOTE 16 – TRANSFER OF SECTION EIGHT DISASTER RESERVES In the year ended September 30, 2017, at the direction of HUD, \$58,822 of DVP Administration Reserves left over were transferred to the Housing Choice Voucher Program (HCV). The HCV admin fees were depleted due to so many HCV units that were off line as a result of the 2016 flood.



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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, 2020, 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 June 9, 2021.

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 2020-001.

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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 9, 2021



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

Independent Auditor's Report

Housing Authority of Denham Springs
Denham Springs, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Denham Springs, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Denham Springs, Louisiana's major federal programs for the year ended September 30, 2020. The Housing Authority of the City of Denham Springs, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Denham Springs, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority of the City of Denham Springs, Louisiana's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Housing Authority of the City of Denham Springs, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Audit Finding 2020-001, that we consider to be a material weakness.

The Housing Authority of the City of Denham Springs, Louisiana's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Denham Springs, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of Housing Authority of the City of Denham Springs, Louisiana as of and for the year ended September 30, 2020, and have issued our report thereon dated June 9, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 9, 2021

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

YEAR ENDED SEPTEMBER 30, 2020

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 41,593
Capital Fund Program	14.872	188,764
Housing Choice Voucher	14.871	950,783
COVID-19-Housing Choice Voucher	14.871	7,052
Total United States Department of Housing and Urban Development		\$ 1,188,192
Total Expenditures of Federal Awards		\$ 1,188,192

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, 2020

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, 2020. 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	\$ 1,188,192
Capital contributions	0
Total	\$ 1,188,192

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.

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

YEAR ENDED SEPTEMBER 30, 2020

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 |
|--|------------|-----|-------|----|

Audit of Federal Awards

1. Internal Control Over Major Programs:

- | | | | | |
|--|------------|-----|------------|---------------|
| a. Material weakness(es) identified? | ✓
_____ | yes | _____ | no |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | yes | ✓
_____ | none reported |

2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.

- | | | | | |
|---|------------|-----|-------|----|
| 3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200)? | ✓
_____ | yes | _____ | no |
|---|------------|-----|-------|----|

4. The programs tested as major programs include:

CFDA# 14.871 Section 8 Housing Choice Voucher

5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000

- | | | | | |
|--|------------|-----|-------|----|
| 6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? | ✓
_____ | yes | _____ | no |
|--|------------|-----|-------|----|

7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

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

YEAR ENDED SEPTEMBER 30, 2020

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

2020-001-Lack of Segregation of Duties

Criteria and Specific Requirement

The Authority should have properly documented internal controls over compliance functions over the waiting list and tenant file functions.

Condition Found

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 at least a significant deficiency, if not a material weakness. The documentation of the Authority’s internal controls is inadequate.

Cause

In recent years, the Authority has utilized a qualified person with another Authority to perform SEMAP related quality control procedures. This was not done in the current year.

Effect

The likelihood is not reduced to an acceptable level that material non-compliance could occur and be timely detected.

During our review of the tenant files, we noted only a couple of immaterial exceptions.

Recommendation

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

Origination Date and prior year reference

This is the first year of the audit finding.

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

YEAR ENDED SEPTEMBER 30, 2019

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:

Views of Responsible Official

I am Fred Banks, Executive Director and Designated Person to answer this finding. We will follow the auditor's recommendations. COVID-19 effects is why we did not obtain the documented quality control review this year.

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

YEAR ENDED SEPTEMBER 30, 2020

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

Audit Finding 2020-001 is also repeated here.

DENHAM SPRINGS HOUSING AUTHORITY
600 Eugene Street
Denham Springs, LA 70726
Phone No. (225) 664-3301 Fax No. (225) 664-3309

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2020

2020-001-Lack of Segregation of Duties

Condition:

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 at least a significant deficiency, if not a material weakness. The documentation of the Authority’s internal controls is inadequate.

Corrective Action Planned: I am Fred Banks, Executive Director and Designated Person to answer this finding. We will follow the auditor’s recommendations. COVID-19 effects is why we did not obtain the documented quality control review this year.

Person Responsible for Corrective Action:

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

Telephone: (225) 664-3301
Fax: (225) 664-3309

Anticipated Completion Date- September 15, 2021

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

YEAR ENDED SEPTEMBER 30, 2020

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED SEPTEMBER 30, 2020

	2013 Capital Fund	2014 Capital Fund	2015 Capital Fund	2016 Capital Fund	2017 Capital Fund
Funds approved	\$ 49,483	\$ 51,346	\$ 54,872	\$ 57,581	\$ 60,258
Funds expended	49,483	51,346	54,872	57,581	60,258
Excess of funds approved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Funds advanced	\$ 49,483	\$ 51,346	\$ 54,872	\$ 57,581	\$ 60,258
Funds expended	49,483	51,346	54,872	57,581	60,258
Excess (Deficiency) of funds advanced	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated April 30, 2020 for AMCCs 2013-2016 and June 17, 2019 for the 2017 AMCC. accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountant's report

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2020

	CASH BASIS		
	2018	2019	2020
	Capital Fund	Capital Fund	Capital Fund
	<u> </u>	<u> </u>	<u> </u>
Funds approved	\$ 86,797	\$ 90,184	\$ 98,346
Funds expended	86,797	90,184	97,802
Excess of funds approved	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 544</u>
Funds advanced	\$ 86,797	\$ 90,184	\$ 97,802
Funds expended	86,797	90,184	97,802
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accountant's report

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

YEAR ENDED SEPTEMBER 30, 2020

Agency Head Name: Fred Banks, Executive Director

Purpose	Amount
Salary	\$ 75,000
Benefits-insurance	
Benefits-retirement	
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	2,220
Registration fees	520
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 77,740

See accountant's report

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Entity Wide Balance Sheet Summary										
	Project Total	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	ELIM	Total
111 Cash - Unrestricted			\$49,608	\$219,254	\$60,854		\$79,000	\$408,716		\$408,716
112 Cash - Restricted - Modernization and Development	\$1,881							\$1,881		\$1,881
113 Cash - Other Restricted	\$1,967,165				\$7,899			\$1,975,064		\$1,975,064
114 Cash - Tenant Security Deposits										
115 Cash - Restricted for Payment of Current Liabilities					\$492	\$38,590		\$39,082		\$39,082
100 Total Cash	\$2,238,557	\$0	\$49,608	\$219,254	\$69,245	\$38,590	\$79,000	\$2,694,254	\$0	\$2,694,254
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects	\$1,358							\$1,358		\$1,358
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous			\$224,506		\$1,028			\$225,534		\$225,534
126 Accounts Receivable - Tenants										
126.1 Allowance for Doubtful Accounts - Tenants										
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable	\$57							\$57		\$57
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,415	\$0	\$224,506	\$0	\$1,028	\$0	\$0	\$226,949	\$0	\$226,949
131 Investments - Unrestricted	\$168,961							\$168,961		\$168,961
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$45,979				\$3,145			\$49,125		\$49,125
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From	\$0					\$492		\$492	-\$492	\$0
145 Assets Held for Sale										
150 Total Current Assets	\$2,454,912	\$0	\$274,114	\$219,254	\$73,419	\$39,082	\$79,000	\$3,139,781	-\$492	\$3,139,289
161 Land	\$17,200							\$17,200		\$17,200
162 Buildings										
163 Furniture, Equipment & Machinery - Dwellings										
164 Furniture, Equipment & Machinery - Administration	\$14,225							\$14,225		\$14,225
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$11,380							-\$11,380		-\$11,380
167 Construction in Progress										
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$20,045	\$0	\$0	\$0	\$0	\$0	\$0	\$20,045	\$0	\$20,045
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	\$20,045	\$0	\$0	\$0	\$0	\$0	\$0	\$20,045	\$0	\$20,045
200 Deferred Outflow of Resources										
290 Total Assets and Deferred Outflow of Resources	\$2,474,957	\$0	\$274,114	\$219,254	\$73,419	\$39,082	\$79,000	\$3,159,826	-\$492	\$3,159,334

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Entity Wide Balance Sheet Summary										
	Project Total	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	ELIM	Total
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$770		\$5					\$775		\$775
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	\$2,598							\$2,598		\$2,598
322 Accrued Compensated Absences - Current Portion	\$2,931				\$1,632			\$4,563		\$4,563
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs										
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government										
341 Tenant Security Deposits										
342 Unearned Revenue						\$39,082		\$39,082		\$39,082
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	\$315		\$224,506					\$224,821		\$224,821
347 Inter Program - Due To					\$492			\$492	-\$492	\$0
348 Loan Liability - Current										
310 Total Current Liabilities	\$6,614	\$0	\$224,511	\$0	\$2,124	\$39,082	\$0	\$272,331	-\$492	\$271,839
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	\$27,074				\$6,117			\$33,191		\$33,191
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities										
350 Total Non-Current Liabilities	\$27,074	\$0	\$0	\$0	\$6,117	\$0	\$0	\$33,191	\$0	\$33,191
300 Total Liabilities	\$33,688	\$0	\$224,511	\$0	\$8,241	\$39,082	\$0	\$305,522	-\$492	\$305,030
400 Deferred Inflow of Resources										
508.4 Net Investment in Capital Assets	\$20,045	\$0	\$0	\$0	\$0	\$0	\$0	\$20,045		\$20,045
511.4 Restricted Net Position	\$1,969,046	\$0	\$0	\$0	\$7,899	\$0	\$0	\$1,976,945		\$1,976,945
512.4 Unrestricted Net Position	\$452,178	\$0	\$49,603	\$219,254	\$57,279	\$0	\$79,000	\$857,314		\$857,314
513 Total Equity - Net Assets / Position	\$2,441,269	\$0	\$49,603	\$219,254	\$65,178	\$0	\$79,000	\$2,854,304	\$0	\$2,854,304
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,474,957	\$0	\$274,114	\$219,254	\$73,419	\$39,082	\$79,000	\$3,159,826	-\$492	\$3,159,334

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

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	\$41,593	\$188,764	\$230,357
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	\$3,260		\$3,260
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	\$4,151		\$4,151
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$49,004	\$188,764	\$237,768
91100 Administrative Salaries	\$78,013		\$78,013
91200 Auditing Fees	\$11,685		\$11,685
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$72		\$72
91500 Employee Benefit contributions - Administrative	\$13,358		\$13,358
91600 Office Expenses	\$13,534		\$13,534
91700 Legal Expense			
91800 Travel	\$2,200		\$2,200
91810 Allocated Overhead			
91900 Other	\$4,172		\$4,172
91000 Total Operating - Administrative	\$123,034	\$0	\$123,034
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	\$469		\$469
93200 Electricity	\$3,876		\$3,876
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer	\$614		\$614

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$4,959	\$0	\$4,959
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other	\$126		\$126
94300 Ordinary Maintenance and Operations Contracts	\$308		\$308
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$434	\$0	\$434
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	\$141		\$141
96120 Liability Insurance	\$4,802		\$4,802
96130 Workmen's Compensation	\$3,531		\$3,531
96140 All Other Insurance	\$41,506		\$41,506
96100 Total insurance Premiums	\$49,980	\$0	\$49,980
96200 Other General Expenses			
96210 Compensated Absences	\$7,893		\$7,893
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	\$7,893	\$0	\$7,893
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	\$186,300	\$0	\$186,300
97000 Excess of Operating Revenue over Operating Expenses	-\$137,296	\$188,764	\$51,468
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized	\$13,140		\$13,140
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$2,845		\$2,845
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$202,285	\$0	\$202,285

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$188,764		\$188,764
10020 Operating transfer Out		-\$188,764	-\$188,764
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)	\$188,764	-\$188,764	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$35,483	\$0	\$35,483
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,405,786	\$0	\$2,405,786
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$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	0		0
11210 Number of Unit Months Leased	0		0
11270 Excess Cash	\$148,237		\$148,237
11610 Land Purchases	\$0	\$0	\$0
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, 2020

Entity Wide Revenue and Expense Summary										
	Project Total	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	ELIM	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	\$230,357				\$950,783	\$7,052		\$1,188,192		\$1,188,192
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								\$0	\$0	\$0
70800 Other Government Grants										
71100 Investment Income - Unrestricted	\$3,260		\$49		\$15			\$3,324		\$3,324
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery					\$1,322			\$1,322		\$1,322
71500 Other Revenue	\$4,151		\$236		\$9,840			\$14,227		\$14,227
71600 Gain or Loss on Sale of Capital Assets										
72000 Investment Income - Restricted										
70000 Total Revenue	\$237,768	\$0	\$285	\$0	\$961,980	\$7,052	\$0	\$1,207,065	\$0	\$1,207,065
91100 Administrative Salaries	\$78,013				\$38,550			\$116,563		\$116,563
91200 Auditing Fees	\$11,685				\$8,815			\$20,500		\$20,500
91300 Management Fee										
91310 Book-keeping Fee										
91400 Advertising and Marketing	\$72							\$72		\$72
91500 Employee Benefit contributions - Administrative	\$13,358				\$15,237			\$28,595		\$28,595
91600 Office Expenses	\$13,534				\$24,641	\$6,490		\$44,665		\$44,665
91700 Legal Expense										
91800 Travel	\$2,200				\$1,050			\$3,250		\$3,250
91810 Allocated Overhead										
91900 Other	\$4,172				\$102			\$4,274		\$4,274
91000 Total Operating - Administrative	\$123,034	\$0	\$0	\$0	\$88,395	\$6,490	\$0	\$217,919	\$0	\$217,919
92000 Asset Management Fee										
92100 Tenant Services - Salaries										
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services										
92400 Tenant Services - Other						\$562		\$562		\$562
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$562	\$0	\$562	\$0	\$562
93100 Water	\$469							\$469		\$469
93200 Electricity	\$3,876							\$3,876		\$3,876
93300 Gas										
93400 Fuel										
93500 Labor										
93600 Sewer	\$814							\$814		\$814

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Entity Wide Revenue and Expense Summary										
	Project Total	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	ELIM	Total
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense										
93000 Total Utilities	\$4,959	\$0	\$0	\$0	\$0	\$0	\$0	\$4,959	\$0	\$4,959
94100 Ordinary Maintenance and Operations - Labor										
94200 Ordinary Maintenance and Operations - Materials and Other	\$126							\$126		\$126
94300 Ordinary Maintenance and Operations Contracts	\$308							\$308		\$308
94500 Employee Benefit Contributions - Ordinary Maintenance										
94000 Total Maintenance	\$434	\$0	\$0	\$0	\$0	\$0	\$0	\$434	\$0	\$434
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$141							\$141		\$141
96120 Liability Insurance	\$4,802				\$113			\$4,915		\$4,915
96130 Workmen's Compensation	\$3,531				\$1,306			\$4,837		\$4,837
96140 All Other Insurance	\$41,506				\$701			\$42,207		\$42,207
96100 Total Insurance Premiums	\$49,980	\$0	\$0	\$0	\$2,120	\$0	\$0	\$52,100	\$0	\$52,100
96200 Other General Expenses					\$7,768			\$7,768		\$7,768
96210 Compensated Absences	\$7,893				\$2,636			\$10,529		\$10,529
96300 Payments in Lieu of Taxes										
96400 Bad debt - Tenant Rents										
96500 Bad debt - Mortgages										
96800 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$7,893	\$0	\$0	\$0	\$10,404	\$0	\$0	\$18,297	\$0	\$18,297
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	\$186,300	\$0	\$0	\$0	\$100,919	\$7,052	\$0	\$294,271	\$0	\$294,271
97000 Excess of Operating Revenue over Operating Expenses	\$51,468	\$0	\$285	\$0	\$861,041	\$0	\$0	\$912,794	\$0	\$912,794
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized	\$13,140							\$13,140		\$13,140
97300 Housing Assistance Payments					\$880,989			\$880,989		\$880,989
97350 HAP Portability-In					\$9,320			\$9,320		\$9,320
97400 Depreciation Expense	\$2,845							\$2,845		\$2,845
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$202,285	\$0	\$0	\$0	\$991,228	\$7,052	\$0	\$1,200,565	\$0	\$1,200,565

HOUSING AUTHORITY OF DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2020

Entity Wide Revenue and Expense Summary										
	Project Total	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	ELIM	Total
10010 Operating Transfer In	\$188,764							\$188,764	-\$188,764	\$0
10020 Operating transfer Out	-\$188,764							-\$188,764	\$188,764	\$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	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$35,483	\$0	\$285	\$0	-\$29,268	\$0	\$0	\$6,500	\$0	\$6,500
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$2,405,786	\$0	\$49,318	\$219,254	\$94,446	\$0	\$79,000	\$2,847,804		\$2,847,804
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					\$57,279			\$57,279		\$57,279
11180 Housing Assistance Payments Equity					\$7,899			\$7,899		\$7,899
11190 Unit Months Available	0	0	0	0	1672	0	0	1672		1672
11210 Number of Unit Months Leased	0	0	0	0	1672	0	0	1672		1672
11270 Excess Cash	\$148,237							\$148,237		\$148,237
11610 Land Purchases	\$0							\$0		\$0
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