

HOUSING AUTHORITY OF THE CITY OF
BOGALUSA, LOUISIANA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED SEPTEMBER 30, 2020

HOUSING AUTHORITY OF THE CITY OF
BOGALUSA, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Bogalusa
Bogalusa, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Bogalusa, Louisiana as of and for the year ended September 30, 2020, and the related notes to the financial statements as listed in the table of contents. We did not audit the financial statements of Pine Trace Homes RAD I, LP; Pine Trace Homes RAD II, LP; and Cypress Pointe RAD, LP, discretely presented component units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units in the 'Discrete Component Units' column of the Authority's basic financial statements, as of and for the year ended December 31, 2019.

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 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of Pine Trace Homes RAD I, LP; Pine Trace Homes RAD II, LP; and Cypress Pointe RAD, LP, discretely presented components units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Emphasis of Matter – Prior Period Adjustment

As discussed in Note S to the financial statements, the Authority restated its beginning accounts payable and net position balances. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Supplementary data is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for the Department of Housing and Urban Development's information and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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 is not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements.

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such 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 data 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 information is fairly stated in all material respects in relation to the 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 3, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Aprio, LLP

Birmingham, Alabama
June 3, 2022

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
 Housing Authority of the City of Bogalusa
 Bogalusa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated June 3, 2022. Our report includes a reference to another auditor who audited the financial statements of Pine Trace Homes RAD I, LP; Pine Trace Homes RAD II, LP; and Cypress Pointe RAD, LP, discretely presented component units of the Authority, as described in our report on the Authority’s financial statements. 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. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Discrete Component Units.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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.

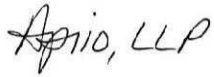
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama
June 3, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Bogalusa
Bogalusa, Louisiana

Report on Compliance for the Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2020. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 the Authority's major federal program 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* (CFR) 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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on the Section 8 Housing Choice Voucher Program

As described in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with requirements regarding the Assistance Listing No. 14.871 Section 8 Housing Choice Voucher Program as described in Finding 2020-001 for the Reporting requirement. Compliance with such requirement is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Qualified Opinion on the Section 8 Housing Choice Voucher Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2020.

Other Matter

The results of our auditing procedures disclosed another 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 Finding 2020-001.

The Authority's Response to the Noncompliance Finding

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

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Authority's internal control over compliance.

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

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

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aprio, LLP

Birmingham, Alabama
June 3, 2022

**HOUSING AUTHORITY OF THE CITY OF BOGALUSA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The Housing Authority of the City of Bogalusa's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the Discretely Presented Component Units. Separate audit reports have been issued on the financial statements of the Discretely Presented Component Units. The audited financial statements of the Discretely Presented Component Units have been included in the financial statements of the Authority.

Financial Highlights

- The Authority's net position increased \$2.7 million during 2020. Net Position was \$9.8 million and \$12.5 million for 2019 and 2020, respectively.

- Revenues decreased \$2.3 million during 2020, and were \$8.5 million and \$6.2 million for 2019 and 2020, respectively.

- Expenses increased \$.2 million, and were \$3.3 million and \$3.5 million for 2019 and 2020, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~
~ NOTES TO FINANCIAL STATEMENTS ~*

OTHER REQUIRED SUPPLEMENTARY INFORMATION

*~ REQUIRED SUPPLEMENTARY INFORMATION ~
(OTHER THAN MD&A)*

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and “Net Position”, formerly known as net assets. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position.”

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

THE AUTHORITY'S MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Programs – In addition to the significant programs above, the Authority also maintains the following programs:

- Housing Choice Voucher CARES Act Funding Program
- Blended Component Unit

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

The following table reflects the Condensed Statement of Net Position compared to the prior year.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	2020	2019	Variance
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 1,806,347	\$ 1,430,625	\$ 375,722
Capital Assets	254,241	657,260	(403,019)
Notes Receivable	10,619,000	7,952,671	2,666,329
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 12,679,588	\$ 10,040,556	\$ 2,639,032
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 178,909	\$ 245,972	\$ (67,063)
Non-Current Liabilities	25,321	30,086	(4,765)
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 204,230	\$ 276,058	\$ (71,828)
Net Position:			
Net Investment in Capital Assets	\$ 254,241	\$ 657,260	\$ (403,019)
Restricted Net Position	219,883	49,771	170,112
Unrestricted Net Position	12,001,234	9,057,467	2,943,767
Total Net Position	\$ 12,475,358	\$ 9,764,498	\$ 2,710,860

Major Factors Affecting the Condensed Statement of Net Position

During 2020, current and restricted assets increased due to an increase of cash and restricted cash from operating and capital activities. See the Statement of Cash Flows for additional detail regarding cash inflows and outflows. Capital assets decreased, and notes receivable increased, due to the disposition of dwelling property through the Authority's participation in HUD's Rental Assistance Demonstration (RAD) Program.

Current liabilities decreased due primarily to the settlement of a liability due to HUD for subsidy over-payments received during fiscal year 2019. Restricted net position increased due to an increase of funds held and restricted for housing assistance payments.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, October 1, 2019	\$ 9,057,467
Results of Operations	856,367
Assets Received on the Disposition of Capital Assets	2,710,509
Bad Debt Expense	(467,671)
Investment Income	328
Net Housing Assistance Subsidies Recognized and Restricted for Future Assistance Payments	(170,112)
Depreciation Expense	<u>14,346</u>
Unrestricted Net Position, September 30, 2020	<u><u>\$ 12,001,234</u></u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer understanding of the change in financial well-being.

TABLE 3

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following Schedule compares the revenues and expenses for the current and previous fiscal years.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 32,091	\$ 247,602	\$ (215,511)
Operating Grants	3,586,660	4,073,031	(486,371)
Interest Income	328	482	(154)
Other Revenue	276,279	1,146,716	(870,437)
Gain on Disposition of Capital Assets	2,321,836	3,000,421	(678,585)
Total Revenues	<u>\$ 6,217,194</u>	<u>\$ 8,468,252</u>	<u>\$ (2,251,058)</u>
Expenses:			
Administrative Expenses	\$ 336,871	\$ 403,371	\$ (66,500)
Utilities	22,542	302,318	(279,776)
Maintenance and Operations	35,768	115,538	(79,770)
General Expense	109,265	530,049	(420,784)
Depreciation	14,346	343,658	(329,312)
Bad Debt Expense	467,671	-	467,671
Housing Assistance Payments	2,519,871	1,657,323	862,548
Total Expenses	<u>\$ 3,506,334</u>	<u>\$ 3,352,257</u>	<u>\$ 154,077</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ 2,710,860</u>	<u>\$ 5,115,995</u>	<u>\$ (2,405,135)</u>

Major Factors Affecting the Schedule of Revenue, Expenses and Changes in Net Position

Tenant revenues decreased due to reduced leasing as a result of the October 2019 RAD conversion. Operating grants decreased due to reductions of Public Housing and Capital Fund Program subsidies recognized. Other revenue decreased due primarily to a reduction of developer fee and other income generated from previous RAD conversions. The gains recognized on capital asset dispositions during fiscal years 2019 and 2020 resulted from recognitions of assets in exchange for capital assets disposed of through the RAD conversions.

Administrative expenses decreased due to reductions of personnel and related expenses. Utilities, maintenance, general and depreciation expenses decreased due to the fiscal year 2020 dwelling property disposition through the RAD conversion. Bad debt expense increased due to management's assessment of the collectability of various accrued interest receivable balances, and the resulting write-down to realizable value. Housing assistance payments increased due to an increase of leasing.

Capital Assets

As of fiscal year-end, the Authority had \$.3 million invested in a variety of capital assets as reflected in the following schedule. For additional detail see the Notes to the Financial Statements.

TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2020	2019	Variance	% Change
Land	\$ -	\$ 81,982	\$ (81,982)	-100%
Buildings and Improvements	432,455	5,506,584	(5,074,129)	-92%
Furniture and Equipment	251,156	272,161	(21,005)	-8%
Accumulated Depreciation	(429,370)	(5,203,467)	4,774,097	-92%
Net Capital Assets	\$ 254,241	\$ 657,260	\$ (403,019)	-61%

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, October 1, 2019	\$ 657,260
Disposals, Net	(388,673)
Depreciation Expense	(14,346)
Ending Balance, September 30, 2020	\$ 254,241

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to the Housing Authority of the City of Bogalusa, PO Box 1113, Bogalusa, Louisiana 70427.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 1,488,715	\$ 1,123,715	\$ 2,612,430
Accounts Receivable	1,950	10,810	12,760
Prepaid Costs	20,315	68,642	88,957
Total Current Assets	<u>1,510,980</u>	<u>1,203,167</u>	<u>2,714,147</u>
<u>Restricted Assets</u>			
Cash and Cash Equivalents	295,367	4,355,688	4,651,055
Investments	-	13,120,422	13,120,422
Total Restricted Assets	<u>295,367</u>	<u>17,476,110</u>	<u>17,771,477</u>
<u>Capital Assets</u>			
Land	-	468,363	468,363
Buildings and Improvements	432,455	16,669,203	17,101,658
Furniture and Equipment	251,156	1,235,582	1,486,738
Construction in Process	-	7,363,700	7,363,700
	683,611	25,736,848	26,420,459
(Less): Accumulated Depreciation	<u>(429,370)</u>	<u>(144,149)</u>	<u>(573,519)</u>
Net Capital Assets	<u>254,241</u>	<u>25,592,699</u>	<u>25,846,940</u>
<u>Other Assets</u>			
Notes Receivable	10,619,000	-	10,619,000
Amortizable Fees	-	133,689	133,689
Total Other Assets	<u>10,619,000</u>	<u>133,689</u>	<u>10,752,689</u>
Total Assets	<u>12,679,588</u>	<u>44,405,665</u>	<u>57,085,253</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 12,679,588</u>	<u>\$ 44,405,665</u>	<u>\$ 57,085,253</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020

**LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND NET POSITION**

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Current Liabilities</u>			
Accounts Payable	\$ 65,085	\$ 1,505,095	\$ 1,570,180
Accrued Wages and Payroll Taxes	2,154	-	2,154
Accrued Compensated Absences	7,779	-	7,779
Accrued Interest Payable	-	48,590	48,590
Tenant Security Deposits	-	26,379	26,379
Unearned Revenue	103,891	9,873	113,764
Current Portion of Capital Debt	-	9,508,445	9,508,445
Total Current Liabilities	178,909	11,098,382	11,277,291
<u>Long Term Liabilities</u>			
Long Term Capital Debt	-	28,919,531	28,919,531
Accrued Interest Payable	-	669,323	669,323
Accrued Compensated Absences	25,321	-	25,321
Total Long Term Liabilities	25,321	29,588,854	29,614,175
Total Liabilities	204,230	40,687,236	40,891,466
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	204,230	40,687,236	40,891,466
<u>Net Position</u>			
Net Investment in Capital Assets	254,241	3,460,485	3,714,726
Restricted Net Position	219,883	1,180,348	1,400,231
Unrestricted Net Position	12,001,234	(922,404)	11,078,830
Total Net Position	12,475,358	3,718,429	16,193,787
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,679,588	\$ 44,405,665	\$ 57,085,253

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Operating Revenues</u>			
Dwelling Rent	\$ 32,091	\$ 1,753,022	\$ 1,785,113
Operating Grants	3,586,660	-	3,586,660
Other Revenue	276,279	-	276,279
Total Operating Revenues	<u>3,895,030</u>	<u>1,753,022</u>	<u>5,648,052</u>
<u>Operating Expenses</u>			
Administrative	336,871	306,124	642,995
Tenant Services	-	207,234	207,234
Utilities	22,542	201,786	224,328
Maintenance and Operations	35,768	256,420	292,188
General Expense	109,265	48,907	158,172
Housing Assistance Payments	2,519,871	-	2,519,871
Depreciation	14,346	129,838	144,184
Total Operating Expenses	<u>3,038,663</u>	<u>1,150,309</u>	<u>4,188,972</u>
Operating Income (Loss)	<u>856,367</u>	<u>602,713</u>	<u>1,459,080</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest Income	328	133,923	134,251
Gain on Investments	-	259,761	259,761
Gain on the Disposition of Capital Assets	2,321,836	-	2,321,836
Interest Expense	-	(338,904)	(338,904)
Bad Debt Expense	(467,671)	-	(467,671)
Organizational Costs	-	(25,194)	(25,194)
Total Non-Operating Rev/(Exp)	<u>1,854,493</u>	<u>29,586</u>	<u>1,884,079</u>
Increase (decrease) before Capital Contributions	<u>2,710,860</u>	<u>632,299</u>	<u>3,343,159</u>
Capital Contributions	<u>-</u>	<u>1,762,218</u>	<u>1,762,218</u>
Increase (Decrease) in Net Position	2,710,860	2,394,517	5,105,377
Net Position, Beginning	9,904,888	1,323,912	11,228,800
Prior Period Adjustment	(140,390)	-	(140,390)
Net Position, Ending	<u>\$ 12,475,358</u>	<u>\$ 3,718,429</u>	<u>\$ 16,193,787</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 36,256	\$ 1,674,390	\$ 1,710,646
Cash Received from Operating Grants	3,662,767	-	3,662,767
Cash Received from Other Sources	250,001	35,482	285,483
Cash Payments for Salaries and Benefits	(264,151)	(171,077)	(435,228)
Cash Payments to Vendors and Landlords	(2,636,311)	(1,005,268)	(3,641,579)
Subsidy Reimbursement Paid to HUD	(140,390)	-	(140,390)
Net cash provided (used) by operating activities	<u>908,172</u>	<u>533,527</u>	<u>1,441,699</u>
<u>Cash flows from capital and related financing activities:</u>			
Proceeds Received from the Issuance of Capital Debt	-	11,584,636	11,584,636
Capital Outlay	-	(12,050,042)	(12,050,042)
Principal, Interest and Fees Paid on Capital Debt	-	(370,527)	(370,527)
Proceeds Received on Dispositions	610,509	-	610,509
Contributions from Partners	-	1,827,218	1,827,218
Net cash provided (used) by capital and related financing activities	<u>610,509</u>	<u>991,285</u>	<u>1,601,794</u>
<u>Cash flows from investing activities:</u>			
Interest Earned from Cash and Investments	328	133,923	134,251
Transfer from Investments	-	191,672	191,672
Funds loaned to Cypress Pointe RAD, LP	(1,034,000)	-	(1,034,000)
Organizational Costs Paid	-	(90,194)	(90,194)
Net cash provided (used) by investing activities	<u>(1,033,672)</u>	<u>235,401</u>	<u>(798,271)</u>
Net increase in cash and restricted cash	485,009	1,760,213	2,245,222
Total cash and restricted cash, beginning of year	<u>1,299,073</u>	<u>3,719,190</u>	<u>5,018,263</u>
Total cash and restricted cash, end of year	<u>\$ 1,784,082</u>	<u>\$ 5,479,403</u>	<u>\$ 7,263,485</u>

Continued on next page

**HOUSING AUTHORITY OF THE CITY OF BOGALUSA
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating Income (Loss)	\$ 856,367	\$ 602,713	\$ 1,459,080
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	14,346	129,838	144,184
Bad Debt Expense	18,210	-	18,210
Change in Accounts Receivable (Tenants)	6,546	(2,417)	4,129
Change in Accounts Receivable (Grants)	623	-	623
Change in Accounts Receivable (Other)	2,796	33,703	36,499
Change in Prepaid Costs and Inventory	81,112	(68,642)	12,470
Change in Accounts Payable (Operating)	28,544	(87,232)	(58,688)
Change in Accounts Payable (HUD)	(140,390)	-	(140,390)
Change in Accrued Expenses	(4,011)	-	(4,011)
Change in Unearned Revenue (Tenants)	(2,381)	(76,215)	(78,596)
Change in Unearned Revenue (Grants)	75,484	-	75,484
Change in Security Deposits Held	(29,074)	1,779	(27,295)
Net cash provided (used) by operating activities	<u>\$ 908,172</u>	<u>\$ 533,527</u>	<u>\$ 1,441,699</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA

BOGALUSA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "Enterprise Fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash and Investments

The Housing Authority considers cash in checking accounts to be cash equivalents. Investments consisted of money market accounts.

Prepaid Costs

Prepaid costs consisted of insurance payments applicable to fiscal year 2021.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value equipment items are expensed. Depreciation on assets has been expensed in the Statement of Revenues, Expenses and Changes in Net Position. Estimated useful lives are as follows:

Buildings and Improvements	15 - 33 years
Furniture and Equipment	3 - 7 years

Authority management has assessed the carrying values of capital asset balances as of September 30, 2020, and as of June 3, 2022. No significant capital asset value impairments exist as of the noted dates.

Estimated useful lives of discretely presented component units' (see Note B below) capital assets are as follows:

Buildings and Improvements	20 - 40 years
Furniture and Equipment	10 years

The Partnerships' management has assessed the carrying values of capital asset balances as of December 31, 2019, and as of June 3, 2022. No significant capital asset value impairments exist as of the noted dates.

Amortizable Fees

Amortizable fees consist of prepaid permanent loan fees and will be amortized over the life of the applicable permanent loan once converted from a construction loan.

Accounts Payable

The Authority's accounts payable balance consisted of \$65,085 of amounts due to vendors and service providers. The discretely presented component units' accounts payable balance consisted of \$146,729 due to vendors and service providers, \$1,343,366 due to contractors for construction costs payable, and \$15,000 due to the Authority for administrative fees.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue. As of September 30, 2020, the Authority's unearned revenue balance consisted of grant proceeds.

Capital Debt

The Partnerships' capital debt balances include current and non-current notes payable of \$36,272,915, and current developer fees payable of \$2,155,061.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows and Inflows of Resources

A Deferred Outflow of Resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a Deferred Inflow of Resources is an acquisition of assets by the Authority that is applicable to a future reporting period. The Authority did not have any deferred outflows or inflows as of September 30, 2020.

Revenue Accounting Policies

Dwelling rent income, HUD grants recognized for operations, and other miscellaneous operating receipts are reported as operating revenue. All other revenue is reported as non-operating revenue.

These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Cost Allocation

The Authority allocates indirect costs to programs on the basis of one or more of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed, or the allotment stipulated in contractual agreements.

Income Taxes (Discretely Presented Component Units/ Partnerships – see Note B below)

All items of taxable income are passed through to and are reported by its individual partners on their respective income tax returns. The Partnerships are required to file and do file tax returns with the Internal Revenue Service. These financial statements do not reflect a provision for income taxes and the Partnerships have no other tax positions which must be considered for disclosure. Income tax returns filed by the Partnerships are subject to examination by the Internal Revenue Service for a period of three years. The Partnerships were formed during 2017. As of the date of this Report, the Partnerships are subject to tax examinations for tax years 2019 through 2021.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Bogalusa. The Authority is governed by a five-member Board of Commissioners appointed by the City. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity; Statement No. 39: Determining Whether Certain Organizations are Component Units; and Statement No. 61: The Financial Reporting Entity Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units. There are no other component units.

Blended Component Unit

Magic City Housing and Development Corporation (the Corporation/ a *Blended Component Unit*) is a related not-for-profit Louisiana corporation, which was created to assist the Authority and its affiliates in developing low-moderate income housing in and near the Bogalusa community. The Corporation's Board of Directors consists of the Board of Commissioners of the Authority. The Corporation's fiscal year end is September 30 and its financial balances as of and for the fiscal year ended September 30, 2020 have been consolidated into the Authority's financial statements. The consolidated financial balances and activity are also reported in the '6.2 Component Unit – Blended' column of the attached supplemental Financial Data Schedule. The Corporation does not issue separate, stand-alone financial statements.

Discretely Presented Component Units (the Partnerships)

Pine Trace Homes RAD I, LP (PTHRI, LPI a *Discrete Component Unit*) is a limited partnership formed in 2017 to acquire, own and operate a 92-unit rental property in Bogalusa known as Pine Trace Homes RAD I Apartments. The project was developed and operates under the low-income housing tax credit program. PTHRI, LP's year end is December 31 and a copy of its financial statements as of December 31, 2019, and for the year then ended can be obtained by contacting the Authority at PO Box 1113 Bogalusa, Louisiana 70427. Due to its fiscal dependence on the Authority and the existence of a financial benefit or burden relationship, the PTHRI, LP's financial balances as of December 31, 2019, and transactions for the period then ended are reported discretely with the financial statements of the Authority.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - Continued

Discretely Presented Component Units (the Partnerships) - Continued

Pine Trace Homes RAD II, LP (PTHRII, LPI a *Discrete Component Unit*) is a limited partnership formed in 2017 to acquire, own and operate a 140-unit rental property in Bogalusa known as Pine Trace Homes RAD II Apartments. The project was developed and operates under the low-income housing tax credit program. PTHRII, LP's year end is December 31 and a copy of its financial statements as of December 31, 2019, and for the year then ended can be obtained by contacting the Authority at PO Box 1113 Bogalusa, Louisiana 70427. Due to its fiscal dependence on the Authority and the existence of a financial benefit or burden relationship, the PTHRII, LP's financial balances as of December 31, 2019, and transactions for the period then ended are reported discretely with the financial statements of the Authority.

Cypress Pointe RAD, LP (CPR, LPI a *Discrete Component Unit*) is a limited partnership formed in 2017 to acquire, own and operate a 112-unit rental property in Bogalusa known as Cypress Pointe RAD Apartments. The project was developed and operates under the low-income housing tax credit program. CPR, LP's year end is December 31 and a copy of its financial statements as of December 31, 2019, and for the year then ended can be obtained by contacting the Authority at PO Box 1113 Bogalusa, Louisiana 70427. Due to its fiscal dependence on the Authority and the existence of a financial benefit or burden relationship, the CPR, LP's financial balances as of December 31, 2019, and transactions for the period then ended are reported discretely with the financial statements of the Authority.

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk - The Housing Authority policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk - The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Authority's cash and cash equivalents consisted of funds held in interest-bearing checking accounts totaling a reconciled balance of \$1,784,082.

The Authority's deposit balances with financial institutions totaled \$1,788,276 and were secured as follows:

	Bank Deposits
Insured by FDIC	\$ 500,000
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	747,498
Uncollateralized	540,778
	<u>\$ 1,788,276</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS - Continued

The Authority's uncollateralized deposits consisted of non-federal funds held by Magic City Housing Development Corporation, the blended component unit.

The Partnerships' cash and cash equivalents consisted of funds held in checking accounts totaling a reconciled balance of \$5,479,403. Investments consisted of money market accounts totaling \$61,728 and U.S. Treasury investments of \$13,058,694. Checking and money market accounts were insured up to \$250,000, at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2019, \$576,769 of the Partnerships' deposit balances were uninsured. U.S. Treasury investments are summarized as follows as of December 31, 2019:

	<u>Cost</u>	<u>Fair Value as December 31, 2019 (Level 1)</u>	<u>Cumulative Unrealized Gain</u>
U.S. Treasury Notes/Bonds	\$ 11,237,487	\$ 11,454,532	\$ 217,045
U.S. Treasury Strips	<u>1,547,520</u>	<u>1,604,162</u>	<u>56,642</u>
Total U.S. Treasury Investments	<u>\$ 12,785,007</u>	<u>\$ 13,058,694</u>	<u>\$ 273,687</u>

Money market investment accounts are carried at cost plus accrued interest, which approximates market. U.S. Treasury investments are reported at fair value measured using quoted prices in active markets for identical assets. The fair value reported as of December 31, 2019 includes a cumulative unrealized gain of \$273,687. \$259,761 of the cumulative unrealized gain was recognized during 2019, and \$13,926 was recognized prior to 2019. The Partnerships had no significant realized gains or losses on the sale of investments.

NOTE D - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE E - CONTRACTUAL COMMITMENTS

The Authority did not have any significant outstanding contractual commitments as of September 30, 2020. The Partnerships had outstanding contractual commitments of \$14,019,233 as of December 31, 2019, which consisted of obligations under two construction contracts.

NOTE F - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, the realizable value of notes and interest receivable and earned sick leave to be utilized. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE G – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed.

NOTE H – RESTRICTED ASSETS AND NET POSITION

The Authority's restricted assets consisted of the following as of the end of the fiscal year:

Funds held for Housing Assistance Payments	\$ 219,883
Unexpended CARES Act Funds	<u>75,484</u>
Total Restricted Assets	<u><u>\$ 295,367</u></u>

Because there is not an off-setting liability for the funds held for housing assistance payments, \$219,883 of these restricted assets are reported as restricted net position in the Statement of Net Position.

The Partnerships' restricted assets consisted of the following as of the end of December 31, 2019:

	<u>PTH RAD I, LP</u>	<u>PTH RAD II, LP</u>	<u>CP RAD, LP</u>	<u>Total DCU's</u>
Replacement reserves	\$ 46,000	\$ 46,440	\$ 298,000	\$ 390,440
Operating reserves	340,631	428,827	20,450	789,908
Debt issuance proceeds	<u>6,482,318</u>	<u>8,752,387</u>	<u>1,061,057</u>	<u>16,295,762</u>
Total Restricted Assets	<u><u>\$ 6,868,949</u></u>	<u><u>\$ 9,227,654</u></u>	<u><u>\$ 1,379,507</u></u>	<u><u>\$ 17,476,110</u></u>

The replacement and operating reserves totaling \$1,180,348 are reported as restricted net position in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS

A summary of the Authority's capital asset balances as of, and activity for the fiscal year ended September 30, 2020, is as follows:

	October 1, 2019		Transfers and	September 30, 2020
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 81,982	\$ -	\$ (81,982)	\$ -
Total Assets not being depreciated	81,982	-	(81,982)	-
Buildings and Improvements	5,506,584	-	(5,074,129)	432,455
Furniture and Equipment	<u>272,161</u>	<u>-</u>	<u>(21,005)</u>	<u>251,156</u>
Total Capital Assets	5,860,727	-	(5,177,116)	683,611
Less Accumulated Depreciation				
Buildings and Improvements	(4,935,509)	(14,346)	4,771,641	(178,214)
Furniture and Equipment	<u>(267,958)</u>	<u>-</u>	<u>16,802</u>	<u>(251,156)</u>
Net Book Value	<u>\$ 657,260</u>	<u>\$ (14,346)</u>	<u>\$ (388,673)</u>	<u>\$ 254,241</u>

In October of 2019, the Authority disposed of its remaining Public Housing dwelling properties through HUD's Rental Assistance Demonstration (RAD) Program to Cypress Pointe RAD, LP, a discretely presented component unit. The cost bases of the assets disposed of as of the October 31, 2019 disposition date, totaled \$5,156,111 and applicable accumulated depreciation was \$4,771,641, for a net capital asset disposition of \$384,470. Upon disposition, the Authority received \$592,509 of cash proceeds and a note receivable of \$2,100,000.

During the fiscal year, a truck was also disposed of with a cost basis of \$21,005 and accumulated depreciation of \$16,802, for a net capital asset disposition of \$4,203. Upon disposition, the Authority received cash proceeds of \$18,000.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – CAPITAL ASSETS - Continued

A summary of the Partnerships' capital asset balances as of December 31, 2019, is as follows:

	<u>PTH RAD I, LP</u>	<u>PTH RAD II, LP</u>	<u>CP RAD, LP</u>	<u>TOTAL</u>
Land	\$ 80,363	\$ 195,000	\$ 193,000	\$ 468,363
Buildings and Improvements	9,851,093	4,611,110	2,207,000	16,669,203
Furniture and Equipment	782,743	452,839	-	1,235,582
Construction in Process	-	4,447,690	2,916,010	7,363,700
Less: Accumulated Depreciation	<u>(81,734)</u>	<u>(53,219)</u>	<u>(9,196)</u>	<u>(144,149)</u>
Total Capital Assets	<u>\$ 10,632,465</u>	<u>\$ 9,653,420</u>	<u>\$ 5,306,814</u>	<u>\$ 25,592,699</u>

A summary of the Partnerships' capital asset activity for the year ended December 31, 2019, is as follows:

	<u>January 1, 2019</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers and</u> <u>Deletions</u>	<u>December 31, 2019</u> <u>Balance</u>
Land	\$ 268,000	\$ 200,363	\$ -	\$ 468,363
Construction in Process	<u>3,757,863</u>	<u>5,280,013</u>	<u>(1,674,176)</u>	<u>7,363,700</u>
Total Assets not being Depreciated	4,025,863	5,480,376	(1,674,176)	7,832,063
Buildings and Improvements	4,417,000	10,578,027	1,674,176	16,669,203
Furniture and Equipment	<u>-</u>	<u>1,235,582</u>	<u>-</u>	<u>1,235,582</u>
Total Capital Assets	8,442,863	17,293,985	-	25,736,848
Less Accumulated Depreciation	<u>(14,311)</u>	<u>(129,838)</u>	<u>-</u>	<u>(144,149)</u>
Net Book Value	<u>\$ 8,428,552</u>	<u>\$ 17,164,147</u>	<u>\$ -</u>	<u>\$ 25,592,699</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – NOTE RECEIVABLE

A summary of the Authority’s notes receivable as of September 30, 2020, is as follows:

Due from Pine Trace RAD I, LP		
Credit Note dated October 2018, matures October 2060	\$ 2,452,000	
Land Note dated October 2018, matures October 2060	73,000	
Cash Note dated October 2018, matures October 2060	1,300,000	
Accrued Interest, 6.50% compounded annually on principal and interest	502,052	
Allowance against Accrued Interest	(502,052)	3,825,000
<hr/>		
Due from Pine Trace RAD II, LP		
Credit Note dated November 2018, matures November 2060	\$ 1,965,000	
Land Note dated November 2018, matures November 2060	195,000	
Cash Note dated November 2018, matures November 2060	1,500,000	
Accrued Interest, 7.75% compounded annually on principal and interest	542,746	
Allowance against Accrued Interest	(542,746)	3,660,000
<hr/>		
Due from Cypress Pointe RAD, LP		
Credit Note dated October 2019, matures October 2061	\$ 2,100,000	
Cash Note dated October 2019, matures October 2061	1,034,000	
Accrued Interest, 6.50% compounded annually on principal and interest	236,814	
Allowance against Accrued Interest	(236,814)	3,134,000
<hr/>		
Notes Receivable		<u><u>\$ 10,619,000</u></u>

Each of the above notes are secured with subordinate mortgages against the applicable dwelling properties.

During fiscal year 2020, management has assessed the realizable values of notes and interest receivable and has written down the carrying value of accrued interest receivable. Management has recorded bad debt expense in the amount of \$467,671 in its Statement of Revenues, Expenses and Changes in Net Position.

NOTE K – DEFINED CONTRIBUTION RETIREMENT PLAN

The Authority provides retirement benefits for all of its eligible full-time employees through a defined contribution plan, known as the Housing Agency Retirement Trust Plan, administered by Mercer. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 6.5% of the eligible employees’ base salaries, and employees are required to contribute 5% to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2020, the Authority made the required contributions in the amount of \$12,114, and there were no significant unpaid pension liabilities outstanding as of September 30, 2020.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – ACCRUED COMPENSATED ABSENCES

It is the Housing Authority’s policy to permit employees to accumulate a limited amount of earned annual leave. All regular full-time employees earn and accumulate annual leave based on years of service. Upon termination of employment, employees will be paid for unused leave up to a specified maximum. The Authority’s leave liability accrual is divided and reported between current and non-current liabilities in the Statement of Net Position.

Because management cannot reasonably estimate the amount of earned sick leave which will be utilized, the Authority has not accrued all of its earned but unused sick leave in its Statement of Net Position. However, management does not anticipate that the amount of unaccrued earned sick leave as of fiscal year-end, that will be utilized in subsequent fiscal years will be significant to its financial statements.

A summary of the Authority’s accrued compensated absences liability balance as of September 30, 2020, and activity for the fiscal year then ended is as follows:

	October 1, 2019 Balance	Increase	Decrease	September 30, 2020 Balance	Due Within One Year
Compensated Absences	\$ 38,723	\$ 28,422	\$ 34,045	\$ 33,100	\$ (7,779)
Less: Current portion	(8,637)			(7,779)	
Long Term Portion	\$ 30,086	\$ 28,422	\$ 34,045	\$ 25,321	\$ (7,779)

NOTE M – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – LONG-TERM LIABILITIES (Partnerships)

A summary of the Partnerships' notes and interest payable liabilities is as follows:

<u>Creditor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Payable</u>
Construction Loan due to Bellweather Enterprise Real Estate Capital, LLC; dated October 2018; original principal amount of \$3,431,900; collateralized by first mortgage on the applicable property/apartment complex	5.13%	Interest only through maturity	October 2021	\$ 3,431,900	\$ 15,160
Construction Loan due to Sterling Bank; dated October 2018; original principal amount of \$3,000,000; collateralized by second mortgage on the applicable property/apartment complex	6.25%	Interest only through maturity	October 2020	1,561,492	6,785
HOME Loan due the Louisiana Housing Corporation; dated October 2018; original principal amount of \$1,000,000; collateralized by third mortgage on the applicable property/apartment complex	5.10%	Annual payments from available Net Cash Flows	October 2060	900,000	-
Credit Note payable to HACB; dated October 2018; original principal amount of \$2,452,000; collateralized by subordinate mortgage on the applicable property/apartment complex	6.50%	Annual payments from available Net Cash Flows	October 2060	2,452,000	190,852
Land Note payable to HACB; dated October 2018; original principal amount of \$73,000; collateralized by subordinate mortgage on the applicable property/apartment complex	6.50%	Annual payments from available Net Cash Flows	October 2060	73,000	5,682

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – LONG-TERM LIABILITIES (Partnerships) - Continued

<u>Creditor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Payable</u>
Cash Note payable to HACB; dated October 2018; original principal amount of \$1,300,000; collateralized by subordinate mortgage on the applicable property/apartment complex	6.50%	Annual payments from available Net Cash Flows	October 2060	1,300,000	101,186
Construction Bonds Loan issued through the Louisiana Housing Corporation; dated November 2018; original principal amount of \$6,000,000; collateralized by the applicable property/apartment complex	2.40%	Interest only through maturity	May 2021/ Retired during 2020	5,791,892	-
Notes and Interest Payable - Pine Trace Homes RAD I, LP				\$ 15,510,284	\$ 319,665
Construction Loan due to Bellweather Enterprise Real Estate Capital, LLC; dated November 2018; original principal amount of \$5,000,000; collateralized by first mortgage on the applicable property/apartment complex	5.18%	Interest only through maturity	May 2021	\$ 5,000,000	\$ 21,208
HOME Loan due the Louisiana Housing Corporation; dated November 2018; original principal amount of \$1,000,000; collateralized by third mortgage on the applicable property/apartment complex	5.10%	Annual payments from available Net Cash Flows	November 2060	820,545	17,837

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – LONG-TERM LIABILITIES (Partnerships) - Continued

<u>Creditor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Payable</u>
Credit Note payable to HACB; dated November 2018; original principal amount of \$1,965,000; collateralized by subordinate mortgage on the applicable property/apartment complex	7.75%	Annual payments from available Net Cash Flows	November 2060	1,965,000	167,123
Land Note payable to HACB; dated November 2018; original principal amount of \$195,000; collateralized by subordinate mortgage on the applicable property/apartment complex	7.75%	Annual payments from available Net Cash Flows	November 2060	195,000	16,585
Cash Note payable to HACB; dated November 2018; original principal amount of \$1,500,000; collateralized by subordinate mortgage on the applicable property/apartment complex	7.75%	Annual payments from available Net Cash Flows	November 2060	1,500,000	127,575
Construction Bonds Loan issued through the Louisiana Housing Corporation; dated November 2018; original principal amount of \$7,000,000; collateralized by the applicable property/apartment complex	2.40%	Interest only through maturity	June 2021	7,000,000	-
Notes and Interest Payable - Pine Trace Homes RAD II, LP				\$ 16,480,545	\$ 350,328

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – LONG-TERM LIABILITIES (Partnerships) - Continued

<u>Creditor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Payable</u>
Credit Note payable to HACB; dated October 2019; original principal amount of \$2,100,000; collateralized by subordinate mortgage on the applicable property/apartment complex	8.00%	Annual payments from available Net Cash Flows	October 2061	2,100,000	28,467
Cash Note payable to HACB; dated October 2019; original principal amount of \$1,034,000; collateralized by subordinate mortgage on the applicable property/apartment complex	8.00%	Annual payments from available Net Cash Flows	October 2061	1,034,000	14,016
Construction Bonds Loan issued through the Louisiana Housing Corporation; dated October 2019; original principal amount of \$9,500,000; collateralized by the applicable property/apartment complex	5.50%	Interest only through maturity	May 2022	1,148,086	5,437
Notes and Interest Payable - Cypress Pointe RAD, LP				\$ 4,282,086	\$ 47,920
Total DCU's Notes and Interest Payable				\$ 36,272,915	\$ 717,913

Projected future principal retirements are as follows:

2020	\$ 7,353,384
2021	15,431,900
2022	1,148,086
2060	9,205,545
2061	3,134,000
	<u>\$ 36,272,915</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – LONG-TERM LIABILITIES (Partnerships) - Continued

A summary of the Partnerships' long-term liability balances as of December 31, 2019, and activity for the year then ended is as follows:

	January 1, <u>2019 Balance</u>	<u>Increase</u>	<u>Decrease</u>	December 31, <u>2019 Balance</u>	Due Within <u>One Year</u>
Notes Payable	\$ 22,796,387	\$ 13,684,636	\$ 208,108	\$ 36,272,915	\$ 7,353,384
Accrued Interest Payable	68,464	966,281	316,832	717,913	48,590
Less: Current portion	-			(7,401,974)	
Long Term Liabilities	<u>\$ 22,864,851</u>			<u>\$ 29,588,854</u>	<u>\$ 7,401,974</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT – CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

	MCHDC 9/30/2020
Assets	
Current assets	\$ 995,735
Total assets	995,735
Liabilities	
Current liabilities	20,384
Total liabilities	20,384
Net position	
Unrestricted net position	975,351
Total net position	\$ 975,351

Condensed Statement of Revenues, Expenses and Changes in Net Position

	MCHDC FY ended 9/30/2020
Revenues	
Operating revenues	\$ 189,687
Gain on disposition	592,509
Total revenues	782,196
Expenses	
Administrative and general	72,828
Maintenance and Utilities	11,006
Total expenses	83,834
Increase of net position	698,362
Beginning net position	528,456
Net position transfer to the Authority	(251,467)
Ending net position	\$ 975,351

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT – CONDENSED FINANCIAL STATEMENTS - Continued

Condensed Statement of Cash Flows

	MCHDC FY ended 9/30/2020
From all operating activities	\$ 111,407
From all capital and related financing activities	<u>592,509</u>
Increase in cash and cash equivalents	703,916
Beginning current and restricted cash	528,456
Cash transferred-out to the Authority	<u>(251,467)</u>
Ending cash and cash equivalents	<u>\$ 980,905</u>

NOTE P – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

	PTH RAD I, LP 12/31/2019	PTH RAD II, LP 12/31/2019	CP RAD, LP 12/31/2019	Total DCU's 12/31/2019
Assets				
Current and restricted assets	\$ 7,320,068	\$ 9,868,593	\$ 1,490,616	\$ 18,679,277
Capital assets	10,632,465	9,653,420	5,306,814	25,592,699
Other assets	133,689	-	-	133,689
Total assets	<u>18,086,222</u>	<u>19,522,013</u>	<u>6,797,430</u>	<u>44,405,665</u>
Liabilities				
Current liabilities	8,826,082	1,579,355	677,945	11,083,382
Current liabilities due to the Authority	15,000	-	-	15,000
Non-current liabilities	4,331,900	12,838,382	1,148,086	18,318,368
Non-current liabilities due to the Authority	4,122,720	3,971,283	3,176,483	11,270,486
Total liabilities	<u>17,295,702</u>	<u>18,389,020</u>	<u>5,002,514</u>	<u>40,687,236</u>
Net position				
Net investment in capital assets	456,262	1,116,587	1,887,636	3,460,485
Restricted net position	386,631	475,267	318,450	1,180,348
Unrestricted net position	(52,373)	(458,861)	(411,170)	(922,404)
Total net position	<u>\$ 790,520</u>	<u>\$ 1,132,993</u>	<u>\$ 1,794,916</u>	<u>\$ 3,718,429</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS - Continued

Condensed Statement of Revenues, Expenses and Changes in Net Position

	PTH RAD I, LP 12/31/2019	PTH RAD II, LP 12/31/2019	CP RAD, LP 12/31/2019	Total DCU's 12/31/2019
Revenues				
Operating revenue	\$ 632,629	\$ 994,956	\$ 125,437	\$ 1,753,022
Investment income	175,608	218,075	1	393,684
Total revenues	808,237	1,213,031	125,438	2,146,706
Expenses				
Administrative and Operating expenses	375,509	588,901	41,061	1,005,471
Operating expenses to the Authority	15,000	-	-	15,000
Interest Expense	50,675	27,671	-	78,346
Interest Expense to the Authority	69,699	148,376	42,483	260,558
Depreciation	71,517	49,125	9,196	129,838
Other expenses	25,194	-	-	25,194
Total expenses	607,594	814,073	92,740	1,514,407
Increase of net position	200,643	398,958	32,698	632,299
Beginning net position	589,877	734,035	-	1,323,912
Contributions	-	-	1,762,218	1,762,218
Ending net position	\$ 790,520	\$ 1,132,993	\$ 1,794,916	\$ 3,718,429

Condensed Statement of Cash Flows

	PTH RAD I, LP 12/31/2019	PTH RAD II, LP 12/31/2019	CP RAD, LP 12/31/2019	Total DCU's 12/31/2019
From all operating activities	\$ 136,512	\$ 269,007	\$ 128,008	\$ 533,527
Cash flows from (used by) capital and related financing activities				
From the Authority	-	-	1,034,000	1,034,000
Other capital activities	(679,890)	244,175	393,000	(42,715)
From (used by) all capital activities	(679,890)	244,175	1,427,000	991,285
From (used by) all investing activities	119,865	180,535	(64,999)	235,401
Net increase (decrease) of cash and restricted cash	(423,513)	693,717	1,490,009	1,760,213
Beginning cash and restricted cash	1,638,564	2,080,626	-	3,719,190
Ending cash and restricted cash	\$ 1,215,051	\$ 2,774,343	\$ 1,490,009	\$ 5,479,403

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE Q – DIFFERENT REPORTING STANDARDS

The financial statements of the Discrete Component Units were not prepared in accordance with *Generally Accepted Governmental Accounting Standards* (GAGAS). However, in these financial statements items have been presented in the same categories as the Housing Authority's Enterprise Fund.

If the financial statements of the Discrete Component Units were prepared in accordance with GAGAS, they would have adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement amends or supersedes the accounting and financial reporting guidance for certain items previously reported as assets or liabilities, including debt issuance costs. Under GASBS No. 65, debt issuance costs are to be reported as an expense as incurred, rather than capitalized and amortized over the life of the applicable debt.

With financial statement preparation in accordance with GAGAS, including the adoption of GASBS No. 65, the Discrete Component Units' liabilities would have been \$208,108 more than (and net position less than) what is currently being reported in these financial statements. Additionally, the expenses reported in the Statement of Revenues, Expenses and Changes in Net Position would have been \$208,108 more than what is currently being reported in these financial statements.

NOTE R – RELATED PARTY TRANSACTIONS

During fiscal year 2020, the Authority provided rental assistance funding to the Partnerships in the amount of \$1,963,429 reported as housing assistance payments expense in the Statement of Revenues, Expenses and Changes in Net Position.

NOTE S – PRIOR PERIOD ADJUSTMENT

Management has determined that the accounts payable balance reported in its September 30, 2019 financial statements was under-stated by \$140,390. The applicable liability was payable to HUD for excess fiscal year 2019 operating subsidies received from HUD in error.

The Authority has reduced its beginning net position balance by \$140,390, from \$9,904,888 to \$9,764,498.

NOTE T – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through June 3, 2022, the date the financial statements were available to be issued. Management has determined that no significant subsequent events have occurred which require disclosure in the financial statements.

**HOUSING AUTHORITY OF THE CITY OF BOGALUSA
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	LA048P02450118	LA048P02450119
Funds Approved	\$ 725,129	\$ 215,138
Funds Expended	<u>725,129</u>	<u>215,138</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 725,129	\$ 215,138
Funds Expended	<u>725,129</u>	<u>215,138</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost CertificateS submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2020

EXPENDITURES

Public Housing Program	
Total Assistance Listing No. 14.850a	<u>\$ 136,781</u>
Section 8 Housing Choice Voucher Program	
Total Assistance Listing No. 14.871	<u>2,756,281</u>
Housing Choice Voucher CARES Act Funding	
Total Assistance Listing No. 14.HCC	<u>173</u>
Capital Fund Program	
Total Assistance Listing No. 14.872	<u>693,425</u>
TOTAL HUD EXPENDITURES	<u>3,586,660</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 3,586,660</u></u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2020. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the 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 allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ -	\$ 980,905	\$ 507,810	\$ -	\$ -	\$ 1,488,715	\$ 1,097,336	2,586,051
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	219,883	75,484	-	295,367	4,355,688	4,651,055
114 Cash - Tenant Security Deposits	-	-	-	-	-	-	26,379	26,379
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100 Total Cash	\$ -	\$ 980,905	\$ 727,693	\$ 75,484	\$ -	\$ 1,784,082	\$ 5,479,403	\$ 7,263,485
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	1,950	-	-	1,950	7,699	9,649
126 Accounts Receivable - Tenants	-	-	-	-	-	-	3,111	3,111
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	18,210	-	-	18,210	-	18,210
128.1 Allowance for Doubtful Accounts - Fraud	-	-	(18,210)	-	-	(18,210)	-	(18,210)
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ -	\$ 1,950	\$ -	\$ -	\$ 1,950	\$ 10,810	\$ 12,760
131 Investments - Unrestricted	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	13,120,422	13,120,422
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	14,830	5,485	-	-	20,315	68,642	88,957
143 Inventories	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-
150 Total Current Assets	\$ -	\$ 995,735	\$ 735,128	\$ 75,484	\$ -	\$ 1,806,347	\$ 18,679,277	\$ 20,485,624
161 Land	-	-	-	-	-	-	468,363	468,363
162 Buildings	-	-	432,455	-	-	432,455	16,669,203	17,101,658
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	1,235,582	1,235,582

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
164 Furniture, Equipment & Machinery - Administration	-	-	251,156	-	-	251,156	-	251,156
165 Leasehold Improvements	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	-	-	(429,370)	-	-	(429,370)	(144,149)	(573,519)
167 Construction in Progress	-	-	-	-	-	-	7,363,700	7,363,700
168 Infrastructure	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ 254,241	\$ -	\$ -	\$ 254,241	\$ 25,592,699	\$ 25,846,940
171 Notes, Loans and Mortgages Receivable - Non-Current	10,619,000	-	-	-	-	10,619,000	-	10,619,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	133,689	133,689
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 10,619,000	\$ -	\$ 254,241	\$ -	\$ -	\$ 10,873,241	\$ 25,726,388	\$ 36,599,629
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 10,619,000	\$ 995,735	\$ 989,369	\$ 75,484	\$ -	\$ 12,679,588	\$ 44,405,665	\$ 57,085,253
311 Bank Overdraft	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	-	18,381	4,983	-	-	23,364	1,505,095	1,528,459
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	2,154	-	-	2,154	-	2,154
322 Accrued Compensated Absences - Current Portion	-	-	7,779	-	-	7,779	-	7,779
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	48,590	48,590
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	-	-	-	-	-	-	26,379	26,379
342 Unearned Revenue	-	-	28,407	75,484	-	103,891	9,873	113,764
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	9,508,445	9,508,445
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
345 Other Current Liabilities	-	-	39,718	-	-	39,718	-	39,718
346 Accrued Liabilities - Other	-	2,003	-	-	-	2,003	-	2,003
347 Inter Program - Due To	-	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ -	\$ 20,384	\$ 83,041	\$ 75,484	\$ -	\$ 178,909	\$ 11,098,382	\$ 11,277,291
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	28,919,531	28,919,531
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	669,323	669,323
354 Accrued Compensated Absences - Non Current	-	-	25,321	-	-	25,321	-	25,321
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ -	\$ -	\$ 25,321	\$ -	\$ -	\$ 25,321	\$ 29,588,854	\$ 29,614,175
300 Total Liabilities	\$ -	\$ 20,384	\$ 108,362	\$ 75,484	\$ -	\$ 204,230	\$ 40,687,236	\$ 40,891,466
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	-	-	254,241	-	-	254,241	3,460,485	3,714,726
511.4 Restricted Net Position	-	-	219,883	-	-	219,883	1,180,348	1,400,231
512.4 Unrestricted Net Position	10,619,000	975,351	406,883	-	-	12,001,234	(922,404)	11,078,830
513 Total Equity - Net Assets / Position	\$ 10,619,000	\$ 975,351	\$ 881,007	\$ -	\$ -	\$ 12,475,358	\$ 3,718,429	\$ 16,193,787
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 10,619,000	\$ 995,735	\$ 989,369	\$ 75,484	\$ -	\$ 12,679,588	\$ 44,405,665	\$ 57,085,253

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ 31,736	\$ -	\$ -	\$ -	\$ -	\$ 31,736	\$ 1,748,383	1,780,119
70400 Tenant Revenue - Other	355	-	-	-	-	355	4,639	4,994
70500 Total Tenant Revenue	\$ 32,091	\$ -	\$ -	\$ -	\$ -	\$ 32,091	\$ 1,753,022	\$ 1,785,113
70600 HUD PHA Operating Grants	830,206	-	2,756,281	173	-	3,586,660	-	3,586,660
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	\$ 830,206	\$ -	\$ 2,756,281	\$ 173	\$ -	\$ 3,586,660	\$ -	\$ 3,586,660
70800 Other Government Grants	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	20	-	-	-	-	20	393,684	393,704
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	16,531	189,687	139,868	-	(69,807)	276,279	-	276,279
71600 Gain or Loss on Sale of Capital Assets	1,729,327	592,509	-	-	-	2,321,836	-	2,321,836
72000 Investment Income - Restricted	-	-	308	-	-	308	-	308
70000 Total Revenue	\$ 2,608,175	\$ 782,196	\$ 2,896,457	\$ 173	\$ (69,807)	\$ 6,217,194	\$ 2,146,706	\$ 8,363,900
91100 Administrative Salaries	-	-	174,229	-	-	174,229	70,091	244,320
91200 Auditing Fees	-	12,666	5,999	-	-	18,665	-	18,665
91300 Management Fee	-	-	-	-	-	-	99,428	99,428
91310 Book-keeping Fee	-	-	-	-	-	-	15,000	15,000
91400 Advertising and Marketing	57	140	-	-	-	197	2,330	2,527
91500 Employee Benefit contributions - Administrative	-	290	57,199	-	-	57,489	16,074	73,563
91600 Office Expenses	118	19,801	26,598	173	-	46,690	37,543	84,233
91700 Legal Expense	2,756	225	-	-	-	2,981	-	2,981
91800 Travel	2,904	128	-	-	-	3,032	13,324	16,356
91810 Allocated Overhead	-	-	-	-	-	-	-	-

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
91900 Other	-	31,050	2,538	-	-	33,588	42,109	75,697
91000 Total Operating - Administrative	\$ 5,835	\$ 64,300	\$ 266,563	\$ 173	\$ -	\$ 336,871	\$ 295,899	\$ 632,770
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,225	\$ 10,225
92100 Tenant Services - Salaries	-	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	207,234	207,234
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,234	\$ 207,234
93100 Water	4,132	67	-	-	-	4,199	64,968	69,167
93200 Electricity	13,982	-	-	-	-	13,982	74,678	88,660
93300 Gas	99	315	-	-	-	414	6,589	7,003
93400 Fuel	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-
93600 Sewer	3,932	15	-	-	-	3,947	55,551	59,498
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-
93000 Total Utilities	\$ 22,145	\$ 397	\$ -	\$ -	\$ -	\$ 22,542	\$ 201,786	\$ 224,328
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	77,305	77,305
94200 Ordinary Maintenance and Operations - Materials and Other	15,494	582	-	-	-	16,076	33,182	49,258
94300 Ordinary Maintenance and Operations Contracts	9,665	10,027	-	-	-	19,692	138,326	158,018
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	7,607	7,607
94000 Total Maintenance	\$ 25,159	\$ 10,609	\$ -	\$ -	\$ -	\$ 35,768	\$ 256,420	\$ 292,188
95100 Protective Services - Labor	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Bogalusa (LA024)
BOGALUSA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
96110 Property Insurance	2,820	814	-	-	-	3,634	45,675	49,309
96120 Liability Insurance	499	1,669	-	-	-	2,168	-	2,168
96130 Workmen's Compensation	-	-	-	-	-	-	2,154	2,154
96140 All Other Insurance	8,170	6,045	-	-	-	14,215	448	14,663
96100 Total insurance Premiums	\$ 11,489	\$ 8,528	\$ -	\$ -	\$ -	\$ 20,017	\$ 48,277	\$ 68,294
96200 Other General Expenses	110,873	-	1,550	-	(69,807)	42,616	25,194	67,810
96210 Compensated Absences	-	-	28,422	-	-	28,422	-	28,422
96300 Payments in Lieu of Taxes	-	-	-	-	-	-	630	630
96400 Bad debt - Tenant Rents	-	-	-	-	-	-	-	-
96500 Bad debt - Mortgages	467,671	-	-	-	-	467,671	-	467,671
96600 Bad debt - Other	-	-	18,210	-	-	18,210	-	18,210
96800 Severance Expense	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 578,544	\$ -	\$ 48,182	\$ -	\$ (69,807)	\$ 556,919	\$ 25,824	\$ 582,743
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	338,904	338,904
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,904	\$ 338,904
96900 Total Operating Expenses	\$ 643,172	\$ 83,834	\$ 314,745	\$ 173	\$ (69,807)	\$ 972,117	\$ 1,384,569	\$ 2,356,686
97000 Excess of Operating Revenue over Operating Expenses	\$ 1,965,003	\$ 698,362	\$ 2,581,712	\$ -	\$ -	\$ 5,245,077	\$ 762,137	\$ 6,007,214
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	121,884	-	2,335,051	-	-	2,456,935	-	2,456,935
97350 HAP Portability-In	-	-	62,936	-	-	62,936	-	62,936
97400 Depreciation Expense	-	-	14,346	-	-	14,346	129,838	144,184
97500 Fraud Losses	-	-	-	-	-	-	-	-
90000 Total Expenses	\$ 765,056	\$ 83,834	\$ 2,727,078	\$ 173	\$ (69,807)	\$ 3,506,334	\$ 1,514,407	\$ 5,020,741
10010 Operating Transfer In	693,425	-	-	-	(693,425)	-	-	-

Housing Authority of the City of Bogalusa (LA024)
 BOGALUSA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2020

	Project Total	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
10020 Operating transfer Out	(693,425)	-	-	-	693,425	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	1,762,218	1,762,218
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,762,218	\$ 1,762,218
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 1,843,119	\$ 698,362	\$ 169,379	\$ -	\$ -	\$ 2,710,860	\$ 2,394,517	\$ 5,105,377
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 9,184,859	\$ 528,456	\$ 191,573	\$ -	\$ -	\$ 9,904,888	\$ 1,323,912	\$ 11,228,800
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(408,978)	(251,467)	520,055	-	-	(140,390)	-	(140,390)
11170 Administrative Fee Equity	\$ -	\$ -	\$ 661,124	\$ -	-	\$ 661,124	\$ -	\$ 661,124
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ 219,883	\$ -	-	\$ 219,883	\$ -	\$ 219,883
11190 Unit Months Available	15	-	3,198	-	-	3,213	4,128	7,341
11210 Number of Unit Months Leased	15	-	3,198	-	-	3,213	2,092	5,305
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2020

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Is noncompliance that could have a material effect on the financial statements identified? Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Type of report issued on compliance with requirements applicable to each major program: Qualified

Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance? Yes No

Identification of major programs:

Name of Federal Program Assistance Listing No.
Section 8 Housing Choice Voucher Program 14.871

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Is the auditee identified as a low-risk auditee? Yes No

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2020

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2020

Section III: Federal Award Findings and Questioned Costs:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

Finding 2020-001 - Federal Audit Deadlines Not Met (Material Noncompliance applicable to the major program, Other Matter applicable to each other federal program)

Public Housing Program – Assistance Listing No. 14.850a, Section 8 Housing Choice Voucher Program – Assistance Listing No. 14.871, Housing Choice Voucher CARES Act Funding – Assistance Listing No. 14.HCC, Capital Fund Program – Assistance Listing No. 14.872; Grant period – year ended September 30, 2020

Criteria

Federal Uniform Guidance requires federally-assisted agencies which expend \$750,000 or more of federal funds during their applicable reporting period to submit their completed audits within nine months from the agencies' applicable year-ends. Further, the Department of Housing and Urban Development (HUD) requires public housing agencies to submit their completed audits within nine months from the agencies' applicable year-ends. Temporary federal audit deadline extensions applicable to the Authority's September 30, 2020 year end extended its nine month deadlines by six months, to fifteen months.

Condition

The Authority did not submit its completed audit to the Federal Audit Clearinghouse or HUD within fifteen months of its year-end.

Cause

The Authority did not complete its audit within fifteen months of its year-end in order to submit it to the Federal Audit Clearinghouse or HUD within fifteen months of its year-end.

Effect

Noncompliance with Federal audit requirements. Noncompliance with Uniform Guidance Reporting requirements.

Questioned Costs – N/A

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2020

Section III: Federal Awards Findings & Questioned Costs - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2020-001 - Federal Audit Deadlines Not Met (Material Noncompliance applicable to the major program, Other Matter applicable to each other federal program) - Continued

Recommendation

We recommend that the Authority complete and submit future audits to the Federal Audit Clearinghouse and HUD within nine months of its year-end.

Reply

The Authority will complete and submit future audits to the Federal Audit Clearinghouse and HUD within nine months of its year-end. Vonda Waskom, Executive Director, has assumed the responsibility of completing and submitting future audits to the Federal Audit Clearinghouse and HUD within nine months of its year-end, and expects this instance of noncompliance to be resolved by June 30, 2022.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2020

Finding 2020-001 - Federal Audit Deadlines Not Met

The Authority will complete and submit future audits to the Federal Audit Clearinghouse and HUD within nine months of its year-end. Vonda Waskom, Executive Director, has assumed the responsibility of completing and submitting future audits to the Federal Audit Clearinghouse and HUD within nine months of its year-end, and expects this instance of noncompliance to be resolved by June 30, 2022.

HOUSING AUTHORITY OF THE CITY OF BOGALUSA
BOGALUSA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE
EXECUTIVE DIRECTOR

YEAR ENDED SEPTEMBER 30, 2020

EXPENDITURE PURPOSE

Salary	<u>\$ 70,257</u>
Benefits - Insurance	<u>13,172</u>
Benefits - Retirement	<u>4,567</u>
Per Diem	<u>144</u>
Travel	<u>2,218</u>
Registration Fees	<u>670</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 91,028</u></u>

Agency Head: Vonda Waskom, Executive Director

Basis of Presentation:

The above Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706 of the 2014 Legislative Session*.