

HOUSING AUTHORITY OF HOMER, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2020

Mike Estes, P.C.
A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1 – 3
Management’s Discussion and Analysis		4 – 10
Basic Financial Statements		
Statement of Net Position	A	11
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	12
Statement of Cash Flows	C	13 – 14
Notes to the Basic Financial Statements		15 – 25
Index		15
Notes to Financial Statements		16 – 25
 <i><u>Other Reports Required by Governmental Auditing Standards</u></i>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		26 – 27
Schedule of Findings and Questioned Costs		28 – 30
Corrective Action Plan		31
Summary Schedule of Prior Audit Findings		32
 <i><u>Supplementary Information</u></i>		
Statement and Certification of Actual Modernization Costs	D(1)	33
Statement of Modernization Costs – Uncompleted	D(2)	34
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Director	D(3)	35
Schedule of Expenditures of Federal Awards		36
Notes to the Schedule of Expenditures of Federal Awards		37
Financial Data Schedules		38– 45



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Homer
Homer, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Homer, Louisiana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of Homer basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the Housing Authority of the Town of Homer, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Homer, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Homer, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
December 31, 2020

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

As management of the Housing Authority, we offer readers of the Housing Authority of the Town of Homer's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's audited financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,236,952 (*net position*). Of this amount, the Housing Authority has \$149,300 in unrestricted net position. This decrease in unrestricted net position is due to an increase in maintenance expenses.
- As of the close of the current fiscal year, the Housing Authority's enterprise funds reported combined ending net position of \$1,236,952 an increase of \$126,484 in comparison with the prior year.
- The Housing Authority had total revenue of \$906,069 including capital grants revenues of \$148,785 and total expenses of \$775,841.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has two federally funded programs that are consolidated into a single enterprise fund.

Low Rent Public Housing – The Authority's Low Rent Public Housing rents housing units to low-income families. The Low Rent Public Housing program is operated under an Annual Contribution Contract (ACC) with HUD; HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

Capital Fund Program (CFP) – The Low Rent Public Housing Program also includes the CFP as the primary funding source for the Authority’s physical and management improvements. CFP funding is provided by formula allocation and based upon size and age of the Authority’s units.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's fund, an enterprise fund.

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

Reporting the Housing Authority’s Most Significant Funds

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

Proprietary funds - All of the Housing Authority's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,236,952 at June 30, 2020.

Table 1
Balance Sheet

		June 30	
		<u>2020</u>	<u>2019</u>
Assets			
Current assets		\$ 248,115	\$ 289,249
Capital assets, net		<u>1,087,652</u>	<u>899,547</u>
Total assets		<u>1,335,767</u>	<u>1,188,796</u>
Liabilities and Net Assets			
Current liabilities		83,519	60,139
Long-term liabilities		<u>15,296</u>	<u>18,189</u>
Total liabilities		<u>98,815</u>	<u>78,328</u>
Net position			
Net invested in capital assets		1,087,652	899,547
Unrestricted		<u>149,300</u>	<u>210,921</u>
Total net position		<u>1,236,952</u>	<u>1,110,468</u>
Total Liabilities and Net Position		<u>\$1,335,766</u>	<u>\$1,188,796</u>

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

Table 2
Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020:

	June 30	
	<u>2020</u>	<u>2019</u>
Beginning net position	\$1,110,468	\$1,089,672
Revenues:		
Operating revenues		
Rent and other	<u>227,598</u>	<u>216,000</u>
Total operating revenues	<u>227,598</u>	<u>216,000</u>
Expenses:		
Operating expenses		
Administration	222,910	230,250
Tenant services	15,683	1,876
Utilities	50,943	54,228
Ordinary maintenance and operations	282,594	251,577
General expenses	89,275	99,722
Depreciation	114,436	116,403
Casualty Losses	<u>0</u>	<u>3,200</u>
Total expenses	<u>775,841</u>	<u>757,256</u>
Non-operating revenues		
Interest earnings	1,392	1,275
Federal grants	457,550	437,310
Other	<u>67,000</u>	<u>21,622</u>
Total non-operating revenues	<u>525,942</u>	<u>460,207</u>
Capital Contributions	<u>148,785</u>	<u>101,845</u>
Increase (decrease) in net position	<u>\$126,484</u>	<u>\$ 20,796</u>
Ending net position	<u>\$1,236,952</u>	<u>\$1,110,468</u>

Total revenues, non-operating revenues and capital contributions increased \$124,273 due mainly to:

- Capital contributions increased by \$46,940 due to an increase in modernization being performed in current fiscal year.
- Non-Operating revenues increased by \$65,735 mainly due to an increase in capital fund subsidy award and insurance proceeds collected.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

Total expenses increased \$18,585 due mainly to:

- Ordinary maintenance and operations increasing due to an increase in materials, supplies and repairs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the Housing Authority had \$1,087,652 invested in a broad range of capital assets, including land, buildings, leasehold improvements, furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$188,105, or 21% from last year.

Capital Assets at Year-end

	<u>2020</u>	<u>2019</u>
Land	\$ 41,564	\$ 41,564
Buildings and improvements	999,882	826,515
Furniture and equipment	<u>46,206</u>	<u>31,468</u>
Totals	<u>\$1,087,652</u>	<u>\$899,547</u>

No debt was issued for these additions.

This year's additions of \$302,541 are unit modernization projects and building improvements, including air conditioning units, a truck, and other equipment items.

Debt

Our long-term debt consists of accrued annual leave of \$15,296. We present more detail about our long-term liabilities in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. HUD has approved the 2019 Capital Fund program budget in the amount of \$193,992 of which \$151,685 has been expended at June 30, 2020. HUD has approved the 2020 Capital Fund program budget in the amount of \$207,466 of which \$41,493 has been expended at June 30, 2020.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2020

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Debra Sarpy, Executive Director, at the Housing Authority of the Town of Homer, PO Box 547, Homer, Louisiana 71040, telephone number (318) 927-3579.

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF NET POSITION

JUNE 30, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 136,466
Accounts receivable net	50,495
Inventory	4,349
Prepaid items and other assets	46,405
Restricted assets - cash and cash equivalents	10,400
	<hr/>
Total Current Assets	248,115
	<hr/>
Capital Assets, net	
Land and other non-depreciated assets	41,564
Other capital assets - net of depreciation	1,046,088
	<hr/>
Total Capital Assets, net	1,087,652
	<hr/>
Total Assets	\$ 1,335,767
	<hr/> <hr/>

LIABILITIES

Current Liabilities	
Accounts payable	\$ 45,285
Unearned income	3,149
Compensated absences payable	7,637
Accrued PILOT	17,048
Deposits due others	10,400
	<hr/>
Total Current Liabilities	83,519
	<hr/>
Noncurrent Liabilities	
Compensated absences payable	15,296
	<hr/>
Total Liabilities	98,815
	<hr/>

NET POSITION

Net investment in capital assets	1,087,652
Unrestricted	149,300
	<hr/>
Net Position	\$ 1,236,952
	<hr/> <hr/>

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

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

FOR THE YEAR ENDED JUNE 30, 2020

OPERATING REVENUES	
Dwelling rental	\$ 210,933
Governmental operating grants	457,550
Tenant revenue- other	10,493
Other	6,172
Total Operating Revenues	685,148
OPERATING EXPENSES	
Administration	222,910
Tenant services	15,683
Utilities	50,943
Ordinary maintenance & operations	282,594
General expenses	89,275
Depreciation	114,436
Total Operating Expenses	775,841
Income (Loss) from Operations	(90,693)
Non Operating Revenues (Expenses)	
Interest earnings	1,392
Insurance proceeds	67,000
Total Non-Operating Revenues (Expenses)	68,392
Income (Loss) before contribution	(22,301)
Capital Contribution	148,785
Change in net position	126,484
Total net position - beginning	1,110,468
Total net position - ending	\$ 1,236,952

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 205,373
Other receipts	17,261
Insurance proceeds	875
Federal grants	411,954
Payments to vendors	(440,614)
Payments to employees – net	(205,954)
	(11,105)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(302,541)
Federal Capital Grants	148,785
Insurance proceeds	67,000
	(86,756)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	1,392
	1,392
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,469)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	243,335
	243,335
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 146,866
	146,866

Continued

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$	(90,693)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		114,436
Change in assets and liabilities:		
Receivables		(49,120)
Inventories		(603)
Prepaid items		(5,612)
Account payables		17,973
Deposits due others		600
Accrued PILOT		871
Unearned income		1,043
		<hr/>
Net cash provided (used) by operations	\$	<u>(11,105)</u>

Concluded

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	16
A. REPORTING ENTITY	16
B. FUNDS	17
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	17
D. CASH AND CASH EQUIVALENTS.....	18
E. INVESTMENTS.....	18
F. REVENUE RECOGNITION	18
G. INVENTORY	18
H. PREPAID ITEMS.....	18
I. CAPITAL ASSETS	18
J. UNEARNED INCOME.....	19
K. COMPENSATED ABSENCES	19
L. POST EMPLOYMENT BENEFITS	19
M. NET POSITION AND FLOW ASSUMPTIONS.....	19
N. USE OF ESTIMATES.....	19
NOTE 2 – DEPOSITS AND INVESTMENTS.....	20
NOTE 3 – ACCOUNTS RECEIVABLE	20
NOTE 4 – CAPITAL ASSETS	21
NOTE 5 – ACCOUNTS PAYABLE.....	21
NOTE 6 – COMPENSATED ABSENCES.....	21
NOTE 7 – LONG – TERM OBLIGATIONS.....	22
NOTE 8 – RETIREMENT SYSTEM.....	22
NOTE 9 – COMMITMENTS AND CONTINGENCIES	23
NOTE 10 – ECONOMIC DEPENDENCE	24
NOTE 11 – SUBSEQUENT EVENTS	25

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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

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

The Housing Authority has the following units:

PHA Owned Housing	100 units
-------------------	-----------

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

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

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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

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

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

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$146,866. This is comprised of cash and cash equivalents of \$136,466 and restricted assets – cash of \$10,400, on the statement of net position.

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

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

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

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

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

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

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

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

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2020. Deposits are stated at cost, which approximates fair value.

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

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

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

Restricted Cash: \$10,400 is restricted in the General Fund for security deposits.

At June 30, 2020, the Housing Authority's carrying amount of deposits was \$146,766 and the bank balance was \$148,418. Petty cash consists of \$100. The entire bank balance was covered by FDIC Insurance.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 3,748
Federal sources:	
Grants	46,747
Total	\$ 50,495

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 41,564	\$ 0	\$ 0	\$ 41,564
Depreciable assets:				
Buildings	5,196,572	274,657	0	5,471,229
Furniture and equipment	240,629	27,884	0	268,513
Total capital assets	5,478,765	302,541	0	5,781,306
Less: accumulated depreciation				
Buildings	4,367,644	103,703	0	4,471,347
Furniture and equipment	211,574	10,733	0	222,307
Total accumulated depreciation	4,579,218	114,436	0	4,693,654
Total capital assets, net	\$ 899,547	\$ 188,105	\$ 0	\$ 1,087,652

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 5 – ACCOUNTS PAYABLE The payables at June 30, 2020 are as follows:

Vendors	\$	30,292
Payroll taxes & Retirement withheld		9,384
Utilities		5,609
		45,285
Total	\$	45,285

NOTE 6 – COMPENSATED ABSENCES At June 30, 2020, employees of the Housing Authority have accumulated and vested \$22,933 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2020.

		Compensated Absences
Balance, beginning	\$	25,551
Additions		2,774
Deletions		(5,392)
		22,933
Amounts due in one year	\$	7,637

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 8 – RETIREMENT SYSTEM Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after six months of service.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 3% of each participant's effective compensation. The employee does not contribute.

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

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

The Housing Authority made the required contributions of \$4,509 for the year ended June 30, 2020, of which \$4,509 was paid by the Housing Authority. No payments were made out of the forfeiture account.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On June 17, 2019 the Authority entered into a revised Employment Agreement with the Executive Director. The agreement is for two years, beginning July 1, 2019 and to terminate on July 1, 2021.

The contract may be terminated for cause, as specified in the contract. The Board may also terminate without cause, if such termination, in the Board's opinion, serves the best interests of the Authority. If the Executive Director is terminated for any reason, due process is required, as outlined in the agreement. The Director may terminate the agreement upon 30 days of written notice to the Board.

The Executive Director will be paid any accrued salary through the date of termination, in the event termination should occur. The Director is also entitled to all earned annual leave at the time of separation, regardless of the reason for the separation.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

If terminated without cause, the Authority will pay the Executive Director on the effective date of termination of a lump sum equal to salary and benefits she would have earned or received for the remainder of the two-year contract, plus accrued salary and benefits, unpaid accrued annual leave, and reasonable, authorized business expenses.

Litigation The Housing Authority is not presently involved in litigation.

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

Construction Projects There are certain renovation or construction projects in progress at June 30, 2020. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

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

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

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

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$606,335 to the Housing Authority, which represents approximately 67% of the Housing Authority's total revenue and capital contributions for the year.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 11 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, December 31, 2020, of the independent auditor's report for potential recognition or disclosure in the financial statements. The COVID-19 pandemic has impacted the Authority's dealings with tenants and applicants. The Authority received a CARES Act funding grant of \$45,609.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of Homer
Homer, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of Homer, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Homer, Louisiana's basic financial statements, and have issued our report thereon dated December 31, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Homer, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Audit Finding 2020-001.

Response to Finding

The Housing Authority of Homer, Louisiana's response to the finding identified in our audit is described in the accompanying Views of Responsible Officials and Planned Corrective Actions. The Housing Authority of Homer, Louisiana's response was not subjected to the auditing procedure applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
December 31, 2020

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED YEAR ENDED JUNE 30, 2020

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? yes ✓ no
 - b. Significant deficiency(ies) identified? yes ✓ none reported
3. Noncompliance material to financial statements noted? ✓ yes no

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

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

Low Rent Program-CDFA #14.850-Award Year 2019 and 2020

2020-001-Non-Compliance with State Civil Service Law

Criteria or specific requirement

Federal housing authorities must not only comply with federal law and regulations and their own policies, but also with state law. This includes regulations as set forth by the Louisiana Civil Service.

Condition Found

HUD PIH Notices assert that in certain circumstances, the Homer Housing Authority may pay hazard pay, to employees who are possibly exposed to the COVID-19 virus in the work place setting, in certain circumstances. *COVID-19 FAQs For Public Housing Agencies, Version 2*, dated March 30, 2020, page 11, (G), gives directions on whether the exposure criteria is met and also some direction of how to calculate the amount of hazard pay.

In August 2020, employees were paid hazard pay. Of the total amount paid, \$8,750 was considered retroactive pay for the period March 27 through June 19, 2020. This was paid to a total of five employees.

The Authority does not have a policy approved by the Louisiana Civil Service that allows hazard pay. This type of pay is covered by the Civil Service Handbook at 6.16A. This section covers premium pay, of which hazard pay is a sub-category.

Civil Service rules do not apply to unclassified employees.

Context

The Authority is dealing with several unique situations concerning the COVID-19 pandemic.

Cause

The Authority paid hazard pay only after becoming aware that federal regulations allowed it, in certain circumstances. It appears that Management was not aware of the requirement to have a policy approved by Civil Service before proper disbursement of the hazard pay.

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

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

Effect

Non-compliance with state Civil Service law. In addition to passing judgement whether hazard pay meets state criteria, the Civil Service also passes judgement on the amount that may be paid.

Questioned Costs

None

Recommendation

If it has not already done so, Management should contact Civil Service. Our understanding is that Civil Service requires a questionnaire, that gives essential information regarding the risks associated at this authority to the virus. In addition, a policy must be drafted and presented to Civil Service in time for it to be slotted for review and possible approval at the monthly meeting of the Civil Service Board. It is our understanding that other area PHAs are in this process. Management might consult with those PHAs to streamline the process. Also, there are consultants that have recently drafted a proto-type policy and presented to the Civil Service for the latter's review. Management might consider enlisting the consultants' assistance.

Views of Responsible Official

I am Debra Sarpy, Executive Director and Designated Person to answer this audit finding. We will do as the auditor suggests.

HOMER HOUSING AUTHORITY
329 Oil Mill St
Homer, LA 71040
Phone No. (318) 927-3579 Fax No. (318) 927-3570

HOUSING AUTHORITY OF HOMER, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2020

Corrective Action Plan Finding:

2020-001-Non-Compliance with State Civil Service Law

Condition:

HUD PIH Notices assert that in certain circumstances, the Homer Housing Authority may pay hazard pay, to employees who are possibly exposed to the COVID-19 virus in the work place setting, in certain circumstances. *COVID-19 FAQs For Public Housing Agencies, Version 2*, dated March 30, 2020, page 11, (G), gives directions on whether the exposure criteria is met and also some direction of how to calculate the amount of hazard pay.

In August 2020, employees were paid hazard pay. Of the total amount paid, \$8,750 was considered retroactive pay for the period March 27 through June 19, 2020. This was paid to a total of five employees.

The Authority does not have a policy approved by the Louisiana Civil Service that allows hazard pay. This type of pay is covered by the Civil Service Handbook at 6.16A. This section covers premium pay, of which hazard pay is a sub-category.

Civil Service rules do not apply to unclassified employees.

Corrective Action Planned: I am Debra Sarpy, Executive Director and Designated Person to answer this audit finding. We will do as the auditor suggests.

Person responsible for corrective action:

Debra Sarpy, Executive Director
Homer Housing Authority
329 Oil Mill St
Homer, LA 71040

Telephone: (318) 927-3579
Fax: (318) 927-3570

Anticipated Completion Date: March 31, 2021

HOUSING AUTHORITY OF HOMER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2020

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

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2020

		2018 Capital Fund
Funds approved	\$	186,879
Funds expended		186,879
Excess of funds approved	\$	0
<hr style="border-top: 3px double #000;"/>		
Funds advanced	\$	186,879
Funds expended		186,879
Excess (Deficiency) of funds advanced	\$	0
<hr style="border-top: 3px double #000;"/>		

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated April 16, 2020 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2020

CASH BASIS

	2019 Capital Fund	2019-E Safety and Security Capital Fund	2020 Capital Fund
Funds approved	\$ 193,992	\$ 246,664	\$ 207,466
Funds expended	151,685	48,409	41,493
Excess of funds approved	\$ 42,307	\$ 198,255	\$ 165,973
Funds advanced	\$ 148,935	\$ 48,409	\$ 41,493
Funds expended	151,685	48,409	41,493
Excess (Deficiency) of funds	\$ (2,750)	\$ 0	\$ 0

See accountants' report

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

YEAR ENDED JUNE 30, 2020

Agency Head Name: Debra Sarpy, Executive Director

Purpose	Amount
Salary	\$ 87,776
Benefits-insurance	24,503
Benefits-retirement	4,509
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	568
Reimbursements	
Travel	
Registration fees	
Conference travel	862
Continuing professional education fees	
Housing	
Unvouchered expenses*	
High Occupancy Reward	7,022
Total	\$ 125,240

See accountants' report

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.		PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:			
Low-Income Housing Operating Subsidy	14.850a	\$	303,579
Capital Fund Program	14.872		274,175
COVID-19-Low Rent Public Housing	14.850	\$	28,581
Total United States Department of Housing and Urban Development		\$	606,335
Total Expenditures of Federal Awards		\$	606,335

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED JUNE 30, 2020

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the Town of Homer, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

		Federal Sources
Enterprise Funds		
Governmental operating grants	\$	457,550
Capital contributions		148,785
Total	\$	606,335

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

NOTE 5 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Entity Wide Balance Sheet Summary				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
111 Cash - Unrestricted	\$136,466		\$136,466	\$136,466
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$10,400		\$10,400	\$10,400
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$146,866	\$0	\$146,866	\$146,866
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$36,349	\$10,398	\$46,747	\$46,747
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$3,748		\$3,748	\$3,748
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$40,097	\$10,398	\$50,495	\$50,495
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$46,405		\$46,405	\$46,405
143 Inventories	\$4,548		\$4,548	\$4,548
143.1 Allowance for Obsolete Inventories	-\$199		-\$199	-\$199
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$237,717	\$10,398	\$248,115	\$248,115
161 Land	\$41,564		\$41,564	\$41,564
162 Buildings	\$4,944,573		\$4,944,573	\$4,944,573
163 Furniture, Equipment & Machinery - Dwellings	\$103,555		\$103,555	\$103,555
164 Furniture, Equipment & Machinery - Administration	\$164,958		\$164,958	\$164,958
165 Leasehold Improvements	\$526,656		\$526,656	\$526,656
166 Accumulated Depreciation	-\$4,693,654		-\$4,693,654	-\$4,693,654
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,087,652	\$0	\$1,087,652	\$1,087,652
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$1,087,652	\$0	\$1,087,652	\$1,087,652
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$1,325,369	\$10,398	\$1,335,767	\$1,335,767

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Entity Wide Balance Sheet Summary				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$19,894	\$10,398	\$30,292	\$30,292
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$9,384		\$9,384	\$9,384
322 Accrued Compensated Absences - Current Portion	\$7,637		\$7,637	\$7,637
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$17,048		\$17,048	\$17,048
341 Tenant Security Deposits	\$10,400		\$10,400	\$10,400
342 Unearned Revenue	\$3,149		\$3,149	\$3,149
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other	\$5,609		\$5,609	\$5,609
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$73,121	\$10,398	\$83,519	\$83,519
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$15,296		\$15,296	\$15,296
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$15,296	\$0	\$15,296	\$15,296
300 Total Liabilities	\$88,417	\$10,398	\$98,815	\$98,815
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$1,087,652		\$1,087,652	\$1,087,652
511.4 Restricted Net Position				
512.4 Unrestricted Net Position	\$149,300	\$0	\$149,300	\$149,300
513 Total Equity - Net Assets / Position	\$1,236,952	\$0	\$1,236,952	\$1,236,952
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,325,369	\$10,398	\$1,335,767	\$1,335,767

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$210,933		\$210,933
70400 Tenant Revenue - Other	\$10,493		\$10,493
70500 Total Tenant Revenue	\$221,426	\$0	\$221,426
70600 HUD PHA Operating Grants	\$303,579	\$125,390	\$428,969
70610 Capital Grants		\$148,785	\$148,785
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$1,392		\$1,392
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$2,100		\$2,100
71500 Other Revenue	\$71,072		\$71,072
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$599,569	\$274,175	\$873,744
91100 Administrative Salaries	\$106,574		\$106,574
91200 Auditing Fees	\$12,415		\$12,415
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$827		\$827
91500 Employee Benefit contributions - Administrative	\$26,750		\$26,750
91600 Office Expenses	\$61,317		\$61,317
91700 Legal Expense	\$600		\$600
91800 Travel	\$796		\$796
91810 Allocated Overhead			
91900 Other	\$13,631		\$13,631
91000 Total Operating - Administrative	\$222,910	\$0	\$222,910
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$5,901		\$5,901
92500 Total Tenant Services	\$5,901	\$0	\$5,901
93100 Water	\$22,095		\$22,095
93200 Electricity	\$12,014		\$12,014
93300 Gas	\$1,204		\$1,204
93400 Fuel			
93500 Labor			
93600 Sewer	\$15,630		\$15,630

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$50,943	\$0	\$50,943
94100 Ordinary Maintenance and Operations - Labor	\$55,355		\$55,355
94200 Ordinary Maintenance and Operations - Materials and Other	\$37,845		\$37,845
94300 Ordinary Maintenance and Operations Contracts	\$179,472		\$179,472
94500 Employee Benefit Contributions - Ordinary Maintenance	\$9,922		\$9,922
94000 Total Maintenance	\$282,594	\$0	\$282,594
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$48,837		\$48,837
96120 Liability Insurance	\$2,035		\$2,035
96130 Workmen's Compensation	\$8,848		\$8,848
96140 All Other Insurance	\$3,562		\$3,562
96100 Total insurance Premiums	\$63,282	\$0	\$63,282
96200 Other General Expenses			
96210 Compensated Absences	\$5,866		\$5,866
96300 Payments in Lieu of Taxes	\$17,048		\$17,048
96400 Bad debt - Tenant Rents	\$3,079		\$3,079
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$25,993	\$0	\$25,993
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$651,623	\$0	\$651,623
97000 Excess of Operating Revenue over Operating Expenses	-\$52,054	\$274,175	\$222,121
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$114,436		\$114,436
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$766,059	\$0	\$766,059

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$125,390		\$125,390
10020 Operating transfer Out		-\$125,390	-\$125,390
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$125,390	-\$125,390	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$41,100	\$148,785	\$107,685
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$931,139	\$179,329	\$1,110,468
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$89,743	-\$70,944	\$18,799
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1200		1200
11210 Number of Unit Months Leased	1133		1133
11270 Excess Cash	\$59,541		\$59,541
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$107,073	\$148,785	\$255,858
11630 Furniture & Equipment - Dwelling Purchases	\$3,785	\$0	\$3,785
11640 Furniture & Equipment - Administrative Purchases	\$24,099	\$0	\$24,099
11650 Leasehold Improvements Purchases	\$18,799	\$0	\$18,799
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Entity Wide Revenue and Expense Summary				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
70300 Net Tenant Rental Revenue	\$210,933		\$210,933	\$210,933
70400 Tenant Revenue - Other	\$10,493		\$10,493	\$10,493
70500 Total Tenant Revenue	\$221,426	\$0	\$221,426	\$221,426
70600 HUD PHA Operating Grants	\$428,969	\$28,581	\$457,550	\$457,550
70610 Capital Grants	\$148,785		\$148,785	\$148,785
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$1,392		\$1,392	\$1,392
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$2,100		\$2,100	\$2,100
71500 Other Revenue	\$71,072		\$71,072	\$71,072
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$873,744	\$28,581	\$902,325	\$902,325
91100 Administrative Salaries	\$106,574		\$106,574	\$106,574
91200 Auditing Fees	\$12,415		\$12,415	\$12,415
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$827		\$827	\$827
91500 Employee Benefit contributions - Administrative	\$26,750		\$26,750	\$26,750
91600 Office Expenses	\$61,317		\$61,317	\$61,317
91700 Legal Expense	\$600		\$600	\$600
91800 Travel	\$796		\$796	\$796
91810 Allocated Overhead				
91900 Other	\$13,631		\$13,631	\$13,631
91000 Total Operating - Administrative	\$222,910	\$0	\$222,910	\$222,910
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$5,901	\$9,782	\$15,683	\$15,683
92500 Total Tenant Services	\$5,901	\$9,782	\$15,683	\$15,683
93100 Water	\$22,095		\$22,095	\$22,095
93200 Electricity	\$12,014		\$12,014	\$12,014
93300 Gas	\$1,204		\$1,204	\$1,204
93400 Fuel				
93500 Labor				
93600 Sewer	\$15,630		\$15,630	\$15,630

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Entity Wide Revenue and Expense Summary				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$50,943	\$0	\$50,943	\$50,943
94100 Ordinary Maintenance and Operations - Labor	\$55,355		\$55,355	\$55,355
94200 Ordinary Maintenance and Operations - Materials and Other	\$37,845		\$37,845	\$37,845
94300 Ordinary Maintenance and Operations Contracts	\$179,472		\$179,472	\$179,472
94500 Employee Benefit Contributions - Ordinary Maintenance	\$9,922		\$9,922	\$9,922
94000 Total Maintenance	\$282,594	\$0	\$282,594	\$282,594
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$48,837		\$48,837	\$48,837
96120 Liability Insurance	\$2,035		\$2,035	\$2,035
96130 Workmen's Compensation	\$8,848		\$8,848	\$8,848
96140 All Other Insurance	\$3,562		\$3,562	\$3,562
96100 Total insurance Premiums	\$63,282	\$0	\$63,282	\$63,282
96200 Other General Expenses				
96210 Compensated Absences	\$5,866		\$5,866	\$5,866
96300 Payments in Lieu of Taxes	\$17,048		\$17,048	\$17,048
96400 Bad debt - Tenant Rents	\$3,079		\$3,079	\$3,079
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$25,993	\$0	\$25,993	\$25,993
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$651,623	\$9,782	\$661,405	\$661,405
97000 Excess of Operating Revenue over Operating Expenses	\$222,121	\$18,799	\$240,920	\$240,920
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$114,436		\$114,436	\$114,436
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$766,059	\$9,782	\$775,841	\$775,841

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2020

Entity Wide Revenue and Expense Summary				
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
10010 Operating Transfer In	\$125,390		\$125,390	\$125,390
10020 Operating transfer Out	-\$125,390		-\$125,390	-\$125,390
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$107,685	\$18,799	\$126,484	\$126,484
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,110,468	\$0	\$1,110,468	\$1,110,468
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$18,799	-\$18,799	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	1200		1200	1200
11210 Number of Unit Months Leased	1133		1133	1133
11270 Excess Cash	\$59,541		\$59,541	\$59,541
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$255,858		\$255,858	\$255,858
11630 Furniture & Equipment - Dwelling Purchases	\$3,785		\$3,785	\$3,785
11640 Furniture & Equipment - Administrative Purchases	\$24,099		\$24,099	\$24,099
11650 Leasehold Improvements Purchases	\$18,799		\$18,799	\$18,799
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0