

HOUSING AUTHORITY OF SULPHUR, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED DECEMBER 31, 2020

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Sulphur
Sulphur, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Sulphur, Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of Sulphur, Louisiana basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of Sulphur, Louisiana, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Sulphur, Louisiana's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement

of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, 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 June 23, 2021 on our consideration of the Housing Authority of the City of Sulphur, 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 Sulphur, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Sulphur, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 23, 2021

HOUSING AUTHORITY OF SULPHUR, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

December 31, 2020

The management of Housing Authority of Sulphur, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 2020. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$3,701,473 at the close of the fiscal year ended 2020.
 - ✓ Of this amount \$2,223,145 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ Also, of this amount, \$19,458 of net position is restricted for the Housing Choice Voucher program.
 - ✓ The remainder of \$1,458,870 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 47% of the total operating expenses of \$3,077,357 for the fiscal year 2020, which means the Authority might be able to operate about 7 months using the unrestricted assets alone, compared to 6 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$244,314, a 6% decrease from the prior fiscal year 2020.
- The decrease in net position of these funds was accompanied by an increase in cash and cash equivalents by \$318,581.
- The Authority spent \$58,268 on construction in progress.
- These changes led to a decrease in total assets by \$191,043 and an increase in total liabilities by \$53,271. As related measure of financial health, there are still over \$13 of current assets covering each dollar of total current liabilities, which compares to \$20 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2020?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 113,090
Low Rent Public Housing	564,496
Housing Choice Vouchers	443,360
Rural Residential Development	461,773
Cares LR	86,884
Cares S8	<u>20,910</u>
Total funding received this current fiscal year	<u>\$ 1,690,513</u>

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

Reporting the Housing Authority's Most Significant Funds

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

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

FINANCIAL ANALYSIS

The Housing Authority's net position was \$3,701,473 as of December 31, 2020. Of this amount, \$2,223,145 was invested in capital assets and \$1,458,870 was unrestricted. There were \$19,458 in specific assets restricted for the Housing Choice Voucher (HCV) program.

Housing Authority of Sulphur, LA
 Management's Discussion and Analysis (MD&A)
 December 31, 2020

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of December 31, 2020**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets	\$ 1,663,638	\$ 1,637,497
Assets restricted for Housing Choice Voucher (HCV) program	19,713	1,079
Capital assets, net of depreciation	<u>2,223,145</u>	<u>2,458,963</u>
Total assets	<u>3,906,496</u>	<u>4,097,539</u>
LIABILITIES		
Current liabilities	131,844	81,808
Non-current liabilities	<u>73,179</u>	<u>69,944</u>
Total liabilities	<u>205,023</u>	<u>151,752</u>
NET POSITION		
Invested in capital assets, net of depreciation	2,223,145	2,458,963
Net position restricted for the Housing Choice Voucher program	19,458	1,079
Unrestricted net position	<u>1,458,870</u>	<u>1,485,745</u>
Total net position	<u>\$ 3,701,473</u>	<u>\$ 3,945,787</u>

The net position of these funds decreased by \$244,314, or by 6%, from those of fiscal year 2020, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Housing Authority of Sulphur, LA
 Management's Discussion and Analysis (MD&A)
 December 31, 2020

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tenant Revenue	\$ 569,422	\$ 657,958
HUD grants for operations	1,648,663	1,593,956
Other non-tenant revenue	562,014	95,179
Fraud Recovery	3,732	5,916
Total operating revenues	<u>2,783,831</u>	<u>2,353,009</u>
OPERATING EXPENSES		
General	238,258	216,776
Ordinary maintenance and repairs	593,918	522,145
Administrative expenses and management fees	432,042	451,612
Utilities	103,412	106,158
Protective services	40,080	11,680
Tenant services	85,094	450
Federal Housing Assistance Payments (HAP) to landlords & Ports	859,136	870,079
Extraordinary maintenance and repairs	9,000	-
Casualty Loss	418,759	-
Depreciation	297,658	311,686
Total operating expenses	<u>3,077,357</u>	<u>2,490,586</u>
Income (losses) from operations	<u>(293,526)</u>	<u>(137,577)</u>
NON-OPERATING REVENUES		
Interest income	<u>7,362</u>	<u>7,185</u>
Total non-operating revenues	<u>7,362</u>	<u>7,185</u>
Income (losses) before capital contributions	<u>(286,164)</u>	<u>(130,392)</u>
CAPITAL CONTRIBUTIONS	<u>41,850</u>	<u>95,600</u>
CHANGES IN NET POSITION	<u>(244,314)</u>	<u>(34,792)</u>
NET POSITION - BEGINNING	3,945,787	3,980,579
NET POSITION - END	<u>\$ 3,701,473</u>	<u>\$ 3,945,787</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions increased \$377,249 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue decreased by \$88,536 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which decreased by \$43,371.
- Federal revenues from HUD for operations increased by \$54,707 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD decreased by \$53,750 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2017 through 2020, and submitted a new grant during fiscal year 2020.
- Total other operating revenue increased by \$464,651 and interest income increased by \$177 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$586,771, or by 24%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense decreased by \$14,028 from that of the prior fiscal year.
- Maintenance and repairs increased by \$80,773 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$2,906 and related employee benefit contributions decreased by \$5,055. Materials used decreased by \$10,075 and contract labor costs increased by \$83,997. Finally, Extraordinary maintenance increased by \$9,000 from the prior fiscal year.
- General Expenses increased by \$21,482 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) decreased by \$4,248. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$14,828, other general expenses decreased by \$3,858 and bad debts increased by \$14,865. Lastly, compensated absences decreased by \$105.
- Administrative Expenses decreased by \$19,570 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries decreased by \$11,586 and related employee benefit contributions decreased by \$9,904; therefore, total staff salaries and benefit costs decreased. Outside professional fees changed as follows: audit fees decreased by \$101 and legal fees increased by \$6,012. In addition, staff travel reimbursements decreased by \$3,103, office expenses decreased by \$16,470 and sundry expenses increased by \$15,582.
- Housing Assistance Payments to landlords decreased by \$10,943 from that of the prior fiscal year partly because there was a decrease in the number of tenants qualifying for subsidy during the year.
- Utilities Expense decreased by \$2,746 from that of the prior fiscal year because water cost decreased by \$1,517, electricity cost decreased by \$1,455, gas cost increased by \$1,099, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$873.
- Total Tenant Services increased by \$84,644 from that of the prior fiscal year due to COVID 19. The housing authority received additional funding from HUD which was used to ensure the safety of the tenants and staff.
- Protective services increased by \$28,400 from that of the prior fiscal year.
- Casualty losses increased by \$418,759 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2020, the Housing Authority had a total cost of \$13,306,561 invested in a broad range of assets and construction in progress from projects funded in 2017 through 2020, listed below. This amount, not including depreciation, represents increases of \$56,388 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Statement of Capital Assets As of December 31, 2020

	<u>2020</u>	<u>2019</u>
Land	\$ 99,900	\$ 99,900
Construction in progress	58,268	-
Buildings	11,304,103	11,300,528
Leasehold improvements	1,626,250	1,626,250
Furniture and equipment	218,040	223,495
Accumulated Depreciation	<u>(11,083,416)</u>	<u>(10,791,210)</u>
Total	<u>\$ 2,223,145</u>	<u>\$ 2,458,963</u>

As of the end of the 2020 fiscal year, the Authority is still in the process of completing HUD grants of \$1,201,710 obtained during 2017 through 2020 fiscal years. A total remainder of \$1,079,860 will be received and spent for completing these projects during fiscal year 2021.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2021 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Vena F. Bertrand, at Housing Authority of Sulphur, LA; 312 Brook St, Sulphur, LA 70663.

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
STATEMENT OF NET POSITION

DECEMBER 31, 2020

	General	Housing Choice Voucher	Moderate Rehab	Total Primary Government	Component Units	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 907,791	\$ 242,122	\$ 133,897	\$ 1,283,810	\$ 10,166	\$ 1,293,976
Investments - Unrestricted	238,968	0	0	238,968	0	238,968
Accounts receivable net	19,906	0	0	19,906	373	20,279
Interest receivable	256	0	0	256	0	256
Prepaid items and other assets	53,485	854	2,046	56,385	7,009	63,394
Inventory	1,804	0	0	1,804	0	1,804
Restricted assets - cash and cash equivalents	62,509	19,713	0	82,222	245,342	327,564
Total Current Assets	1,284,719	262,689	135,943	1,683,351	262,890	1,946,241
Capital Assets, net						
Land and other non-depreciated assets	158,168	0	0	158,168	542,316	700,484
Other capital assets - net of depreciation	2,064,977	0	0	2,064,977	4,255,305	6,320,282
Total Capital Assets, net	2,223,145	0	0	2,223,145	4,797,621	7,020,766
Noncurrent						
Other Assets	0	0	0	0	83,602	83,602
Total Assets	\$ 3,507,864	262,689	135,943	3,906,496	\$ 5,144,113	\$ 9,050,609
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 56,308	\$ 0	\$ 0	\$ 56,308	\$ 12,016	\$ 68,324
Unearned income	112	255	0	367	28,177	28,544
Compensated absences payable	11,057	1,603	0	12,660	0	12,660
Accrued interest payable	0	0	0	0	6,230	6,230
Current portion of notes payable	0	0	0	0	26,898	26,898
Deposits due others	62,509	0	0	62,509	0	62,509
Total Current Liabilities	129,986	1,858	0	131,844	73,321	205,165
Noncurrent Liabilities						
Compensated absences payable	65,093	8,086	0	73,179	0	73,179
Noncurrent portion of notes payable	0	0	0	0	1,651,204	1,651,204
Accrued interest payable	0	0	0	0	191,685	191,685
Noncurrent liabilities - other	0	0	0	0	466,365	466,365
Total Noncurrent Liabilities	65,093	8,086	0	73,179	2,309,254	2,382,433
Total Liabilities	195,079	9,944	0	205,023	2,382,575	2,587,598
NET POSITION						
Net investment in capital assets, net of related debt	2,223,145	0	0	2,223,145	2,461,469	4,684,614
Restricted	0	19,458	0	19,458	190,759	210,217
Unrestricted	1,089,640	233,287	135,943	1,458,870	109,310	1,568,180
Net Position	3,312,785	252,745	135,943	3,701,473	2,761,538	6,463,011

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

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

YEAR ENDED DECEMBER 31, 2020

	General	Housing Choice Voucher	Moderate Rehab	Total Primary Government	Component Units	Total
OPERATING REVENUES						
Dwelling rental	\$ 477,181	\$ 0	\$ 0	\$ 477,181	\$ 282,037	\$ 759,218
Governmental operating grants	722,620	464,270	461,773	1,648,663	0	1,648,663
Tenant revenue- other	92,241	0	0	92,241	14,121	106,362
Other	561,168	1,212	3,366	565,746	10,432	576,178
Total Operating Revenues	1,853,210	465,482	465,139	2,783,831	306,590	3,090,421
OPERATING EXPENSES						
Administration	340,601	42,830	48,611	432,042	80,431	512,473
Tenant Services	74,863	10,231	0	85,094	0	85,094
Utilities	103,412	0	0	103,412	10,804	114,216
Ordinary maintenance & operations	593,918	0	0	593,918	123,516	717,434
General expenses	228,832	8,987	439	238,258	37,617	275,875
Depreciation	297,658	0	0	297,658	192,917	490,575
Housing assistance payments	0	376,046	483,090	859,136	0	859,136
Protective services	40,080	0	0	40,080	0	40,080
Extraordinary maintenance	9,000	0	0	9,000	23,774	32,774
Casualty losses	418,759	0	0	418,759	0	418,759
Total Operating Expenses	2,107,123	438,094	532,140	3,077,357	469,059	3,546,416
Income (Loss) from Operations	(253,913)	27,388	(67,001)	(293,526)	(162,469)	(455,995)
Non Operating Revenues (Expenses)						
Interest earnings	6,720	563	79	7,362	692	8,054
Interest expense	0	0	0	0	(95,966)	(95,966)
Partnership and asset management fees	0	0	0	0	(4,853)	(4,853)
Total Non-Operating Revenues (Expenses)	6,720	563	79	7,362	(100,127)	(92,765)
Income (Loss) before contribution	(247,193)	27,951	(66,922)	(286,164)	(262,596)	(548,760)
Capital Contribution	41,850	0	0	41,850	0	41,850
Change in net position	(205,343)	27,951	(66,922)	(244,314)	(262,596)	(506,910)
Total net position - beginning	3,518,128	224,794	202,865	3,945,787	3,024,134	6,969,921
Total net position - ending	\$ 3,312,785	252,745	135,943	3,701,473	2,761,538	\$ 6,463,011

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

**HOUSING AUTHORITY OF SULPHUR, LOUISIANA
STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2020

	General	Housing Choice Voucher	Moderate Rehab	Total Primary Government	Component Unit	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Rental receipts	\$ 402,360	\$ 0	\$ 0	\$ 402,360	\$ 316,431	\$ 718,791
Other receipts	656,210	1,212	3,366	660,788	(1,769)	659,019
Federal grants	635,763	463,679	548,825	1,648,267	0	1,648,267
Payments to vendors	(1,127,455)	(26,119)	(19,522)	(1,173,096)	(186,002)	(1,359,098)
Payments to employees – net	(488,826)	(30,653)	(31,377)	(550,856)	(70,426)	(621,282)
Payments to private landlords	0	(376,046)	(483,090)	(859,136)	0	(859,136)
Net cash provided (used) by operating activities	78,052	32,073	18,202	128,327	58,234	186,561
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest Paid	0	0	0	0	(75,711)	(75,711)
Purchase of assets	(61,840)	0	0	(61,840)	0	(61,840)
Repayment of Debt	0	0	0	0	(25,124)	(25,124)
Federal Capital Grants	41,850	0	0	41,850	0	41,850
Increase in management fees payable	0	0	0	0	23,774	23,774
Net cash provided (used) by capital and related financing activities	(19,990)	0	0	(19,990)	(77,061)	(97,051)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	8,069	563	79	8,711	692	9,403
Proceeds from maturity of investments	201,533	0	0	201,533	0	201,533
Net cash provided (used) by investing activities	209,602	563	79	210,244	692	210,936
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	267,664	32,636	18,281	318,581	(18,135)	300,446
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	702,636	229,199	115,616	1,047,451	273,643	1,321,094
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 970,300	261,835	133,897	1,366,032	\$ 255,508	1,621,540

Continued

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	General	Housing Choice Voucher	Moderate Rehab	Total Primary Government	Component Unit	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (253,913)	\$ 27,388	\$ (67,001)	\$ (293,526)	\$ (162,469)	\$ (455,995)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation Expense	297,658	0	0	297,658	192,917	490,575
Provision of uncollectable accounts	42,919	984	8,794	52,697	0	52,697
Change in assets and liabilities:						
Receivables	(60,387)	255	78,258	18,126	(4,853)	13,273
Prepaid items	983	1,283	(1,849)	417	(439)	(22)
Inventories	168	0	0	168	0	168
Accounts payable	47,823	2,163	0	49,986	12,016	62,002
Security Deposits	2,801	0	0	2,801	(31,122)	(28,321)
Other liabilities- noncurrent	0	0	0	0	23,774	23,774
Unearned revenue	0	0	0	0	28,410	28,410
Net cash provided (used) by operations	\$ 78,052	\$ 32,073	\$ 18,202	\$ 128,327	\$ 58,234	\$ 186,561

Concluded

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

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

DECEMBER 31, 2020

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

DECEMBER 31, 2020

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

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

The Housing Authority has the following units:

PHA Owned Housing Section 8	FW 1132	202 Voucher
Housing Choice Vouchers	FW- 2228	108 units
Moderate Rehab	FW- 2074	82 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 City of Sulphur since the City of Sulphur appoints a voting majority of the Housing Authority's governing board. The City of Sulphur is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Sulphur. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Sulphur.

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 SULPHUR, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 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.

Frenchman's Creek Limited Partnership involves the operation of 40 family Low Income Housing Tax Credit units located in Sulphur, Louisiana, and is a legally separate entity. The managing general partner of Frenchman's Creek Limited Partnership is the FCD GP, LLC, of which FCD Corporation, a Louisiana non-profit corporation, is the only member of the limited liability company. The Board of Directors of FCD Corporation consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing body of Frenchman's Creek Limited Partnership. In addition, there is the potential for Frenchman's Creek Limited Partnership to impose financial burden on the Housing Authority.

The governing body of the Housing Authority is not considered to have complete control over Frenchman's Creek Limited Partnership. As a result, the Frenchman's Creek Limited Partnership is included in the Housing Authority's financial statements through discrete presentation. The financial position, changes in net position and cash flows of Frenchman's Creek Limited Partnership are presented as of and for the year ended December 31, 2020. Separate audited statements of Frenchman's Creek Limited Partnership were issued for the year ended December 31, 2020 and are available from the Housing Authority's main office, 312 Brook Street, Sulphur, LA 70663.

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

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

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

DECEMBER 31, 2020

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, Total Primary Government is \$1,366,032. This is comprised of cash and cash equivalents of \$1,283,810 and restricted assets – cash of \$82,222, 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.

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

DECEMBER 31, 2020

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.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,500. 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	33-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years
Auto and trucks	5 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.

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

DECEMBER 31, 2020

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

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

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

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 December 31, 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: \$62,509 is restricted in the General Fund for security deposits. \$255 is restricted for an amount equal to unearned revenue. \$19,458 is restricted in the Housing Choice Voucher fund for HAP Equity.

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

DECEMBER 31, 2020

At December 31, 2020, the Housing Authority's carrying amount of deposits was \$1,604,775 and the bank balance was \$1,610,214, which includes \$238,968 in certificates of deposits classified as investments. Petty cash consists of \$225. \$949,532 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$660,682 was covered by pledged securities. However, this \$660,682 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

<u>Restricted Cash-Component Unit</u>	
Replacement reserve escrow	\$ 72,781
Operating deficit reserve	94,595
Tenant security deposits	54,583
Real estate tax and insurance	23,383
	245,342
Balance ending	\$ 245,342

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at December 31, 2020, are as follows:

	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Moderate Rehab</u>	<u>Total</u>
<u>Class of Receivables</u>				
Local sources:				
Tenants	\$ 19,906	\$ 0	\$ 0	\$ 19,906
Total	\$ 19,906	\$ 0	\$ 0	\$ 19,906

The tenants account receivable is net of an allowance for doubtful accounts of \$53,365.

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

DECEMBER 31, 2020

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 99,900	\$ 0	\$ 0	\$ 99,900
Construction in progress	0	58,268	0	58,268
Depreciable assets:				
Buildings	12,926,778	3,575	0	12,930,353
Furniture and equipment	223,495	0	5,455	218,040
Total capital assets	13,250,173	61,843	5,455	13,306,561
Less: accumulated depreciation				
Buildings	10,593,368	285,466	0	10,878,834
Furniture and equipment	197,842	12,195	5,455	204,582
Total accumulated depreciation	10,791,210	297,661	5,455	11,083,416
Total capital assets, net	\$ 2,458,963	\$ (235,818)	\$ 0	\$ 2,223,145

Component unit capital assets of \$4,797,621 consisted of buildings, improvements, and equipment, net (\$4,255,305) and land (\$542,316).

NOTE 5 – ACCOUNTS PAYABLE The payables at December 31, 2020 are as follows:

	General	Housing Choice Voucher	Moderate Rehab	Total
Vendors	\$ 53,787	\$ 0	\$ 0	\$ 53,787
Payroll taxes payable	2,521		0	2,521
Total	\$ 56,308	\$ 0	\$ 0	\$ 56,308

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

DECEMBER 31, 2020

NOTE 6 – COMPENSATED ABSENCES At December 31, 2020, employees of the Housing Authority have accumulated and vested \$85,839 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 December 31, 2020.

	General	Housing Choice Voucher	Moderate Rehab	Total
Balance, beginning	\$ 77,408	\$ 5,415	\$ 0	\$ 82,823
Additions- Net	0	4,274	0	4,274
Deletions- Net	1,258	0	0	1,258
Balance, ending	76,150	9,689	0	85,839
Amounts due in one year	\$ 11,057	\$ 1,603	\$ 0	\$ 12,660

Discretely Presented Component Units

	Mortgage Payable	Notes Payable	Fees Payable	Interest Payable	Total
Balance, beginning	\$ 1,077,634	\$ 599,320	\$ 442,591	\$ 173,710	\$ 2,293,255
Additions	0	0	23,774	17,975	41,749
Deletions	25,750	0	0	0	25,750
Balance, ending	\$ 1,051,884	\$ 599,320	\$ 466,365	\$ 191,685	\$ 2,309,254

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES At December 31, 2020, the Housing Choice Voucher (HCV) Fund and the Moderate Rehab Fund owes \$10,596 and \$22,732, respectively, to the General Fund. For financial statement purposes, these amounts were deducted from HCV and Mod Rehab Fund cash and added to General Fund cash.

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

DECEMBER 31, 2020

NOTE 9 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Trust, 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 regular full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. For all employees hired on or after July 16, 2014, participation in the plan is mandatory (a condition of employment) for any full-time employee who meets the age and service requirements. The Board of Commissioners of the Authority determines plan provisions and changes to plan contributions.

Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

Under the plan, the Authority contributes 8.5% of the employee's basic (excludes overtime) monthly salary to the plan with the provision that the employee is required to contribute a minimum 6.5%. Participating employees shall vest in the Authority's contributions at the rate of 20% for each full year of continuous employment with the Authority. Notwithstanding the above, any participant shall be fully vested in the Authority's contributions if, while employed by the Authority, the employee either attains normal retirement age, becomes totally and permanently disabled, or dies. Normal retirement date shall be the first day of the month following or coincident with the employee's 55th birthday.

Forfeitures under the plan for each plan year, if any, will be used to pay the Authority's administrative expenses under the plan. Any balance remaining after payment of expenses will either be returned to the Authority for purposes determined by the Authority and consistent with HUD Notice PIH 2005-03, or credited to the Authority's account under the plan and used to offset required Authority contributions for the following plan year, as directed by the Authority. There was no amount of forfeitures reflected in pension expense for the year ended December 31, 2020.

The Housing Authority made the required contributions of \$45,033 for the year ended December 31, 2020, of which \$25,514 was paid by the Housing Authority and \$19,519 was paid by employees. No payments were made out of the forfeiture account.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Commitments On October 8, 2020, the Authority renewed an Employment Agreement with the Executive Director, effective January 1, 2021, which replaced an agreement with similar provisions. The Agreement is for five years, and the Board will vote on an additional five year term at least ninety days in advance of the end of the current five year term. The Executive Director may terminate the Agreement at any time, provided she gives at least sixty days written notice to the Board prior to her resignation

The Agreement may be terminated by the Board at any time, provided thirty days written notice is given and due process is followed. If the Executive Director is terminated without cause, the Authority is obligated to pay a lump sum equal to the salary and benefits she would have received for the remainder of the five year term. If the Executive Director leaves for any reason, the Authority is obligated to pay all unused but earned annual leave, in accordance with the Employment Agreement.

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

DECEMBER 31, 2020

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 December 31, 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, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

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

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

COVID-19 The COVID-19 pandemic has impacted the Authority's dealings with tenants and applicants. The Authority received CARES Act grants of \$21,165 and \$86,884.

NOTE 11 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$1,690,513 to the Housing Authority, which represents approximately 60% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 12 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, June 23, 2021, of the independent auditor's report for potential recognition or disclosure in the financial statements.



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

Independent Auditor's Report

Housing Authority of Sulphur
Sulphur, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund of the Housing Authority of the City of Sulphur, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Sulphur, Louisiana's basic financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Sulphur, Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Sulphur, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Sulphur, 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 the City of Natchitoches, 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 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 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
June 23, 2021



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

Independent Auditor's Report

Housing Authority of Sulphur
Sulphur, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Sulphur, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Sulphur, Louisiana's major federal programs for the year ended December 31, 2020. The Housing Authority of the City of Sulphur, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Sulphur, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

We have audited the financial statements of Housing Authority of the City of Sulphur, Louisiana as of and for the year ended December 31, 2020, and have issued our report thereon dated June 23, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 23, 2021

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

YEAR ENDED DECEMBER 31, 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	\$ 564,496
COVID-19-Low-Income Housing Operating Subsidy	14.850a	\$ 86,884
Capital Fund Program	14.872	113,090
Housing Choice Voucher	14.871	443,360
COVID-19-Housing Choice Voucher	14.871	20,910
Section 8 Moderate Rehabilitation	14.856	461,773
Total United States Department of Housing and Urban Development		\$ 1,690,513
Total Expenditures of Federal Awards		\$ 1,690,513

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED DECEMBER 31, 2020

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Sulphur, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

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

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

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 1,648,663
Capital contributions	41,850
Total	\$ 1,690,513

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 SULPHUR, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 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

Audit of Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ✓ none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.
3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200)? _____ yes ✓ no
4. The programs tested as major programs include:

CFDA# 14.850	Public and Indian Housing – Low Rent Program
CFDA# 14.872	Capital Fund
5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000
6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? _____ yes ✓ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

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

YEAR ENDED DECEMBER 31, 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:

None

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

YEAR ENDED DECEMBER 31, 2020

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

None

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2020

There were no audit findings.

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

YEAR ENDED DECEMBER 31, 2020

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

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED DECEMBER 31, 2020

	CASH BASIS		
	2018	2019	2020
	Capital Fund	Capital Fund	Capital Fund
	<u> </u>	<u> </u>	<u> </u>
Funds approved	\$ 400,320	\$ 386,263	\$ 41,527
Funds expended	81,850	40,000	0
Excess of funds approved	<u>\$ 318,470</u>	<u>\$ 346,263</u>	<u>\$ 41,527</u>
Funds advanced	\$ 81,850	\$ 40,000	\$ 0
Funds expended	81,850	40,000	0
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accountant's report

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

YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Vena Bertrand, Executive Director

Purpose	Amount
Salary	\$ 82,306
Benefits-insurance	9,560
Benefits-retirement	6,616
Benefits-<list any other here> Life Ins	413
Car allowance	8,400
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 107,295

See accountant's report

**HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2020

Entity Wide Balance Sheet Summary									
	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$907,791		\$10,166	\$242,122		\$133,897	\$1,293,976		\$1,293,976
112 Cash - Restricted - Modernization and Development						\$0			
113 Cash - Other Restricted			\$245,342	\$19,458	\$255	\$0	\$265,055		\$265,055
114 Cash - Tenant Security Deposits	\$62,509					\$0	\$62,509		\$62,509
115 Cash - Restricted for Payment of Current Liabilities						\$0			
100 Total Cash	\$970,300	\$0	\$255,508	\$261,580	\$255	\$133,897	\$1,621,540	\$0	\$1,621,540
121 Accounts Receivable - PHA Projects						\$0			
122 Accounts Receivable - HUD Other Projects						\$0			
124 Accounts Receivable - Other Government						\$0			
125 Accounts Receivable - Miscellaneous						\$0			
126 Accounts Receivable - Tenants	\$73,271		\$373			\$0	\$73,644		\$73,644
126.1 Allowance for Doubtful Accounts - Tenants	-\$53,365		\$0			\$0	-\$53,365		-\$53,365
126.2 Allowance for Doubtful Accounts - Other						\$0			
127 Notes, Loans, & Mortgages Receivable - Current						\$0			
128 Fraud Recovery				\$6,072		\$19,125	\$25,197		\$25,197
128.1 Allowance for Doubtful Accounts - Fraud				-\$6,072		-\$19,125	-\$25,197		-\$25,197
129 Accrued Interest Receivable	\$256					\$0	\$256		\$256
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$20,162	\$0	\$373	\$0	\$0	\$0	\$20,535	\$0	\$20,535
131 Investments - Unrestricted	\$238,968					\$0	\$238,968		\$238,968
132 Investments - Restricted						\$0			
135 Investments - Restricted for Payment of Current Liability						\$0			
142 Prepaid Expenses and Other Assets	\$53,485		\$7,009	\$854		\$2,046	\$63,394		\$63,394
143 Inventories	\$1,899					\$0	\$1,899		\$1,899
143.1 Allowance for Obsolete Inventories	-\$95					\$0	-\$95		-\$95
144 Inter Program Due From	\$0					\$0	\$0		\$0
145 Assets Held for Sale						\$0			
150 Total Current Assets	\$1,284,719	\$0	\$262,890	\$262,434	\$255	\$135,943	\$1,946,241	\$0	\$1,946,241
161 Land	\$99,900		\$542,316			\$0	\$642,216		\$642,216
162 Buildings	\$11,304,103		\$6,119,545			\$0	\$17,423,648		\$17,423,648
163 Furniture, Equipment & Machinery - Dwellings	\$28,441		\$181,612			\$0	\$210,053		\$210,053
164 Furniture, Equipment & Machinery - Administration	\$187,782			\$1,485		\$332	\$189,599		\$189,599
165 Leasehold Improvements	\$1,626,250		\$255,759			\$0	\$1,882,009		\$1,882,009
166 Accumulated Depreciation	-\$11,081,599		-\$2,301,611	-\$1,485		-\$332	-\$13,385,027		-\$13,385,027
167 Construction in Progress	\$58,268					\$0	\$58,268		\$58,268
168 Infrastructure						\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,223,145	\$0	\$4,797,621	\$0	\$0	\$0	\$7,020,766	\$0	\$7,020,766
171 Notes, Loans and Mortgages Receivable - Non-Current						\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						\$0			
173 Grants Receivable - Non Current						\$0			
174 Other Assets			\$83,602			\$0	\$83,602		\$83,602
176 Investments in Joint Ventures						\$0			
180 Total Non-Current Assets	\$2,223,145	\$0	\$4,881,223	\$0	\$0	\$0	\$7,104,368	\$0	\$7,104,368
200 Deferred Outflow of Resources						\$0			
290 Total Assets and Deferred Outflow of Resources	\$3,507,864	\$0	\$5,144,113	\$262,434	\$255	\$135,943	\$9,050,609	\$0	\$9,050,609

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2020

Entity Wide Balance Sheet Summary									
	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
311 Bank Overdraft						\$0			
312 Accounts Payable <= 90 Days	\$51,726		\$12,016			\$0	\$63,742		\$63,742
313 Accounts Payable >90 Days Past Due						\$0			
321 Accrued Wage/Payroll Taxes Payable	\$2,521					\$0	\$2,521		\$2,521
322 Accrued Compensated Absences - Current Portion	\$11,057			\$1,603		\$0	\$12,660		\$12,660
324 Accrued Contingency Liability						\$0			
325 Accrued Interest Payable			\$6,230			\$0	\$6,230		\$6,230
331 Accounts Payable - HUD PHA Programs						\$0			
332 Account Payable - PHA Projects						\$0			
333 Accounts Payable - Other Government						\$0			
341 Tenant Security Deposits	\$62,509					\$0	\$62,509		\$62,509
342 Unearned Revenue	\$112		\$28,177		\$255	\$0	\$28,544		\$28,544
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$26,898			\$0	\$26,898		\$26,898
344 Current Portion of Long-term Debt - Operating Borrowings						\$0			
345 Other Current Liabilities						\$0			
346 Accrued Liabilities - Other	\$2,061					\$0	\$2,061		\$2,061
347 Inter Program - Due To						\$0			
348 Loan Liability - Current						\$0			
310 Total Current Liabilities	\$129,986	\$0	\$73,321	\$1,603	\$255	\$0	\$205,165	\$0	\$205,165
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$1,842,889			\$0	\$1,842,889		\$1,842,889
352 Long-term Debt, Net of Current - Operating Borrowings						\$0			
353 Non-current Liabilities - Other			\$466,365			\$0	\$466,365		\$466,365
354 Accrued Compensated Absences - Non Current	\$65,093			\$8,086		\$0	\$73,179		\$73,179
355 Loan Liability - Non Current						\$0			
356 FASB 5 Liabilities						\$0			
357 Accrued Pension and OPEB Liabilities						\$0			
350 Total Non-Current Liabilities	\$65,093	\$0	\$2,309,254	\$8,086	\$0	\$0	\$2,382,433	\$0	\$2,382,433
300 Total Liabilities	\$195,079	\$0	\$2,382,575	\$9,689	\$255	\$0	\$2,587,598	\$0	\$2,587,598
400 Deferred Inflow of Resources						\$0			
508.4 Net Investment in Capital Assets	\$2,223,145		\$2,461,469			\$0	\$4,684,614		\$4,684,614
511.4 Restricted Net Position			\$190,759	\$19,458		\$0	\$210,217		\$210,217
512.4 Unrestricted Net Position	\$1,089,640	\$0	\$109,310	\$233,287	\$0	\$135,943	\$1,568,180		\$1,568,180
513 Total Equity - Net Assets / Position	\$3,312,785	\$0	\$2,761,538	\$252,745	\$0	\$135,943	\$6,463,011	\$0	\$6,463,011
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,507,864	\$0	\$5,144,113	\$262,434	\$255	\$135,943	\$9,050,609	\$0	\$9,050,609

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$477,181		\$477,181
70400 Tenant Revenue - Other	\$92,241		\$92,241
70500 Total Tenant Revenue	\$569,422	\$0	\$569,422
70600 HUD PHA Operating Grants	\$564,496	\$71,240	\$635,736
70610 Capital Grants		\$41,850	\$41,850
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	\$6,720		\$6,720
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	\$561,168		\$561,168
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,701,806	\$113,090	\$1,814,896
91100 Administrative Salaries	\$137,740		\$137,740
91200 Auditing Fees	\$14,885		\$14,885
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$160		\$160
91500 Employee Benefit contributions - Administrative	\$100,702		\$100,702
91600 Office Expenses	\$44,322		\$44,322
91700 Legal Expense	\$8,880		\$8,880
91800 Travel	\$8,763		\$8,763
91810 Allocated Overhead			
91900 Other	\$19,453		\$19,453
91000 Total Operating - Administrative	\$334,905	\$0	\$334,905
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$39,208		\$39,208
93200 Electricity	\$17,337		\$17,337
93300 Gas	\$1,736		\$1,736
93400 Fuel			
93500 Labor			
93600 Sewer	\$45,131		\$45,131

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$103,412	\$0	\$103,412
94100 Ordinary Maintenance and Operations - Labor	\$174,808		\$174,808
94200 Ordinary Maintenance and Operations - Materials and Other	\$97,527		\$97,527
94300 Ordinary Maintenance and Operations Contracts	\$248,857		\$248,857
94500 Employee Benefit Contributions - Ordinary Maintenance	\$66,401		\$66,401
94000 Total Maintenance	\$587,593	\$0	\$587,593
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	\$40,080		\$40,080
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$40,080	\$0	\$40,080
96110 Property Insurance	\$77,794		\$77,794
96120 Liability Insurance	\$18,164		\$18,164
96130 Workmen's Compensation	\$24,289		\$24,289
96140 All Other Insurance	\$6,118		\$6,118
96100 Total insurance Premiums	\$126,365	\$0	\$126,365
96200 Other General Expenses			
96210 Compensated Absences	\$7,469		\$7,469
96300 Payments in Lieu of Taxes	\$37,637		\$37,637
96400 Bad debt - Tenant Rents	\$57,361		\$57,361
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$102,467	\$0	\$102,467
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	\$1,294,822	\$0	\$1,294,822
97000 Excess of Operating Revenue over Operating Expenses	\$406,984	\$113,090	\$520,074
97100 Extraordinary Maintenance	\$9,000		\$9,000
97200 Casualty Losses - Non-capitalized	\$418,759		\$418,759
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$297,658		\$297,658
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$2,020,239	\$0	\$2,020,239

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2020

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$71,240		\$71,240
10020 Operating transfer Out		-\$71,240	-\$71,240
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)	\$71,240	-\$71,240	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$247,193	\$41,850	-\$205,343
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,518,128	\$0	\$3,518,128
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	2384		2384
11210 Number of Unit Months Leased	2310		2310
11270 Excess Cash	\$991,543		\$991,543
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$19,993	\$41,850	\$61,843
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2020

Entity Wide Revenue and Expense Summary									
	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$477,181		\$282,037			\$0	\$759,218		\$759,218
70400 Tenant Revenue - Other	\$92,241		\$14,121			\$0	\$106,362		\$106,362
70500 Total Tenant Revenue	\$569,422	\$0	\$296,158	\$0	\$0	\$0	\$865,580	\$0	\$865,580
70600 HUD PHA Operating Grants	\$635,736	\$86,884		\$443,360	\$20,910	\$461,773	\$1,648,663		\$1,648,663
70610 Capital Grants	\$41,850					\$0	\$41,850		\$41,850
70710 Management Fee						\$0			
70720 Asset Management Fee						\$0			
70730 Book Keeping Fee						\$0			
70740 Front Line Service Fee						\$0			
70750 Other Fees						\$0			
70700 Total Fee Revenue						\$0	\$0	\$0	\$0
70800 Other Government Grants						\$0			
71100 Investment Income - Unrestricted	\$6,720		\$692	\$563		\$79	\$8,054		\$8,054
71200 Mortgage Interest Income						\$0			
71300 Proceeds from Disposition of Assets Held for Sale						\$0			
71310 Cost of Sale of Assets						\$0			
71400 Fraud Recovery				\$366		\$3,366	\$3,732		\$3,732
71500 Other Revenue	\$561,168		\$10,432	\$846		\$0	\$572,446		\$572,446
71600 Gain or Loss on Sale of Capital Assets						\$0			
72000 Investment Income - Restricted						\$0			
70000 Total Revenue	\$1,814,896	\$86,884	\$307,282	\$445,135	\$20,910	\$465,218	\$3,140,325	\$0	\$3,140,325
91100 Administrative Salaries	\$137,740	\$5,696	\$35,163	\$13,463	\$5,627	\$18,103	\$215,792		\$215,792
91200 Auditing Fees	\$14,885			\$2,470		\$3,610	\$20,965		\$20,965
91300 Management Fee						\$0			
91310 Book-keeping Fee						\$0			
91400 Advertising and Marketing	\$160		\$759			\$0	\$919		\$919
91500 Employee Benefit contributions - Administrative	\$100,702		\$4,436	\$7,240	\$2,753	\$13,274	\$128,405		\$128,405
91600 Office Expenses	\$44,322		\$31,290	\$3,620	\$916	\$9,044	\$89,192		\$89,192
91700 Legal Expense	\$8,880		\$142			\$0	\$9,022		\$9,022
91800 Travel	\$8,763			\$64		\$0	\$8,827		\$8,827
91810 Allocated Overhead						\$0			
91900 Other	\$19,453		\$8,641	\$5,294	\$1,383	\$4,580	\$39,351		\$39,351
91000 Total Operating - Administrative	\$334,905	\$5,696	\$80,431	\$32,151	\$10,679	\$48,611	\$512,473	\$0	\$512,473
92000 Asset Management Fee						\$0			
92100 Tenant Services - Salaries						\$0			
92200 Relocation Costs						\$0			
92300 Employee Benefit Contributions - Tenant Services						\$0			
92400 Tenant Services - Other		\$74,883			\$10,231	\$0	\$85,094		\$85,094
92500 Total Tenant Services	\$0	\$74,883	\$0	\$0	\$10,231	\$0	\$85,094	\$0	\$85,094
93100 Water	\$39,208		\$1,952			\$0	\$41,160		\$41,160
93200 Electricity	\$17,337		\$6,974			\$0	\$24,311		\$24,311
93300 Gas	\$1,736					\$0	\$1,736		\$1,736
93400 Fuel						\$0			
93500 Labor						\$0			
93600 Sewer	\$45,131		\$1,878			\$0	\$47,009		\$47,009

**HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2020

Entity Wide Revenue and Expense Summary									
	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities						\$0			
93800 Other Utilities Expense						\$0			
93000 Total Utilities	\$103,412	\$0	\$10,804	\$0	\$0	\$0	\$114,216	\$0	\$114,216
94100 Ordinary Maintenance and Operations - Labor	\$174,808	\$6,325	\$27,374			\$0	\$208,507		\$208,507
94200 Ordinary Maintenance and Operations - Materials and Other	\$97,527		\$5,421			\$0	\$102,948		\$102,948
94300 Ordinary Maintenance and Operations Contracts	\$248,857		\$87,268			\$0	\$336,125		\$336,125
94500 Employee Benefit Contributions - Ordinary Maintenance	\$66,401		\$3,453			\$0	\$69,854		\$69,854
94000 Total Maintenance	\$587,593	\$6,325	\$123,516	\$0	\$0	\$0	\$717,434	\$0	\$717,434
95100 Protective Services - Labor						\$0			
95200 Protective Services - Other Contract Costs	\$40,080					\$0	\$40,080		\$40,080
95300 Protective Services - Other						\$0			
95500 Employee Benefit Contributions - Protective Services						\$0			
95000 Total Protective Services	\$40,080	\$0	\$0	\$0	\$0	\$0	\$40,080	\$0	\$40,080
96110 Property Insurance	\$77,794		\$27,672			\$0	\$105,466		\$105,466
96120 Liability Insurance	\$18,164					\$0	\$18,164		\$18,164
96130 Workmen's Compensation	\$24,289		\$1,808	\$2,758		\$439	\$29,294		\$29,294
96140 All Other Insurance	\$6,118			\$385		\$0	\$6,503		\$6,503
96100 Total insurance Premiums	\$126,365	\$0	\$29,480	\$3,143	\$0	\$439	\$159,427	\$0	\$159,427
96200 Other General Expenses						\$0			
96210 Compensated Absences	\$7,469			\$5,844		\$0	\$13,313		\$13,313
96300 Payments in Lieu of Taxes	\$37,637					\$0	\$37,637		\$37,637
96400 Bad debt - Tenant Rents	\$67,361		\$8,137			\$0	\$65,498		\$65,498
96500 Bad debt - Mortgages						\$0			
96600 Bad debt - Other						\$0			
96800 Severance Expense						\$0			
96000 Total Other General Expenses	\$102,467	\$0	\$8,137	\$5,844	\$0	\$0	\$116,448	\$0	\$116,448
96710 Interest of Mortgage (or Bonds) Payable			\$76,842			\$0	\$76,842		\$76,842
96720 Interest on Notes Payable (Short and Long Term)			\$19,124			\$0	\$19,124		\$19,124
96730 Amortization of Bond Issue Costs			\$4,853			\$0	\$4,853		\$4,853
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$100,819	\$0	\$0	\$0	\$100,819	\$0	\$100,819
96900 Total Operating Expenses	\$1,294,822	\$86,884	\$353,187	\$41,138	\$20,910	\$49,050	\$1,845,991	\$0	\$1,845,991
97000 Excess of Operating Revenue over Operating Expenses	\$520,074	\$0	-\$45,905	\$403,997	\$0	\$416,168	\$1,294,334	\$0	\$1,294,334
97100 Extraordinary Maintenance	\$9,000		\$23,774			\$0	\$32,774		\$32,774
97200 Casualty Losses - Non-capitalized	\$418,759					\$0	\$418,759		\$418,759
97300 Housing Assistance Payments				\$376,046		\$483,090	\$859,136		\$859,136
97350 HAP Portability-In						\$0			
97400 Depreciation Expense	\$297,658		\$192,917			\$0	\$490,575		\$490,575
97500 Fraud Losses						\$0			
97600 Capital Outlays - Governmental Funds						\$0			
97700 Debt Principal Payment - Governmental Funds						\$0			
97800 Dwelling Units Rent Expense						\$0			
90000 Total Expenses	\$2,020,239	\$86,884	\$569,878	\$417,184	\$20,910	\$532,140	\$3,647,235	\$0	\$3,647,235

**HOUSING AUTHORITY OF SULPHUR, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2020

Entity Wide Revenue and Expense Summary									
	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
10010 Operating Transfer In	\$71,240					\$0	\$71,240	-\$71,240	\$0
10020 Operating transfer Out	-\$71,240					\$0	-\$71,240	\$71,240	\$0
10030 Operating Transfers from/to Primary Government						\$0			
10040 Operating Transfers from/to Component Unit						\$0			
10050 Proceeds from Notes, Loans and Bonds						\$0			
10060 Proceeds from Property Sales						\$0			
10070 Extraordinary Items, Net Gain/Loss						\$0			
10080 Special Items (Net Gain/Loss)						\$0			
10091 Inter Project Excess Cash Transfer In						\$0			
10092 Inter Project Excess Cash Transfer Out						\$0			
10093 Transfers between Program and Project - In						\$0			
10094 Transfers between Project and Program - Out						\$0			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$205,343	\$0	-\$262,596	\$27,951	\$0	-\$66,922	-\$506,910	\$0	-\$506,910
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,518,128	\$0	\$3,024,134	\$224,794	\$0	\$202,865	\$6,969,921		\$6,969,921
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors						\$0			
11050 Changes in Compensated Absence Balance						\$0			
11060 Changes in Contingent Liability Balance						\$0			
11070 Changes in Unrecognized Pension Transition Liability						\$0			
11080 Changes in Special Term/Severance Benefits Liability						\$0			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						\$0			
11100 Changes in Allowance for Doubtful Accounts - Other						\$0			
11170 Administrative Fee Equity				\$233,287		\$0	\$233,287		\$233,287
11180 Housing Assistance Payments Equity				\$19,458		\$0	\$19,458		\$19,458
11190 Unit Months Available	2384			870		984	4238		4238
11210 Number of Unit Months Leased	2310			830		894	4034		4034
11270 Excess Cash	\$991,543					\$0	\$991,543		\$991,543
11610 Land Purchases	\$0					\$0	\$0		\$0
11620 Building Purchases	\$61,843					\$0	\$61,843		\$61,843
11630 Furniture & Equipment - Dwelling Purchases	\$0					\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0					\$0	\$0		\$0
11660 Infrastructure Purchases	\$0					\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0					\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0					\$0	\$0		\$0