

**Housing Authority of the
CITY OF JENNINGS**
Jennings, Louisiana

**Annual Financial Report
As of and for the Year Ended March 31, 2020**

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended March 31, 2020

With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Required Supplementary Information		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Statement of Net Position	A	13
Statement of Revenues, Expenses and Changes in Net Position	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
Supplementary Information		
Financial Data Schedule		25
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		30
Statement and Certification of Actual Modernization Cost		31
Schedule of Compensation Paid Board Members		32
Other Reports Required by <i>Government Auditing Standards</i>:		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		33
Other Information		
Schedule of Current Year Findings		35
Schedule of Prior Year Findings		36

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

Telephone 866-829-0993
Fax 225-570-1362
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
American Institute of CPA's

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the City of Jennings (the authority) as of and for the year ended March 31, 2020, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Independent Auditor's Report, 2020

Page Two

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

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the City of Jennings as of March 31, 2020, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Independent Auditor's Report, 2020

Page Three

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 1, 2020 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 6, 2020

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

The management of Housing Authority of Jennings, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 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 \$3,075,185 at the close of the fiscal year ended 2020.
 - ✓ Of this amount \$2,654,783 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$420,402 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 35% of the total operating expenses of \$1,202,271 for the fiscal year 2020, which means the Authority might be able to operate about 4 months using the unrestricted assets alone, compared to 7 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$75,281, a 2% decrease from the prior fiscal year 2019.
- The decrease in net position of these funds was accompanied by a decrease in unrestricted cash by \$156,882 from fiscal year 2019.
- The Authority Spent \$598,397 on capital asset additions.
- These changes led to a decrease in total assets by \$64,829 and an increase in total liabilities by \$10,452. As related measure of financial health, there are still over \$8 of current assets covering each dollar of total current liabilities, which compares to \$12 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.

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

Reporting on the Housing Authority as a Whole

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

Fund Financial Statements

The Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 283,773
Low Rent Public Housing	<u>321,914</u>
Total funding received this current fiscal year	<u><u>\$ 605,687</u></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.

Housing Authority of Jennings, LA

Management's Discussion and Analysis (MD&A)
March 31, 2020

FINANCIAL ANALYSIS

The Housing Authority's net position was \$3,075,185 as of March 31, 2020. Of this amount, \$2,654,783 was invested in capital assets and \$420,402 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position
As of March 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets	\$ 576,606	\$ 811,638
Capital assets, net of depreciation	<u>2,654,783</u>	<u>2,484,580</u>
Total assets	<u>3,231,389</u>	<u>3,296,218</u>
LIABILITIES		
Current liabilities	75,618	67,489
Non-current liabilities	<u>80,586</u>	<u>78,263</u>
Total liabilities	<u>156,204</u>	<u>145,752</u>
NET POSITION		
Invested in capital assets, net of depreciation	2,654,783	2,484,580
Unrestricted net position	<u>420,402</u>	<u>665,886</u>
Total net position	<u>\$ 3,075,185</u>	<u>\$ 3,150,466</u>

The net position of these funds decreased by \$75,281, or by 2%, from those of fiscal year 2019, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

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

CONDENSED FINANCIAL STATEMENTS (Continued)

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

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tenant Revenue	\$ 472,453	\$ 462,294
HUD grants for operations	418,200	293,155
Total operating revenues	<u>890,653</u>	<u>755,449</u>
OPERATING EXPENSES		
General	136,586	128,615
Ordinary maintenance and repairs	382,667	323,286
Administrative expenses and management fees	215,005	243,206
Utilities	52,184	47,493
Protective services	32,130	26,100
Tenant services	400	605
Extraordinary maintenance and repairs	11,520	-
Casualty Loss	-	1,680
Depreciation	371,779	352,731
Total operating expenses	<u>1,202,271</u>	<u>1,123,716</u>
Income (losses) from operations	<u>(311,618)</u>	<u>(368,267)</u>
NON-OPERATING REVENUES		
Interest income	5,195	3,781
Other non-tenant revenue	42,119	66,586
Gains from sale or disposal of assets	1,535	1,325
Total non-operating revenues	<u>48,849</u>	<u>71,692</u>
Income (losses) before capital contributions	<u>(262,769)</u>	<u>(296,575)</u>
CAPITAL CONTRIBUTIONS	<u>187,488</u>	<u>286,143</u>
CHANGES IN NET POSITION	<u>(75,281)</u>	<u>(10,432)</u>
NET POSITION - BEGINNING	3,150,466	3,160,898
NET POSITION - END	<u>\$ 3,075,185</u>	<u>\$ 3,150,466</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions increased \$12,082 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$10,159 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 \$7,155.
- Federal revenues from HUD for operations increased by \$125,045 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 \$98,655 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 2018 through 2019, and submitted a new grant during fiscal year 2020.
- Total other operating revenue decreased by \$24,467, interest income increased by \$1,414 and gains on sales of assets increased by \$1,535 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$78,555, or by 7%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$19,048 from that of the prior fiscal year.
- Maintenance and repairs increased by \$70,901 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$24,794 and related employee benefit contributions increased by \$15,810. Materials used increased by \$1,911 and contract labor costs increased by \$16,866. Finally, Extraordinary maintenance increased by \$11,520 from the prior fiscal year.
- General Expenses increased by \$7,971 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$1,262. 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 \$14,840 and bad debts decreased by \$3,312. Lastly, compensated absences decreased by \$4,819.
- Administrative Expenses decreased by \$28,201 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries decreased by \$22,961 and related employee benefit contributions decreased by \$12,245; therefore, total staff salaries and benefit costs decreased. Outside professional fees changed as follows: audit fees decreased by \$735. In addition, staff travel reimbursements decreased by \$2,292, office expenses increased by \$1,854 and sundry expenses increased by \$8,178.
- Utilities Expense increased by \$4,691 from that of the prior fiscal year because water cost increased by \$164, electricity cost increased by \$4,403, gas cost increased by \$204, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$80.

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

- Total Tenant Services decreased by \$205 from that of the prior fiscal year.
- Protective services increased by \$6,030 from that of the prior fiscal year.
- Casualty losses decreased by \$1,680 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2020, the Housing Authority had a total cost of \$12,204,039 invested in a broad range of assets and construction in progress from projects funded in 2018 through 2019, listed below. This amount, not including depreciation, represents increases of \$588,997 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Statement of Capital Assets
As of March 31, 2020

	<u>2020</u>	<u>2019</u>
Land	\$ 130,578	\$ 130,578
Buildings	11,279,039	10,719,208
Leasehold improvements	538,097	538,097
Furniture and equipment	256,325	227,159
Accumulated Depreciation	<u>(9,549,256)</u>	<u>(9,130,462)</u>
Total	<u>\$ 2,654,783</u>	<u>\$ 2,484,580</u>

As of the end of the 2020 fiscal year, the Authority is still in the process of completing HUD grants of \$771,944 obtained during 2018 through 2019 fiscal years. A total remainder of \$222,828 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 Brenda Buller, at Housing Authority of Jennings, LA; P.O. Box 921, Jennings, LA 70546.

Housing Authority of the City of Jennings
Jennings, Louisiana
Statement of Net Position
As of March 31, 2020

ASSETS**Current assets**

Cash and cash equivalents	490,890
Receivables:	
HUD	19,398
Tenant rents, net of allowance	209
Accrued interest receivable	1,013
Prepaid expenses	14,532
Inventory, net of allowance	7,489
Restricted assets - cash and cash equivalents	<u>43,075</u>
Total current assets	<u><u>576,606</u></u>

Noncurrent assets

Capital assets:

Nondepreciable capital assets:

Land	<u>130,578</u>
Total nondepreciable capital assets	<u><u>130,578</u></u>

Depreciable capital assets:

Buildings and improvements	11,817,136
Furniture and equipment	256,325
Less accumulated depreciation	<u>(9,549,256)</u>
Total depreciable capital assets, net of accumulated depreciation	<u><u>2,524,205</u></u>

Total capital assets, net of accumulated depreciation	<u><u>2,654,783</u></u>
---	-------------------------

Total assets	<u><u>3,231,389</u></u>
---------------------	-------------------------

TOTAL ASSETS	<u><u><u>3,231,389</u></u></u>
---------------------	--------------------------------

(continued)

Exhibit A

Housing Authority of the City of Jennings
Jennings, Louisiana
Statement of Net Position
As of March 31, 2020

LIABILITIES AND NET POSITION**Current Liabilities**

Accounts payable	1,644
Payable to other governments	10,267
Accrued compensated absences	8,252
Unearned revenue	11,102
Other liability	1,278
Security deposit liability	<u>43,075</u>

Total current liabilities	<u><u>75,618</u></u>
----------------------------------	----------------------

Noncurrent liabilities

Accrued compensated absences	<u>80,586</u>
------------------------------	---------------

Total noncurrent liabilities	<u><u>80,586</u></u>
-------------------------------------	----------------------

TOTAL LIABILITIES	<u><u>156,204</u></u>
--------------------------	-----------------------

NET POSITION

Net Investments in Capital Assets	2,654,783
Restricted	-
Unrestricted	<u>420,402</u>

TOTAL NET POSITION	<u><u>\$ 3,075,185</u></u>
---------------------------	----------------------------

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

Housing Authority of the City of Jennings
Jennings, Louisiana
Statement of Revenues, Expenses, and Changes In Net Position
For the Year ended March 31, 2020

Operating Revenues	
HUD Operating Grants	\$ 418,200
Dwelling Rental	462,864
Other Operating	9,589
Total operating revenues	<u>890,653</u>
Operating Expenses	
General and administrative	351,591
Repairs and maintenance	394,187
Utilities	52,184
Tenant services	400
Protection services	32,130
Depreciation and amortization	371,779
Total operating expenses	<u>1,202,271</u>
Operating income (loss)	(311,618)
Nonoperating Revenues (Expenses):	
Interest revenue	5,195
Miscellaneous revenues	42,119
Gain or loss on the sale of capital assets	1,535
Total nonoperating revenues (expenses)	<u>48,849</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(262,769)
Capital contributions (grants)	187,488
Increase (decrease) in net position	(75,281)
Net position, beginning of year	<u>3,150,466</u>
Net position, end of year	<u><u>\$ 3,075,185</u></u>

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

Housing Authority of the City of Jennings
Statement of Cash Flows
For the Year ended March 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 398,802
Receipts from tenants	483,305
Payments to suppliers	(578,257)
Payments to employees	<u>(201,198)</u>
Net cash provided by operating activities	<u>102,652</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	<u>43,654</u>
Net cash provided by noncapital financing activities	<u>43,654</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital grants	187,488
Purchase and construction of capital assets	<u>(541,982)</u>
Net cash (used in) capital and related financing activities	<u>(354,494)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>5,195</u>
Net cash provided by investing activities	<u>5,195</u>

Net increase (decrease) in cash and cash equivalents	<u>(202,993)</u>
--	------------------

Cash and cash equivalents - beginning of year	<u>736,958</u>
--	----------------

Cash and Cash equivalents - unrestricted	490,890
--	---------

Cash and Cash equivalents - restricted	43,075
--	--------

Total Cash and Cash Equivalents - end of year	<u><u>\$ 533,965</u></u>
--	--------------------------

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating (loss)	\$ (311,618)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	371,779
Changes in assets and liabilities:	
HUD receivable	(19,398)
Tenant rents, net of allowance	108
Accrued interest receivable	(24)
Prepaid insurance	52,706
Inventories	(1,353)
Accounts payable	(3,649)
Accrued wages payable	(184)
PILOT Payable	316
Accrued compensated absences	1,947
Unearned revenue	8,811
Other liability	1,278
Security deposit liability	<u>1,933</u>
Net cash provided by operating activities	<u><u>\$ 102,652</u></u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana
Notes to the Basic Financial Statements
March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Reporting Entity

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

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

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

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

(2) Funds

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

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

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

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

(3) Measurement focus and basis of accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net positions.

(4) Assets, liabilities, and net Position

(a) Deposits

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

(b) Inventory and prepaid items

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

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

(c) Restricted Assets

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

(d) Capital assets

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

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

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

(e) Due from/to other governments or agencies

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

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At March 31, 2020, the management of the authority did not establish an allowance for doubtful accounts.

(g) Compensated absences

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

Employees earn from 95 to 192 hours per year in annual leave. Employees may accumulate an unlimited number of annual leave hours. One unclassified employee may receive payment for all accumulated annual leave upon termination or retirement. Depending on their length of service, classified employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay.

(h) Restricted net Position

Net positions are reported as restricted when constraints placed on net positions use are either:

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

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

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS

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

As of March 31, 2020, the authority's carrying amount of deposits was \$533,965, which includes the following:

Cash and cash equivalents-unrestricted	\$490,890
Cash and cash equivalents- restricted	43,075
Total	\$533,965

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

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

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$250,000 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$313,472 of deposits have custodial credit risk but were collateralized with a letter of credit from the Federal Home Loan Bank of Dallas. The bank balances at March 31, 2020 totaled \$563,472.

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2020 was as follows:

	3/31/2019	Additions	Deletions	3/31/2020
Nondepreciable Assets:				
Land	\$ 130,578	\$ -	\$ -	\$ 130,578
Construction in Progress	-	-	-	-
Depreciable Assets:				
Building and improvements	11,257,305	559,831	-	11,817,136
Furniture and equipment	227,159	38,556	9,390	256,325
Total	11,615,042	598,387	9,390	12,204,039
 Less accumulated depreciation				
Building and improvements	8,923,440	412,245	-	9,335,685
Furniture and equipment	207,022	15,939	9,390	213,571
Total accumulated depreciation	9,130,462	428,184	9,390	9,549,256
Net Capital Assets	\$ 2,484,580	\$ 170,203	\$ -	\$ 2,654,783

NOTE D – COMPENSATED ABSENCES

At March 31, 2020, employees of the authority have accumulated and vested \$88,838 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$80,586 is reported in long-term debt.

NOTE E – LONG TERM OBLIGATIONS

As of March 31, 2020, long term obligations consisted of compensated absences in the amount of \$80,586. The following is a summary of the changes in the long-term obligations for the year ended March 31, 2020.

	Compensated Absences
Balance as of April 1, 2019	\$86,891
Additions	15,132
Deductions	(13,185)
Balance as of March 31, 2020	88,838
 Long term portion	 80,586
Amount due in one year (Short term)	\$8,252

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

NOTE F – POST EMPLOYMENT RETIREMENT BENEFITS

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

NOTE G - RETIREMENT PLAN

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5 percent of their annual covered salary.

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

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

The authority's total payroll for the year ended March 31, 2020, was \$203,277. The authority's contributions were calculated using the base salary amount of \$191,458. The authority made the required contributions of \$14,359 for the year ended March 31, 2020.

NOTE H – RISK MANAGEMENT

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

JENNINGS, LOUISIANA

Notes to the Financial Statements, 2020 - continued

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

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

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

NOTE I – FEDERAL COMPLIANCE CONTINGENCIES

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

NOTE J – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through July 6, 2020 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE K – ECONOMIC DEPENDENCE

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$605,688 to the authority, which represents approximately 54% of the authority's total revenue for the year.

Housing Authority of the City of Jennings (LA118)

JENNINGS, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 03/31/2020			
		Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$490,890	\$490,890	\$0	\$490,890
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits		\$43,075	\$43,075		\$43,075
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash		\$533,965	\$533,965	\$0	\$533,965
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects		\$19,398	\$19,398		\$19,398
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants		\$209	\$209		\$209
126.1 Allowance for Doubtful Accounts - Tenants		\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable		\$1,013	\$1,013		\$1,013
120 Total Receivables, Net of Allowances for Doubtful Accounts		\$20,620	\$20,620	\$0	\$20,620
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$14,532	\$14,532		\$14,532
143 Inventories		\$7,883	\$7,883		\$7,883
143.1 Allowance for Obsolete Inventories		-\$394	-\$394		-\$394
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets		\$576,606	\$576,606	\$0	\$576,606
161 Land		\$130,578	\$130,578		\$130,578
162 Buildings		\$11,279,039	\$11,279,039		\$11,279,039
163 Furniture, Equipment & Machinery - Dwellings		\$46,160	\$46,160		\$46,160
164 Furniture, Equipment & Machinery - Administration		\$210,165	\$210,165		\$210,165
165 Leasehold Improvements		\$538,097	\$538,097		\$538,097
166 Accumulated Depreciation		-\$9,549,256	-\$9,549,256		-\$9,549,256
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation		\$2,654,783	\$2,654,783	\$0	\$2,654,783
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets		\$2,654,783	\$2,654,783	\$0	\$2,654,783
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources		\$3,231,389	\$3,231,389	\$0	\$3,231,389

Housing Authority of the City of Jennings (LA118)

JENNINGS, LA

Entity Wide Balance Sheet Summary

Submission Type:		Audited/Non Single Audit		Fiscal Year End:		03/31/2020
			Project Total	Subtotal	ELIM	Total
311	Bank Overdraft					
312	Accounts Payable <= 90 Days		\$1,644	\$1,644		\$1,644
313	Accounts Payable >90 Days Past Due					
321	Accrued Wage/Payroll Taxes Payable					
322	Accrued Compensated Absences - Current Portion		\$8,252	\$8,252		\$8,252
324	Accrued Contingency Liability					
325	Accrued Interest Payable					
331	Accounts Payable - HUD PHA Programs					
332	Account Payable - PHA Projects					
333	Accounts Payable - Other Government		\$10,267	\$10,267		\$10,267
341	Tenant Security Deposits		\$43,075	\$43,075		\$43,075
342	Unearned Revenue		\$11,102	\$11,102		\$11,102
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344	Current Portion of Long-term Debt - Operating Borrowings					
345	Other Current Liabilities		\$1,278	\$1,278		\$1,278
346	Accrued Liabilities - Other					
347	Inter Program - Due To					
348	Loan Liability - Current					
310	Total Current Liabilities		\$75,618	\$75,618	\$0	\$75,618
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352	Long-term Debt, Net of Current - Operating Borrowings					
353	Non-current Liabilities - Other					
354	Accrued Compensated Absences - Non Current		\$80,586	\$80,586		\$80,586
355	Loan Liability - Non Current					
356	FASB 5 Liabilities					
357	Accrued Pension and OPEB Liabilities					
350	Total Non-Current Liabilities		\$80,586	\$80,586	\$0	\$80,586
300	Total Liabilities		\$156,204	\$156,204	\$0	\$156,204
400	Deferred Inflow of Resources					
508.4	Net Investment in Capital Assets		\$2,654,783	\$2,654,783	\$0	\$2,654,783
511.4	Restricted Net Position			\$0	\$0	\$0
512.4	Unrestricted Net Position		\$420,402	\$420,402	\$0	\$420,402
513	Total Equity - Net Assets / Position		\$3,075,185	\$3,075,185	\$0	\$3,075,185
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net		\$3,231,389	\$3,231,389	\$0	\$3,231,389

Housing Authority of the City of Jennings (LA118)

JENNINGS, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 03/31/2020			
		Project Total	Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue	\$462,864	\$462,864		\$462,864
70400	Tenant Revenue - Other	\$9,589	\$9,589		\$9,589
70500	Total Tenant Revenue	\$472,453	\$472,453	\$0	\$472,453
70600	HUD PHA Operating Grants	\$418,200	\$418,200		\$418,200
70610	Capital Grants	\$187,488	\$187,488		\$187,488
70710	Management Fee				
70720	Asset Management Fee				
70730	Book Keeping Fee				
70740	Front Line Service Fee				
70750	Other Fees				
70700	Total Fee Revenue		\$0	\$0	\$0
70800	Other Government Grants				
71100	Investment Income - Unrestricted	\$5,195	\$5,195		\$5,195
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	\$42,119	\$42,119		\$42,119
71600	Gain or Loss on Sale of Capital Assets	\$1,535	\$1,535		\$1,535
72000	Investment Income - Restricted				
70000	Total Revenue	\$1,126,990	\$1,126,990	\$0	\$1,126,990
91100	Administrative Salaries	\$103,429	\$103,429		\$103,429
91200	Auditing Fees	\$12,850	\$12,850		\$12,850
91300	Management Fee				
91310	Book-keeping Fee				
91400	Advertising and Marketing	\$5,134	\$5,134		\$5,134
91500	Employee Benefit contributions - Administrative	\$41,367	\$41,367		\$41,367
91600	Office Expenses	\$32,219	\$32,219		\$32,219
91700	Legal Expense				
91800	Travel	\$2,171	\$2,171		\$2,171
91810	Allocated Overhead				
91900	Other	\$17,835	\$17,835		\$17,835
91000	Total Operating - Administrative	\$215,005	\$215,005	\$0	\$215,005
92000	Asset Management Fee				
92100	Tenant Services - Salaries				
92200	Relocation Costs				
92300	Employee Benefit Contributions - Tenant Services				
92400	Tenant Services - Other	\$400	\$400		\$400
92500	Total Tenant Services	\$400	\$400	\$0	\$400

Housing Authority of the City of Jennings (LA118)

JENNINGS, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit		Fiscal Year End: 03/31/2020			
		Project Total	Subtotal	ELIM	Total
93100	Water	\$35,937	\$35,937		\$35,937
93200	Electricity	\$15,019	\$15,019		\$15,019
93300	Gas	\$1,228	\$1,228		\$1,228
93400	Fuel				
93500	Labor				
93600	Sewer				
93700	Employee Benefit Contributions - Utilities				
93800	Other Utilities Expense				
93000	Total Utilities	\$52,184	\$52,184	\$0	\$52,184
94100	Ordinary Maintenance and Operations - Labor	\$99,848	\$99,848		\$99,848
94200	Ordinary Maintenance and Operations - Materials and Other	\$83,590	\$83,590		\$83,590
94300	Ordinary Maintenance and Operations Contracts	\$137,792	\$137,792		\$137,792
94500	Employee Benefit Contributions - Ordinary Maintenance	\$61,437	\$61,437		\$61,437
94000	Total Maintenance	\$382,667	\$382,667	\$0	\$382,667
95100	Protective Services - Labor				
95200	Protective Services - Other Contract Costs	\$32,130	\$32,130		\$32,130
95300	Protective Services - Other				
95500	Employee Benefit Contributions - Protective Services				
95000	Total Protective Services	\$32,130	\$32,130	\$0	\$32,130
96110	Property Insurance	\$46,550	\$46,550		\$46,550
96120	Liability Insurance	\$13,067	\$13,067		\$13,067
96130	Workmen's Compensation	\$14,363	\$14,363		\$14,363
96140	All Other Insurance	\$7,713	\$7,713		\$7,713
96100	Total insurance Premiums	\$81,693	\$81,693	\$0	\$81,693
96200	Other General Expenses				
96210	Compensated Absences	\$11,928	\$11,928		\$11,928
96300	Payments in Lieu of Taxes	\$41,068	\$41,068		\$41,068
96400	Bad debt - Tenant Rents	\$1,897	\$1,897		\$1,897
96500	Bad debt - Mortgages				
96600	Bad debt - Other				
96800	Severance Expense				
96000	Total Other General Expenses	\$54,893	\$54,893	\$0	\$54,893
96710	Interest of Mortgage (or Bonds) Payable				
96720	Interest on Notes Payable (Short and Long Term)				
96730	Amortization of Bond Issue Costs				
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$818,972	\$818,972	\$0	\$818,972
97000	Excess of Operating Revenue over Operating Expenses	\$308,018	\$308,018	\$0	\$308,018

Housing Authority of the City of Jennings (LA118)					
JENNINGS, LA					
Entity Wide Revenue and Expense Summary					
Submission Type:		Audited/Non Single Audit		Fiscal Year End: 03/31/2020	
		Project Total	Subtotal	ELIM	Total
97100	Extraordinary Maintenance	\$11,520	\$11,520		\$11,520
97200	Casualty Losses - Non-capitalized				
97300	Housing Assistance Payments				
97350	HAP Portability-In				
97400	Depreciation Expense	\$371,779	\$371,779		\$371,779
97500	Fraud Losses				
97600	Capital Outlays - Governmental Funds				
97700	Debt Principal Payment - Governmental Funds				
97800	Dwelling Units Rent Expense				
90000	Total Expenses	\$1,202,271	\$1,202,271	\$0	\$1,202,271
10010	Operating Transfer In	\$96,286	\$96,286	-\$96,286	\$0
10020	Operating transfer Out	-\$96,286	-\$96,286	\$96,286	\$0
10030	Operating Transfers from/to Primary Government				
10040	Operating Transfers from/to Component Unit				
10050	Proceeds from Notes, Loans and Bonds				
10060	Proceeds from Property Sales				
10070	Extraordinary Items, Net Gain/Loss				
10080	Special Items (Net Gain/Loss)				
10091	Inter Project Excess Cash Transfer In				
10092	Inter Project Excess Cash Transfer Out				
10093	Transfers between Program and Project - In				
10094	Transfers between Project and Program - Out				
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$75,281	-\$75,281	\$0	-\$75,281
11020	Required Annual Debt Principal Payments	\$0	\$0		\$0
11030	Beginning Equity	\$3,150,466	\$3,150,466		\$3,150,466
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	1921	1921		1921
11210	Number of Unit Months Leased	1904	1904		1904
11270	Excess Cash	\$410,720	\$410,720		\$410,720
11610	Land Purchases	\$0	\$0		\$0
11620	Building Purchases	\$559,830	\$559,830		\$559,830
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$38,557	\$38,557		\$38,557
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 the City of Jennings

Schedule of Compensation, Benefits and Other Payments to Agency Head

or Chief Executive Officer

For the Year Ended March 31, 2020

Brenda Buller, Executive Director

Purpose	Amount
Salary	\$69,808
Benefits-insurance	11,487
Benefits-retirement	5,236
Travel	677
Per diem	375
Registration fees	999

Housing Authority of the City of Jennings
Jennings, Louisiana
Statement and Certification of Actual Modernization Costs
for the Year Ended March 31, 2020

Project Number:	LA48P118501-18
Original Funds Approved	\$ 377,927
Less Funds Expended (Actual Modernization Cost)	<u>377,927</u>
Excess Funds Approved	<u><u>\$ -</u></u>
 Funds Disbursed	 \$ 377,927
Less Funds Expended (Actual Modernization Cost)	<u>377,927</u>
Excess Funds Disbursed	<u><u>\$ -</u></u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated May 17, 2019 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Schedule of Compensation Paid to Board Members

Fiscal Year Ended March 31, 2020

Board Members serve without compensation.

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

Telephone 866-829-0993
Fax 225-570-1362
E-mail danny@highperformer.net

Member of
Louisiana Society of CPA's
American Institute of CPA's

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Jennings, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated July 6, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control.

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

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2020

Page Two

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 6, 2020

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Schedule of Findings and Questioned Costs Fiscal Year Ended March 31, 2020

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements
noted? _____yes X no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

HOUSING AUTHORITY OF THE CITY OF JENNINGS

Jennings, Louisiana

Schedule of Prior Year Audit Findings

Fiscal Year Ended March 31, 2020

There were no findings in the prior audit.