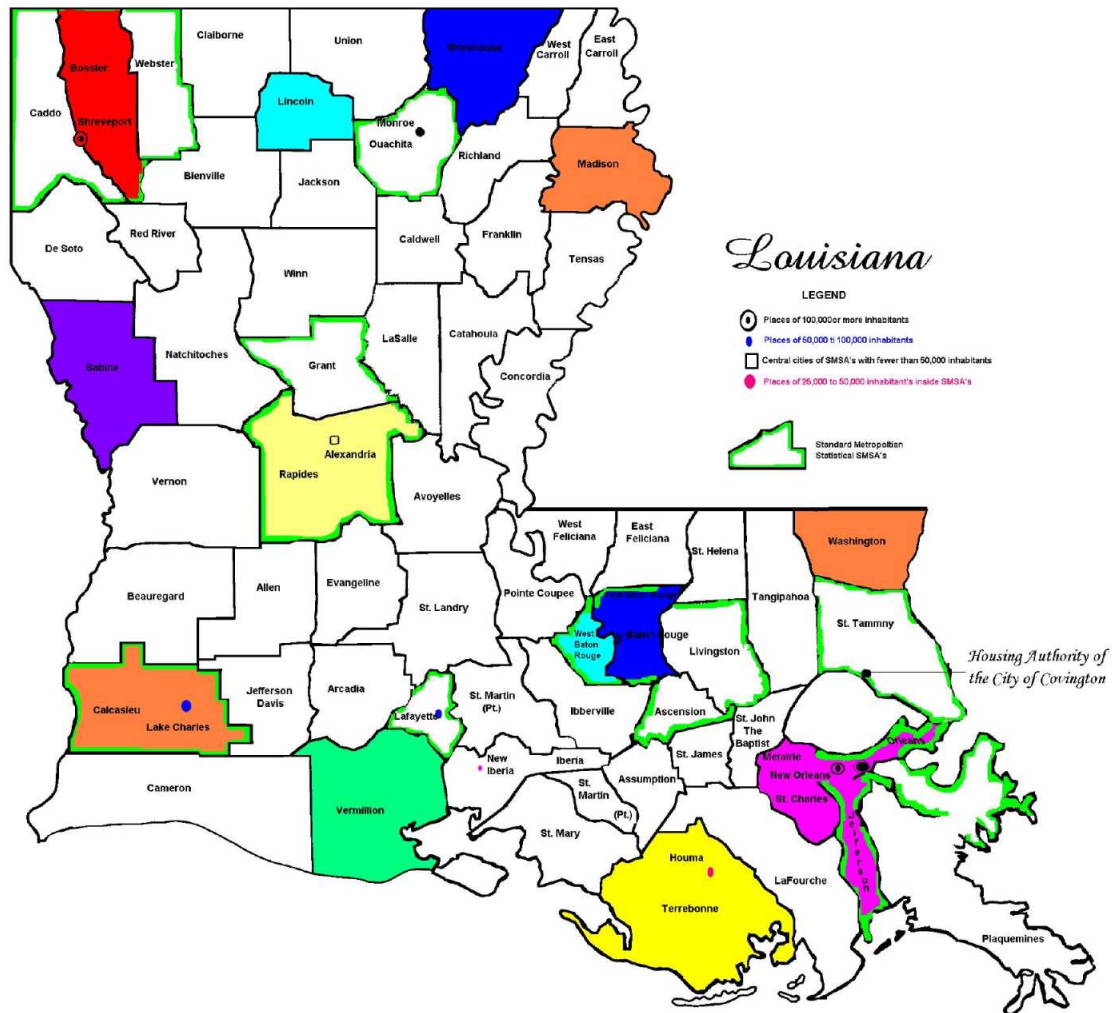


**HOUSING AUTHORITY
OF THE
CITY OF COVINGTON, LOUISIANA**

**Financial Statements &
Supplemental Financial Information**

March 31, 2020

HOUSING AUTHORITY OF THE CITY OF COVINGTON COVINGTON, LOUISIANA



Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds. The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners.

**Housing Authority of the City of Covington
Covington, Louisiana
Table of Contents
March 31, 2020**

	<u>Page No.</u>
Independent Auditor's Report.....	1-3
Management's Discussion & Analysis.....	4-8
<u>Basic Financial Statements</u>	
Statement of Net Position.....	10
Statement of Revenues, Expenses, & Changes in Net Position	11
Statement of Cash Flows.....	12-13
Notes to the Basic Financial Statements.....	15-23
<u>Supplementary Information</u>	
Schedule of Compensation Paid to Commissioners.....	25
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....	26
Schedule of Expenditures of Federal Awards.....	27
Notes to Schedule of Expenditures of Federal Awards.....	28
Statement and Certification of Actual Modernization Cost.....	29
<u>Other Reports</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance.....	33-34
Schedule of Findings and Questioned Cost.....	35-36
Management's Corrective Action for Current Year Audit Findings.....	37
Summary of Prior Year Findings.....	38
Management Letter Comments.....	39
Agreed Upon Procedures.....	40-43
Financial Data Schedule.....	44

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
City of Covington
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing 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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discreetly presented component unit Audrey Heights Development Limited Partnership, which represents 88 percent, 79 percent, and 19 percent, respectively; of the assets, net position and revenues of the business type activities and discreetly presented component unit of the Housing Authority of the City of Covington, La. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit Audrey Heights Development Limited Partnership, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discreetly presented component unit of the Housing Authority of the City of Covington, as of March 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 management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Covington's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards 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 our opinion, the Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards 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 August 15, 2020, on our consideration of the Housing Authority of the City of Covington'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 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 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 Housing Authority of the City of Covington's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
August 15, 2020

Housing Authority of the City of Covington
Management's Discussion and Analysis
March 31, 2020

As management of the Housing Authority of the City of Covington, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$769,047 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$27,573.

The Authority had unrestricted cash and investments totaling \$12,944 at March 31, 2020, and \$21,746 in restricted cash.

The Authority had total operating revenue of \$1,196,268, and total non-operating revenue of \$229,886.

The Authority had total operating expenses of \$563,983, and total non-operating expenses of \$936,022.

The Authority had capital contributions in the amount of \$18,915 for the year.

The Authority had a total change in net position of \$(54,936) for the year.

Overview of the Basic Financial Statements

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the basic financial statements. This report also contains the schedule of expenditures of federal award as supplementary information in addition to the basic financial statements themselves.

The Authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Authority's assets and liabilities. This fund type is unused for activities which are financed and operated in a manner similar to those in the private sector.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2020**

Low Rent Public Housing

Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution

Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Section 8 Housing Assistance – Housing Choice Voucher Program

These Programs assist low-income families in affording decent, safe, and sanitary housing by encouraging property owners to construct new, or rehabilitate existing substandard housing, and then lease the units with rental subsidies to low income individuals and families. The Authority's overall financial position and operations for the year is summarized below based on the information in the current and prior year financial statements.

The table below lists the asset and liability comparisons for the year ended March 31, 2020.

Statement of Net Position

	2019	2020	% Change
Current Assets	\$ 77,740	\$ 104,073	33.9
Restricted Assets	27,970	35,255	26.0
Capital Assets Net of Depreciation	829,488	728,171	-12.2
Total Assets	<u>935,198</u>	<u>867,499</u>	-7.2
Current Liabilities	37,156	46,450	25.0
Non-Current Liabilities	39,714	52,002	31.0
Total Liabilities	<u>76,870</u>	<u>98,452</u>	28.1
Net Investment in Capital Assets	829,488	728,171	-12.2
Restricted Assets	13,761	13,303	-3.3
Unrestricted Assets	15,079	27,573	82.9
Total Net Position	<u>\$ 858,328</u>	<u>\$ 769,047</u>	-10.4

- Total assets decreased by \$67,699 or 7.2% from last year. The primary reason for this decrease is due to a decrease in capital assets net of depreciation in the amount of \$101,317.
- Total liabilities increased by \$21,582 or 28.1%. The primary reason for this change is due to an increase in accounts payable in the amount of \$12,288.

Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2020

The table below lists the revenue and expense comparisons for the year ended March 31, 2020.

Statement of Revenues, Expenses, & Changes in Net Position

	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 135,438	\$ 136,387	0.7
HUD PHA Operating	936,469	1,059,881	13.2
Total Operating Revenues	<u>1,071,907</u>	<u>1,196,268</u>	11.6
Operating Expenses			
Administrative	233,910	295,734	26.4
Tenant Services	3,262	6,115	87.5
Utilities	11,321	11,093	-2.0
Maintenance	127,211	71,788	-43.6
Protective Services	20,116	21,169	5.2
General	48,447	37,852	-21.9
Depreciation	118,182	120,232	1.7
Total Operating Expenses	<u>562,449</u>	<u>563,983</u>	0.3
Operating Income (Loss)	<u>509,458</u>	<u>632,285</u>	24.1
Non-Operating Revenues (Expenses)			
Investment Income	382	361	-5.5
Other Revenue	168,680	229,525	36.1
Housing Assistance Payments	(785,911)	(936,022)	19.1
Total Non-Operating Revenues (Expenses)	<u>(616,849)</u>	<u>(706,136)</u>	14.5
Capital Contributions	<u>24,833</u>	<u>18,915</u>	-23.9
Change in Net Position	<u>(82,558)</u>	<u>(54,936)</u>	-33.5
Total Net Position - Beginning	940,886	858,328	-8.8
Total Net Position - Ending	\$ <u>858,328</u>	\$ <u>803,392</u>	-6.4

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2020**

- Operating revenues increased by \$124,361 or 11.6%. The primary reason for this increase is because of an increase in HUD operating grants in the amount of \$123,412.
- Total operating expenses increased by \$1,534 or 0.3%. The primary reason for this increase is due to an increase in administrative cost in the amount of \$61,824.
- Non-operating revenue and expenses changed by \$89,287 or 14.5%. The primary reason for this change is because of an increase in other revenue in the amount of \$60,845 and an increase in housing assistance payments expense in the amount of \$150,111.
- Capital contributions decreased by \$5,918 or 23.9%.

Capital Asset & Debt Administration

Capital Assets

As of March 31, 2020, the Authority's investment in capital assets was \$728,171 (net of accumulated depreciation). This investment included land, building, building improvements, office equipment, and maintenance equipment.

Capital Assets at Year-End

	2019	2020
Land *	\$ 202,304	\$ 202,304
Buildings	3,015,901	3,026,476
Furniture & Equipment	244,394	247,662
Accumulated Depreciation	(2,633,111)	(2,748,271)
Total	\$ 829,488	\$ 728,171

* Land in the amount of \$202,304 is not being depreciated.

Long Term Debt

The Authority does not have any long-term liabilities at this time.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2020**

Future Events that will Impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2021 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Component Units

Separate audited financial statements have been issued for the Authority's discreetly present component unit Audrey Heights Development Limited Partnership, and can be reviewed by contacting the Housing Authority's Management.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact Tammie Groover, Executive Director of the Housing Authority of the City of Covington, P.O. Box 1293, Covington, LA 70434, at (985)-898-0345.



Basic Financial Statements

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Net Position
March 31, 2020**

	Primary Government	As of 12/31/2019 Discretely Presented Component Unit	Total
ASSETS			
CURRENT ASSETS			
Cash & Investments	\$ 12,944	\$ 204,144	\$ 217,088
Receivables (Net of Allowances for Uncollectibles)	77,558	-0-	77,558
Prepaid Items	10,679	8,083	18,762
Inventories	2,892	-0-	2,892
TOTAL CURRENT ASSETS	<u>104,073</u>	<u>212,227</u>	<u>316,300</u>
RESTRICTED ASSETS			
Other Restricted Cash	21,746	-0-	21,746
Tenant Security Deposits	13,509	9,908	23,417
TOTAL RESTRICTED ASSETS	<u>35,255</u>	<u>9,908</u>	<u>45,163</u>
NON-CURRENT ASSETS			
Other Assets	-0-	46,631	46,631
Capital Assets (Net of Accumulated Depreciation)	728,171	6,141,330	6,869,501
TOTAL NON-CURRENT ASSETS	<u>728,171</u>	<u>6,187,961</u>	<u>6,916,132</u>
TOTAL ASSETS	<u>867,499</u>	<u>6,410,096</u>	<u>7,277,595</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	9,868	2,776	12,644
Accrued Wage/Payroll Taxes Payable	8,864	-0-	8,864
Accrued Interest Payable	-0-	5,209	5,209
Compensated Absences	5,533	-0-	5,533
Accrued Liabilities – Other	233	826	1,059
Other Current Liabilities	8,443	-0-	8,443
Prepaid Rent	-0-	22,933	22,933
Debt – Current Portion	-0-	-0-	-0-
Tenant Security Deposits (Payable from Restricted Assets)	13,509	9,908	23,417
TOTAL CURRENT LIABILITIES	<u>46,450</u>	<u>41,652</u>	<u>88,102</u>
NON-CURRENT LIABILITIES			
Compensated Absences	52,002	-0-	52,002
Long-Term Debt – Capital Projects	-0-	1,055,873	1,055,873
Other Noncurrent Debt	-0-	2,381,178	2,381,178
TOTAL NON-CURRENT LIABILITIES	<u>52,002</u>	<u>3,437,051</u>	<u>3,489,053</u>
TOTAL LIABILITIES	<u>98,452</u>	<u>3,478,703</u>	<u>3,577,155</u>
NET POSITION			
Net Investment in Capital Assets	728,171	5,062,524	5,790,695
Restricted	13,303	-0-	13,303
Unrestricted	27,573	(2,131,131)	(2,103,558)
TOTAL NET POSITION	<u>\$ 769,047</u>	<u>\$ 2,931,393</u>	<u>\$ 3,700,440</u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Covington
Covington, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
For the Year Ended March 31, 2020

	Primary Government	Year ended 12/31/2019 Discretely Presented Component Unit	Total
OPERATING REVENUES			
Tenant Revenue	\$ 133,317	\$ 292,395	\$ 425,712
Other Tenant Revenue	3,070	14,479	17,549
HUD PHA Operating Grant	1,059,881	-0-	1,059,881
TOTAL OPERATING REVENUES	<u>1,196,268</u>	<u>306,874</u>	<u>1,503,142</u>
OPERATING EXPENSES			
Administrative Salaries	92,015	36,542	128,557
EBC Administrative	29,895	6,864	36,759
Other Operating - Administrative	173,824	63,719	237,543
Tenant Services	6,115	175	6,290
Water	1,483	3,252	4,735
Electricity	8,709	4,012	12,721
Gas	901	-0-	901
Labor	-0-	-0-	-0-
Materials	12,144	5,461	17,605
Contract Cost	73,372	90,216	163,588
Maintenance	-0-	-0-	-0-
Protective Services	19,500	-0-	19,500
EBC Protective Services	1,669	-0-	1,669
Insurance	36,317	34,322	70,639
Other General Expense	18,352	1,164	19,516
Interest Expense	-0-	117,726	117,726
Depreciation	120,232	206,586	326,818
TOTAL OPERATING EXPENSES	<u>594,528</u>	<u>570,039</u>	<u>1,164,567</u>
OPERATING INCOME (LOSS)	<u>601,740</u>	<u>(263,165)</u>	<u>338,575</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Unrestricted)	361	1,307	1,668
Casualty Loss	(3,800)	-0-	(3,800)
Other Revenue	229,525	-0-	229,525
Housing Assistance Payments	(936,022)	-0-	(936,022)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(709,936)</u>	<u>1,307</u>	<u>(708,629)</u>
Capital Contributions	<u>18,915</u>	<u>-0-</u>	<u>18,915</u>
CHANGE IN NET POSITION	<u>(89,281)</u>	<u>(261,858)</u>	<u>(351,139)</u>
TOTAL NET POSITION - BEGINNING	<u>858,328</u>	<u>3,193,251</u>	<u>4,051,579</u>
TOTAL NET POSITION - ENDING	<u>\$ 769,047</u>	<u>\$ 2,931,393</u>	<u>\$ 3,700,440</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
For the Year Ended March 31, 2020**

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 134,127
Receipts From HUD	1,016,093
Payments to Employees	(74,932)
Payments to Suppliers and Others	(382,273)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>693,015</u>
CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Casualty Loss	(3,800)
Other Revenue	229,525
Housing Assistance Payments	(936,022)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>(710,297)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants	18,915
Acquisition/Deletion of Capital Assets	(18,915)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	361
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>361</u>
NET INCREASE (DECREASE) IN CASH	(16,921)
CASH, BEGINNING OF YEAR	<u>65,120</u>
CASH, END OF YEAR	<u><u>48,199</u></u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	12,944
Tenant Security Deposits	13,509
Other Restricted Cash	21,746
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 48,199</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
Reconciliation
For the Year Ended March 31, 2020**

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

Operating Income (Loss)	\$ <u>601,740</u>
Depreciation Expense	120,232
(Increase) Decrease in Accounts Receivable	(3,493)
(Increase) Decrease in Accounts Receivable HUD	(43,788)
(Increase) Decrease in Accounts Receivable PHA Projects	1,933
(Increase) Decrease in Inventories	(1,543)
(Increase) Decrease in Prepaid Items	(3,648)
Increase (Decrease) in Accounts Payable	(3,341)
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	4,711
Increase (Decrease) in Compensated Absences	12,372
Increase (Decrease) in Tenant Security Deposits	(700)
Increase (Decrease) in Other Current Liabilities	8,443
Increase (Decrease) in Accrued Liabilities-Other	<u>97</u>
TOTAL ADJUSTMENTS	<u>91,275</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>693,015</u>

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets From Government	\$ <u>-0-</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
March 31, 2020**

INTRODUCTION

The Housing Authority of the City of Covington is an apartment complex for persons of low income located in Covington, Louisiana. The authority is chartered as a public corporation for the purpose of administering decent, safe, and sanitary dwelling for persons of low-income.

Legal title to the authority is held by the Housing Authority of the City of Covington, Louisiana, a non-profit corporation. The authority is engaged in the acquisition, modernization, and administration of low-rent housing. The authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Covington, Louisiana. Each member serves a five-year term. Substantially all of the authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the authority and HUD provide operating subsidies for authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the housing authority is legally separated and fiscally independent, the housing authority is a separate governmental reporting entity. The housing authority includes all funds, activities, etc., that are within the oversight responsibility of the housing authority.

The housing authority is a related organization of the City of Covington because the City of Covington appoints a voting majority of the housing authority's governing board. The City of Covington is not financially responsible for the housing authority, as it cannot impose its will on the housing authority and there is no possibility for the housing authority to provide financial benefit to, or impose financial burdens on, the City of Covington. Accordingly, the housing authority is not a component unit of the financial reporting entity of the City of Covington.

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 criterion for including a potential component unit within the reporting entity is financial accountability.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

The GASB has set forth criteria to be considered in determining financial accountability, which includes:

- 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 the following component units should be considered as part of the Housing Authority reporting entity.

Audrey Heights Development Limited Partnership is a legally separate entity. The Managing General Partner of the Partnership is Covington Community Corporation, Inc, a not-for-profit corporation. The Board of Directors of Covington Community Corporation, Inc. 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 the Partnership. In addition, there is the potential for the Partnership to impose financial burden on the Housing Authority. Based on the above, the Partnership and Covington Community Corporation, Inc. are considered to be component units. Copies of the audit reports for these component units may be obtained from the Housing Authority.

The governing body of the Housing Authority is considered to have complete control over Covington Community Corporation, Inc, but not complete control over the Partnership. As a result, Covington Community Corporation, Inc. is included in the Housing Authority's financial statements as a blended entity, and the Partnership is included in the Housing Authority's financial statements through discrete presentation. The financial position and changes in net position of the Partnership is presented as of and for the year ended December 31, 2019. Separate financial statements of the Partnership were issued for calendar year ended December 31, 2019.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Inter-fund activity has been removed from these statements. The housing authority uses enterprise funds to account for its activities.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The housing authority reports the following major proprietary funds:

The Enterprise Fund is the housing authority's primary operating fund. It accounts for all financial resources of the housing authority.

As a general rule, the effect of Inter-fund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of cash flows does not include the Directly Presented Component Unit because the other auditor prepared the statement using the indirect method which doesn't conform with the Authority's Financial Statements.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

D. DEPOSITS & INVESTMENTS

The housing authority’s cash is considered to be cash on hand and demand deposits. State law and the housing authority’s investment policy allow the housing authority to invest in collateralized certificated of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The housing authority had no investments as of March 31, 2020.

E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either “due to/from other funds” (i.e., the current portion of Inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of Inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for uncollectibles.

F. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The housing maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$0. Of this amount, \$0 was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	3-5 years

H. COMPENSATED ABSENCES

The housing authority has the following policy relating to vacation and sick leave:

The authority follows the civil service guidelines for vacation and sick leave. Employee's time is accumulated in accordance to hours worked per month. At year-end, time not used is accumulated.

I. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

2. CASH AND INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At March 31, 2020, the housing authority had cash (bank balances) totaling \$43,362 as follows:

JP Morgan Chase	\$ 43,362
Total	\$ <u>43,362</u>

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

Deposits

It is the housing authority's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The housing authority's deposits are categorized to give an indication of the level of risk assumed by the housing authority at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the housing authority or by its agent in the housing authority's name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution's trust department or agent in the housing authority's name.
- ***Category 3*** – Uncollateralized.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 43,362
Securities (Category 2)	-0-
Uncollateralized (Category 3)	-0-
Total	\$ 43,362

All deposits were fully secured at March 31, 2020.

The following represents Restricted Cash:

Other Restricted Cash	\$ 21,746
Tenant Security Deposits	13,509
Total Restricted Cash	\$ 35,255

Other Restricted Cash represents funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

3. RECEIVABLES

The receivables (net of allowance for doubtful accounts) were \$77,558 as of March 31, 2020. The receivables are as follows:

A/R HUD	\$ 72,536
A/R PHA Projects	986
Other Receivables	4,036
Allowance	-0-
Total	\$ 77,558

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended March 31, 2020, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land *	\$ 202,304	\$ -0-	\$ -0-	\$ 202,304
Buildings	3,015,901	10,575	-0-	3,026,476
Furniture & Equipment, Etc.	244,394	8,340	(5,072)	247,662
Total	3,462,599	18,915	(5,072)	3,476,442
Less Accumulated Depreciation	(2,633,111)	(120,232)	5,072	(2,748,271)
Net Capital Assets	\$ 829,488	\$ (101,317)	\$ -0-	\$ 728,171

* Land in the amount of \$202,304 is not being depreciated.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

5. RETIREMENT PLANS

On June 23, 2004, the Board of Commissioners of the housing authority, by resolution, approved the establishment of a retirement plan, the Housing Renewal and Local Agency Retirement Plan (the plan), under Code Section 401(a) effective July 1, 2004. The plan is for the benefit of all regular (forty hours a week) full time employees. The rate of employer contribution is 6% of employee's base rate of pay. The total payroll for the year was \$118,524, with covered payroll of \$118,524 and the housing authority contribution of \$7,111 for the year ended March 31, 2020.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$24,498 at March 31, 2020, are as follows:

Accounts Payable Vendors/Contractors	\$	9,868
Accrued Wages/Payroll Taxes Payable		8,864
Accrued Liabilities - Other		233
Accrued Compensated Absences - Current		5,533
Total	\$	<u>24,498</u>

7. COMPENSATED ABSENCES

At March 31, 2020, employees of the PHA have accumulated and vested \$57,535 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at March 31, 2020, was \$5,533 recorded as current obligation and \$52,002 recorded as non-current obligation.

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 5,449	\$ 39,714	\$ 45,163
Additions/(Deletions)	84	12,288	12,372
End of year	\$ <u>5,533</u>	\$ <u>52,002</u>	\$ <u>57,535</u>

8. CONTINGENT LIABILITIES

At March 31, 2020, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2020**

9. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 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 & Urban Development provided \$1,078,796 to the housing authority, represents approximately 74.7% of the housing authority's revenue for the year.

10. RESTRICTED NET POSITION

Restricted net position represents funds designated to be paid to lessors and or tenants in Section 8 Program.



Supplementary Information

**Housing Authority of the City of Covington
Covington, Louisiana**

**Schedule of Compensation Paid to Commissioners
For the Year Ended March 31, 2020**

Commissioners	Title
Ella Mae Selmon	Chairperson
Della Perkins	Commissioner
Bonnie Andrus	Commissioner
Nino V. Covington	Commissioner

The commissioners receive no compensation.

**Housing Authority of the City of Covington
Covington, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended March 31, 2020**

Tammie Groover, Executive Director

Purpose	Amount
Salary	\$ 97,768
Benefits-Insurance	9,322
Benefits-Retirement	5,626
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	1,475
Reimbursements	1,011
Travel	-0-
Registration Fees	1,050
Conference Travel	1,875
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditors report.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2020**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<i>Housing Voucher Cluster-Cluster</i>			
Department of Housing and Urban Development			
Section 8 Housing Choice Vouchers			
Section 8 Housing Choice Vouchers	14.871		\$866,929
Total Section 8 Housing Choice Vouchers			\$866,929
<i>Total Department Housing and Urban Development</i>			\$866,929
<i>Total Housing Voucher Cluster-Cluster</i>			
<i>Other Programs</i>			
Department of Housing and Urban Development			
Public and Indian Housing			
Public and Indian Housing	14.850		\$137,493
Total Public and Indian Housing			\$137,493
Public Housing Capital Fund			
Public Housing Capital Fund	14.872		\$74,374
Total Public Housing Capital Fund			\$74,374
<i>Total Department of Housing and Urban Development</i>			\$211,867
<i>Total Other Programs</i>			\$211,867
<i>Total Expenditures of Federal Awards</i>			\$1,078,796

See independent auditor's report.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2020**

Single Audit Requirements:

Note A – Uniform Guidance

The Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” was released in the Federal Register on December 26, 2013 (2 CFR Chapter I, Chapter II, Part 200, et al.). This guidance supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.” The new requirements state that an entity expending \$750,000 or more of federal funds adhere to the Uniform Requirements.

The funds used to account for these funds use the accrual basis of accounting.

1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2.) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority’s basic financial statements.

3.) Relationship To Basic Financial Statements

Federal award revenues are reported in the Housing Authority’s basic financial statements as follows:

Public & Indian Housing	\$ 137,493
Section 8	866,929
Capital Fund Grant	74,374
Total	\$ <u>1,078,796</u>

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 U.S. generally accepted accounting principles.

4.) Federal Awards

In accordance with HUD Notice PIH 98-14, “federal awards” do not include the Housing Authority’s operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

5.) Indirect Cost Rate

Covington Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Presented for purposes of additional analysis only.

**Housing Authority of the City of Covington
Covington, Louisiana**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract**

	Complete CFP Project 501-18	Incomplete CFP Project 501-19	Total
The Actual Modernization Costs Are As Follows:			
1. Funds Approved	\$ 84,062	\$ 89,399	\$ 173,461
Funds Expended	<u>(84,062)</u>	<u>(67,374)</u>	<u>(151,436)</u>
Excess of Funds Approved	<u>-0-</u>	<u>22,025</u>	<u>22,025</u>
2. Funds Advanced	84,062	-0-	84,062
Funds Expended	<u>(84,062)</u>	<u>(67,374)</u>	<u>(151,436)</u>
Excess of Funds Advanced	\$ <u>-0-</u>	\$ <u>(67,374)</u>	\$ <u>(67,374)</u>

See independent auditors report.



Other Reports

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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*

Housing Authority of the
City of Covington
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Covington's basic financial statements, and have issued our report thereon dated August 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Covington's internal control over financial reporting (internal control) to determine the 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 Covington's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Covington'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 identifies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Covington's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
August 15, 2020

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

Housing Authority of the
City of Covington
Covington, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Covington'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 Covington's major federal programs for the year ended March 31, 2020. The Housing Authority of the City of Covington'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 for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Covington'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 Covington'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 Covington's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Covington 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 Covington'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 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 the City of Covington's internal control over compliance.

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

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

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

This report is intended solely for the information and use of management, the Legislator Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
August 15, 2020

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2020**

We have audited the basic financial statements which collectively comprise the Housing Authority of the City of Covington, Louisiana, as of and for the year ended March 31, 2020, and have issued our report thereon dated August 15, 2020. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of March 31, 2020, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Type of Opinion On Compliance ☒ Unmodified ☐ Qualified
For Major Programs ☐ Disclaimer ☐ Adverse

Are there findings required to be reported in accordance with Uniform Guidance?

☐ Yes ☒ No

c. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a 'low-risk' auditee, as defined by Uniform Guidance? ☒ Yes ☐ No

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2020**

Section II - Financial Statement Findings

No items to report.

Section III – Federal Awards Findings and Questioned Cost

No items to report.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

No items to report.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the City of Covington, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended March 31, 2019.

PRIOR YEAR FINDINGS

No items to report.

John R. Vercher C.P.A.
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MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Housing Authority's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

John R. Vercher C.P.A.
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AGREED-UPON PROCEDURES REPORT Covington Housing Authority

Independent Accountant's Report On Applying Agreed-Up On Procedures

Housing Authority of the
City of Covington
Covington, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable".

Management of Covington Housing Authority is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of Covington Housing Authority (Entity) and the Legislative Auditor, State of Louisiana, (LLA) solely to assist the users in assessing certain controls and in evaluating management's assertions about Covington Housing Authority's compliance with certain laws and regulations during the period of April 1, 2019, through March 31, 2020, in accordance with Act 774 of 2014 Regular Legislative Session.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Audited Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Bank Reconciliations (follow-up)

1. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Observation: We selected the month of November 2019 for all bank accounts and observed:

- a) **Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.**
- b) **Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

Ethics (follow-up)

1. Obtain and inspect the entity's written policies and procedures over ethics and observe that they address the following:
 - a) Requirement that all employees and board members, annually attest through signature verification that they have read the entity's ethics policy.

Observation: The executive director, the chairperson, and one other board member signed the entity's ethics policies and procedures document.

Exception: Not all board members signed the entity's ethics policies and procedures document.

Management's response: Management will attempt to have all board members perform the procedures discussed above.

2. Obtain a listing of employees (and board members) and obtain management's representation that the listing is complete. Randomly select five employees/board members, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/board member completed one hour of ethics training during the fiscal period; and
 - b) Observe that the documentation demonstrates each employee/board member attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observation: We selected all employees and board members and observed:

- a) **The executive director and the chairperson of the board completed one hour of ethics training during the fiscal period.**
- b) **The executive director, the chairperson, and one other board member signed the entity's ethics policies and procedures document.**

Exception: Not all board members completed one hour of ethics training and not all board members signed the entity's ethics policies and procedures document.

Management's Response: Management will attempt to have all board members perform the procedures discussed above.

Information Technology Disaster Recovery/Business Continuity

1. Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Observation: We obtained and inspected the entity's written policies and procedures over information technology disaster recovery/business continuity and found it addressed all of the items listed above.

2. Perform the following sub-procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e. up-to-date).

Observation:

- a) We reviewed invoices from Les Baham, computer specialist, for contract support of IT services through July 1, 2020 who performs these procedures. We interviewed the IT specialist by phone and inquired about the above procedures.
- b) We reviewed invoices from Les Baham, computer specialist, for contract support of IT services through July 1, 2020 who performs these procedures. We interviewed the IT specialist by phone and inquired about the above procedures.
- c) We reviewed invoices from Les Baham, computer specialist, for contract support of IT services through July 1, 2020 who performs these procedures. We interviewed the IT specialist by phone and inquired about the above procedures.

Sexual Harassment

1. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Observation: We obtained and inspected the entity's written sexual harassment policies and procedures and observed that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

2. Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/elected officials/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/elected official/board member completed at least one hour of sexual harassment training during the calendar year.

Observation: We selected all employees and board members and observed that the executive director, the chairperson of the board and two other board members documented sexual harassment training.

Exception: Not all board members documented having sexual harassment training.

Managements Response: Management will attempt to have all board members complete sexual harassment training.

3. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Observation: Inquiry found the entity has its sexual harassment policy posted on premises.

4. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Observation: Inquiry found there were no complaints made during the fiscal year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Agreed-Upon Procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statue 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
August 15, 2020



FINANCIAL DATA SCHEDULE

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
111 Cash - Unrestricted	\$1,286	\$204,144	\$11,658	\$217,088	
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	
113 Cash - Other Restricted	\$0	\$0	\$13,303	\$13,303	
114 Cash - Tenant Security Deposits	\$13,509	\$9,908	\$0	\$23,417	
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$8,443	\$8,443	
100 Total Cash	\$14,795	\$214,052	\$33,404	\$262,251	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$986	\$986	
122 Accounts Receivable - HUD Other Projects	\$67,374	\$0	\$5,162	\$72,536	
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	
125 Accounts Receivable - Miscellaneous	\$4,036	\$0	\$0	\$4,036	
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$0	
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0	\$0	
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	
128 Fraud Recovery	\$0	\$0	\$0	\$0	
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$71,410	\$0	\$6,148	\$77,558	\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

131 Investments - Unrestricted	\$0	\$0	\$0	\$0	
132 Investments - Restricted	\$0	\$0	\$0	\$0	
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	
142 Prepaid Expenses and Other Assets	\$5,709	\$8,083	\$4,970	\$18,762	
143 Inventories	\$2,892	\$0	\$0	\$2,892	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	
144 Inter Program Due From	\$0	\$0	\$0	\$0	
145 Assets Held for Sale	\$0	\$0	\$0	\$0	
150 Total Current Assets	\$94,806	\$222,135	\$44,522	\$361,463	\$0
161 Land	\$202,304	\$753,490	\$0	\$955,794	
162 Buildings	\$3,026,476	\$7,238,005	\$0	\$10,264,481	
163 Furniture, Equipment & Machinery - Dwellings	\$54,308	\$211,747	\$0	\$266,055	
164 Furniture, Equipment & Machinery - Administration	\$181,958	\$0	\$11,396	\$193,354	
165 Leasehold Improvements	\$0	\$0	\$0	\$0	
166 Accumulated Depreciation	-\$2,736,875	-\$2,061,912	-\$11,396	-\$4,810,183	
167 Construction in Progress	\$0	\$0	\$0	\$0	
168 Infrastructure	\$0	\$0	\$0	\$0	
160 Total Capital Assets, Net of Accumulated Depreciation	\$728,171	\$6,141,330	\$0	\$6,869,501	\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	
174 Other Assets	\$0	\$46,631	\$0	\$46,631	
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	
180 Total Non-Current Assets	\$728,171	\$6,187,961	\$0	\$6,916,132	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$822,977	\$6,410,096	\$44,522	\$7,277,595	\$0

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
311 Bank Overdraft	\$0	\$0	\$0	\$0	
312 Accounts Payable <= 90 Days	\$8,228	\$2,776	\$1,640	\$12,644	
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	
321 Accrued Wage/Payroll Taxes Payable	\$6,544	\$0	\$2,320	\$8,864	
322 Accrued Compensated Absences - Current Portion	\$3,873	\$0	\$1,660	\$5,533	
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	
325 Accrued Interest Payable	\$0	\$5,209	\$0	\$5,209	
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	
341 Tenant Security Deposits	\$13,509	\$9,908	\$0	\$23,417	
342 Unearned Revenue	\$0	\$826	\$0	\$826	
343 Current Portion of Long-term Debt - Capital	\$0	\$22,933	\$0	\$22,933	
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	
345 Other Current Liabilities	\$0	\$0	\$8,443	\$8,443	
346 Accrued Liabilities - Other	\$233	\$0	\$0	\$233	
347 Inter Program - Due To	\$0	\$0	\$0	\$0	
348 Loan Liability - Current	\$0	\$0	\$0	\$0	
310 Total Current Liabilities	\$32,387	\$41,652	\$14,063	\$88,102	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$1,055,873	\$0	\$1,055,873	
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	
353 Non-current Liabilities - Other	\$0	\$2,381,178	\$0	\$2,381,178	
354 Accrued Compensated Absences - Non Current	\$36,402	\$0	\$15,600	\$52,002	
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
357 Accrued Pension and OPEB Liabilities			\$0	\$0	
350 Total Non-Current Liabilities	\$36,402	\$3,437,051	\$15,600	\$3,489,053	\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

300 Total Liabilities	\$68,789	\$3,478,703	\$29,663	\$3,577,155	\$0
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$728,171	\$5,062,524	\$0	\$5,790,695	
511.4 Restricted Net Position	\$0	\$0	\$13,303	\$13,303	
512.4 Unrestricted Net Position	\$26,017	-\$2,131,131	\$1,556	-\$2,103,558	
513 Total Equity - Net Assets / Position	\$754,188	\$2,931,393	\$14,859	\$3,700,440	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$822,977	\$6,410,096	\$44,522	\$7,277,595	\$0

	Total
111 Cash - Unrestricted	\$217,088
112 Cash - Restricted - Modernization and Development	\$0
113 Cash - Other Restricted	\$13,303
114 Cash - Tenant Security Deposits	\$23,417
115 Cash - Restricted for Payment of Current Liabilities	\$8,443
100 Total Cash	\$262,251
121 Accounts Receivable - PHA Projects	\$986
122 Accounts Receivable - HUD Other Projects	\$72,536
124 Accounts Receivable - Other Government	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

125 Accounts Receivable - Miscellaneous	\$4,036
126 Accounts Receivable - Tenants	\$0
126.1 Allowance for Doubtful Accounts -Tenants	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0
128 Fraud Recovery	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0
129 Accrued Interest Receivable	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$77,558
131 Investments - Unrestricted	\$0
132 Investments - Restricted	\$0
135 Investments - Restricted for Payment of Current Liability	\$0
142 Prepaid Expenses and Other Assets	\$18,762
143 Inventories	\$2,892
143.1 Allowance for Obsolete Inventories	\$0

	Total
144 Inter Program Due From	\$0
145 Assets Held for Sale	\$0
150 Total Current Assets	\$361,463

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

161 Land	\$955,794
162 Buildings	\$10,264,481
163 Furniture, Equipment & Machinery - Dwellings	\$266,055
164 Furniture, Equipment & Machinery - Administration	\$193,354
165 Leasehold Improvements	\$0
166 Accumulated Depreciation	-\$4,810,183
167 Construction in Progress	\$0
168 Infrastructure	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,869,501
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0
173 Grants Receivable - Non Current	\$0
174 Other Assets	\$46,631
176 Investments in Joint Ventures	\$0
180 Total Non-Current Assets	\$6,916,132
200 Deferred Outflow of Resources	\$0
290 Total Assets and Deferred Outflow of Resources	\$7,277,595
311 Bank Overdraft	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Total
312 Accounts Payable <= 90 Days	\$12,644
313 Accounts Payable >90 Days Past Due	\$0
321 Accrued Wage/Payroll Taxes Payable	\$8,864
322 Accrued Compensated Absences - Current Portion	\$5,533
324 Accrued Contingency Liability	\$0
325 Accrued Interest Payable	\$5,209
331 Accounts Payable - HUD PHA Programs	\$0
332 Account Payable - PHA Projects	\$0
333 Accounts Payable - Other Government	\$0
341 Tenant Security Deposits	\$23,417
342 Unearned Revenue	\$826
343 Current Portion of Long-term Debt - Capital	\$22,933
344 Current Portion of Long-term Debt - Operating Borrowings	\$0
345 Other Current Liabilities	\$8,443
346 Accrued Liabilities - Other	\$233
347 Inter Program - Due To	\$0
348 Loan Liability - Current	\$0
310 Total Current Liabilities	\$88,102
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$1,055,873
352 Long-term Debt, Net of Current - Operating Borrowings	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

353 Non-current Liabilities - Other	\$2,381,178
354 Accrued Compensated Absences - Non Current	\$52,002
355 Loan Liability - Non Current	\$0
356 FASB 5 Liabilities	\$0
357 Accrued Pension and OPEB Liabilities	\$0

	Total
350 Total Non-Current Liabilities	\$3,489,053
300 Total Liabilities	\$3,577,155
400 Deferred Inflow of Resources	\$0
508.4 Net Investment in Capital Assets	\$5,790,695
511.4 Restricted Net Position	\$13,303
512.4 Unrestricted Net Position	-\$2,103,558
513 Total Equity - Net Assets / Position	\$3,700,440
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$7,277,595

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
70300 Net Tenant Rental Revenue	\$133,317	\$292,395	\$0	\$425,712	
70400 Tenant Revenue - Other	\$3,070	\$14,479	\$0	\$17,549	
70500 Total Tenant Revenue	\$136,387	\$306,874	\$0	\$443,261	\$0
70600 HUD PHA Operating Grants	\$192,952	\$0	\$866,929	\$1,059,881	
70610 Capital Grants	\$18,915		\$0	\$18,915	
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
70800 Other Government Grants	\$0	\$0	\$0	\$0	
71100 Investment Income - Unrestricted	\$104	\$1,307	\$257	\$1,668	
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	
71400 Fraud Recovery	\$0	\$0	\$0	\$0	
71500 Other Revenue	\$47,368	\$0	\$182,157	\$229,525	

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	
70000 Total Revenue	\$395,726	\$308,181	\$1,049,343	\$1,753,250	\$0
91100 Administrative Salaries	\$62,482	\$36,542	\$29,533	\$128,557	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
91200 Auditing Fees	\$7,879	\$7,000	\$7,879	\$22,758	
91300 Management Fee	\$0	\$45,749	\$0	\$45,749	
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	
91400 Advertising and Marketing	\$255	\$853	\$0	\$1,108	
91500 Employee Benefit contributions - Administrative	\$19,659	\$6,864	\$10,236	\$36,759	
91600 Office Expenses	\$61,270	\$7,708	\$48,537	\$117,515	
91700 Legal Expense	\$1,888	\$350	\$0	\$2,238	
91800 Travel	\$13,824	\$0	\$1,930	\$15,754	
91810 Allocated Overhead	\$0	\$0	\$0	\$0	
91900 Other	\$21,182	\$2,059	\$9,180	\$32,421	
91000 Total Operating - Administrative	\$188,439	\$107,125	\$107,295	\$402,859	\$0
92000 Asset Management Fee	\$0	\$0	\$0	\$0	
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	
92200 Relocation Costs	\$0	\$0	\$0	\$0	

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	
92400 Tenant Services - Other	\$6,115	\$175	\$0	\$6,290	
92500 Total Tenant Services	\$6,115	\$175	\$0	\$6,290	\$0
93100 Water	\$1,483	\$3,252	\$0	\$4,735	
93200 Electricity	\$8,709	\$4,012	\$0	\$12,721	
93300 Gas	\$901	\$0	\$0	\$901	
93400 Fuel	\$0	\$0	\$0	\$0	
93500 Labor	\$0	\$0	\$0	\$0	
93600 Sewer	\$0	\$0	\$0	\$0	
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	
93000 Total Utilities	\$11,093	\$7,264	\$0	\$18,357	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	
94200 Ordinary Maintenance and Operations - Materials and	\$12,144	\$5,461	\$0	\$17,605	
94300 Ordinary Maintenance and Operations Contracts	\$73,372	\$90,216	\$0	\$163,588	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	
94000 Total Maintenance	\$85,516	\$95,677	\$0	\$181,193	\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

95100 Protective Services - Labor	\$19,500	\$0	\$0	\$19,500	
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$0	\$0	\$0	\$0	
95500 Employee Benefit Contributions - Protective Services	\$1,669	\$0	\$0	\$1,669	
95000 Total Protective Services	\$21,169	\$0	\$0	\$21,169	\$0
96110 Property Insurance	\$22,284	\$32,838	\$0	\$55,122	
96120 Liability Insurance	\$5,891	\$0	\$1,012	\$6,903	
96130 Workmen's Compensation	\$0	\$1,484	\$0	\$1,484	
96140 All Other Insurance	\$7,130	\$0	\$0	\$7,130	
96100 Total insurance Premiums	\$35,305	\$34,322	\$1,012	\$70,639	\$0
96200 Other General Expenses	\$0	\$0	\$864	\$864	
96210 Compensated Absences	\$11,367	\$0	\$6,121	\$17,488	
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	
96400 Bad debt - Tenant Rents	\$0	\$1,164	\$0	\$1,164	
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
96600 Bad debt - Other	\$0	\$0	\$0	\$0	
96800 Severance Expense	\$0	\$0	\$0	\$0	
96000 Total Other General Expenses	\$11,367	\$1,164	\$6,985	\$19,516	\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

96710 Interest of Mortgage (or Bonds) Payable	\$0	\$114,883	\$0	\$114,883	
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	
96730 Amortization of Bond Issue Costs	\$0	\$2,843	\$0	\$2,843	
96700 Total Interest Expense and Amortization Cost	\$0	\$117,726	\$0	\$117,726	\$0
96900 Total Operating Expenses	\$359,004	\$363,453	\$115,292	\$837,749	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$36,722	-\$55,272	\$934,051	\$915,501	\$0
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	
97200 Casualty Losses - Non-capitalized	\$3,800	\$0	\$0	\$3,800	
97300 Housing Assistance Payments	\$0	\$0	\$795,368	\$795,368	
97350 HAP Portability-In	\$0	\$0	\$140,654	\$140,654	
97400 Depreciation Expense	\$120,232	\$206,586	\$0	\$326,818	
97500 Fraud Losses	\$0	\$0	\$0	\$0	
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	
90000 Total Expenses	\$483,036	\$570,039	\$1,051,314	\$2,104,389	\$0
10010 Operating Transfer In	\$22,349	\$0	\$0	\$22,349	-\$22,349
10020 Operating transfer Out	-\$22,349	\$0	\$0	-\$22,349	\$22,349

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	
10091 Inter Project Excess Cash Transfer In	\$0			\$0	
10092 Inter Project Excess Cash Transfer Out	\$0			\$0	
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$87,310	-\$261,858	-\$1,971	-\$351,139	\$0
11020 Required Annual Debt Principal Payments	\$0	\$21,362	\$0	\$21,362	
11030 Beginning Equity	\$841,498	\$3,193,251	\$16,830	\$4,051,579	
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0	\$0	
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					

Housing Authority of City of Covington (LA238)
COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$1,556	\$1,556	
11180 Housing Assistance Payments Equity			\$13,303	\$13,303	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
11190 Unit Months Available	583	432	1285	2300	
11210 Number of Unit Months Leased	583	412	1265	2260	
11270 Excess Cash	\$26,661			\$26,661	
11610 Land Purchases	\$0			\$0	
11620 Building Purchases	\$10,575			\$10,575	
11630 Furniture & Equipment - Dwelling Purchases	\$7,490			\$7,490	
11640 Furniture & Equipment - Administrative Purchases	\$850			\$850	
11650 Leasehold Improvements Purchases	\$0			\$0	
11660 Infrastructure Purchases	\$0			\$0	
13510 CFFP Debt Service Payments	\$0			\$0	
13901 Replacement Housing Factor Funds	\$0			\$0	

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Total
70300 Net Tenant Rental Revenue	\$425,712
70400 Tenant Revenue - Other	\$17,549
70500 Total Tenant Revenue	\$443,261
70600 HUD PHA Operating Grants	\$1,059,881
70610 Capital Grants	\$18,915
70710 Management Fee	
70720 Asset Management Fee	
70730 Book Keeping Fee	
70740 Front Line Service Fee	
70750 Other Fees	
70700 Total Fee Revenue	\$0
70800 Other Government Grants	\$0
71100 Investment Income - Unrestricted	\$1,668
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	\$0
71500 Other Revenue	\$229,525
71600 Gain or Loss on Sale of Capital Assets	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

72000 Investment Income - Restricted	\$0
70000 Total Revenue	\$1,753,250
91100 Administrative Salaries	\$128,557
91200 Auditing Fees	\$22,758

	Total
91300 Management Fee	\$45,749
91310 Book-keeping Fee	\$0
91400 Advertising and Marketing	\$1,108
91500 Employee Benefit contributions - Administrative	\$36,759
91600 Office Expenses	\$117,515
91700 Legal Expense	\$2,238
91800 Travel	\$15,754
91810 Allocated Overhead	\$0
91900 Other	\$32,421
91000 Total Operating - Administrative	\$402,859
92000 Asset Management Fee	\$0
92100 Tenant Services - Salaries	\$0
92200 Relocation Costs	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

92400 Tenant Services - Other	\$6,290
92500 Total Tenant Services	\$6,290
93100 Water	\$4,735
93200 Electricity	\$12,721
93300 Gas	\$901
93400 Fuel	\$0
93500 Labor	\$0
93600 Sewer	\$0
93700 Employee Benefit Contributions - Utilities	\$0
93800 Other Utilities Expense	\$0

	Total
93000 Total Utilities	\$18,357
94100 Ordinary Maintenance and Operations - Labor	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$17,605
94300 Ordinary Maintenance and Operations Contracts	\$163,588
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0
94000 Total Maintenance	\$181,193
95100 Protective Services - Labor	\$19,500

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

95200 Protective Services - Other Contract Costs	\$0
95300 Protective Services - Other	\$0
95500 Employee Benefit Contributions - Protective Services	\$1,669
95000 Total Protective Services	\$21,169
96110 Property Insurance	\$55,122
96120 Liability Insurance	\$6,903
96130 Workmen's Compensation	\$1,484
96140 All Other Insurance	\$7,130
96100 Total insurance Premiums	\$70,639
96200 Other General Expenses	\$864
96210 Compensated Absences	\$17,488
96300 Payments in Lieu of Taxes	\$0
96400 Bad debt - Tenant Rents	\$1,164
96500 Bad debt - Mortgages	\$0
96600 Bad debt - Other	\$0

	Total
96800 Severance Expense	\$0
96000 Total Other General Expenses	\$19,516

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

96710 Interest of Mortgage (or Bonds) Payable	\$114,883
96720 Interest on Notes Payable (Short and Long Term)	\$0
96730 Amortization of Bond Issue Costs	\$2,843
96700 Total Interest Expense and Amortization Cost	\$117,726
96900 Total Operating Expenses	\$837,749
97000 Excess of Operating Revenue over Operating Expenses	\$915,501
97100 Extraordinary Maintenance	\$0
97200 Casualty Losses - Non-capitalized	\$3,800
97300 Housing Assistance Payments	\$795,368
97350 HAP Portability-In	\$140,654
97400 Depreciation Expense	\$326,818
97500 Fraud Losses	\$0
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	\$0
90000 Total Expenses	\$2,104,389
10010 Operating Transfer In	\$0
10020 Operating transfer Out	\$0
10030 Operating Transfers from/to Primary Government	\$0

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

	Total
10040 Operating Transfers from/to Component Unit	\$0
10050 Proceeds from Notes, Loans and Bonds	
10060 Proceeds from Property Sales	
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$351,139
11020 Required Annual Debt Principal Payments	\$21,362
11030 Beginning Equity	\$4,051,579
11040 Prior Period Adjustments, Equity Transfers and	\$0
11050 Changes in Compensated Absence Balance	
11060 Changes in Contingent Liability Balance	
11070 Changes in Unrecognized Pension Transition Liability	
11080 Changes in Special Term/Severance Benefits Liability	
11090 Changes in Allowance for Doubtful Accounts - Dwelling	

Housing Authority of City of Covington (LA238)
 COVINGTON, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2020

11100 Changes in Allowance for Doubtful Accounts - Other	
11170 Administrative Fee Equity	\$1,556
11180 Housing Assistance Payments Equity	\$13,303
11190 Unit Months Available	2300

	Total
11210 Number of Unit Months Leased	2260
11270 Excess Cash	\$26,661
11610 Land Purchases	\$0
11620 Building Purchases	\$10,575
11630 Furniture & Equipment - Dwelling Purchases	\$7,490
11640 Furniture & Equipment - Administrative Purchases	\$850
11650 Leasehold Improvements Purchases	\$0
11660 Infrastructure Purchases	\$0
13510 CFFP Debt Service Payments	\$0
13901 Replacement Housing Factor Funds	\$0