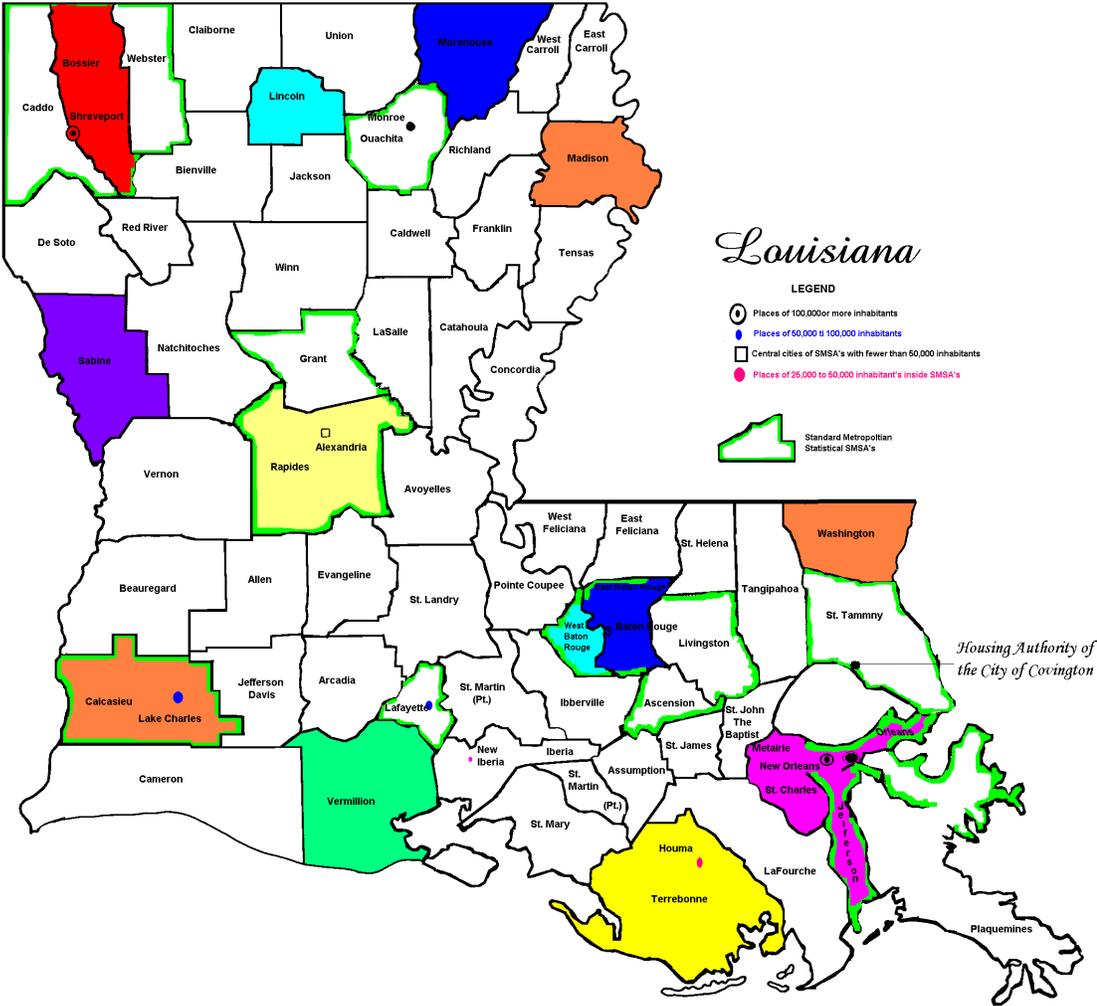


**HOUSING AUTHORITY
OF THE
CITY OF COVINGTON, LOUISIANA**

**Financial Statements &
Supplemental Financial Information**

March 31, 2019

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
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March 31, 2019**

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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, 2019, 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 discreetly 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, 2019, 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, 2019, 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, 2019

**Housing Authority of the City of Covington
Management's Discussion and Analysis
March 31, 2019**

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, 2019. 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 \$858,328 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$15,079.

The Authority had unrestricted cash and investments totaling \$37,150 at March 31, 2019, and \$13,761 in restricted cash.

The Authority had total operating revenue of \$1,071,907, and total non-operating revenue of \$169,062.

The Authority had total operating expenses of \$562,449, and total non-operating expenses of \$785,911.

The Authority had capital contributions in the amount of \$24,833 for the year.

The Authority had a total change in net position of \$(82,558) 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, 2019**

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, 2019.

Statement of Net Position

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Current Assets	\$ 63,626	\$ 77,740	22.2
Restricted Assets	30,855	27,970	-9.4
Capital Assets Net of Depreciation	<u>920,242</u>	<u>829,488</u>	-9.9
Total Assets	<u>1,014,723</u>	<u>935,198</u>	-7.8
Current Liabilities	34,535	37,156	7.6
Non-Current Liabilities	<u>39,302</u>	<u>39,714</u>	1.1
Total Liabilities	<u>73,837</u>	<u>76,870</u>	4.1
Net Investment in Capital Assets	920,242	829,488	-9.9
Restricted Assets	17,146	13,761	-19.8
Unrestricted Assets	<u>3,498</u>	<u>15,079</u>	331.1
Total Net Position	<u>\$ 940,886</u>	<u>\$ 858,328</u>	-8.8

- Total assets decreased by \$79,525 or 7.8% from last year. The primary reason for this decrease is due to a decrease in net capital assets in the amount of \$90,754.
- Total liabilities increased by \$3,033 or 4.1%. The primary reason for this change is due to an increase in accounts payable in the amount of \$5,855.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2019**

The table below lists the revenue and expense comparisons for the year ended March 31, 2019.

Statement of Revenues, Expenses, & Changes in Net Position

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 132,276	\$ 135,438	2.4
HUD PHA Operating	926,332	936,469	10.1
Total Operating Revenues	<u>1,058,608</u>	<u>1,071,907</u>	1.3
Operating Expenses			
Administrative	224,979	233,910	4.0
Tenant Services	3,508	3,262	-7.0
Utilities	8,834	11,321	28.2
Maintenance	85,044	127,211	49.6
Protective Services	16,148	20,116	24.6
General	44,750	48,447	8.3
Depreciation	115,861	118,182	2.0
Total Operating Expenses	<u>499,124</u>	<u>562,449</u>	12.7
Operating Income (Loss)	<u>559,484</u>	<u>509,458</u>	-9.0
Non-Operating Revenues (Expenses)			
Investment Income	115	382	232.2
Other Revenue	145,596	168,680	15.9
Housing Assistance Payments	(790,121)	(785,911)	-0.5
Total Non-Operating Revenues (Expenses)	<u>(644,410)</u>	<u>(616,849)</u>	-4.3
Capital Contributions	<u>22,424</u>	<u>24,833</u>	10.7
Change in Net Position	(62,502)	(82,558)	32.1
Total Net Position - Beginning	<u>1,003,388</u>	<u>940,886</u>	-6.2
Total Net Position - Ending	\$ <u>940,886</u>	\$ <u>858,328</u>	-8.8

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2019**

- Operating revenues increased by \$13,299 or 1.3%. The primary reason for this increase is because of an increase in HUD operating grants in the amount of \$10,137.
- Total operating expenses increased by \$63,325 or 12.7%. The primary reason for this increase is due to an increase in contract cost in the amount of \$49,453.
- Non-operating revenue and expenses changed by \$27,561 or 4.3%. The primary reason for this change is because of an increase in other revenue in the amount of \$23,084.
- Capital contributions increased by \$2,409 or 10.7%.

Capital Asset & Debt Administration

Capital Assets

As of March 31, 2019, the Authority's investment in capital assets was \$829,488 (net of accumulated depreciation). This investment included land, building, building improvements, office equipment, and maintenance equipment.

Capital Assets at Year-End

	2018	2019
Land *	\$ 202,304	\$ 202,304
Buildings	2,991,700	3,015,901
Furniture & Equipment	244,156	244,394
Accumulated Depreciation	(2,517,918)	(2,633,111)
Total	\$ 920,242	\$ 829,488

* 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, 2019**

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 2020 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, 2019**

	Primary Government	As of 12/31/2018 Discretely Presented Component Unit	Total
ASSETS			
CURRENT ASSETS			
Cash & Investments	\$ 37,150	\$ 234,007	\$ 271,157
Receivables (Net of Allowances for Uncollectibles)	32,210	2,645	34,855
Prepaid Items	7,031	8,503	15,534
Inventories	1,349	-0-	1,349
TOTAL CURRENT ASSETS	<u>77,740</u>	<u>245,155</u>	<u>322,895</u>
RESTRICTED ASSETS			
Other Restricted Cash	13,761	-0-	13,761
Tenant Security Deposits	14,209	8,990	23,199
TOTAL RESTRICTED ASSETS	<u>27,970</u>	<u>8,990</u>	<u>36,960</u>
NON-CURRENT ASSETS			
Other Assets	-0-	49,074	49,074
Capital Assets (Net of Accumulated Depreciation)	829,488	6,347,915	7,177,403
TOTAL NON-CURRENT ASSETS	<u>829,488</u>	<u>6,396,989</u>	<u>7,226,477</u>
TOTAL ASSETS	<u>935,198</u>	<u>6,651,134</u>	<u>7,586,332</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	13,209	24,735	37,944
Accrued Wage/Payroll Taxes Payable	4,153	-0-	4,153
Accrued Interest Payable	-0-	5,310	5,310
Compensated Absences	5,449	-0-	5,449
Accrued Liabilities – Other	136	-0-	136
Prepaid Rent	-0-	785	785
Debt – Current Portion	-0-	21,362	21,362
Tenant Security Deposits (Payable from Restricted Assets)	14,209	8,990	23,199
TOTAL CURRENT LIABILITIES	<u>37,156</u>	<u>61,182</u>	<u>98,338</u>
NON-CURRENT LIABILITIES			
Compensated Absences	39,714	-0-	39,714
Long-Term Debt – Capital Projects	-0-	1,077,431	1,077,431
Other Noncurrent Debt	-0-	2,319,270	2,319,270
TOTAL NON-CURRENT LIABILITIES	<u>39,714</u>	<u>3,396,701</u>	<u>3,436,415</u>
TOTAL LIABILITIES	<u>76,870</u>	<u>3,457,883</u>	<u>3,534,753</u>
NET POSITION			
Net Investment in Capital Assets	829,488	5,249,122	6,078,610
Restricted	13,761	-0-	13,761
Unrestricted	15,079	(2,055,871)	(2,040,792)
TOTAL NET POSITION	<u>\$ 858,328</u>	<u>\$ 3,193,251</u>	<u>\$ 4,051,579</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, 2019**

	<u>Primary Government</u>	<u>Year ended 12/31/2018 Discretely Presented Component Unit</u>	<u>Total</u>
OPERATING REVENUES			
Tenant Revenue	\$ 132,378	\$ 283,637	\$ 416,015
Other Tenant Revenue	3,060	13,148	16,208
HUD PHA Operating Grant	936,469	-0-	936,469
TOTAL OPERATING REVENUES	<u>1,071,907</u>	<u>296,785</u>	<u>1,368,692</u>
OPERATING EXPENSES			
Administrative Salaries	70,845	34,175	105,020
EBC Administrative	20,826	5,186	26,012
Other Operating - Administrative	142,239	61,686	203,925
Tenant Services	3,262	50	3,312
Water	1,773	2,662	4,435
Electricity	8,527	4,683	13,210
Gas	1,021	-0-	1,021
Labor	5,138	17,531	22,669
Materials	24,345	4,882	29,227
Contract Cost	97,335	58,515	155,850
Maintenance	393	2,671	3,064
Protective Services	18,854	-0-	18,854
EBC Protective Services	1,262	-0-	1,262
Insurance	33,636	33,279	66,915
Other General Expense	14,811	244	15,055
Interest Expense	-0-	115,889	115,889
<i>Depreciation</i>	118,182	206,586	324,768
TOTAL OPERATING EXPENSES	<u>562,449</u>	<u>548,039</u>	<u>1,110,488</u>
OPERATING INCOME (LOSS)	<u>509,458</u>	<u>(251,254)</u>	<u>258,204</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Unrestricted)	382	1,216	1,598
Other Revenue	168,680	-0-	168,680
Housing Assistance Payments	(785,911)	-0-	(785,911)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(616,849)</u>	<u>1,216</u>	<u>(615,633)</u>
Capital Contributions	24,833	-0-	24,833
CHANGE IN NET POSITION	(82,558)	(250,038)	(332,596)
TOTAL NET POSITION - BEGINNING	940,886	3,443,289	4,384,175
TOTAL NET POSITION - ENDING	<u>\$ 858,328</u>	<u>\$ 3,193,251</u>	<u>\$ 4,051,579</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, 2019**

	<u>Primary Government</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 140,395
Receipts From HUD	923,762
Payments to Employees	(79,381)
Payments to Suppliers and Others	(362,071)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>622,705</u>
 CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Other Revenue	168,680
Housing Assistance Payments	(785,911)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>(617,231)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants	24,833
Acquisition/Deletion of Capital Assets	(27,428)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,595)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	382
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>382</u>
 NET INCREASE (DECREASE) IN CASH	 3,261
 CASH, BEGINNING OF YEAR	 61,859
CASH, END OF YEAR	<u>65,120</u>
 RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	37,150
Tenant Security Deposits	14,209
Other Restricted Cash	13,761
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 65,120</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, 2019**

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

Operating Income (Loss)	\$ <u>509,458</u>
Depreciation Expense	118,182
(Increase) Decrease in Accounts Receivable	4,457
(Increase) Decrease in Accounts Receivable HUD	(12,254)
(Increase) Decrease in Accounts Receivable PHA Projects	(453)
(Increase) Decrease in Inventories	1,608
(Increase) Decrease in Prepaid Items	(1,326)
Increase (Decrease) in Accounts Payable	5,855
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	(5,424)
Increase (Decrease) in Compensated Absences	2,026
Increase (Decrease) in Tenant Security Deposits	500
Increase (Decrease) in Accrued Liabilities-Other	76
TOTAL ADJUSTMENTS	<u>113,247</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>622,705</u>
 LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES	
Contributions of Capital Assets From Government	<u>\$ -0-</u>

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, 2019**

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, 2019**

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, 2018. Separate financial statements of the Partnership were issued for calendar year ended December 31, 2018.

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, 2019**

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, 2019**

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, 2019.

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, 2019**

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, 2019**

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

At March 31, 2019, the housing authority had cash (bank balances) totaling \$82,279 as follows:

JP Morgan Chase	\$ 82,279
Total	<u>\$ 82,279</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, 2019**

Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 82,279
Securities (Category 2)	-0-
Uncollateralized (Category 3)	-0-
Total	\$ 82,279

All deposits were fully secured at March 31, 2019.

The following represents Restricted Cash:

Other Restricted Cash	\$ 13,761
Tenant Security Deposits	14,209
Total Restricted Cash	\$ 27,970

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 \$32,210 as of March 31, 2019. The receivables are as follows:

A/R HUD	\$ 28,748
A/R PHA Projects	2,919
Other Receivables	543
Allowance	-0-
Total	\$ 32,210

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended March 31, 2019, for the primary government is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land *	\$ 202,304	\$ -0-	\$ -0-	\$ 202,304
Buildings	2,991,700	24,201	-0-	3,015,901
Furniture & Equipment, Etc.	244,156	3,226	(2,988)	244,394
Total	3,438,160	27,427	(2,988)	3,462,599
Less Accumulated Depreciation	(2,517,918)	(118,182)	2,989	(2,633,111)
Net Capital Assets	\$ 920,242	\$ (90,755)	\$ 1	\$ 829,488

* 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, 2019**

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 \$92,483, with covered payroll of \$70,845 and the housing authority contribution of \$4,250 for the year ended March 31, 2019.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$22,947 at March 31, 2019, are as follows:

Accounts Payable Vendors/Contractors	\$	13,209
Accrued Wages/Payroll Taxes Payable		4,153
Accrued Liabilities - Other		136
Accrued Compensated Absences - Current		5,449
Total	\$	22,947

7. COMPENSATED ABSENCES

At March 31, 2019, employees of the PHA have accumulated and vested \$45,163 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at March 31, 2019, was \$5,449 recorded as current obligation and \$39,714 recorded as non-current obligation.

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	3,835	\$	39,302	\$	43,137
Additions/(Deletions)		1,614		412		2,026
End of year	\$	5,449	\$	39,714	\$	45,163

8. CONTINGENT LIABILITIES

At March 31, 2019, 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, 2019**

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 \$961,302 to the housing authority, represents approximately 61% 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, 2019**

Commissioners	Title
Ella Mae Selmon	Chairperson
Della Perkins	Commissioner
Bonnie Andrus	Commissioner
Nino V. Covington	Commissioner
Mary Ann Pierre	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, 2019**

Tammie Groover, Executive Director

Purpose	Amount
Salary	\$ 81,000
Benefits-Insurance	9,373
Benefits-Retirement	4,860
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	1,000
Reimbursements	363
Travel	1,000
Registration Fees	975
Conference Travel	-0-
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, 2019**

<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		745,066
Total Section 8 Housing Choice Vouchers			<u>745,066</u>
<i>Total Department Housing and Urban Development</i>			<u>745,066</u>
<i>Total Housing Voucher Cluster-Cluster</i>			<u>745,066</u>
<i>Other Programs</i>			
Department of Housing and Urban Development			
Public and Indian Housing			
Public and Indian Housing	14.850		133,200
Total Public and Indian Housing			<u>133,200</u>
Public Housing Capital Fund			
Public Housing Capital Fund	14.872		83,036
Total Public Housing Capital Fund			<u>83,036</u>
<i>Total Department of Housing and Urban Development</i>			<u>216,236</u>
<i>Total Other Programs</i>			<u>216,236</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>961,302</u></u>

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, 2019**

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	\$	133,200
Section 8		745,066
Capital Fund Grant		83,036
Total	\$	<u>961,302</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.

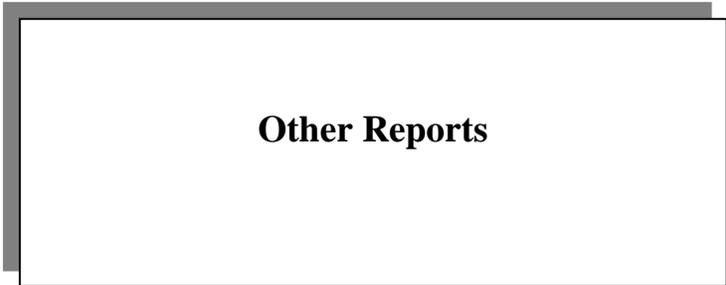
Presented for purposes of additional analysis only.

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

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

	Complete CFP Project 501-17	Incomplete CFP Project 501-18	Incomplete CFP Project 501-19	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
The Actual Modernization Costs Are As Follows:				
1. Funds Approved	\$ 57,272	\$ 84,062	\$ 89,399	\$ 230,733
Funds Expended	<u>(57,272)</u>	<u>(77,062)</u>	<u>-0-</u>	<u>(134,334)</u>
Excess of Funds Approved	<u>-0-</u>	<u>7,000</u>	<u>89,399</u>	<u>96,399</u>
2. Funds Advanced	57,272	48,315	89,399	194,986
Funds Expended	<u>(57,272)</u>	<u>(77,062)</u>	<u>-0-</u>	<u>(134,334)</u>
Excess of Funds Advanced	<u>\$ -0-</u>	<u>\$ (28,747)</u>	<u>\$ 89,399</u>	<u>\$ 60,652</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, 2019, 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, 2019.

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, 2019

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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, 2019. 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, 2019.

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, 2019

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2019**

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, 2018.

PRIOR YEAR FINDINGS

No items to report.

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THE VERCHER GROUP

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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.

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AGREED-UPON PROCEDURES REPORT Covington Housing Authority

Independent Accountant's Report On Applying Agreed-Upon 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, 2018, through March 31, 2019, 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.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

1. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observe that job duties are properly segregated such that:
 - a) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Observation: The entities fee accountant periodically reviews adding/modifying vendor files made by the executive director who is responsible for processing payments.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

1. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Observation: We obtained a listing for credit cards and management's representation that the list is complete.

2. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that finance charges and late fees were not assessed on the selected statements.

Observation: We randomly selected the month of September 2018 and found no finance charges or late fees on the statement.

Payroll and Personnel

1. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Select the Executive Director and randomly select 4 other employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Observation: We selected the Executive Director, as the only employee of the entity, and obtained the employment contract. We agreed the Executive Director's salary to the employment contract.

2. Randomly select one pay period during the fiscal period. For the 5 employees selected under #1 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observation: We selected the Executive Director payroll records and:

a) The director is paid a salary and does not maintain attendance records. Accumulated leave records are maintained.

Exception: Attendance records are not maintained.

Management's Response: Attendance records will be maintained in the future.

b) The board chair approves the leave of the Executive director.

c) Accumulated leave records are maintained and reported in the entity's books.

3. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee cumulative leave records, and agree the pay rates to the employee authorized pay rates in the employee personnel files.

Observation: There were no termination payments made during the year.

4. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Observation: Management represented that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Bank Reconciliations

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 selected each 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); and

c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Observation: the entity has two (2) checking accounts. We randomly selected August 2018 and observed:

a) Bank reconciliations did not include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Exception: Bank reconciliations did not include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Management's Response: Future bank reconciliations will have written documentation that they were prepared within 2 months of closing date.

- b) **Bank reconciliations do not 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).**

Exception: Bank reconciliations do not 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).

Management's Response: Bank statements are reconciled by the fee accountant who does not handle cash or issue checks. Future bank reconciliations will be initialed by someone other than the person preparing the bank reconciliations.

- c) **There were no reconciling items outstanding more than 12 months.**

Ethics

1. Obtain and inspect the entity's written policies and procedures over ethics and observe that they address each of the following:
- a) The prohibitions as defined in Louisiana Revised Statute 42:1111-1121;
 - b) Actions to be taken if an ethics violation takes place;
 - c) System to monitor possible ethics violations; and
 - d) Requirement that all employees and board members, annually attest through signature verification that they have read the entity's ethics policy.

Observation: We obtained the entity's written policies and procedures over ethics and observed that all of the above were included except for the requirement that all employees and board members, annually attest through signature verification that they have read the entity's ethics policy.

Exception: The policies and procedures manual does not include the requirement that all employees and board members, annually attest through signature verification that they have read the entity's ethics policy.

Management's Response: Management will update its policy and procedures manual.

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 obtained a listing of employees and board members and obtained management's representation that the listing is complete and observed:

- a) **The entity was unable to obtain documentation that each employee/board member completed one hour of ethics training during the fiscal period.**

Exception: The entity was unable to obtain documentation that each employee/board member completed one hour of ethics training during the fiscal period.

Management's Response: Each employee and the board members complete an ethics course during the fiscal year, but was unable to obtain the appropriate documentation.

- b) **There was not documentation that each employee/board member attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.**

Exception: There was not documentation that each employee/board member attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Management's Response: Management will have each employee/board member attest through signature verification that he or she has read the entity's ethics policy during the fiscal period.

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 Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
August 15, 2019

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: 03/31/2019

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
111 Cash - Unrestricted	\$22,827	\$234,007	\$14,323	\$271,157	
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	
113 Cash - Other Restricted	\$0	\$0	\$13,761	\$13,761	
114 Cash - Tenant Security Deposits	\$14,209	\$8,990	\$0	\$23,199	
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	
100 Total Cash	\$37,036	\$242,997	\$28,084	\$308,117	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$2,919	\$2,919	
122 Accounts Receivable - HUD Other Projects	\$28,748	\$0	\$0	\$28,748	
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	
125 Accounts Receivable - Miscellaneous	\$543	\$0	\$0	\$543	
126 Accounts Receivable - Tenants	\$0	\$2,645	\$0	\$2,645	
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	\$29,291	\$2,645	\$2,919	\$34,855	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

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	\$3,844	\$8,503	\$3,187	\$15,534	
143 Inventories	\$1,349	\$0	\$0	\$1,349	

	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	\$71,520	\$254,145	\$34,190	\$359,855	\$0
161 Land	\$202,304	\$753,490	\$0	\$955,794	
162 Buildings	\$3,015,901	\$7,238,005	\$0	\$10,253,906	
163 Furniture, Equipment & Machinery - Dwellings	\$51,891	\$211,747	\$0	\$263,638	
164 Furniture, Equipment & Machinery - Administration	\$181,107	\$0	\$11,396	\$192,503	
165 Leasehold Improvements	\$0	\$0	\$0	\$0	
166 Accumulated Depreciation	-\$2,621,715	-\$1,855,327	-\$11,396	-\$4,488,438	
167 Construction in Progress	\$0	\$0	\$0	\$0	
168 Infrastructure	\$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: 03/31/2019

160 Total Capital Assets, Net of Accumulated Depreciation	\$829,488	\$6,347,915	\$0	\$7,177,403	\$0
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	\$49,074	\$0	\$49,074	
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	
180 Total Non-Current Assets	\$829,488	\$6,396,989	\$0	\$7,226,477	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$901,008	\$6,651,134	\$34,190	\$7,586,332	\$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	\$11,656	\$24,735	\$1,553	\$37,944	
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	
321 Accrued Wage/Payroll Taxes Payable	\$4,153	\$0	\$0	\$4,153	
322 Accrued Compensated Absences - Current Portion	\$3,542	\$0	\$1,907	\$5,449	
324 Accrued Contingency Liability	\$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: 03/31/2019

325	Accrued Interest Payable	\$0	\$5,310	\$0	\$5,310	
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	
332	Account Payable - PHA Projects	\$0	\$0	\$0	\$0	
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	
341	Tenant Security Deposits	\$14,209	\$8,990	\$0	\$23,199	
342	Unearned Revenue	\$0	\$785	\$0	\$785	
343	Current Portion of Long-term Debt - Capital	\$0	\$21,362	\$0	\$21,362	
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	
345	Other Current Liabilities	\$0	\$0	\$0	\$0	
346	Accrued Liabilities - Other	\$136	\$0	\$0	\$136	
347	Inter Program - Due To	\$0	\$0	\$0	\$0	
348	Loan Liability - Current	\$0	\$0	\$0	\$0	
310	Total Current Liabilities	\$33,696	\$61,182	\$3,460	\$98,338	\$0
351	Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$1,077,431	\$0	\$1,077,431	
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	
353	Non-current Liabilities - Other	\$0	\$2,319,270	\$0	\$2,319,270	
354	Accrued Compensated Absences - Non Current	\$25,814	\$0	\$13,900	\$39,714	
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	
356	FASB 5 Liabilities	\$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: 03/31/2019

	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	\$25,814	\$3,396,701	\$13,900	\$3,436,415	\$0
300 Total Liabilities	\$59,510	\$3,457,883	\$17,360	\$3,534,753	\$0
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$829,488	\$5,249,122	\$0	\$6,078,610	
511.4 Restricted Net Position	\$0	\$0	\$13,761	\$13,761	
512.4 Unrestricted Net Position	\$12,010	-\$2,055,871	\$3,069	-\$2,040,792	
513 Total Equity - Net Assets / Position	\$841,498	\$3,193,251	\$16,830	\$4,051,579	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$901,008	\$6,651,134	\$34,190	\$7,586,332	\$0

	Total
111 Cash - Unrestricted	\$271,157
112 Cash - Restricted - Modernization and Development	\$0
113 Cash - Other Restricted	\$13,761

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

114 Cash - Tenant Security Deposits	\$23,199
115 Cash - Restricted for Payment of Current Liabilities	\$0
100 Total Cash	\$308,117
121 Accounts Receivable - PHA Projects	\$2,919
122 Accounts Receivable - HUD Other Projects	\$28,748
124 Accounts Receivable - Other Government	\$0
125 Accounts Receivable - Miscellaneous	\$543
126 Accounts Receivable - Tenants	\$2,645
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	\$34,855
131 Investments - Unrestricted	\$0
132 Investments - Restricted	\$0
135 Investments - Restricted for Payment of Current Liability	\$0
142 Prepaid Expenses and Other Assets	\$15,534
143 Inventories	\$1,349
143.1 Allowance for Obsolete Inventories	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

	Total
144 Inter Program Due From	\$0
145 Assets Held for Sale	\$0
150 Total Current Assets	\$359,855
161 Land	\$955,794
162 Buildings	\$10,253,906
163 Furniture, Equipment & Machinery - Dwellings	\$263,638
164 Furniture, Equipment & Machinery - Administration	\$192,503
165 Leasehold Improvements	\$0
166 Accumulated Depreciation	-\$4,488,438
167 Construction in Progress	\$0
168 Infrastructure	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,177,403
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	\$49,074
176 Investments in Joint Ventures	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

180 Total Non-Current Assets	\$7,226,477
200 Deferred Outflow of Resources	\$0
290 Total Assets and Deferred Outflow of Resources	\$7,586,332
311 Bank Overdraft	\$0

	Total
312 Accounts Payable <= 90 Days	\$37,944
313 Accounts Payable >90 Days Past Due	\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,153
322 Accrued Compensated Absences - Current Portion	\$5,449
324 Accrued Contingency Liability	\$0
325 Accrued Interest Payable	\$5,310
331 Accounts Payable - HUD PHA Programs	\$0
332 Account Payable - PHA Projects	\$0
333 Accounts Payable - Other Government	\$0
341 Tenant Security Deposits	\$23,199
342 Unearned Revenue	\$785
343 Current Portion of Long-term Debt - Capital	\$21,362

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

344 Current Portion of Long-term Debt - Operating Borrowings	\$0
345 Other Current Liabilities	\$0
346 Accrued Liabilities - Other	\$136
347 Inter Program - Due To	\$0
348 Loan Liability - Current	\$0
310 Total Current Liabilities	\$98,338
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$1,077,431
352 Long-term Debt, Net of Current - Operating Borrowings	\$0
353 Non-current Liabilities - Other	\$2,319,270
354 Accrued Compensated Absences - Non Current	\$39,714
355 Loan Liability - Non Current	\$0
356 FASB 5 Liabilities	\$0
357 Accrued Pension and OPEB Liabilities	\$0

	Total
350 Total Non-Current Liabilities	\$3,436,415
300 Total Liabilities	\$3,534,753
400 Deferred Inflow of Resources	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

508.4 Net Investment in Capital Assets	\$6,078,610
511.4 Restricted Net Position	\$13,761
512.4 Unrestricted Net Position	-\$2,040,792
513 Total Equity - Net Assets / Position	\$4,051,579
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$7,586,332

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
70300 Net Tenant Rental Revenue	\$132,378	\$283,637	\$0	\$416,015	
70400 Tenant Revenue - Other	\$3,060	\$13,148	\$0	\$16,208	
70500 Total Tenant Revenue	\$135,438	\$296,785	\$0	\$432,223	\$0
70600 HUD PHA Operating Grants	\$191,403	\$0	\$745,066	\$936,469	
70610 Capital Grants	\$24,833		\$0	\$24,833	
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	\$106	\$1,216	\$276	\$1,598	
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	\$39,000	\$0	\$129,680	\$168,680	

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	
70000 Total Revenue	\$390,780	\$298,001	\$875,022	\$1,563,803	\$0
91100 Administrative Salaries	\$40,840	\$34,175	\$30,005	\$105,020	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
91200 Auditing Fees	\$7,510	\$7,062	\$8,310	\$22,882	
91300 Management Fee	\$0	\$44,227	\$0	\$44,227	
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	
91400 Advertising and Marketing	\$67	\$2,295	\$948	\$3,310	
91500 Employee Benefit contributions - Administrative	\$13,048	\$5,186	\$7,778	\$26,012	
91600 Office Expenses	\$49,554	\$6,931	\$24,744	\$81,229	
91700 Legal Expense	\$2,275	\$500	\$0	\$2,775	
91800 Travel	\$7,447	\$0	\$1,625	\$9,072	
91810 Allocated Overhead	\$0	\$0	\$0	\$0	
91900 Other	\$27,935	\$671	\$11,824	\$40,430	
91000 Total Operating - Administrative	\$148,676	\$101,047	\$85,234	\$334,957	\$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: 03/31/2019

92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	
92400 Tenant Services - Other	\$3,262	\$50	\$0	\$3,312	
92500 Total Tenant Services	\$3,262	\$50	\$0	\$3,312	\$0
93100 Water	\$1,773	\$2,662	\$0	\$4,435	
93200 Electricity	\$8,527	\$4,683	\$0	\$13,210	
93300 Gas	\$1,021	\$0	\$0	\$1,021	
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	\$11,321	\$7,345	\$0	\$18,666	\$0
94100 Ordinary Maintenance and Operations - Labor	\$5,138	\$17,531	\$0	\$22,669	
94200 Ordinary Maintenance and Operations - Materials and	\$24,345	\$4,882	\$0	\$29,227	
94300 Ordinary Maintenance and Operations Contracts	\$97,335	\$58,515	\$0	\$155,850	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$393	\$2,671	\$0	\$3,064	
94000 Total Maintenance	\$127,211	\$83,599	\$0	\$210,810	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

95100 Protective Services - Labor	\$16,500	\$0	\$0	\$16,500	
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$2,354	\$0	\$0	\$2,354	
95500 Employee Benefit Contributions - Protective Services	\$1,262	\$0	\$0	\$1,262	
95000 Total Protective Services	\$20,116	\$0	\$0	\$20,116	\$0
96110 Property Insurance	\$19,405	\$32,155	\$0	\$51,560	
96120 Liability Insurance	\$6,081	\$0	\$822	\$6,903	
96130 Workmen's Compensation	\$0	\$1,124	\$0	\$1,124	
96140 All Other Insurance	\$7,328	\$0	\$0	\$7,328	
96100 Total insurance Premiums	\$32,814	\$33,279	\$822	\$66,915	\$0
96200 Other General Expenses	\$0	\$0	\$240	\$240	
96210 Compensated Absences	\$9,471	\$0	\$5,100	\$14,571	
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	
96400 Bad debt - Tenant Rents	\$0	\$244	\$0	\$244	
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	\$9,471	\$244	\$5,340	\$15,055	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

96710 Interest of Mortgage (or Bonds) Payable	\$0	\$113,046	\$0	\$113,046	
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	\$115,889	\$0	\$115,889	\$0
96900 Total Operating Expenses	\$352,871	\$341,453	\$91,396	\$785,720	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$37,909	-\$43,452	\$783,626	\$778,083	\$0
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	
97300 Housing Assistance Payments	\$0	\$0	\$686,984	\$686,984	
97350 HAP Portability-In	\$0	\$0	\$98,927	\$98,927	
97400 Depreciation Expense	\$118,182	\$206,586	\$0	\$324,768	
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	\$471,053	\$548,039	\$877,307	\$1,896,399	\$0
10010 Operating Transfer In	\$20,829	\$0	\$0	\$20,829	-\$20,829
10020 Operating transfer Out	-\$20,829	\$0	\$0	-\$20,829	\$20,829

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

	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	-\$80,273	-\$250,038	-\$2,285	-\$332,596	\$0
11020 Required Annual Debt Principal Payments	\$0	\$19,898	\$0	\$19,898	
11030 Beginning Equity	\$921,771	\$3,443,289	\$19,115	\$4,384,175	
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$0	
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$3,069	\$3,069	
11180 Housing Assistance Payments Equity			\$13,761	\$13,761	

	Project Total	6.1 Component Unit Discretely Presented	14.871 Housing Choice Vouchers	Subtotal	ELIM
11190 Unit Months Available	580	432	1110	2122	
11210 Number of Unit Months Leased	580	399	1093	2072	
11270 Excess Cash	\$6,340			\$6,340	
11610 Land Purchases	\$0			\$0	
11620 Building Purchases	\$22,505			\$22,505	
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0	
11640 Furniture & Equipment - Administrative Purchases	\$2,328			\$2,328	
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: 03/31/2019

	Total
70300 Net Tenant Rental Revenue	\$416,015
70400 Tenant Revenue - Other	\$16,208
70500 Total Tenant Revenue	\$432,223
70600 HUD PHA Operating Grants	\$936,469
70610 Capital Grants	\$24,833
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	\$1,598
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	\$168,680

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

71600 Gain or Loss on Sale of Capital Assets	\$0
72000 Investment Income - Restricted	\$0
70000 Total Revenue	\$1,563,803
91100 Administrative Salaries	\$105,020
91200 Auditing Fees	\$22,882

	Total
91300 Management Fee	\$44,227
91310 Book-keeping Fee	\$0
91400 Advertising and Marketing	\$3,310
91500 Employee Benefit contributions - Administrative	\$26,012
91600 Office Expenses	\$81,229
91700 Legal Expense	\$2,775
91800 Travel	\$9,072
91810 Allocated Overhead	\$0
91900 Other	\$40,430
91000 Total Operating - Administrative	\$334,957
92000 Asset Management Fee	\$0
92100 Tenant Services - Salaries	\$0
92200 Relocation Costs	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

92300 Employee Benefit Contributions - Tenant Services	\$0
92400 Tenant Services - Other	\$3,312
92500 Total Tenant Services	\$3,312
93100 Water	\$4,435
93200 Electricity	\$13,210
93300 Gas	\$1,021
93400 Fuel	\$0
93500 Labor	\$0
93600 Sewer	\$0
93700 Employee Benefit Contributions - Utilities	\$0
93800 Other Utilities Expense	\$0

	Total
93000 Total Utilities	\$18,666
94100 Ordinary Maintenance and Operations - Labor	\$22,669
94200 Ordinary Maintenance and Operations - Materials and	\$29,227
94300 Ordinary Maintenance and Operations Contracts	\$155,850
94500 Employee Benefit Contributions - Ordinary Maintenance	\$3,064
94000 Total Maintenance	\$210,810

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

95100 Protective Services - Labor	\$16,500
95200 Protective Services - Other Contract Costs	\$0
95300 Protective Services - Other	\$2,354
95500 Employee Benefit Contributions - Protective Services	\$1,262
95000 Total Protective Services	\$20,116
96110 Property Insurance	\$51,560
96120 Liability Insurance	\$6,903
96130 Workmen's Compensation	\$1,124
96140 All Other Insurance	\$7,328
96100 Total insurance Premiums	\$66,915
96200 Other General Expenses	\$240
96210 Compensated Absences	\$14,571
96300 Payments in Lieu of Taxes	\$0
96400 Bad debt - Tenant Rents	\$244
96500 Bad debt - Mortgages	\$0
96600 Bad debt - Other	\$0
	Total
96800 Severance Expense	\$0
96000 Total Other General Expenses	\$15,055

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2019

96710 Interest of Mortgage (or Bonds) Payable	\$113,046
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	\$115,889
96900 Total Operating Expenses	\$785,720
97000 Excess of Operating Revenue over Operating Expenses	\$778,083
97100 Extraordinary Maintenance	\$0
97200 Casualty Losses - Non-capitalized	\$0
97300 Housing Assistance Payments	\$686,984
97350 HAP Portability-In	\$98,927
97400 Depreciation Expense	\$324,768
97500 Fraud Losses	\$0
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	\$0
90000 Total Expenses	\$1,896,399
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: 03/31/2019

	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	-\$332,596
11020 Required Annual Debt Principal Payments	\$19,898
11030 Beginning Equity	\$4,384,175
11040 Prior Period Adjustments, Equity Transfers and Correction	\$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: 03/31/2019

11090 Changes in Allowance for Doubtful Accounts - Dwelling	
11100 Changes in Allowance for Doubtful Accounts - Other	
11170 Administrative Fee Equity	\$3,069
11180 Housing Assistance Payments Equity	\$13,761
11190 Unit Months Available	2122

	Total
11210 Number of Unit Months Leased	2072
11270 Excess Cash	\$6,340
11610 Land Purchases	\$0
11620 Building Purchases	\$22,505
11630 Furniture & Equipment - Dwelling Purchases	\$0
11640 Furniture & Equipment - Administrative Purchases	\$2,328
11650 Leasehold Improvements Purchases	\$0
11660 Infrastructure Purchases	\$0
13510 CFFP Debt Service Payments	\$0
13901 Replacement Housing Factor Funds	\$0