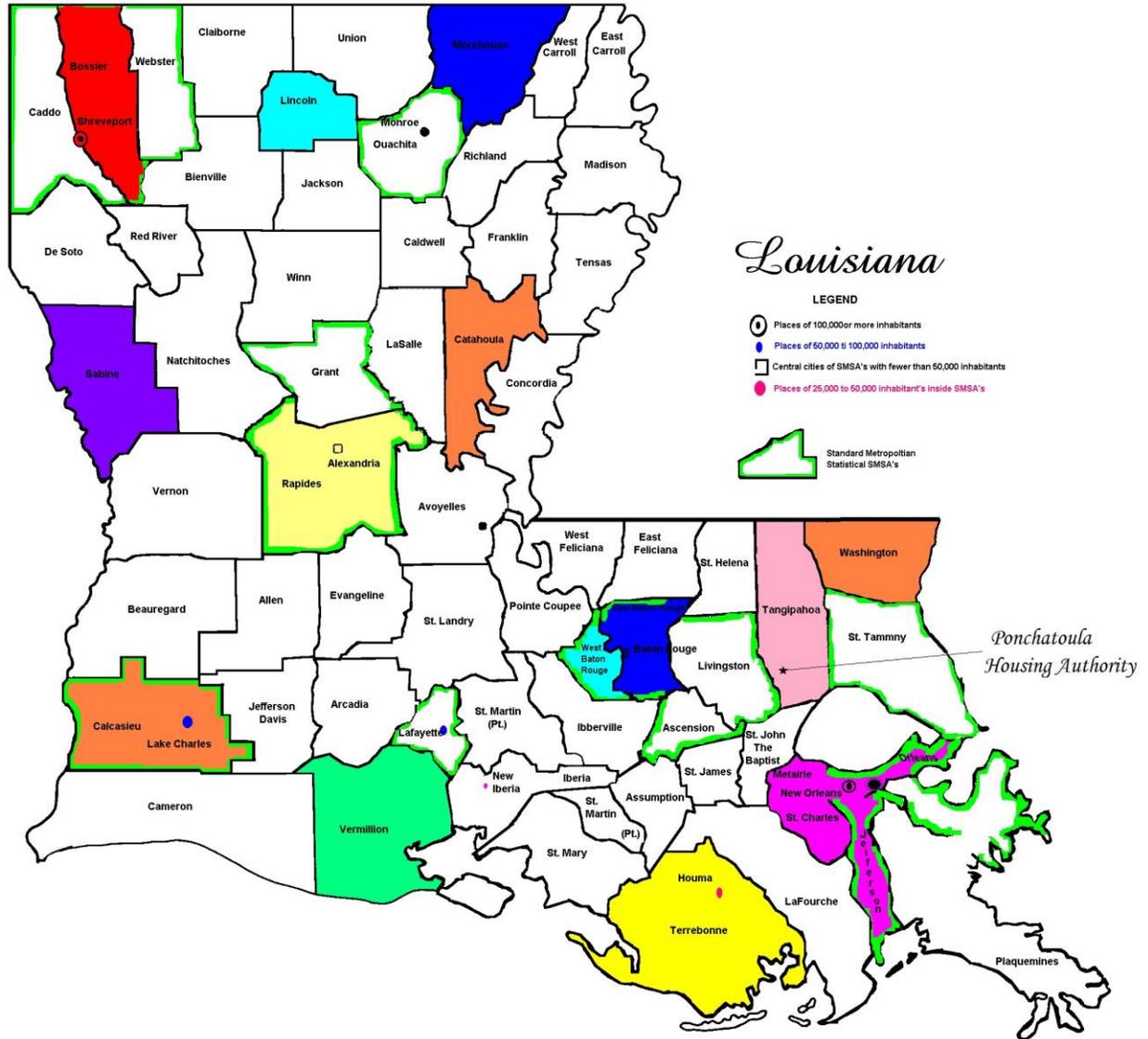


**HOUSING AUTHORITY  
OF  
CITY OF PONCHATOULA, LOUISIANA**

**Financial Statements and  
Supplemental Financial Information**

**June 30, 2019**

# HOUSING AUTHORITY OF THE CITY OF PONCHATOULA PONCHATOULA, 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 Ponchatoula  
Ponchatoula, Louisiana**

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June 30, 2019**

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Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

Housing Authority of the  
City of Ponchatoula  
Ponchatoula, 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 Ponchatoula, as of and for the year ended June 30, 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Ponchatoula, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 City of Ponchatoula'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 Financial Data Schedule and supplementary schedules and statements 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 and supplementary schedules and statements 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 November 8, 2019, on our consideration of the Housing Authority of the City of Ponchatoula'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 Ponchatoula's internal control over financial reporting and compliance.

### *The Vercher Group*

Jena, Louisiana  
November 8, 2019

**Housing Authority of the City of Ponchatoula  
Management's Discussion and Analysis  
June 30, 2019**

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As management of the Ponchatoula Housing Authority, we offer readers of the authority's financial statements this narrative overview and analysis of the financial activities to consider the information presented here in conjunction with the authority's financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the authority exceeded its liabilities at the close of the most recent fiscal year by \$1,976,001(net position), which is a \$18,167 decrease from last year.
- As of the close of the current fiscal year, the authority's ending unrestricted net position was \$375,130, which is a \$111,740 decrease from last year.
- The authority's cash and investment balance at June 30, 2019, was \$385,515.
- The Authority had total operating revenues of \$647,645, and total non-operating revenues of \$28,943.
- The authority had total operating expenses of \$792,078 and total non-operating expenses \$17,575.
- The authority had capital contributions in the amount of \$114,898 for the year.
- The authority had a total change in net position of \$(18,167) for the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction of the authority's basic financial statements. The authority's basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the Notes to the Financial Statements. This report also contains the schedule of expenditures of federal awards as supplemental 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 included all of the authority's assets and liabilities. This fund type is used for activities which are financial and operated in a manner similar to those in the private sector.

The authority has two main funding sources in its financial operation. These are the Low Rent Public Housing and Capital Fund Programs. Following is a brief description of each.

**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.

**Housing Authority of the City of Ponchatoula  
Management's Discussion and Analysis - Continued  
June 30, 2019**

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**Capital Fund Program** – The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the authority's physical and management improvements. The formula funding methodology is based on size and age of the authority's units.

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 Comparative Statement of Net Position as of June 30, 2019.

**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 families.

**Statement of Net Position**

<b>Assets</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>% Change</b>
Current Assets & Other Assets	\$ 570,219	\$ 435,505	-23.6
Capital Assets, Net	1,507,298	1,600,871	6.2
<b>Total Assets</b>	<u>2,077,517</u>	<u>2,036,376</u>	-2.0
 <b>Liabilities</b>			
Current Liabilities	80,382	57,410	-28.6
Non-Current Liabilities	2,967	2,965	-0.1
<b>Total Liabilities</b>	<u>83,349</u>	<u>60,375</u>	-27.6
 <b>Net Position</b>			
Net Investment in Capital Assets	1,507,298	1,600,871	6.2
Restricted	-0-	-0-	0.0
Unrestricted	486,870	375,130	-23.0
<b>Total Net Position</b>	<u>\$ 1,994,168</u>	<u>\$ 1,976,001</u>	-1.0

- Total assets decreased by \$41,141 or 2.0% from last year. The primary reason for this decrease is due to a decrease in Investments in the amount of \$140,367.
- Total liabilities decreased by \$22,974 or 27.6%. The primary reason for this change is due to a decrease in Accounts Payable, which decreased by \$8,101.
- Total net position decreased by \$18,167 or 1.0%.

**Housing Authority of the City of Ponchatoula  
Management's Discussion and Analysis - Continued  
June 30, 2019**

The table below lists the Comparative Statement of Revenues, Expenses, and Changes in Net Position as of June 30, 2019.

**Statement of Revenues, Expenses, & Changes in Net Position**

	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>% Change</u>
<b>Operating Revenues</b>			
Tenant Revenue	\$ 295,080	\$ 285,277	-3.3
HUD Operating Grants	345,778	362,368	4.8
<b>Total Operating Revenues</b>	<u>640,858</u>	<u>647,645</u>	1.1
<b>Operating Expenses</b>			
Administration	195,275	203,578	4.3
Tenant Services	3,468	3,507	1.1
Utilities	48,943	49,689	1.5
Operation & Maintenance	249,104	261,393	4.9
Protection Services	13,050	13,350	2.3
Taxes & Insurance	65,213	64,956	-0.4
Other	8,780	4,038	-54.0
Depreciation	192,700	191,567	-0.6
<b>Total Operating Expenses</b>	<u>776,533</u>	<u>792,078</u>	2.0
<b>Operating Income (Loss)</b>	(135,675)	(144,433)	6.5
<b>Non-Operating Revenues (Expenses)</b>			
Interest	3,818	2,307	-39.6
Other Revenue	30,819	26,636	-13.6
Extraordinary Maintenance	-0-	(17,575)	100.00
<b>Total Non-Operating Revenues (Expenses)</b>	<u>34,637</u>	<u>11,368</u>	-67.2
Capital Contributions	78,938	114,898	45.6
Special Items	(19,936)	-0-	-100.0
<b>Changes in Net Position</b>	(42,036)	(18,167)	-56.8
<b>Prior Period Adjustment</b>	24,253	-0-	-100.0
<b>Beginning Net Position</b>	<u>2,011,951</u>	<u>1,994,168</u>	-1.0
<b>Ending Net Position</b>	<u>\$ 1,994,168</u>	<u>\$ 1,976,001</u>	-0.9

- Total operating revenues increased by \$6,787 or 1.1%. The primary reason for this increase is because of an increase in Tenant Revenue in the amount of \$9,803.
- Total operating expenses increased by \$15,545 or 2.0%. The primary reason for this increase is because of an increase in Operation & Maintenance Expense in the amount of \$12,289.
- Total non-operating revenues/expenses decreased by \$23,269 or 67.2%. The primary reason for this change is because of a decrease in other revenue in the amount of \$4,183 and an increase in Extraordinary Maintenance Expense in the amount of \$17,575.
- Capital contributions increased by \$35,960 or 45.6%.

**Housing Authority of the City of Ponchatoula  
Management's Discussion and Analysis - Continued  
June 30, 2019**

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**Capital Asset & Debt Administration**

**Capital Assets**

As of June 30, 2019, the authority's investment in capital assets was \$1,600,871 (net of accumulated depreciation).

This investment includes land, building improvements, dwelling equipment and maintenance equipment.

		<u>2018</u>		<u>2019</u>
Capital Assets *	\$	8,119,869	\$	8,405,009
Less Accumulated Depreciation		(6,612,571)		(6,804,138)
<b>Capital Assets, Net</b>	<b>\$</b>	<b><u>1,507,298</u></b>	<b>\$</b>	<b><u>1,600,871</u></b>

\* Land in the amount of \$110,941 is not being depreciated.

**Long Term Debt**

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

**Voluntary Transfer of Housing Choice Voucher Program Units from the Ponchatoula Housing Authority (LA075) to the Tangipahoa Parish Government Housing Program (LA207)**

On June 5, 2017, the Office of Housing Voucher Programs approved the transfer and assigned July 1, 2017 as the effective date of transfer. This transfer does not include any Special Purpose Vouchers or Programs. The divesting PHA will work with the receiving PHA and Loretta Parker of the Financial Management Center (FMC) to transfer the Unrestricted Net Position (UNP) and Restricted Net Position (RNP) funds, respectively. A repayment agreement must be established immediately should HCV funds be unaccounted for during the reconciliation of UNP and RNP balances.

The divesting PHA will procure a close-out financial review, per requirements in PIH Notice 2015-22, to include the submission of all required financial information needed to close-out its HCV program for FY 2017 in the PIH sub-systems. The close-out reporting requirements include timely and complete reporting in the Voucher Management System (VMS) for all months in operations prior to the effected date of the voluntary transfer.

**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 FYE 2020. Therefore, any results of budget shortfalls cannot be determined.

**Housing Authority of the City of Ponchatoula  
Management's Discussion and Analysis - Continued  
June 30, 2019**

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**Contacting the Authority's Finance Management**

The financial report is designed to provide a general overview of the authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following address:

Housing Authority of the City of Ponchatoula  
PO Box 783  
Ponchatoula, LA 70454

## **Basic Financial Statements**

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Statement of Net Position  
June 30, 2019**

<b>ASSETS</b>	<b>ENTERPRISE FUND</b>
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 221,669
Investments	139,956
Accounts Receivable, Net	15,643
Inventory, Net	5,657
Prepaid Items	28,690
<b>RESTRICTED ASSETS</b>	
Tenants' Security Deposits	23,890
Other Restricted Cash	-0-
<b>TOTAL CURRENT ASSETS</b>	<u>435,505</u>
<b>NON-CURRENT ASSETS</b>	
Capital Assets (Net of Accumulated Depreciation)	<u>1,600,871</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,600,871</u>
<b>TOTAL ASSETS</b>	<u>2,036,376</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	11,644
Accrued Wages/Payroll Taxes Payable	1,148
Accrued Compensated Absences	2,966
Unearned Revenue	5,200
Tenants' Security Deposits	23,890
Other Current Liabilities	7,280
Accrued Liabilities - Other	5,282
<b>TOTAL CURRENT LIABILITIES</b>	<u>57,410</u>
<b>NON-CURRENT LIABILITIES</b>	
Accrued Compensated Absences	<u>2,965</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>2,965</u>
<b>TOTAL LIABILITIES</b>	<u>60,375</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,600,871
Restricted	-0-
Unrestricted	375,130
<b>TOTAL NET POSITION</b>	<u>\$ 1,976,001</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Statement of Revenues, Expenses, & Changes in Net Position  
Year Ended June 30, 2019**

	<b>ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Tenant Rental Revenue	\$ 285,277
HUD PHA Operating Grant	362,368
<b>TOTAL OPERATING REVENUES</b>	<b>647,645</b>
<b>OPERATING EXPENSES</b>	
<i>Administration:</i>	
Administrative Salaries	31,462
EBC Administrative	14,120
Other Operating - Administrative	157,996
<i>Tenant Services:</i>	
Tenant Services - Other	3,507
<i>Cost of Sales &amp; Service:</i>	
Water	11,758
Electricity	8,778
Gas	773
Sewer	28,380
Ordinary Maintenance – Labor	38,103
Materials	45,015
Contract Cost	155,820
EBC Maintenance	22,455
Protection Services	13,350
Insurance	41,397
Payment in Lieu of Taxes	23,559
Bad Debt -Tenant Rent	1,023
Compensated Absences	3,015
<i>Depreciation</i>	191,567
<b>TOTAL OPERATING EXPENSES</b>	<b>792,078</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(144,433)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Earnings	2,307
Other Revenue	26,636
Extraordinary Maintenance	(17,575)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>11,368</b>
Capital Contributions	114,898
<b>CHANGE IN NET POSITION</b>	<b>(18,167)</b>
<b>TOTAL NET POSITION – BEGINNING</b>	<b>1,994,168</b>
<b>TOTAL NET POSITION – ENDING</b>	<b>\$ 1,976,001</b>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Statement of Cash Flows  
Year Ended June 30, 2019**

	<b>ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From Customers & Users	\$ 285,548
Receipts From HUD	411,329
Payments to Suppliers	(522,084)
Payments to Employees	(76,019)
Payments for PILOT	(23,559)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>75,215</u></b>
 <b>CASH FLOWS FROM NON-CAPITAL ACTIVITIES</b>	
Other Revenue	26,636
Extraordinary Maintenance	(17,575)
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL ACTIVITIES</b>	<b><u>9,061</u></b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants	114,898
Acquisition & Construction of Capital Assets	(285,140)
Deletion of Capital Assets	-0-
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<b><u>(170,242)</u></b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(Increase) Decrease in Investments	140,367
Interest & Dividends Received	2,307
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>142,674</u></b>
 <b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>56,708</b>
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>188,851</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u><u>245,559</u></u></b>
 <b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	221,669
Tenants' Security Deposits	23,890
Other Restricted Cash	-0-
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$ <u><u>245,559</u></u></b>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Statement of Cash Flows  
Reconciliation  
For The Year Ended June 30, 2019**

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

Operating Income (Loss)	\$ <u>(144,433)</u>
Depreciation Expense	191,567
(Increase) Decrease in Accounts Receivable	359
(Increase) Decrease in Accounts Receivable, HUD	48,961
(Increase) Decrease in Inventories	3,572
(Increase) Decrease in Prepaid Items	(1,837)
Increase (Decrease) in Accounts Payable	(8,101)
Increase (Decrease) in Compensated Absences	(4,121)
Increase (Decrease) in Accrued Wage/Payroll Taxes Payable	(2,333)
Increase (Decrease) in Tenant Deposits	1,657
Increase (Decrease) in Unearned Revenue	92
Increase (Decrease) in Accrued Liabilities - Other	(5,869)
Increase (Decrease) in Other Current Liabilities	<u>(4,299)</u>
<b>TOTAL ADJUSTMENTS</b>	<u><u>219,648</u></u>
 <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	 <u><u>75,215</u></u>

**LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**INTRODUCTION**

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

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

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

GASB Statements No. 14 and No. 39 establish criteria for determining which, if any, component units should be considered part of the authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a majority of an organizations 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 authority has determined that the following component unit should be considered as part of the authority reporting entity:

PHA-Helena Manor, Inc. (CU) is a legally separate entity. The members of the authority's board of commissioners also serve as the board of directors of the entity. The authority has the ability to impose its will on the entity.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

The CU was formed for the purpose of facilitating the development and financing of a 30 unit elderly housing facility within the city limits of the City of Ponchatoula. The CU is a partner in the developer partnership. Since the investment limited partner owns 99+% interest in the partnership, the CU takes the position that eventual control of the partnership rests with the investment limited partnership.

The partnership has entered into loan agreements and other financing arrangements that may have incurred contingent liabilities on behalf of the CU, but not any that would obligate the PHA. No contingencies have been reported in the PHA financial statements.

This CU is included through blended presentation in the PHA financial statements.

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

**BASIS OF PRESENTATION**

As required by Louisiana State Reporting Law (LSA-R.S. 24:514) and HUD regulations, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of the PHA are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

**Proprietary Fund Type** – Proprietary fund is accounted for on the flow of economic resources measurements focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The PHA applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The PHA's funds include the following type:

**Enterprise Fund** – Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

**1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIC FINANCIAL STATEMENTS**

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position) report information on all of the activities of the authority.

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

The basic financial statements are reported using 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.

As a general rule, the effect of Interfund 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 nonoperating 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.

**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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

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

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

**D. DEPOSITS & INVESTMENTS**

The Housing Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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.

Investments (bank certificate of deposits in excess of 90 days) for the housing authority are reported at fair value.

**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 Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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

**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 authority maintains a threshold level of \$3,500 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 Ponchatoula  
Ponchatoula, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 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	20 years
Buildings	20 years
Building improvements	10 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	5 years

**H. COMPENSATED ABSENCES**

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

**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. EXTRAORDINARY & SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the housing authority, which are either unusual in nature or infrequent in occurrence.

**K. 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 Ponchatoula  
Ponchatoula, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

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

At June 30, 2019, the housing authority has cash and investments (bank balances) totaling \$411,347 as follows:

Demand deposits	\$	271,391
Time deposits		139,956
<b>Total</b>	\$	<u>411,347</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 Ponchatoula  
Ponchatoula, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

Amounts on deposit are secured by the following pledges:

<b>Description</b>	<b>Market Value</b>
FDIC (Category 1)	\$ 389,956
Securities (Category 2)	330,956
<b>Total</b>	<b>\$ 720,912</b>

Deposits were fully secured as of June 30, 2019.

**3. ACCOUNTS RECEIVABLE**

The receivables (net of allowance for doubtful accounts of \$-0- were \$15,643 as of June 30, 2019. The receivables are as follows:

A/R PHA Projects	\$	-0-
A/R HUD		6,572
A/R Tenants		1,164
A/R Miscellaneous		7,280
Accrued Interest Receivable		627
Allowance For Doubtful Accounts		-0-
<b>Total</b>	<b>\$</b>	<b>15,643</b>

**4. PREPAID ITEMS**

The housing authority's prepaid items as of June 30, 2019, consist of the following:

Prepaid Insurance	\$	28,690
<b>Total</b>	<b>\$</b>	<b>28,690</b>

**5. INVENTORY**

The inventories of \$5,657, as of June 30, 2019, are as follows:

Inventories	\$	5,955
Allowance for Obsolete Inventories		(298)
<b>Inventories, Net</b>	<b>\$</b>	<b>5,657</b>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

**6. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land *	\$ 110,941	\$ -0-	\$ -0-	\$ 110,941
Buildings & Leasehold Improvements	7,944,493	285,140	-0-	8,229,633
Furniture & Equipment, Etc.	64,435	-0-	-0-	64,435
Construction-In-Progress	-0-	-0-	-0-	-0-
<b>Total</b>	<u>8,119,869</u>	<u>285,140</u>	<u>-0-</u>	<u>8,405,009</u>
Less Accumulated Depreciation	(6,612,571)	(191,567)	-0-	(6,804,138)
<b>Net Capital Assets</b>	<u>\$ 1,507,298</u>	<u>\$ 93,573</u>	<u>\$ -0-</u>	<u>\$ 1,600,871</u>

\* Land in the amount of \$110,941 is not being depreciated.

**7. ACCOUNTS, SALARIES & OTHER PAYABLES**

The payables of \$15,758 at June 30, 2019, are as follows:

Accounts Payable	\$ 11,644
Accrued Wages/Payroll Taxes Payable	1,148
Accrued Compensated Absences (Current Portion)	<u>2,966</u>
<b>Total</b>	<u>\$ 15,758</u>

**8. CHANGES IN COMPENSATED ABSENCES PAYABLES**

The following is a summary of changes in compensated absences payable at June 30, 2019:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 7,085	\$ 2,967	\$ 10,052
Additions/Retirements	<u>(4,119)</u>	<u>(2)</u>	<u>(4,121)</u>
End of year	<u>\$ 2,966</u>	<u>\$ 2,965</u>	<u>\$ 5,931</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

**9. RETIREMENT SYSTEMS**

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

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

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The housing authority's total payroll for the fiscal year ending June 30, 2019, was \$75,520. The housing authority's contributions were calculated using the base salary amount of \$37,088. Contributions to the plan were \$1,854 and \$2,967 by the employees and the housing authority, respectively.

**10. CONTINGENT LIABILITIES**

At June 30, 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.

**11. 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 \$477,266 to the housing authority, which represents approximately 60.3% of the housing authority's revenues for the year.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
JUNE 30, 2019**

**12. VOLUNTARY TRANSFER OF HOUSING CHOICE VOUCHER PROGRAM UNITS FROM THE PONCHATOULA HOUSING AUTHORITY (LA075) TO THE TANGIPAHOA PARISH GOVERNMENT HOUSING PROGRAM (LA 207)**

On June 5, 2017, the Office of Housing Voucher Programs approved the transfer and assigned July 1, 2017 as the effective date of transfer. This transfer does not include any Special Purpose Vouchers or Programs. The divesting PHA will work with the receiving PHA and Loretta Parker of the Financial Management Center (FMC) to transfer the Unrestricted Net Position (UNP) and Restricted Net Position (RNP) funds, respectively. A repayment agreement must be established immediately should HCV funds be unaccounted for during the reconciliation of UNP and RNP balances.

The divesting PHA will procure a close-out financial review, per requirements in PIH Notice 2015-22, to include the submission of all required financial information needed to close-out its HCV program for FY 2017 in the PIH sub-systems. The close-out reporting requirements include timely and complete reporting in the Voucher Management System (VMS) for all months in operations prior to the effected date of the voluntary transfer.

**Other Supplemental Statements  
& Schedules**

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Schedule of Compensation Benefits and Other Payments  
to Agency Head of Chief Executive Officer  
Year Ended June 30, 2019**

Tammie Groover, Executive Director (Contract)

Purpose	Amount
Salary	\$ -0-
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

NOTE: The executive director serves under contract with the Covington Housing Authority. Payments made for the executive director's services are made directly to Covington Housing Authority.

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

See independent auditor's report.

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Schedule of Compensation Paid to Board Members  
Year Ended June 30, 2019**

<b>Board Member</b>	<b>Title</b>	<b>Salary</b>
Charles "Buddy" Pugh	Chairman	-0-
Stormey Joiner	Commissioner	-0-
Patricia Ayala	Commissioner	-0-
Ella Badon	Commissioner	-0-
Eva Jacks	Commissioner	-0-

See independent auditor's report.

**Housing Authority of the City of Ponchatoula  
Ponchatoula, Louisiana  
Statement and Certification of Actual Modernization Cost  
Annual Contribution Contract**

	<b>Complete Project CFP 2017-501</b>	<b>Incomplete Project CFP 2018-501</b>	<b>Total</b>
The Actual Modernization Costs Are As Follows:			
1. Funds Approved	\$ 140,081	\$ 200,202	\$ 340,283
Funds Expended	<u>(140,081)</u>	<u>(200,202)</u>	<u>(340,283)</u>
Excess of Funds Approved	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
2. Funds Advanced	140,081	193,630	333,711
Funds Expended	<u>(140,081)</u>	<u>(200,202)</u>	<u>(340,283)</u>
Excess of Funds Advanced	\$ <u>-0-</u>	\$ <u>(6,572)</u>	\$ <u>(6,572)</u>

See independent auditor's report.



**Other Reports**

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### **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Housing Authority of the City of Ponchatoula  
Ponchatoula, 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 Ponchatoula, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Ponchatoula’s basic financial statements, and have issued our report thereon dated November 8, 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 Ponchatoula’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 Ponchatoula’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Ponchatoula’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 weakness may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Ponchatoula'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  
November 8, 2019

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2019**

We have audited the basic financial statements which collectively comprise the Housing Authority of the City of Ponchatoula, Louisiana, as of and for the year ended June 30, 2019, and have issued our report thereon dated November 8, 2019. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Section I Summary of Auditor's Results**

Our audit of the basic financial statements as of June 30, 2019, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses     Yes    No    Significant Deficiencies     Yes    No

Compliance

Compliance Material to Basic Financial Statements     Yes    No

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses     Yes    No    Other Conditions     Yes    No

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

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

Yes    No

**c. Identification Of Major Programs:**

CFDA Number (s)	Name Of Federal Program (or Cluster)

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

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2019**

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**Section II Financial Statement Findings**

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No findings to report.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

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## **MANAGEMENT LETTER COMMENTS**

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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.

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

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

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**FINDINGS:**

No findings to report.

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

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

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

The management of the Housing Authority of the City of Ponchatoula, 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 June 30, 2018.

**PRIOR YEAR FINDINGS**

No findings to report.

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### **AGREED-UPON PROCEDURES REPORT**

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

**Independent Accountant's Report**

**On Applying Agreed-Upon Procedures**

**For the Period of July 1, 2018- June 30, 2019**

Ponchatoula Housing Authority  
Ponchatoula, Louisiana

To the Ponchatoula Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Ponchatoula Housing Authority (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing 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.

The procedures and associated findings are as follows:

## ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Observation:** The entity's policies and procedures manual contained all of the above categories except debt service and disaster recover/business continuity.

**Exception:** The entity's policies and procedures manual did not address debt service and disaster recovery/business continuity.

**Management's Response:** The entity is not allowed to enter into debt. The entity will have its I.T. personnel put in writing its disaster recovery/business continuity procedures.

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Observation:** These procedures had no exceptions in the prior year. These procedures will be rotated to the next fiscal year.

### ***Bank Reconciliations***

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3. 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: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

### Collections (excluding EFTs)

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Observation: We obtained a listing of locations and management’s representation that the listing is correct.**

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) 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.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Observation:**

**A) At least two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.**

**Exception: At least two employees are not involved initiating a purchase request, approving a purchase, and placing an order/making the purchase.**

**Management’s Response: The entity does not have enough employees to implement these procedures. The board approves all purchases.**

**B) At least two employees are not involved in processing and approving payments to vendors.**

**Exception: At least two employees are not involved in processing and approving payments to vendors.**

**Management's Response: The entity does not have enough employees to implement these procedures. The board approves all purchases.**

- C) The employee responsible for processing payments is not prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Exception: The employee responsible for processing payments is not prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.**

**Management's Response: The entity does not have enough employees to implement these procedures. The board approves all purchases.**

- D) The employee/official responsible for signing checks does not always mail the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Exception: The employee/official responsible for signing checks does not always mail the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.**

**Management's Response: The entity does not have enough employees to implement these procedures. The board approves all purchases.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Observation: We obtained the disbursement transaction population and management's representation that the population is correct.**

**A) We matched a random sample of disbursements with the related invoice/billing statement.**

**B) The disbursement documentation did not include evidence of segregation of duties tested under #9.**

**Exception: The disbursement documentation did not include evidence of segregation of duties tested under #9.**

**Management's Response: All disbursements had dual signatures on the check with one of the signatures being a member of the board.**

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. 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: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

12. 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 there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

b) Observe that finance charges and late fees were not assessed on the selected statements.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those

individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Observation: We obtained a listing of all travel and travel related expense reimbursements during the fiscal period and management's representation that the listing is complete.**

- A) All reimbursements were within the G.S.A rates.**
- B) Reimbursements using actual costs were supported by an itemized receipt that identified precisely what was purchased.**
- C) Reimbursements were supported by documentation of the business/public purpose.**
- D) Each reimbursement was reviewed and approved in writing by someone other than the person receiving the reimbursement.**

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - 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: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

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

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

19. 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: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

## *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

## *Debt Service*

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

## *Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Observation: These procedures had no exceptions in the prior years. These procedures will be rotated to the next fiscal year.**

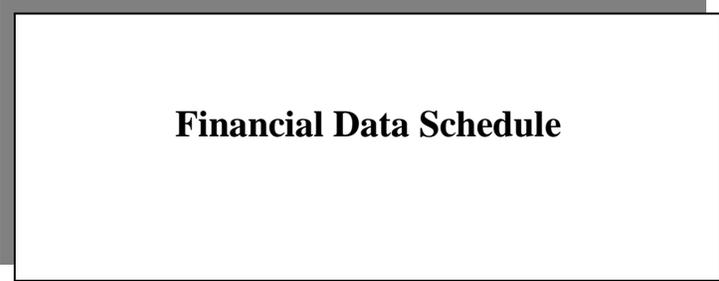
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have 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 C/C areas identified in the SAUPs, 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

November 8, 2019



**Financial Data Schedule**

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$214,603	\$7,066	\$221,669		\$221,669
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0	\$0		\$0
114 Cash - Tenant Security Deposits	\$23,890	\$0	\$23,890		\$23,890
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0		\$0
100 Total Cash	\$238,493	\$7,066	\$245,559	\$0	\$245,559
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$6,572	\$0	\$6,572		\$6,572
124 Accounts Receivable - Other Government	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$7,280	\$0	\$7,280		\$7,280
126 Accounts Receivable - Tenants	\$1,164	\$0	\$1,164		\$1,164
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	\$627	\$0	\$627		\$627
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$15,643	\$0	\$15,643	\$0	\$15,643

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

131 Investments - Unrestricted	\$139,956	\$0	\$139,956		\$139,956
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	\$28,690	\$0	\$28,690		\$28,690
143 Inventories	\$5,955	\$0	\$5,955		\$5,955

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
143.1 Allowance for Obsolete Inventories	-\$298	\$0	-\$298		-\$298
144 Inter Program Due From	\$0	\$0	\$0		\$0
145 Assets Held for Sale	\$0	\$0	\$0		\$0
150 Total Current Assets	\$428,439	\$7,066	\$435,505	\$0	\$435,505
161 Land	\$110,941	\$0	\$110,941		\$110,941
162 Buildings	\$7,031,117	\$0	\$7,031,117		\$7,031,117
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0		\$0
164 Furniture, Equipment & Machinery - Administration	\$64,435	\$0	\$64,435		\$64,435
165 Leasehold Improvements	\$1,198,516	\$0	\$1,198,516		\$1,198,516
166 Accumulated Depreciation	-\$6,804,138	\$0	-\$6,804,138		-\$6,804,138
167 Construction in Progress	\$0	\$0	\$0		\$0
168 Infrastructure	\$0	\$0	\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

160 Total Capital Assets, Net of Accumulated Depreciation	\$1,600,871	\$0	\$1,600,871	\$0	\$1,600,871
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	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$1,600,871	\$0	\$1,600,871	\$0	\$1,600,871
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$2,029,310	\$7,066	\$2,036,376	\$0	\$2,036,376

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$11,644	\$0	\$11,644		\$11,644
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$1,148	\$0	\$1,148		\$1,148
322 Accrued Compensated Absences - Current Portion	\$2,966	\$0	\$2,966		\$2,966
324 Accrued Contingency Liability	\$0	\$0	\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

325	Accrued Interest Payable	\$0	\$0	\$0		\$0
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	\$23,890	\$0	\$23,890		\$23,890
342	Unearned Revenue	\$5,200	\$0	\$5,200		\$5,200
343	Current Portion of Long-term Debt - Capital	\$0	\$0	\$0		\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0		\$0
345	Other Current Liabilities	\$0	\$7,280	\$7,280		\$7,280
346	Accrued Liabilities - Other	\$5,282	\$0	\$5,282		\$5,282
347	Inter Program - Due To	\$0	\$0	\$0		\$0
348	Loan Liability - Current	\$0	\$0	\$0		\$0
310	Total Current Liabilities	\$50,130	\$7,280	\$57,410	\$0	\$57,410
351	Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0		\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0		\$0
353	Non-current Liabilities - Other	\$0	\$0	\$0		\$0
354	Accrued Compensated Absences - Non Current	\$2,965	\$0	\$2,965		\$2,965
355	Loan Liability - Non Current	\$0	\$0	\$0		\$0
356	FASB 5 Liabilities	\$0	\$0	\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$2,965	\$0	\$2,965	\$0	\$2,965
300 Total Liabilities	\$53,095	\$7,280	\$60,375	\$0	\$60,375
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$1,600,871	\$0	\$1,600,871		\$1,600,871
511.4 Restricted Net Position	\$0	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$375,344	-\$214	\$375,130		\$375,130
513 Total Equity - Net Assets / Position	\$1,976,215	-\$214	\$1,976,001	\$0	\$1,976,001
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,029,310	\$7,066	\$2,036,376	\$0	\$2,036,376

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$281,131	\$0	\$281,131		\$281,131
70400 Tenant Revenue - Other	\$4,146	\$0	\$4,146		\$4,146
70500 Total Tenant Revenue	\$285,277	\$0	\$285,277	\$0	\$285,277
70600 HUD PHA Operating Grants	\$362,368	\$0	\$362,368		\$362,368
70610 Capital Grants	\$114,898		\$114,898		\$114,898
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$2,190	\$117	\$2,307		\$2,307
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

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

71500 Other Revenue	\$25,617	\$1,019	\$26,636		\$26,636
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0	\$0	\$0		\$0
70000 Total Revenue	\$790,350	\$1,136	\$791,486	\$0	\$791,486
91100 Administrative Salaries	\$31,462	\$0	\$31,462		\$31,462

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
91200 Auditing Fees	\$11,850	\$0	\$11,850		\$11,850
91300 Management Fee	\$60,000	\$0	\$60,000		\$60,000
91310 Book-keeping Fee	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$175	\$0	\$175		\$175
91500 Employee Benefit contributions - Administrative	\$14,120	\$0	\$14,120		\$14,120
91600 Office Expenses	\$56,736	\$0	\$56,736		\$56,736
91700 Legal Expense	\$104	\$0	\$104		\$104
91800 Travel	\$12,751	\$0	\$12,751		\$12,751
91810 Allocated Overhead	\$0	\$0	\$0		\$0
91900 Other	\$16,380	\$0	\$16,380		\$16,380
91000 Total Operating - Administrative	\$203,578	\$0	\$203,578	\$0	\$203,578
92000 Asset Management Fee	\$0	\$0	\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

92100 Tenant Services - Salaries	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$3,507	\$0	\$3,507		\$3,507
92500 Total Tenant Services	\$3,507	\$0	\$3,507	\$0	\$3,507
93100 Water	\$11,758	\$0	\$11,758		\$11,758
93200 Electricity	\$8,778	\$0	\$8,778		\$8,778
93300 Gas	\$773	\$0	\$773		\$773
93400 Fuel	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0		\$0
93600 Sewer	\$28,380	\$0	\$28,380		\$28,380
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0		\$0

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
93800 Other Utilities Expense	\$0	\$0	\$0		\$0
93000 Total Utilities	\$49,689	\$0	\$49,689	\$0	\$49,689
94100 Ordinary Maintenance and Operations - Labor	\$38,103	\$0	\$38,103		\$38,103
94200 Ordinary Maintenance and Operations - Materials and	\$45,015	\$0	\$45,015		\$45,015
94300 Ordinary Maintenance and Operations Contracts	\$155,820	\$0	\$155,820		\$155,820

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

94500 Employee Benefit Contributions - Ordinary Maintenance	\$22,455	\$0	\$22,455		\$22,455
94000 Total Maintenance	\$261,393	\$0	\$261,393	\$0	\$261,393
95100 Protective Services - Labor	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$13,350	\$0	\$13,350		\$13,350
95300 Protective Services - Other	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$13,350	\$0	\$13,350	\$0	\$13,350
96110 Property Insurance	\$22,051	\$0	\$22,051		\$22,051
96120 Liability Insurance	\$10,122	\$0	\$10,122		\$10,122
96130 Workmen's Compensation	\$3,876	\$0	\$3,876		\$3,876
96140 All Other Insurance	\$5,348	\$0	\$5,348		\$5,348
96100 Total insurance Premiums	\$41,397	\$0	\$41,397	\$0	\$41,397
96200 Other General Expenses	\$0	\$0	\$0		\$0
96210 Compensated Absences	\$3,015	\$0	\$3,015		\$3,015
96300 Payments in Lieu of Taxes	\$23,559	\$0	\$23,559		\$23,559
96400 Bad debt - Tenant Rents	\$1,023	\$0	\$1,023		\$1,023
96500 Bad debt - Mortgages	\$0	\$0	\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
**PONCHATOULA, LA**  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
96600 Bad debt - Other	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$27,597	\$0	\$27,597	\$0	\$27,597
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$600,511	\$0	\$600,511	\$0	\$600,511
97000 Excess of Operating Revenue over Operating Expenses	\$189,839	\$1,136	\$190,975	\$0	\$190,975
97100 Extraordinary Maintenance	\$17,575	\$0	\$17,575		\$17,575
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$0	\$0		\$0
97350 HAP Portability-In	\$0	\$0	\$0		\$0
97400 Depreciation Expense	\$191,567	\$0	\$191,567		\$191,567
97500 Fraud Losses	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds					

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
 Entity Wide Revenue and Expense Summary

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Fiscal Year End: 06/30/2019

97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0	\$0	\$0		\$0
90000 Total Expenses	\$809,653	\$0	\$809,653	\$0	\$809,653
10010 Operating Transfer In	\$71,296	\$0	\$71,296	-\$71,296	\$0
10020 Operating transfer Out	-\$71,296	\$0	-\$71,296	\$71,296	\$0

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
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		\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$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	-\$19,303	\$1,136	-\$18,167	\$0	-\$18,167

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,995,518	-\$1,350	\$1,994,168		\$1,994,168
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					
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					
11180 Housing Assistance Payments Equity					

	Project Total	6.2 Component Unit Blended	Subtotal	ELIM	Total
11190 Unit Months Available	1320	0	1320		1320
11210 Number of Unit Months Leased	1270	0	1270		1270
11270 Excess Cash	\$295,087		\$295,087		\$295,087
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$114,898		\$114,898		\$114,898
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0

Housing Authority of the Town of Pontchatoula (LA075)  
 PONCHATOULA, LA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2019

11640 Furniture & Equipment - Administrative Purchases	\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0		\$0
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0