

Housing Authority of the City of Kenner, Louisiana

FINANCIAL STATEMENTS

June 30, 2020



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Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Kenner, Louisiana
Kenner, 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 Kenner, Louisiana (the "Housing Authority"), as of and for the year ended June 30, 2020, and the related notes to 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 auditors consider internal control relevant to the Housing Authority'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 Housing Authority'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 opinion.

Opinion

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, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Executive Director and Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to the Executive Director, Financial Data Schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to the Executive Director, Financial Data Schedule, and Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 17, 2020



Management's Discussion and Analysis

Housing Authority of the City of Kenner, Louisiana
Management's Discussion and Analysis
For the year ended June 30, 2020

We, the management of the Housing Authority of the City of Kenner, Louisiana (the "Housing Authority"), present the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ended June 30, 2020. This focuses on the primary government and represents an overview of financial information. Please read this discussion and analysis in conjunction with the Housing Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The Housing Authority's net position increased \$0.1 million during 2020, and was approximately \$4.7 million and \$4.8 million for 2019 and 2020, respectively.
- Revenues increased \$0.1 million during 2020, and were \$10.6 million and \$10.7 million for 2019 and 2020, respectively.
- The total expenses of all Authority programs decreased \$0.1 million. Total expenses were \$10.8 million and \$10.7 million for 2019 and 2020 respectively.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's financial statements are comprised of two components: 1) basic financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities.

The financial statements are designed to provide readers with a broad overview of the Housing Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Housing Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The *Statement of Revenue, Expenses, and Changes in Net Position* presents information detailing how the Housing Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *Statement of Cash Flows* provides information about the Housing Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

**Housing Authority of the City of Kenner, Louisiana
Management’s Discussion and Analysis
For the year ended June 30, 2020**

These financial statements report on the functions of the Housing Authority that are principally supported by intergovernmental revenues. The Housing Authority’s function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U. S. Department of Housing and Urban Development (“HUD”) and dwelling rentals.

HOUSING AUTHORITY’S SIGNIFICANT PROGRAMS

The Housing Authority has many programs that are consolidated into a single enterprise fund. The Housing Authority’s significant programs consist of the following:

Conventional Public Housing – Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contribution Contract (“ACC”) with HUD, and HUD provides an Operating Subsidy and Capital Grant funding to enable the Housing Authority to provide housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program which is the primary funding source for physical and management improvements to the Authority’s properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Housing Authority administers contracts with independent landlords that own the property. The Housing Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants’ rent at 30% of household income.

AUTHORITY – WIDE STATEMENTS

Condensed Statement of Net Position

The following table reflects the Condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business – Type Activities.

CONDENSED STATEMENT OF NET POSITON

	2020	2019	Variance
Assets:			
Current and Restricted Assets	\$ 1,368,517	\$ 1,046,168	\$ 322,349
Capital Assets	3,788,778	3,882,761	(93,983)
Total Assets	\$ 5,157,295	\$ 4,928,929	\$ 228,366

Housing Authority of the City of Kenner, Louisiana
Management's Discussion and Analysis
For the year ended June 30, 2020

CONDENSED STATEMENT OF NET POSITON (Continued)

Liabilities:			
Current Liabilities	\$ 307,684	\$ 162,352	\$ 145,332
Non-Current Liabilities	35,240	63,555	(28,315)
Total Liabilities	\$ 342,924	\$ 225,907	\$ 117,017
Net Position:			
Net Investment in Capital Assets	\$ 3,788,778	\$ 3,882,761	\$ (93,983)
Restricted	338,017	175,348	162,669
Unrestricted	687,576	644,913	42,663
Total Net Position	\$ 4,814,371	\$ 4,703,022	\$ (111,349)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2020	2019	Variance
Revenue:			
Tenant Rental Revenue	\$ 234,971	\$ 301,636	\$ (66,665)
Operating Grants	10,327,585	10,279,669	47,916
Capital Grants	100,001	6,205	93,796
Other Revenue	113,718	38,355	75,363
Total Revenue	\$ 10,776,275	\$ 10,625,865	\$ 150,410
Expenses:			
Housing Assistance and Portability Payments	\$ 8,972,867	\$ 9,185,529	(212,662)
Administrative	758,682	710,460	48,222
General Expense	407,094	371,406	35,688
Depreciation	193,982	217,737	(23,755)
Maintenance and Operations	253,796	217,114	36,682
Utilities	78,505	81,696	(3,191)
Loss on Disposal of Assets	-	577	(577)
Total Expenses	\$ 10,664,926	\$ 10,784,519	\$ (119,593)
Excess (Deficiency) Revenue Over Expense	\$ 111,349	\$ (158,654)	\$ 270,003

Housing Authority of the City of Kenner, Louisiana
Management's Discussion and Analysis
For the year ended June 30, 2020

CAPITAL ASSETS AT YEAR-END

	2020	2019	Variance	% Change
Land	\$ 2,486,488	\$ 2,486,488	-	-
Buildings and Improvements	9,564,058	9,554,602	9,456	-
Furniture and Equipment	95,077	104,535	(9,458)	(9%)
Construction in Progress	100,000	-	100,000	100%
Accumulated Depreciation	(8,456,845)	(8,262,864)	(193,981)	(2%)
Capital Assets, Net	\$ 3,788,778	\$ 3,882,761	(93,983)	(2%)

CHANGES IN CAPITAL ASSETS

The following reconciliation summarizes the changes in Capital Assets.

Beginning Balance, July 1, 2019	\$ 3,882,761
Additions:	
Construction and Progress	100,000
Depreciation Expense	(193,983)
Ending Balance, June 30, 2020	\$ 3,788,778

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs

**Housing Authority of the City of Kenner, Louisiana
Management's Discussion and Analysis
For the year ended June 30, 2020**

FUTURE IMPACTS

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. In addition, multiple jurisdictions in the U.S, including the State of Louisiana, declared a state of emergency. There has been no immediate impact to the Authority's operations, but it is anticipated that the effects of the pandemic will last for some time. Future potential impacts may include the inability of tenants to continue making rental payments as a result of job loss or other pandemic related issues.

FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of Kenner, and federal and state regulatory bodies with a general overview of the Housing Authority of the City of Kenner's finances as of June 30, 2020. The individual to be contacted regarding this report is Mr. Barry Bordelon, Executive Director, Housing Authority of the City of Kenner, at 1003 31st Street, Kenner, Louisiana 70065.



Financial Statements

HOUSING AUTHORITY OF THE CITY OF KENNER
STATEMENT OF NET POSITION

June 30,

2020

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 813,556
Restricted cash and cash equivalents	373,982
Accounts receivable, net	36,027
Prepaid expenses	143,185
Other assets	1,767
Total Current Assets	1,368,517
NON-CURRENT ASSETS	
Capital assets, net	3,788,778
Total Non-Current Assets	3,788,778
Total Assets	5,157,295
TOTAL ASSETS	\$ 5,157,295
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	\$ 17,646
Accrued wages and payroll taxes	34,304
Accrued compensated absences	24,415
Legal settlement	28,401
Tenant security deposits	35,965
Unearned revenues	157,263
Other liabilities	9,690
Total Current Liabilities	307,684
NON-CURRENT LIABILITIES	
Accrued compensated absences	28,242
Legal settlement	6,998
Total Non-Current Liabilities	35,240
Total Liabilities	342,924
NET POSITION	
Net investment in capital assets	3,788,778
Restricted	338,017
Unrestricted	687,576
Total Net Position	4,814,371
TOTAL LIABILITIES AND NET POSITION	\$ 5,157,295

The accompanying notes are an integral part of this financial statement.

**HOUSING AUTHORITY OF THE CITY OF KENNER
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

For the Year Ended June 30, **2020**

OPERATING REVENUES	
Dwelling rent	\$ 234,971
Operating grants	10,327,586
Other revenue	104,271
Total Operating Revenues	10,666,828
OPERATING EXPENSES	
Housing assistance and portability payments	8,972,867
Administrative	758,682
General expenses	407,094
Depreciation	193,983
Maintenance and operations	253,796
Utilities	78,505
Total Operating Expenses	10,664,927
OPERATING INCOME	1,901
NON-OPERATING REVENUE	
Capital grants	100,000
Other income	9,448
Total Non-Operating Revenue	109,448
CHANGE IN NET POSITION	111,349
NET POSITION, BEGINNING OF YEAR	4,703,022
NET POSITION, END OF YEAR	\$ 4,814,371

The accompanying notes are an integral part of this financial statement.

**HOUSING AUTHORITY OF THE CITY OF KENNER
STATEMENT OF CASH FLOWS**

For the Year Ended June 30, **2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling rent receipts	\$ 495,126
Operating grants	10,327,586
Other receipts	104,271
Payments to vendors	(1,217,485)
Payments to employees	(329,458)
Housing assistance payments	(8,977,041)
Net Cash Provided By Operating Activities	402,999

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants received	100,000
Purchases of capital assets	(100,000)
Loss on disposal of capital assets	9,448
Net Cash Provided By Capital and Related Financing Activities	9,448

NET INCREASE IN CASH AND CASH EQUIVALENTS **412,447**

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR **775,091**

CASH AND CASH EQUIVALENTS, END OF YEAR **\$ 1,187,538**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,901
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	193,983
Changes in assets and liabilities:	
Accounts receivable, net	103,963
Prepaid expenses and other assets	(13,865)
Accounts payable	(27,227)
Accrued wages and payroll taxes	11,465
Accrued compensated absences	3,923
Tenant security deposits	(4,174)
Unearned revenues	156,192
Other liabilities	(23,162)
Net Cash Provided By Operating Activities	\$ 402,999

RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and cash equivalents for statement of cash flows include:	
Cash and cash equivalents	\$ 813,556
Restricted cash and cash equivalents	373,982
Total cash and cash equivalents	\$ 1,187,538

The accompanying notes are an integral part of this financial statement.

Housing Authority of the City of Kenner, Louisiana
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Housing Authority of the City of Kenner (the “Housing Authority”) is a separate municipal corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Housing Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from the U.S. Department of Housing and Urban Development (“HUD”). The Housing Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Housing Authority are a separate reporting entity as reflected in this report. The Housing Authority is responsible for its debts and is entitled to surpluses. There are no component units.

B. BASIS OF PRESENTATION AND FUNDS

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Housing Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Housing Authority has multiple programs which are accounted for in one proprietary enterprise fund.

Governmental Accounting Standards – The Housing Authority has applied all applicable GASB pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Enterprise Fund is accounted for on the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources of the Enterprise Fund are included on the statement of net position.

Housing Authority of the City of Kenner, Louisiana
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits (including interest-bearing), time deposits and other financial instruments having an original maturity of ninety days or less, and cash held by the fiscal agent.

E. ACCOUNTS RECEIVABLE

Receivables are reported at the amount considered by management to be collectible and consist of amounts due from HUD, tenants, and former tenants.

F. BAD DEBTS

Uncollectible amounts due from tenants are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate that the amount of the particular receivable is uncollectible.

G. PREPAID EXPENSES

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

H. CAPITAL ASSETS

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives are as follows:

Buildings and Improvements	15 - 33 years
Furniture and Equipment	3 - 7 years

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. TENANTS' REFUNDABLE SECURITY DEPOSITS

The Housing Authority requires tenants to place a deposit before moving into a unit. These deposits are considered restricted and are held until the tenant moves out.

J. UNEARNED REVENUES

The Housing Authority recognizes revenues as earned. Funds received before the Housing Authority is eligible to apply them are recorded as a liability under unearned revenues and consist of tenant prepaid rents and additional Housing Voucher program funds under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

K. REVENUE

Dwelling rent income, HUD grants received for operations, other operating fund grants, and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

M. COST ALLOCATION PLAN

The Housing Authority utilizes a Cost Allocation Plan. The Housing Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed, or the allotment stipulated in contractual agreements.

N. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual leave, compensatory time, and sick leave. Employees may accumulate up to three hundred hours (300) of annual leave and three hundred sixty hours (360) of compensatory time which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by the employee's retirement or termination date.

O. RESTRICTED NET POSITION

Net position is reported as restricted when constraints placed on use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

R. FUTURE ACCOUNTING AND REPORTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several pronouncements that have effective dates that may impact future presentations. The Housing Authority is currently evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements:

- GASB Statement No. 87, *Leases*.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.
- GASB Statement No. 96, *Subscription-based Information Technology Arrangements*

S. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 17, 2020. See Note 13 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Note 2: DEPOSITS AND INVESTMENTS

Custodial Credit Risk – The Housing Authority policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

Housing Authority of the City of Kenner, Louisiana
Notes to Financial Statements

Note 2: DEPOSITS AND INVESTMENTS (Continued)

HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally-insured investments.

The Housing Authority's cash and cash equivalents consist of cash held in interest bearing checking accounts, with varying rates, totaling \$1,187,538.

Deposit balances (bank balances) at June 30, 2020, are secured as follows:

Total bank balance	\$	1,262,273
Insured	\$	550,902
Collateralized by pledging bank in Housing Authority's name		711,370
Total insured and collateralized balance	\$	1,262,273

As of June 30, 2020, the Housing Authority's total bank balances were fully insured and collateralized with the securities held in the name of the Housing Authority by the pledging financial institution's agent and, therefore, they were not exposed to custodial credit risk.

Note 3: RESTRICTED ASSETS

The Housing Authority's restricted assets consisted of \$338,017 of cash held for housing payments in future periods and \$35,965 of security deposits received and held on behalf of tenants.

Note 4: ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable, net of allowance for doubtful accounts, at June 30, 2020:

	Receivable	Allowance for Doubtful Accounts	Net Receivable
Grants receivable due from HUD	\$ 36,282	\$ (28,650)	\$ 7,632
Portability receivables	24,840	-	24,840
Tenant rent receivables	7,744	(6,505)	1,239
Tenant fraud recovery	19,095	(19,095)	-
Miscellaneous receivables	2,316	-	2,316
Total Accounts receivable, net	\$ 90,277	\$ (54,250)	\$ 36,027

Housing Authority of the City of Kenner, Louisiana
Notes to Financial Statements

Note 5: CAPITAL ASSETS

Summaries of capital assets as of June 30, 2020, and activity for the fiscal year then ended are as follows:

	July 1, 2019		June 30, 2020
	Balance	Additions	Balance
Land	\$ 2,486,488	\$ -	\$ 2,486,488
Construction in progress	-	100,000	100,000
Total assets not being depreciated	2,486,488	-	2,586,488
Buildings and improvements	9,554,602	-	9,554,602
Furniture and equipment	104,535	-	104,535
Total capital assets	12,145,625	-	12,245,625
Less: Accumulated depreciation	(8,262,864)	(193,983)	(8,456,847)
Total Capital Assets, net	\$ 3,882,761	\$ (93,983)	\$ 3,788,778

Note 6: ACCOUNTS PAYABLE

Accounts payable at June 30, 2020, consisted of trade payables in the amount of \$17,646 for the Housing Authority.

Note 7: LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance at			Balance at	Current
	July 1, 2019	Increase	Decrease	June 30, 2020	Portion
Accrued Compensated Absences	\$ 48,734	\$ 3,923	\$ -	\$ 52,657	\$ 24,415
Legal Settlement	63,693	-	28,294	35,399	28,401
Long-Term Liabilities	\$ 112,427	\$ 3,923	\$ 28,294	\$ 88,056	\$ 52,816

Note 8: COMPENSATED ABSENCES

At June 30, 2020, employees of the Housing Authority had accumulated and vested \$52,657 of employee leave benefits, computed in accordance with GASB Codification C60. These amounts are recorded as liabilities. The cost of leave privileges expecting to require current resources is considered a current obligation, while the cost of leave privileges not requiring current resources is considered a long-term obligation.

Note 9: LEGAL SETTLEMENT

Other current and non-current liabilities of estimated outlays due to a former employee under a lawsuit settlement in the amount of \$35,399, of which \$28,401 is current.

Note 10: RETIREMENT SYSTEM

The Housing Authority provides retirement benefits for all of its eligible full-time employees through the Housing Renewal and Local Agency Retirement Plan. The plan is a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Housing Authority contributes 6.8% of the eligible employees' base salaries. Employees are required to contribute 5% of their annual covered salary to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2020, the Housing Authority made the required contributions in the amount of \$24,448.

Note 11: COMMITMENTS AND CONTINGENCIES

The Housing Authority participates in a number of federal grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

The Housing Authority leases copiers under operating lease agreements that call for monthly payments of \$676. The future lease payments under these non-cancelable agreements as of June 30, 2020 is \$16,224 for the year ending 2021.

Note 12: ECONOMIC DEPENDENCY

The Department of Housing and Urban Development provided \$10,427,586 to the Housing Authority, including the federal capital contributions, which represents approximately 98% of the Housing Authority's total revenue for the year.

Housing Authority of the City of Kenner, Louisiana
Notes to Financial Statements

Note 13: SUBSEQUENT EVENTS

On August 3, 2020, the Housing Authority entered into a contract with a third party contractor, The Solutient Corporation, to administer the Section 8 Housing Choice Voucher Program.



**Supplementary
Information**

Financial Data Schedules

Housing Authority of the City of Kenner (LA012)

KENNER, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$388,321	\$269,803		\$658,124	\$0	\$658,124
112 Cash - Restricted - Modernization and Development	\$0	\$0		\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$338,017	\$155,432	\$493,449	\$0	\$493,449
114 Cash - Tenant Security Deposits	\$35,965	\$0		\$35,965	\$0	\$35,965
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$0	\$0	\$0
100 Total Cash	\$424,286	\$607,820	\$155,432	\$1,187,538	\$0	\$1,187,538
121 Accounts Receivable - PHA Projects	\$0	\$24,840		\$24,840	\$0	\$24,840
122 Accounts Receivable - HUD Other Projects	\$0	\$7,632		\$7,632	\$0	\$7,632
124 Accounts Receivable - Other Government	\$0	\$0		\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$30,966	\$0		\$30,966	\$0	\$30,966
126 Accounts Receivable - Tenants	\$7,744	\$0		\$7,744	\$0	\$7,744
126.1 Allowance for Doubtful Accounts -Tenants	-\$6,505	\$0		-\$6,505	\$0	-\$6,505
126.2 Allowance for Doubtful Accounts - Other	-\$28,650	\$0		-\$28,650	\$0	-\$28,650
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0		\$0	\$0	\$0
128 Fraud Recovery	\$0	\$19,095		\$19,095	\$0	\$19,095
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$19,095		-\$19,095	\$0	-\$19,095
129 Accrued Interest Receivable	\$0	\$0		\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,555	\$32,472	\$0	\$36,027	\$0	\$36,027
131 Investments - Unrestricted	\$0	\$0		\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0		\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0		\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$133,229	\$9,956		\$143,185	\$0	\$143,185
143 Inventories	\$1,767	\$0		\$1,767	\$0	\$1,767
143.1 Allowance for Obsolete Inventories	\$0	\$0		\$0	\$0	\$0
144 Inter Program Due From	\$0	\$450		\$450	-\$450	\$0

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145 Assets Held for Sale	\$0	\$0		\$0	\$0	\$0
150 Total Current Assets	\$562,837	\$650,698	\$155,432	\$1,368,967	-\$450	\$1,368,517
161 Land	\$2,475,572	\$10,916		\$2,486,488	\$0	\$2,486,488
162 Buildings	\$9,416,868	\$147,190		\$9,564,058	\$0	\$9,564,058
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0		\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$95,077	\$0		\$95,077	\$0	\$95,077
165 Leasehold Improvements	\$0	\$0		\$0	\$0	\$0
166 Accumulated Depreciation	-\$8,342,511	-\$114,334		-\$8,456,845	\$0	-\$8,456,845
167 Construction in Progress	\$100,000	\$0		\$100,000	\$0	\$100,000
168 Infrastructure	\$0	\$0		\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,745,006	\$43,772	\$0	\$3,788,778	\$0	\$3,788,778
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0		\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0		\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0		\$0	\$0	\$0
174 Other Assets	\$0	\$0		\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0		\$0	\$0	\$0
180 Total Non-Current Assets	\$3,745,006	\$43,772	\$0	\$3,788,778	\$0	\$3,788,778
200 Deferred Outflow of Resources	\$0	\$0		\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,307,843	\$694,470	\$155,432	\$5,157,745	-\$450	\$5,157,295
311 Bank Overdraft	\$0	\$0		\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$7,612	\$10,034		\$17,646	\$0	\$17,646
313 Accounts Payable >90 Days Past Due	\$0	\$0		\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$14,810	\$19,494		\$34,304	\$0	\$34,304
322 Accrued Compensated Absences - Current Portion	\$7,032	\$17,383		\$24,415	\$0	\$24,415
324 Accrued Contingency Liability	\$0	\$0		\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0		\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0		\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0		\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0		\$0	\$0	\$0
341 Tenant Security Deposits	\$35,965	\$0		\$35,965	\$0	\$35,965
342 Unearned Revenue	\$1,831	\$0	\$155,432	\$157,263	\$0	\$157,263

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343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0		\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0		\$0	\$0	\$0
345 Other Current Liabilities	\$32,376	\$0		\$32,376	\$0	\$32,376
346 Accrued Liabilities - Other	\$9,687	\$0		\$9,687	\$0	\$9,687
347 Inter Program - Due To	\$450	\$0		\$450	-\$450	\$0
348 Loan Liability - Current	\$0	\$0		\$0	\$0	\$0
310 Total Current Liabilities	\$109,763	\$46,911	\$155,432	\$312,106	-\$450	\$311,656
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0		\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0		\$0	\$0	\$0
353 Non-current Liabilities - Other	\$3,026	\$0		\$3,026	\$0	\$3,026
354 Accrued Compensated Absences - Non Current	\$10,489	\$17,753		\$28,242	\$0	\$28,242
355 Loan Liability - Non Current	\$0	\$0		\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0		\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0		\$0	\$0	\$0
350 Total Non-Current Liabilities	\$13,515	\$17,753	\$0	\$31,268	\$0	\$31,268
300 Total Liabilities	\$123,278	\$64,664	\$155,432	\$343,374	-\$450	\$342,924
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$3,745,006	\$43,772		\$3,788,778		\$3,788,778
511.4 Restricted Net Position		\$338,017		\$338,017		\$338,017
512.4 Unrestricted Net Position	\$439,559	\$248,017	\$0	\$687,576		\$687,576
513 Total Equity - Net Assets / Position	\$4,184,565	\$629,806	\$0	\$4,814,371	\$0	\$4,814,371
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,307,843	\$694,470	\$155,432	\$5,157,745	-\$450	\$5,157,295

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Housing Authority of the City of Kenner (LA012)

KENNER, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$225,291	\$0		\$225,291	\$0	\$225,291
70400 Tenant Revenue - Other	\$9,680	\$0		\$9,680	\$0	\$9,680
70500 Total Tenant Revenue	\$234,971	\$0	\$0	\$234,971	\$0	\$234,971
70600 HUD PHA Operating Grants	\$462,391	\$9,865,194		\$10,327,585	\$0	\$10,327,585
70610 Capital Grants	\$100,000	\$0		\$100,000	\$0	\$100,000
70710 Management Fee				\$0	\$0	\$0
70720 Asset Management Fee				\$0	\$0	\$0
70730 Book Keeping Fee				\$0	\$0	\$0
70740 Front Line Service Fee				\$0	\$0	\$0
70750 Other Fees				\$0	\$0	\$0
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0		\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$230	\$207		\$437	\$0	\$437
71200 Mortgage Interest Income	\$0	\$0		\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0		\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0		\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$19,948		\$19,948	\$0	\$19,948
71500 Other Revenue	\$8,254	\$85,079		\$93,333	\$0	\$93,333
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0		\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0		\$0	\$0	\$0
70000 Total Revenue	\$805,846	\$9,970,428	\$0	\$10,776,274	\$0	\$10,776,274
91100 Administrative Salaries	\$34,355	\$213,580		\$247,935	\$0	\$247,935
91200 Auditing Fees	\$0	\$0		\$0	\$0	\$0
91300 Management Fee	\$0	\$0		\$0	\$0	\$0

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91310 Book-keeping Fee	\$0	\$0		\$0	\$0	\$0
91400 Advertising and Marketing	\$95	\$40		\$135	\$0	\$135
91500 Employee Benefit contributions - Administrative	\$17,974	\$79,157		\$97,131	\$0	\$97,131
91600 Office Expenses	\$21,667	\$49,086		\$70,753	\$0	\$70,753
91700 Legal Expense	\$529	\$1,613		\$2,142	\$0	\$2,142
91800 Travel	\$50	\$0		\$50	\$0	\$50
91810 Allocated Overhead	\$116,036	\$197,575		\$313,611	\$0	\$313,611
91900 Other	\$13,010	\$11,882		\$24,892	\$0	\$24,892
91000 Total Operating - Administrative	\$203,716	\$552,933	\$0	\$756,649	\$0	\$756,649
92000 Asset Management Fee	\$0	\$0		\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0		\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0		\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0		\$0	\$0	\$0
92400 Tenant Services - Other	\$2,033	\$0		\$2,033	\$0	\$2,033
92500 Total Tenant Services	\$2,033	\$0	\$0	\$2,033	\$0	\$2,033
93100 Water	\$16,353	\$0		\$16,353	\$0	\$16,353
93200 Electricity	\$20,598	\$0		\$20,598	\$0	\$20,598
93300 Gas	\$13,993	\$0		\$13,993	\$0	\$13,993
93400 Fuel	\$0	\$0		\$0	\$0	\$0
93500 Labor	\$0	\$0		\$0	\$0	\$0
93600 Sewer	\$27,561	\$0		\$27,561	\$0	\$27,561
93700 Employee Benefit Contributions - Utilities	\$0	\$0		\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0		\$0	\$0	\$0
93000 Total Utilities	\$78,505	\$0	\$0	\$78,505	\$0	\$78,505
94100 Ordinary Maintenance and Operations - Labor	\$108,803	\$0		\$108,803	\$0	\$108,803
94200 Ordinary Maintenance and Operations - Materials and Other	\$12,280	\$831		\$13,111	\$0	\$13,111
94300 Ordinary Maintenance and Operations Contracts	\$89,725	\$0		\$89,725	\$0	\$89,725
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,157	\$0		\$42,157	\$0	\$42,157
94000 Total Maintenance	\$252,965	\$831	\$0	\$253,796	\$0	\$253,796
95100 Protective Services - Labor	\$0	\$0		\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0		\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0		\$0	\$0	\$0

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95500 Employee Benefit Contributions - Protective Services	\$0	\$0		\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$82,870	\$0		\$82,870	\$0	\$82,870
96120 Liability Insurance	\$9,503	\$2,468		\$11,971	\$0	\$11,971
96130 Workmen's Compensation	\$8,529	\$14,164		\$22,693	\$0	\$22,693
96140 All Other Insurance	\$70,488	\$10,309		\$80,797	\$0	\$80,797
96100 Total insurance Premiums	\$171,390	\$26,941	\$0	\$198,331	\$0	\$198,331
96200 Other General Expenses	\$0	\$170,632		\$170,632	\$0	\$170,632
96210 Compensated Absences	\$11,265	\$23,337		\$34,602	\$0	\$34,602
96300 Payments in Lieu of Taxes	\$0	\$0		\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$1,995	\$0		\$1,995	\$0	\$1,995
96500 Bad debt - Mortgages	\$0	\$0		\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$1,534		\$1,534	\$0	\$1,534
96800 Severance Expense	\$0	\$0		\$0	\$0	\$0
96000 Total Other General Expenses	\$13,260	\$195,503	\$0	\$208,763	\$0	\$208,763
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0		\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0		\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0		\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$721,869	\$776,208	\$0	\$1,498,077	\$0	\$1,498,077
97000 Excess of Operating Revenue over Operating Expenses	\$83,977	\$9,194,220	\$0	\$9,278,197	\$0	\$9,278,197
97100 Extraordinary Maintenance	\$0	\$0		\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0		\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$8,901,045		\$8,901,045	\$0	\$8,901,045
97350 HAP Portability-In	\$0	\$71,821		\$71,821	\$0	\$71,821
97400 Depreciation Expense	\$185,608	\$8,374		\$193,982	\$0	\$193,982
97500 Fraud Losses	\$0	\$0		\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense	\$0	\$0		\$0	\$0	\$0

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90000 Total Expenses	\$907,477	\$9,757,448	\$0	\$10,664,925	\$0	\$10,664,925
10010 Operating Transfer In	\$65,244	\$0		\$65,244	-\$65,244	\$0
10020 Operating transfer Out	-\$65,244	\$0		-\$65,244	\$65,244	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0		\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$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	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0		\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0			\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0			\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0		\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0		\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$101,631	\$212,980	\$0	\$111,349	\$0	\$111,349
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,286,196	\$416,826	\$0	\$4,703,022	\$0	\$4,703,022
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$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 Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		\$291,789		\$291,789		\$291,789
11180 Housing Assistance Payments Equity		\$338,017		\$338,017		\$338,017
11190 Unit Months Available	1632	15912		17544	0	17544
11210 Number of Unit Months Leased	1122	13490		14612	0	14612
11270 Excess Cash	\$257,900			\$257,900		\$257,900
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$100,000			\$100,000		\$100,000
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0

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

**HOUSING AUTHORITY OF THE CITY OF KENNER
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR**

For the Year Ended June 30, 2020

Agency Head Name: Barry Bordelon, Executive Director

Purpose	Amount
Salary	\$ 110,000
Benefits - Insurance	7,563
Benefits - Retirement	6,000
Car allowance	7,200
Total	\$ 130,763

See accompanying independent auditors' report .



**Reports Required By
*Government Auditing
Standards***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Housing Authority of the City of Kenner, Louisiana
Kenner, 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 Housing Authority of the City of Kenner, Louisiana (the "Housing Authority"), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated December 17, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 Housing Authority'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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 17, 2020



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Metairie, Louisiana 70005

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Housing Authority of the City of Kenner, Louisiana
Kenner, Louisiana

Report on Compliance for the Major Federal Program

We have audited the Housing Authority of the City of Kenner, Louisiana's (the "Housing Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Housing Authority's major federal program for the year ended June 30, 2020. The Housing Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Caru, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 17, 2020

**HOUSING AUTHORITY OF THE CITY OF KENNER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM OR CLUSTER TITLE	CFDA NUMBER	PASS-THROUGH TO SUBRECIPIENTS	EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Public and Indian Housing	14.850	\$ -	\$ 397,147
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	-	9,865,194
Public Housing Capital Fund (CFP)	14.872	-	165,244
Total U.S. Department of Housing and Urban Development - Direct Programs			- 10,427,585
Total Expenditures of Federal Awards		\$ -	\$ 10,427,585

See accompanying notes to Schedule of Expenditures of Federal Awards.

Housing Authority of the City of Kenner, Louisiana
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

NOTE 1: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's financial statements for the year ended June 30, 2020.

NOTE 2: PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Housing Authority's portion, are more than shown. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: LOANS

The Housing Authority did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2020.

NOTE 4: FEDERALLY FUNDED INSURANCE

The Housing Authority has no federally funded insurance.

NOTE 5: NONCASH ASSISTANCE

The Housing Authority did not receive any federal noncash assistance for the year ended June 30, 2020.

NOTE 6: INDIRECT COST RATE

The Housing Authority did not elect to use the 10 percent (10%) de minimis indirect cost rate.

Housing Authority of the City of Kenner, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of the major programs:

Name of Federal Awards (or Cluster)	CFDA No.
Housing Voucher Cluster	
Section 8 Housing Choice Voucher Program	14.871

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

**Housing Authority of the City of Kenner, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2020.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended June 30, 2020.

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings or questioned costs related to the major federal award program for the year ended June 30, 2020.

**Housing Authority of the City of Kenner, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020**

E. PRIOR AUDIT FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2019.

F. PRIOR AUDIT FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended June 30, 2019.

G. PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings or questioned costs related to the major federal award program for the year ended June 30, 2019.