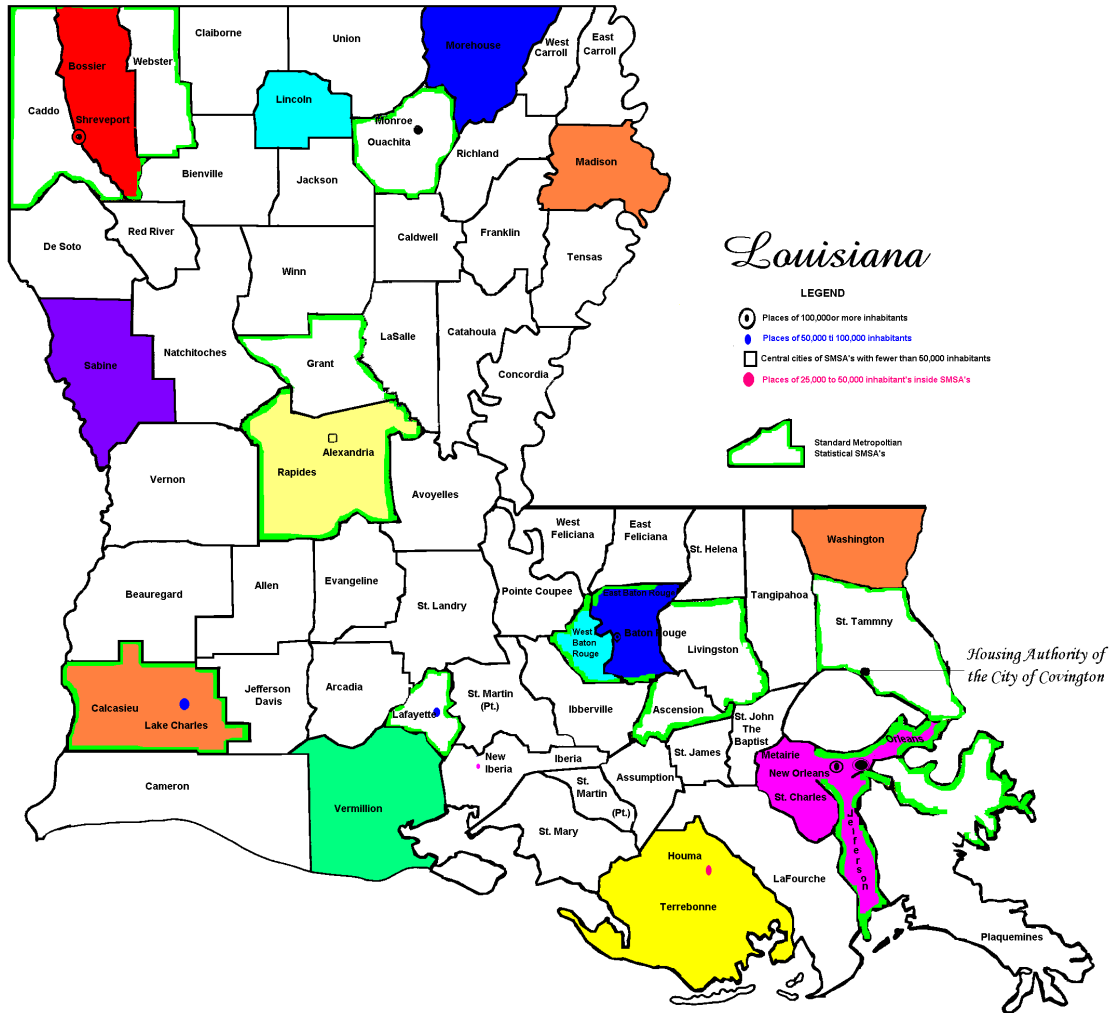


**HOUSING AUTHORITY
OF THE
CITY OF COVINGTON, LOUISIANA**

**Financial Statements &
Supplemental Financial Information**

March 31, 2021

HOUSING AUTHORITY OF THE CITY OF COVINGTON COVINGTON, LOUISIANA



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

**Housing Authority of the City of Covington
Covington, Louisiana
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March 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
City of Covington
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discreetly presented component unit Audrey Heights Development Limited Partnership, which represents 89 percent, 80 percent, and 19 percent, respectively; of the assets, net position and revenues of the business type activities and discreetly presented component unit of the Housing Authority of the City of Covington, La. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discreetly presented component unit Audrey Heights Development Limited Partnership, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discreetly presented component unit of the Housing Authority of the City of Covington, as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2021, on our consideration of the Housing Authority of the City of Covington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Covington's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
August 16, 2021

**Housing Authority of the City of Covington
Management's Discussion and Analysis
March 31, 2021**

As management of the Housing Authority of the City of Covington, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$699,534 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$37,593.

The Authority had unrestricted cash and investments totaling \$96,240 at March 31, 2021, and \$32,660 in restricted cash. Of the restricted cash, \$14,209 was restricted for tenant security deposits.

The Authority had total operating revenue of \$1,227,795, and total non-operating revenue of \$221,619.

The Authority had total operating expenses of \$605,156, and total non-operating expenses of \$953,609.

The Authority had capital contributions in the amount of \$39,838 for the year.

The Authority had a total change in net position of \$(69,513) for the year.

Overview of the Basic Financial Statements

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

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

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2021**

Low Rent Public Housing

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

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

Section 8 Housing Assistance – Housing Choice Voucher Program

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

The table below lists the asset and liability comparisons for the year ended March 31, 2021.

Statement of Net Position

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
Current Assets	\$ 104,073	\$ 125,137	20.2
Restricted Assets	35,255	32,660	-7.4
Capital Assets Net of Depreciation	<u>728,171</u>	<u>654,357</u>	-10.1
Total Assets	<u>867,499</u>	<u>812,154</u>	-6.4
Current Liabilities	46,450	46,424	-0.1
Non-Current Liabilities	<u>52,002</u>	<u>66,196</u>	27.3
Total Liabilities	<u>98,452</u>	<u>112,620</u>	14.4
Net Investment in Capital Assets	728,171	654,357	-10.1
Restricted Assets	13,303	7,584	-43.0
Unrestricted Assets	<u>27,573</u>	<u>37,593</u>	36.3
Total Net Position	<u>\$ 769,047</u>	<u>\$ 699,534</u>	-9.0

- Total assets decreased by \$55,345 or 6.4% from last year. The primary reason for this decrease is due to a decrease in capital assets net of depreciation in the amount of \$73,814.
- Total liabilities increased by \$14,168 or 14.4%. The primary reason for this change is due to an increase in accrued compensated absences non-current in the amount of \$14,194.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2021**

The table below lists the revenue and expense comparisons for the year ended March 31, 2021.

Statement of Revenues, Expenses, & Changes in Net Position

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 136,387	\$ 148,955	9.2
HUD PHA Operating	1,059,881	1,078,840	1.8
Total Operating Revenues	<u>1,196,268</u>	<u>1,227,795</u>	2.6
Operating Expenses			
Administrative	295,734	278,162	-5.9
Tenant Services	6,115	39,573	547.2
Utilities	11,093	7,830	-29.4
Maintenance	85,516	81,999	-4.1
Protective Services	21,169	14,890	-29.7
General	54,669	60,426	10.5
Depreciation	120,232	122,276	1.7
Total Operating Expenses	<u>594,528</u>	<u>605,156</u>	1.8
Operating Income (Loss)	<u>601,740</u>	<u>622,639</u>	3.5
Non-Operating Revenues (Expenses)			
Investment Income	361	45	-87.5
Other Revenue	229,525	221,574	-3.5
Casualty Loss	(3,800)	-0-	-100.0
Housing Assistance Payments	(936,022)	(953,609)	1.9
Total Non-Operating Revenues (Expenses)	<u>(709,936)</u>	<u>(731,990)</u>	3.1
Capital Contributions	<u>18,915</u>	<u>39,838</u>	110.6
Change in Net Position	(89,281)	(69,513)	-22.1
Total Net Position - Beginning	<u>858,328</u>	<u>769,047</u>	-10.4
Total Net Position - Ending	\$ <u>769,047</u>	\$ <u>699,534</u>	-9.0

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2021**

- Operating revenues increased by \$31,527 or 2.6%. The primary reason for this increase is because of an increase in HUD operating grants in the amount of \$18,959.
- Total operating expenses increased by \$10,628 or 1.8%. The primary reason for this increase is due to an increase in tenant services in the amount of \$33,458.
- Non-operating revenue and expenses changed by \$22,054 or 3.1%. The primary reason for this change is because of an increase in housing assistance payments expense in the amount of \$17,587.
- Capital contributions increased by \$20,923 or 110.6%.

Capital Asset & Debt Administration

Capital Assets

As of March 31, 2021, the Authority's investment in capital assets was \$654,357 (net of accumulated depreciation). This investment included land, building, building improvements, office equipment, and maintenance equipment.

Capital Assets at Year-End

	2020	2021
Land *	\$ 202,304	\$ 202,304
Buildings	3,026,476	3,058,533
Furniture & Equipment	247,662	171,262
Accumulated Depreciation	(2,748,271)	(2,777,742)
Total	\$ 728,171	\$ 654,357

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

Long Term Debt

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

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2021**

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 2022 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

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

Subsequent Events

On August 29, 2021, Hurricane Ida struck the Louisiana coast causing extensive damage to the property of the housing authority. As of this date, the cost and extent of the damage has not been determined. The housing authority maintains property insurance for this type of damage.

Component Units

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

Contacting the Authority's Financial Management

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

Basic Financial Statements

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Net Position
March 31, 2021**

	Primary Government	As of 12/31/2020 Discretely Presented Component Unit	Total
ASSETS			
CURRENT ASSETS			
Cash & Investments	\$ 96,240	\$ 233,849	\$ 330,089
Receivables (Net of Allowances for Uncollectibles)	22,434	5,217	27,651
Prepaid Items	4,759	8,267	13,026
Inventories	1,704	-0-	1,704
TOTAL CURRENT ASSETS	<u>125,137</u>	<u>247,333</u>	<u>372,470</u>
RESTRICTED ASSETS			
Other Restricted Cash	18,451	-0-	18,451
Tenant Security Deposits	14,209	10,286	24,495
TOTAL RESTRICTED ASSETS	<u>32,660</u>	<u>10,286</u>	<u>42,946</u>
NON-CURRENT ASSETS			
Other Assets	-0-	43,788	43,788
Capital Assets (Net of Accumulated Depreciation)	654,357	5,955,808	6,610,165
TOTAL NON-CURRENT ASSETS	<u>654,357</u>	<u>5,999,596</u>	<u>6,653,953</u>
TOTAL ASSETS	<u>812,154</u>	<u>6,257,215</u>	<u>7,069,369</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	11,754	-0-	11,754
Accrued Wage/Payroll Taxes Payable	4,909	-0-	4,909
Accrued Interest Payable	-0-	5,099	5,099
Compensated Absences	4,025	-0-	4,025
Accrued Liabilities – Other	660	-0-	660
Unearned Revenue	10,867	1,048	11,915
Other Current Liabilities	-0-	-0-	-0-
Prepaid Rent	-0-	24,623	24,623
Debt – Current Portion	-0-	-0-	-0-
Tenant Security Deposits (Payable from Restricted Assets)	14,209	10,286	24,495
TOTAL CURRENT LIABILITIES	<u>46,424</u>	<u>41,056</u>	<u>87,480</u>
NON-CURRENT LIABILITIES			
Compensated Absences	66,196	-0-	66,196
Long-Term Debt – Capital Projects	-0-	1,032,569	1,032,569
Other Noncurrent Debt	-0-	2,432,513	2,432,513
TOTAL NON-CURRENT LIABILITIES	<u>66,196</u>	<u>3,465,082</u>	<u>3,531,278</u>
TOTAL LIABILITIES	<u>112,620</u>	<u>3,506,138</u>	<u>3,618,758</u>
NET POSITION			
Net Investment in Capital Assets	654,357	4,898,616	5,552,973
Restricted	7,584	-0-	7,584
Unrestricted	37,593	(2,147,539)	(2,109,946)
TOTAL NET POSITION	<u>\$ 699,534</u>	<u>\$ 2,751,077</u>	<u>\$ 3,450,611</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
For the Year Ended March 31, 2021**

	<u>Primary Government</u>	<u>Year ended 12/31/2020 Discretely Presented Component Unit</u>	<u>Total</u>
OPERATING REVENUES			
Tenant Revenue	\$ 145,659	\$ 315,712	\$ 461,371
Other Tenant Revenue	3,296	11,837	15,133
HUD PHA Operating Grant	1,078,840	-0-	1,078,840
TOTAL OPERATING REVENUES	<u>1,227,795</u>	<u>327,549</u>	<u>1,555,344</u>
OPERATING EXPENSES			
Administrative Salaries	98,456	37,000	135,456
EBC Administrative	29,822	7,026	36,848
Other Operating - Administrative	149,884	65,541	215,425
Tenant Services	39,573	193	39,766
Water	980	2,323	3,303
Electricity	5,688	2,382	8,070
Gas	1,162	-0-	1,162
Labor	-0-	-0-	-0-
Materials	23,519	1,809	25,328
Contract Cost	58,480	52,708	111,188
Maintenance	-0-	-0-	-0-
Protective Services	13,722	-0-	13,722
EBC Protective Services	1,168	-0-	1,168
Insurance	40,347	34,359	74,706
Other General Expense	20,079	9,384	29,463
Interest Expense	-0-	115,992	115,992
Depreciation	122,276	185,521	307,797
TOTAL OPERATING EXPENSES	<u>605,156</u>	<u>514,238</u>	<u>1,119,394</u>
OPERATING INCOME (LOSS)	<u>622,639</u>	<u>(186,689)</u>	<u>435,950</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Unrestricted)	45	724	769
Casualty Loss	-0-	-0-	-0-
Other Revenue	221,574	5,649	227,223
Housing Assistance Payments	(953,609)	-0-	(953,609)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(731,990)</u>	<u>6,373</u>	<u>(725,617)</u>
Capital Contributions	39,838	-0-	39,838
CHANGE IN NET POSITION	(69,513)	(180,316)	(249,829)
TOTAL NET POSITION - BEGINNING	769,047	2,931,393	3,700,440
TOTAL NET POSITION - ENDING	<u>\$ 699,534</u>	<u>\$ 2,751,077</u>	<u>\$ 3,450,611</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
For the Year Ended March 31, 2021**

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 147,229
Receipts From HUD	1,147,257
Payments to Employees	(89,725)
Payments to Suppliers and Others	(383,446)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	821,315
 CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Other Revenue	221,574
Housing Assistance Payments	(953,609)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	(732,035)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants	39,838
Acquisition/Deletion of Capital Assets	(48,462)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(8,624)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	45
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	45
 NET INCREASE (DECREASE) IN CASH	80,701
 CASH, BEGINNING OF YEAR	48,199
CASH, END OF YEAR	128,900
 RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	96,240
Tenant Security Deposits	14,209
Other Restricted Cash	18,451
TOTAL CASH AND CASH EQUIVALENTS	\$ 128,900

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
Reconciliation
For the Year Ended March 31, 2021**

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

Operating Income (Loss)	\$ <u>622,639</u>
Depreciation Expense	122,276
(Increase) Decrease in Accounts Receivable	(1,335)
(Increase) Decrease in Accounts Receivable HUD	68,417
(Increase) Decrease in Accounts Receivable PHA Projects	(11,958)
(Increase) Decrease in Inventories	1,188
(Increase) Decrease in Prepaid Items	5,920
Increase (Decrease) in Accounts Payable	1,886
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	(3,955)
Increase (Decrease) in Compensated Absences	12,686
Increase (Decrease) in Tenant Security Deposits	700
Increase (Decrease) in Other Current Liabilities	(8,443)
Increase (Decrease) in Accrued Liabilities-Other	427
Increase (Decrease) in Unearned Revenue	<u>10,867</u>
TOTAL ADJUSTMENTS	<u>198,676</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ <u>821,315</u>
 LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES	
Contributions of Capital Assets From Government	\$ <u><u>-0-</u></u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
March 31, 2021**

INTRODUCTION

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

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

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

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

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

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

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

- 1.) Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2.) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3.) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

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

The governing body of the Housing Authority is considered to have complete control over Covington Community Corporation, Inc, but not complete control over the Partnership. As a result, Covington Community Corporation, Inc. is included in the Housing Authority's financial statements as a blended entity, and the Partnership is included in the Housing Authority's financial statements through discrete presentation. The financial position and changes in net position of the Partnership is presented as of and for the year ended December 31, 2020. Separate financial statements of the Partnership were issued for calendar year ended December 31, 2020.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

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

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

The housing authority reports the following major proprietary funds:

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

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

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

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

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

C. EQUITY CLASSIFICATIONS

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

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

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

D. DEPOSITS & INVESTMENTS

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

The housing authority had no investments as of March 31, 2021.

E. RECEIVABLES & PAYABLES

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

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

F. INVENTORIES & PREPAID ITEMS

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

G. CAPITAL ASSETS

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

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

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

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

H. COMPENSATED ABSENCES

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

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

I. LONG-TERM OBLIGATIONS

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

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

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

At March 31, 2021, the housing authority had cash (bank balances) totaling \$137,942 as follows:

JP Morgan Chase	\$ 137,942
Total	\$ <u>137,942</u>

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

Custodial Credit Risk

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

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

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

Deposits

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 137,942
Securities (Category 2)	-0-
Uncollateralized (Category 3)	-0-
Total	\$ 137,942

All deposits were fully secured at March 31, 2021.

The following represents Restricted Cash:

Other Restricted Cash	\$ 18,451
Tenant Security Deposits	14,209
Total Restricted Cash	\$ 32,660

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

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of Covington Housing Authority. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand savings accounts and certificates of deposit under 90 days.

3. RECEIVABLES

The receivables (net of allowance for doubtful accounts) were \$22,434 as of March 31, 2021. The receivables are as follows:

A/R HUD	\$ 4,119
A/R PHA Projects	12,944
Other Receivables	5,371
Total	\$ 22,434

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended March 31, 2021, for the primary government is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land *	\$ 202,304	\$ -0-	\$ -0-	\$ 202,304
Buildings	3,026,476	33,907	(1,850)	3,058,533
Furniture & Equipment, Etc.	247,662	5,931	(82,331)	171,262
Total	3,476,442	39,838	(84,181)	3,432,099
Less Accumulated Depreciation	(2,748,271)	(122,276)	92,805	(2,777,742)
Net Capital Assets	\$ 728,171	\$ (82,438)	\$ 8,624	\$ 654,357

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

5. RETIREMENT PLANS

On June 23, 2004, the Board of Commissioners of the housing authority, by resolution, approved the establishment of a retirement plan, the Housing Renewal and Local Agency Retirement Plan (the plan), under Code Section 401(a) effective July 1, 2004. The plan is for the benefit of all regular (forty hours a week) full time employees. The rate of employer contribution is 6% of employee's base rate of pay. The total payroll for the year was \$121,167, with covered payroll of \$121,167 and the housing authority contribution of \$7,270 for the year ended March 31, 2021.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$32,215 at March 31, 2021, are as follows:

Accounts Payable Vendors/Contractors	\$ 11,754
Accrued Wages/Payroll Taxes Payable	4,909
Accrued Liabilities - Other	660
Accrued Compensated Absences - Current	4,025
Prepaid Rent	10,867
Total	\$ 32,215

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

7. COMPENSATED ABSENCES

At March 31, 2021, employees of the PHA have accumulated and vested \$70,221 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at March 31, 2021, was \$4,025 recorded as current obligation and \$66,196 recorded as non-current obligation.

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	5,533	\$	52,002	\$	57,535
Additions/(Deletions)		(1,508)		14,194		12,686
End of year	\$	4,025	\$	66,196	\$	70,221

8. CONTINGENT LIABILITIES

At March 31, 2021, 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.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The

coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Entity anticipates this could negatively affects its operating results, the related financial impact and duration cannot be reasonably estimated at this time

9. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity’s revenues. The Department of Housing & Urban Development provided \$1,118,678 to the housing authority, represents approximately 75.1% of the housing authority’s revenue for the year.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2021**

10. RESTRICTED NET POSITION

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

11. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, August 16, 2021, of the independent auditor's report for potential recognition or disclosure in the financial statements.

On August 29, 2021, Hurricane Ida struck the Louisiana coast causing extensive damage to the property of the housing authority. As of this date, the cost and extent of the damage has not been determined. The housing authority maintains property insurance for this type of damage.

Supplementary Information

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

**Schedule of Compensation Paid to Commissioners
For the Year Ended March 31, 2021**

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

The commissioners receive no compensation.

See independent auditor's report.

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

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended March 31, 2021**

Tammie Groover, Executive Director

Purpose	Amount
Salary	\$ 98,456
Benefits-Insurance	12,300
Benefits-Retirement	5,907
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	771
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2021**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<i>Housing Voucher</i>			
Department of Housing and Urban Development			
Direct Programs			
Section 8 Housing Choice Vouchers	14.871		\$ 885,803
Section 8 Housing Choice Vouchers-CARES	14.HCC		<u>20,823</u>
<i>Total Department Housing and Urban Development</i>			<u>906,626</u>
<i>Other Programs</i>			
Department of Housing and Urban Development			
Direct Programs			
Public Indian Housing	14.850		121,060
Public Indian Housing-CARES	14.PHC		<u>18,604</u>
Total Public Indian Housing			<u>139,664</u>
Department of Housing and Urban Development			
Direct Programs			
Public Housing Capital Fund	14.872		<u>70,768</u>
Total Public Housing Capital Fund			<u>70,768</u>
Total Public Housing Capital Fund			210,432
<i>Total Department of Housing and Urban Development</i>			<u>210,432</u>
<i>Total Other Programs</i>			<u>210,432</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,117,058</u>

The accompany notes are an integral part of this statement.

See independent auditor's report.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2021**

Single Audit Requirements:

Note A – Uniform Guidance

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

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

1.) General

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

2.) Basis of Accounting

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

3.) Relationship To Basic Financial Statements

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

General:		
Operating Subsidy – Public & Indian Housing	\$	121,060
Public & Indian Housing-Cares		18,604
Capital Fund Grant		70,768
Section 8 Housing Choice Vouchers		885,803
Section 8 Housing Choice Vouchers-Cares		20,823
Total	\$	<u>1,117,058</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

4.) Federal Awards

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

5.) Indirect Cost Rate

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

Presented for purposes of additional analysis only.

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

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

	Complete CFP Project 501-19	Incomplete CFP Project 501-20	Total
	<u> </u>	<u> </u>	<u> </u>
The Actual Modernization Costs Are As Follows:			
1. Funds Approved	\$ 89,399	\$ 92,927	\$ 182,326
Funds Expended	<u>(89,399)</u>	<u>(48,250)</u>	<u>(137,649)</u>
Excess of Funds Approved	<u>-0-</u>	<u>44,677</u>	<u>44,677</u>
2. Funds Advanced	89,399	44,131	133,530
Funds Expended	<u>(89,399)</u>	<u>(48,250)</u>	<u>(137,649)</u>
Excess of Funds Advanced	<u>\$ -0-</u>	<u>\$ (4,119)</u>	<u>\$ (4,119)</u>

See independent auditor's report.



Other Reports

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

Housing Authority of the
City of Covington
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Covington’s basic financial statements, and have issued our report thereon dated August 16, 2021.

Internal Control Over Financial Reporting

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

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

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

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

The Vercher Group

Jena, Louisiana
August 16, 2021

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

Housing Authority of the
City of Covington
Covington, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Covington's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Covington's major federal programs for the year ended March 31, 2021. The Housing Authority of the City of Covington's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Covington, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2021.

Report on Internal Control Over Compliance

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

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

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

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

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

The Vercher Group

Jena, Louisiana
August 16, 2021

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2021**

We have audited the basic financial statements which collectively comprise the Housing Authority of the City of Covington, Louisiana, as of and for the year ended March 31, 2021, and have issued our report thereon dated August 16, 2021. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of March 31, 2021, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes Other Conditions Yes

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

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

Yes No

c. Identification of Major Programs:

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

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

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2021**

Section II - Financial Statement Findings

No items identified.

Section III – Federal Awards Findings and Questioned Cost

No items identified.

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

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

FINDINGS:

No items identified.

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

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

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

The management of the Housing Authority of the City of Covington, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended March 31, 2020.

PRIOR YEAR FINDINGS

No items identified.

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MEMBERS

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Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

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

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items identified.

FINANCIAL DATA SCHEDULE

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$72,595	\$0	\$233,849	\$0	\$23,645
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$10,867	\$7,584
114 Cash - Tenant Security Deposits	\$14,209	\$0	\$10,286	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$86,804	\$0	\$244,135	\$10,867	\$31,229
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$12,944
122 Accounts Receivable - HUD Other Projects	\$4,119	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$4,832	\$0	\$0	\$0	\$539
126 Accounts Receivable - Tenants	\$0	\$0	\$5,217	\$0	\$0
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,951	\$0	\$5,217	\$0	\$13,483

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

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	\$2,930	\$0	\$8,267	\$0	\$1,829
143 Inventories	\$1,704	\$0	\$0	\$0	\$0

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$100,389	\$0	\$257,619	\$10,867	\$46,541
161 Land	\$202,304	\$0	\$753,490	\$0	\$0
162 Buildings	\$3,058,533	\$0	\$7,238,005	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$56,629	\$0	\$211,747	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$112,104	\$0	\$0	\$0	\$2,529
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$2,775,213	\$0	-\$2,247,434	\$0	-\$2,529
167 Construction in Progress	\$0	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$654,357	\$0	\$5,955,808	\$0	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$43,788	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$654,357	\$0	\$5,999,596	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$754,746	\$0	\$6,257,215	\$10,867	\$46,541

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$5,048	\$0	\$0	\$0	\$6,706
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,909	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$2,818	\$0	\$0	\$0	\$1,207
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$5,099	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341	Tenant Security Deposits	\$14,209	\$0	\$10,286	\$0	\$0
342	Unearned Revenue	\$0	\$0	\$1,048	\$10,867	\$0
343	Current Portion of Long-term Debt - Capital	\$0	\$0	\$24,623	\$0	\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$660	\$0	\$0	\$0	\$0
347	Inter Program - Due To	\$0	\$0	\$0	\$0	\$0
348	Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$27,644	\$0	\$41,056	\$10,867	\$7,913
351	Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$1,032,569	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$0	\$2,432,513	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$46,337	\$0	\$0	\$0	\$19,859
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$46,337	\$0	\$3,465,082	\$19,859

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

300 Total Liabilities	\$73,981	\$0	\$3,506,138	\$10,867	\$27,772
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$654,357	\$0	\$4,898,616	\$0	\$0
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$7,584
512.4 Unrestricted Net Position	\$26,408	\$0	-\$2,147,539	\$0	\$11,185
513 Total Equity - Net Assets / Position	\$680,765	\$0	\$2,751,077	\$0	\$18,769
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$754,746	\$0	\$6,257,215	\$10,867	\$46,541

	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$330,089		\$330,089
112 Cash - Restricted - Modernization and Development	\$0		\$0
113 Cash - Other Restricted	\$18,451		\$18,451
114 Cash - Tenant Security Deposits	\$24,495		\$24,495
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0
100 Total Cash	\$373,035	\$0	\$373,035
121 Accounts Receivable - PHA Projects	\$12,944		\$12,944
122 Accounts Receivable - HUD Other Projects	\$4,119		\$4,119
124 Accounts Receivable - Other Government	\$0		\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

125 Accounts Receivable - Miscellaneous	\$5,371		\$5,371
126 Accounts Receivable - Tenants	\$5,217		\$5,217
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0
128 Fraud Recovery	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0
129 Accrued Interest Receivable	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$27,651	\$0	\$27,651
131 Investments - Unrestricted	\$0		\$0
132 Investments - Restricted	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0
142 Prepaid Expenses and Other Assets	\$13,026		\$13,026
143 Inventories	\$1,704		\$1,704
143.1 Allowance for Obsolete Inventories	\$0		\$0

	Subtotal	ELIM	Total
144 Inter Program Due From	\$0		\$0
145 Assets Held for Sale	\$0		\$0
150 Total Current Assets	\$415,416	\$0	\$415,416

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

161 Land	\$955,794		\$955,794
162 Buildings	\$10,296,538		\$10,296,538
163 Furniture, Equipment & Machinery - Dwellings	\$268,376		\$268,376
164 Furniture, Equipment & Machinery - Administration	\$114,633		\$114,633
165 Leasehold Improvements	\$0		\$0
166 Accumulated Depreciation	-\$5,025,176		-\$5,025,176
167 Construction in Progress	\$0		\$0
168 Infrastructure	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,610,165	\$0	\$6,610,165
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0		\$0
173 Grants Receivable - Non Current	\$0		\$0
174 Other Assets	\$43,788		\$43,788
176 Investments in Joint Ventures	\$0		\$0
180 Total Non-Current Assets	\$6,653,953	\$0	\$6,653,953
200 Deferred Outflow of Resources	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$7,069,369	\$0	\$7,069,369
311 Bank Overdraft	\$0		\$0

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$11,754		\$11,754
313 Accounts Payable >90 Days Past Due	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,909		\$4,909
322 Accrued Compensated Absences - Current Portion	\$4,025		\$4,025
324 Accrued Contingency Liability	\$0		\$0
325 Accrued Interest Payable	\$5,099		\$5,099
331 Accounts Payable - HUD PHA Programs	\$0		\$0
332 Account Payable - PHA Projects	\$0		\$0
333 Accounts Payable - Other Government	\$0		\$0
341 Tenant Security Deposits	\$24,495		\$24,495
342 Unearned Revenue	\$11,915		\$11,915
343 Current Portion of Long-term Debt - Capital	\$24,623		\$24,623
344 Current Portion of Long-term Debt - Operating Borrowings	\$0		\$0
345 Other Current Liabilities	\$0		\$0
346 Accrued Liabilities - Other	\$660		\$660
347 Inter Program - Due To	\$0		\$0
348 Loan Liability - Current	\$0		\$0
310 Total Current Liabilities	\$87,480	\$0	\$87,480
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$1,032,569		\$1,032,569
352 Long-term Debt, Net of Current - Operating Borrowings	\$0		\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

353 Non-current Liabilities - Other	\$2,432,513		\$2,432,513
354 Accrued Compensated Absences - Non Current	\$66,196		\$66,196
355 Loan Liability - Non Current	\$0		\$0
356 FASB 5 Liabilities	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0		\$0

	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$3,531,278	\$0	\$3,531,278
300 Total Liabilities	\$3,618,758	\$0	\$3,618,758
400 Deferred Inflow of Resources	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$5,552,973		\$5,552,973
511.4 Restricted Net Position	\$7,584		\$7,584
512.4 Unrestricted Net Position	-\$2,109,946		-\$2,109,946
513 Total Equity - Net Assets / Position	\$3,450,611	\$0	\$3,450,611
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$7,069,369	\$0	\$7,069,369

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$145,659	\$0	\$315,712	\$0	\$0
70400 Tenant Revenue - Other	\$3,296	\$0	\$11,837	\$0	\$0
70500 Total Tenant Revenue	\$148,955	\$0	\$327,549	\$0	\$0
70600 HUD PHA Operating Grants	\$151,990	\$20,224	\$0	\$20,823	\$885,803
70610 Capital Grants	\$39,838				\$0
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$16	\$0	\$724	\$0	\$29
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	\$0	\$0	\$0	\$0
71500 Other Revenue	\$36,931	\$0	\$5,649	\$0	\$184,643

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

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	\$377,730	\$20,224	\$333,922	\$20,823	\$1,070,475
91100 Administrative Salaries	\$63,996	\$0	\$37,000	\$0	\$34,460

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
91200 Auditing Fees	\$8,843	\$0	\$7,250	\$0	\$6,925
91300 Management Fee	\$0	\$0	\$47,645	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$117	\$0	\$759	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$19,459	\$0	\$7,026	\$0	\$10,363
91600 Office Expenses	\$52,827	\$0	\$9,197	\$1,831	\$41,729
91700 Legal Expense	\$100	\$0	\$100	\$0	\$0
91800 Travel	\$5,246	\$0	\$0	\$0	\$649
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$16,940	\$0	\$590	\$4,092	\$10,585
91000 Total Operating - Administrative	\$167,528	\$0	\$109,567	\$5,923	\$104,711
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$1,278	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

92300 Employee Benefit Contributions - Tenant Services	\$0	\$98	\$0	\$0	\$0
92400 Tenant Services - Other	\$6,069	\$17,228	\$193	\$14,900	\$0
92500 Total Tenant Services	\$6,069	\$18,604	\$193	\$14,900	\$0
93100 Water	\$980	\$0	\$2,323	\$0	\$0
93200 Electricity	\$5,688	\$0	\$2,382	\$0	\$0
93300 Gas	\$1,162	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$7,830	\$0	\$4,705	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$23,519	\$0	\$1,809	\$0	\$0
94300 Ordinary Maintenance and Operations Contracts	\$58,480	\$0	\$52,708	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$81,999	\$0	\$54,517	\$0	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

95100 Protective Services - Labor	\$13,722	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$1,168	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$14,890	\$0	\$0	\$0	\$0
96110 Property Insurance	\$26,631	\$0	\$0	\$0	\$0
96120 Liability Insurance	\$6,003	\$0	\$0	\$0	\$931
96130 Workmen's Compensation	\$0	\$0	\$1,320	\$0	\$0
96140 All Other Insurance	\$6,782	\$0	\$33,039	\$0	\$0
96100 Total insurance Premiums	\$39,416	\$0	\$34,359	\$0	\$931
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$441
96210 Compensated Absences	\$12,765	\$0	\$0	\$0	\$6,873
96300 Payments in Lieu of Taxes	\$0	\$0	\$7,329	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$2,055	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$12,765	\$0	\$9,384	\$0	\$7,314

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$113,149	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$2,843	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$115,992	\$0	\$0
96900 Total Operating Expenses	\$330,497	\$18,604	\$328,717	\$20,823	\$112,956
97000 Excess of Operating Revenue over Operating Expenses	\$47,233	\$1,620	\$5,205	\$0	\$957,519
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$814,582
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$139,027
97400 Depreciation Expense	\$122,276	\$0	\$185,521	\$0	\$0
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
90000 Total Expenses	\$452,773	\$18,604	\$514,238	\$20,823	\$1,066,565
10010 Operating Transfer In	\$17,978	\$0	\$0	\$0	\$0
10020 Operating transfer Out	-\$17,978	\$0	\$0	\$0	\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
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				
10092 Inter Project Excess Cash Transfer Out	\$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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$75,043	\$1,620	-\$180,316	\$0	\$3,910
11020 Required Annual Debt Principal Payments	\$0	\$0	\$22,933	\$0	\$0
11030 Beginning Equity	\$754,188	\$0	\$2,931,393	\$0	\$14,859
11040 Prior Period Adjustments, Equity Transfers and	\$1,620	-\$1,620	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					\$11,185
11180 Housing Assistance Payments Equity					\$7,584

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
11190 Unit Months Available	576		432		1263
11210 Number of Unit Months Leased	575		424		1251
11270 Excess Cash	\$41,649				
11610 Land Purchases	\$0				
11620 Building Purchases	\$33,907				
11630 Furniture & Equipment - Dwelling Purchases	\$2,671				
11640 Furniture & Equipment - Administrative Purchases	\$3,260				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

70300 Net Tenant Rental Revenue	\$461,371		\$461,371
70400 Tenant Revenue - Other	\$15,133		\$15,133
70500 Total Tenant Revenue	\$476,504	\$0	\$476,504
70600 HUD PHA Operating Grants	\$1,078,840		\$1,078,840
70610 Capital Grants	\$39,838		\$39,838
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
71100 Investment Income - Unrestricted	\$769		\$769
71200 Mortgage Interest Income	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0
71310 Cost of Sale of Assets	\$0		\$0
71400 Fraud Recovery	\$0		\$0
71500 Other Revenue	\$227,223		\$227,223
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$1,823,174	\$0	\$1,823,174

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

91100 Administrative Salaries	\$135,456		\$135,456
91200 Auditing Fees	\$23,018		\$23,018

	Subtotal	ELIM	Total
91300 Management Fee	\$47,645		\$47,645
91310 Book-keeping Fee	\$0		\$0
91400 Advertising and Marketing	\$876		\$876
91500 Employee Benefit contributions - Administrative	\$36,848		\$36,848
91600 Office Expenses	\$105,584		\$105,584
91700 Legal Expense	\$200		\$200
91800 Travel	\$5,895		\$5,895
91810 Allocated Overhead	\$0		\$0
91900 Other	\$32,207		\$32,207
91000 Total Operating - Administrative	\$387,729	\$0	\$387,729
92000 Asset Management Fee	\$0		\$0
92100 Tenant Services - Salaries	\$1,278		\$1,278
92200 Relocation Costs	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$98		\$98
92400 Tenant Services - Other	\$38,390		\$38,390
92500 Total Tenant Services	\$39,766	\$0	\$39,766

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

93100 Water	\$3,303		\$3,303
93200 Electricity	\$8,070		\$8,070
93300 Gas	\$1,162		\$1,162
93400 Fuel	\$0		\$0
93500 Labor	\$0		\$0
93600 Sewer	\$0		\$0
93700 Employee Benefit Contributions - Utilities	\$0		\$0
93800 Other Utilities Expense	\$0		\$0

	Subtotal	ELIM	Total
93000 Total Utilities	\$12,535	\$0	\$12,535
94100 Ordinary Maintenance and Operations - Labor	\$0		\$0
94200 Ordinary Maintenance and Operations - Materials and	\$25,328		\$25,328
94300 Ordinary Maintenance and Operations Contracts	\$111,188		\$111,188
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0		\$0
94000 Total Maintenance	\$136,516	\$0	\$136,516
95100 Protective Services - Labor	\$13,722		\$13,722
95200 Protective Services - Other Contract Costs	\$0		\$0
95300 Protective Services - Other	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$1,168		\$1,168

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

95000 Total Protective Services	\$14,890	\$0	\$14,890
96110 Property Insurance	\$26,631		\$26,631
96120 Liability Insurance	\$6,934		\$6,934
96130 Workmen's Compensation	\$1,320		\$1,320
96140 All Other Insurance	\$39,821		\$39,821
96100 Total insurance Premiums	\$74,706	\$0	\$74,706
96200 Other General Expenses	\$441		\$441
96210 Compensated Absences	\$19,638		\$19,638
96300 Payments in Lieu of Taxes	\$7,329		\$7,329
96400 Bad debt - Tenant Rents	\$2,055		\$2,055
96500 Bad debt - Mortgages	\$0		\$0
96600 Bad debt - Other	\$0		\$0

	Subtotal	ELIM	Total
96800 Severance Expense	\$0		\$0
96000 Total Other General Expenses	\$29,463	\$0	\$29,463
96710 Interest of Mortgage (or Bonds) Payable	\$113,149		\$113,149
96720 Interest on Notes Payable (Short and Long Term)	\$0		\$0
96730 Amortization of Bond Issue Costs	\$2,843		\$2,843

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

96700 Total Interest Expense and Amortization Cost	\$115,992	\$0	\$115,992
96900 Total Operating Expenses	\$811,597	\$0	\$811,597
97000 Excess of Operating Revenue over Operating Expenses	\$1,011,577	\$0	\$1,011,577
97100 Extraordinary Maintenance	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0		\$0
97300 Housing Assistance Payments	\$814,582		\$814,582
97350 HAP Portability-In	\$139,027		\$139,027
97400 Depreciation Expense	\$307,797		\$307,797
97500 Fraud Losses	\$0		\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0		\$0
90000 Total Expenses	\$2,073,003	\$0	\$2,073,003
10010 Operating Transfer In	\$17,978	-\$17,978	\$0
10020 Operating transfer Out	-\$17,978	\$17,978	\$0
10030 Operating Transfers from/to Primary Government	\$0		\$0

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

10040 Operating Transfers from/to Component Unit	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0
10093 Transfers between Program and Project - In	\$0		\$0
10094 Transfers between Project and Program - Out	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$249,829	\$0	-\$249,829
11020 Required Annual Debt Principal Payments	\$22,933		\$22,933
11030 Beginning Equity	\$3,700,440		\$3,700,440
11040 Prior Period Adjustments, Equity Transfers and	\$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	\$11,185		\$11,185

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

11180 Housing Assistance Payments Equity	\$7,584		\$7,584
11190 Unit Months Available	2271		2271

	Subtotal	ELIM	Total
11210 Number of Unit Months Leased	2250		2250
11270 Excess Cash	\$41,649		\$41,649
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$33,907		\$33,907
11630 Furniture & Equipment - Dwelling Purchases	\$2,671		\$2,671
11640 Furniture & Equipment - Administrative Purchases	\$3,260		\$3,260
11650 Leasehold Improvements Purchases	\$0		\$0
11660 Infrastructure Purchases	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0