

HOUSING AUTHORITY OF THE CITY OF COVINGTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 1997

Prior Audit Findings and Questioned Cost

There were no prior audit findings.

Current Audit Findings

None.

Questioned
Cost

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. This report is a matter of public record, and its distribution is not limited.

Ernst and Associates

Fort Worth, Texas
July 18, 1997

in accordance with generally accepted accounting principles, and federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls: Revenues, receivables, and cash receipts Procurement, payables, and cash disbursement Property and equipment Payroll Finance, debt, debt service	Administrative Controls: Political activity Davis-Bacon Act Civil rights Cash management Federal financial reports Allowable costs/Cost principles Drug Free Workplace Act Administrative requirements Types of services - allowability Eligibility Reporting Costs allocation Special requirements
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For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended March 31, 1997, the Housing Authority of the City of Covington, Louisiana, expended 100 percent of its total federal financial assistance under major federal financial assistance programs and the following nonmajor federal financial assistance programs: Section 8 Existing and Vouchers.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Authority's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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**Independent Auditor's Report on the Internal Control
Structure Used in Administering Federal
Financial Assistance Programs —
Total Assistance Expended Under Major Federal
Financial Assistance Programs is Less Than 50 Percent of
Federal Financial Assistance**

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the year ended March 31, 1997, and have issued our report thereon dated July 18, 1997. We have also audited the Housing Authority of the City of Covington, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated July 18, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-120, "Audits of State and Local Governments." Those standards and OMB Circular A-120 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Housing Authority of the City of Covington, Louisiana complied with laws and regulations, non-compliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended March 31, 1997, we considered the Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Authority's financial statements and on the compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-120. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated July 18, 1997.

The management of the Housing Authority of the City of Covington, Louisiana is responsible for establishing and maintaining internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements;

in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. This report is a matter of public record, and its distribution is not limited.

Estes and Associates

Ft. Worth, Texas
July 18, 1987

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PUBLIC ACCOUNTANTS

**Independent Auditor's Report on the Internal
Control Structure in Accordance with
Governmental Auditing Standards**

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and have issued our report thereon dated July 19, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

The management of the Housing Authority of the City of Covington, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of City of Covington, Louisiana, for the year ended March 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition

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**Independent Auditor's Report on Compliance with
Specific Requirements Applicable to Non-Major Federal
Financial Assistance Program Transactions**

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and have issued our report thereon dated July 18, 1997.

In connection with our audit of the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and with our consideration of the Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the twelve months ended March 31, 1997. As required by OMB-Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation; analysis of general fund cash; fair market rent ceiling on housing assistance payments; rent reasonableness; housing quality standards; property inspections; and annual rent adjustment limits that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Covington, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. However, this report is a matter of public record, and its distribution is not limited.

Estes and Associates

Fort Worth, Texas
July 18, 1997

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. However, this report is a matter of public record, and its distribution is not limited.

Estes and Associates

Fort Worth, Texas

July 18, 1987

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**Independent Auditor's Report on Compliance with the
General Requirements Applicable to
Federal Financial Assistance Programs**

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and have issued our report thereon dated July 18, 1997.

We have applied procedures to test the Housing Authority of the City of Covington, Louisiana's compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the twelve months ended March 31, 1997:

Political Activity
Davis-Bacon Act
Civil Rights
Cash Management
Federal Financial Reports (Claims for Advances
and Payments)
Allowable Costs/Cost Principles
Drug Free Workplace Act
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Covington, Louisiana had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. However, this report is a matter of public record, and its distribution is not limited.

Estes and Associates

Fort Worth, Texas

July 18, 1997

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HOUSING AUTHORITY OF THE CITY OF COVINGTON, LOUISIANA

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**Independent Auditors' Opinion on Compliance with
Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and have issued our report thereon dated July 18, 1997.

We have also audited the Housing Authority of the City of Covington, Louisiana's compliance with the requirements governing types of services allowed or disallowed; eligibility; reporting; cost allocation; analysis of general fund cash; and operating subsidy eligibility that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the twelve months ended March 31, 1997. The management of the Housing Authority of the City of Covington, Louisiana is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Housing Authority of the City of Covington, Louisiana complied, in all material respects, with the requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the twelve months ended March 31, 1997.

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*Independent Auditors' Compliance Report Based on an
Audit of Financial Statements Performed
in Accordance with Government Auditing Standards*

We have audited the financial statements of the Housing Authority of the City of Covington, Louisiana, as of and for the twelve months ended March 31, 1997, and have issued our report thereon dated July 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Housing Authority of the City of Covington, Louisiana is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing & Urban Development. This report is a matter of public record, and its distribution is not limited.

Estes and Associates

Fort Worth, Texas
July 18, 1997

HOUSING AUTHORITY OF THE CITY OF COVINGTON

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED MARCH 31, 1997

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>CDFA NO.</u>	<u>GRANT ID NO.</u>	<u>AWARD AMOUNT</u>	<u>PROGRAM EXPENDITURES</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low-Income Housing				
Development	14.050	FW- 2060	\$ 5,590.00	\$ 5,590.00
Operating Subsidy	14.050	FW- 2060	345,651.00	345,651.00
Major Program Total			351,250.00	351,250.00
Section 8 Hsp -				
Existing	14.156	FW- 2250	200,618.00	200,618.00
NonMajor Program Total			200,618.00	200,618.00
Vouchers				
	14.177	FW- 2250	168,709.00	168,709.00
NonMajor Program Total			168,709.00	168,709.00
Total HUD			\$ 724,577.00	\$ 724,577.00

HOUSING AUTHORITY OF THE CITY OF COVINGTON
 ANALYSIS OF GENERAL FUND CASH BALANCE
 ANNUAL CONTRIBUTION CONTRACT
FW - 2262

Composition Before Adjustments		-
Not operating receipts retained:		
Operating reserves - Exhibit C	\$	301,373.16
Operating deficits - Exhibit D(1) & D(2)		(7,507.66)
Deferred credits		34,251.00
Imbalance at 03-31-03		<u>(2,291.64)</u>
		325,824.57
Adjustments		
Expenses/credits not paid:		
Accounts payable		87,371.22
Accrued payments in lieu of taxes		16,442.72
Income not received:		
Accounts receivable		<u>(478.13)</u>
General Fund Cash Available		<u>429,160.38</u>
General Fund Cash - Exhibit A	\$	<u>429,160.38</u>

HOUSING AUTHORITY OF THE CITY OF COMINGTON

PHA'S STATEMENT AND CERTIFICATION OF ACTUAL DEVELOPMENT COST
PROJECT

ANNUAL CONTRIBUTION CONTRACT

EW - 2283

1. The actual development costs of the project are as follows:

Classification	Amount
Administration	\$ 88,791.82
Initial operating deficit	81,257.72
Interest - income	(1,163,214)
Planning	199,445.89
Site acquisition	199,804.54
Site improvement	12,160.00
Devolving structures	2,026,115.07
Nondevolving equipment	19,389.50
Total cost	\$ 2,512,801.17

2. The distribution of costs by major cost accounts as shown on the Statement of Actual Development Costs accompanying the Actual Development Cost Certificate submitted HUD for approval is in agreement with the PHA's records.
3. All development costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF DOWNTON

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT - OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

JW-2856
VOUCHER

	Year Ended
	<u>03-31-87</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	
Increase (decrease) during fiscal year - Exhibit C	\$ 690,250.46
	<u>381,191.00</u>
	<u>871,440.96</u>
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(2)	1,241.54
Annual contributions earned	166,700.83
Prior audit adjustments - affecting residual receipts	4,177.59
	<u>171,620.96</u>
Operating Expenditures	
Operating expenses - Exhibit B(2)	167,510.48
	<u>167,510.48</u>
Residual receipts (deficit)	8,110.48
Prior year deficit	(12,602.83)
(Provision for) reduction of operating reserve - Exhibit C	0.00
	<u>0.00</u>
Residual receipts (deficit) after provision for operating reserve	\$ (4,488.15)

HOUSING AUTHORITY OF THE CITY OF COMINGTON
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

ICF — 2026
VOUCHER

		Year Ended
		<u>03-31-87</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	950,900.00
Project account balance at beginning of fiscal year		<u>690,959.46</u>
Total Annual Contribution Available		<u>1,041,159.46</u>
Annual Contribution Required		
Housing assistance payments		149,885.83
Administrative fee		21,888.00
Hard-to-house fee		180.00
Independent public accountant audit costs		<u>358.00</u>
		171,321.83
Project receipts other than annual contribution		<u>1,513.00</u>
Total Contribution Required - Exhibit C		<u>169,778.83</u>
Excess in Annual Contribution Available	\$	<u>871,450.63</u>
Year-end Settlement		
Annual contribution due for fiscal year		169,709.00
Total partial payments received by PHA for fiscal year		<u>309,600.00</u>
(Over) Under Payment Due (HUD) PHA Exhibit A	\$	<u>(39,094.00)</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT - OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

PW - 2250EXISTING

	Year Ended
	<u>09-31-97</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	
Increase (decrease) during fiscal year - Exhibit C	\$ 870,412.40
	<u>111,476.00</u>
	<u>1,001,888.40</u>
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(2)	879.80
Annual contributions earned	200,618.00
Prior audit adjustments - affecting residual receipts	4,345.10
	<u>205,842.90</u>
Operating Expenditures	
Operating expenses - Exhibit B(2)	199,624.96
	<u>199,624.96</u>
Residual receipts (deficit)	9,020.94
Prior year deficit	(12,043.74)
(Provision for) reduction of operating reserves - Exhibit C	0.00
Residual receipts (deficit) after provision for operating reserves	\$ <u>(3,022.80)</u>

HOUSING AUTHORITY OF THE CITY OF DORVINGTON

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT — OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT

PSW — 2025EXISTING

	Year Ended
	<u>03-31-87</u>
Maximum Contribution Available	
Maximum annual contribution authorized	\$ 215,000.00
Project account balance at beginning of fiscal year	<u>970,412.49</u>
Total Annual Contribution Available	<u>1,205,508.49</u>
Annual Contribution Required	
Housing assistance payments	181,550.00
Administrative fee	22,418.00
Hard-to-house fee	0.00
Independent public accountant audit costs	<u>358.00</u>
	304,327.00
Project receipts other than annual contribution	<u>709.00</u>
Total Contribution Required - Exhibit C	<u>303,618.00</u>
Excess in Annual Contribution Available	\$ <u>1,081,890.49</u>
Year-end Settlement	
Annual contribution due for fiscal year	303,618.00
Total partial payments received by PHA for fiscal year	<u>218,134.00</u>
(Over) Under Payment Due (HUD) PHA - Exhibit A	\$ <u>(15,816.00)</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

EW-2262

	<u>Year Ended</u>
	<u>03-31-87</u>
<u>Computation of Accruing Annual Contributions</u>	
Fixed annual contribution	\$ <u>0.00</u>
Total Annual Contribution	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT

FW - 2263

	Year Ended
	<u>03-31-07</u>
Computation of Residual Receipts	
Operating Receipts	
Operating Income - Exhibit B(1)	\$ 385,849.03
HUD operating subsidy	24,071.00
Total Operating Receipts	<u>409,920.03</u>
Operating Expenditures	
Operating expenses - Exhibit B(1)	142,703.93
Prior year adjustments - affecting residual receipts	3,489.85
Total Operating Expenditures	<u>146,193.78</u>
Residual receipts (deficit) per audit before provision for reserve	257,726.85
Audit adjustments (backed out)	-----
Residual receipts per PHA before provision for reserve	257,726.85
(Provision for) or reduction of operating reserve - Exhibit C	<u>(257,726.85)</u>
Residual receipts per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1997

ANNUAL CONTRIBUTION CONTRACT

FW — 2258VOUCHERProject Account

Balance per prior audit at 03-31-95	\$	680,250.46
Provision for (reduction of) Project Account for the year ended 03-31-97 - Exhibit D(3)		<u>181,191.50</u>
Balance at 03-31-97		<u>499,058.96</u>

Cumulative HUD Contributions

Balance per prior audit at 03-31-95		1,532,115.46
Annual contribution for year ended 03-31-97 - Exhibit D(3)		<u>169,709.00</u>
Balance at 03-31-97		<u>1,701,824.46</u>
Total Surplus - Exhibit A	\$	<u>2,810,749.58</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1997

ANNUAL CONTRIBUTION CONTRACT

FY — 2026
VOUCHERUnassigned Surplus

Balance per prior audit at 03-31-96	\$	(2,233,671.50)
Net loss for the year ended 03-31-97 - Exhibit D(3)		(161,521.35)
(Provision for) reduction of Operating Reserve for year ended 03-31-97 - Exhibit D(3)		0.00
(Provision for) reduction of Project Account for year ended 03-31-97 - Exhibit D(3)		(181,191.00)
Balance at 03-31-97		<u>(2,576,453.74)</u>

Deferred Surplus - Operating Reserve

Balance per prior audit at 03-31-96		0.00
Provision for (reduction of) Operating Reserve for the year ended 03-31-97 - Exhibit D(3)		0.00
Balance at 03-31-97	\$	<u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

ANALYSIS OF SURPLUS - STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1987

ANNUAL CONTRIBUTION CONTRACT

FW - 2250
EXISTINGProject Account

Balance per prior audit at 03-31-86	\$	970,412.49
Provision for (reduction of) Project Account for the year ended 03-31-87 - Exhibit D(2)		<u>111,479.00</u>
Balance at 03-31-87		<u>1,081,890.49</u>

Cumulative HUD Contributions

Balance per prior audit at 03-31-86		1,797,471.20
Annual contribution for year ended 03-31-87 - Exhibit D(2)		<u>203,618.00</u>
Balance at 03-31-87	\$	<u>1,911,089.20</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

ANALYSIS OF SURPLUS -- STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1997

ANNUAL CONTRIBUTION CONTRACT

PW - 2252EXISTINGUnreserved Surplus

Balance per prior audit at 03-31-96	\$	(2,487,160.82)
Net loss for the year ended 03-31-97 - Exhibit B(2)		(184,587.08)
(Provision for) reduction of Operating Reserve for year ended 03-31-97 - Exhibit C(2)		0.00
(Provision for) reduction of Project Account for year ended 03-31-97 - Exhibit D(2)		(111,478.00)
Balance at 03-31-97		<u>(2,993,225.90)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-96		0.00
Provision for (reduction of) Operating Reserve for the year ended 03-31-97 - Exhibit D(2)		0.00
Balance at 03-31-97	\$	<u>0.00</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON

ANALYSIS OF SURPLUS — STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1987ANNUAL CONTRIBUTION CONTRACT
FY — 1983

Cumulative HUD Contributions

Balance per prior audit at 03-31-86	\$	90,357.00
Operating subsidy for year ended 03-31-87		<u>24,871.00</u>
Balance at 03-31-87		<u>115,228.00</u>

Cumulative HUD Grants

Balance per prior audit at 03-31-86		2,507,102.17
Advances for year ended 03-31-87		<u>5,000.00</u>
Balance at 03-31-87		<u>2,512,102.17</u>

HOUSING AUTHORITY OF THE CITY OF DORVINGTON

ANALYSIS OF SURPLUS - STATUTORY BASIS
TWELVE MONTHS ENDED MARCH 31, 1997ANNUAL CONTRIBUTION CONTRACT
PW - 2223Unexpended Surplus

Balance per prior audit at 03-31-96	\$	(104,302.71)
Prior audit adjustment		5,945.71
Net loss for the year ended 03-31-97 - Exhibit B(1)		233,652.85
(Provision for) reduction of Operating Reserve for year ended 03-31-97 - Exhibit A(1)		(257,729.85)
Balance at 03-31-97		<u>(122,429.00)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-96		43,946.31
Provision for (reduction of) Operating Reserve for the year ended 03-31-97 - Exhibit D(1)		257,729.85
Balance at 03-31-97 - Exhibit F	\$	<u>(201,373.16)</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON
 STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
JW – 2250
EXISTING

	Year Ended
	09-31-87
Operating Income	
Interest on general fund investments	\$ 879.00
Total Operating Income - Exhibit D(2)	879.00
Operating Expenses	
Administration	17,910.00
Housing assistance payments	181,660.00
Independent public accountant audit costs	360.00
Total Operating Expense - Exhibit D(2)	199,930.00
Net Operating Income (Loss)	(199,051.00)
Other Credits	
Prior year adjustments - affecting residual receipts	4,348.10
Total Other Credits	4,348.10
Net Loss - Exhibit C	\$ (194,702.90)

HOUSING AUTHORITY OF THE CITY OF DOWNTON
 STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
FW — 2253

		<u>Year Ended</u>
		<u>03-31-07</u>
Operating Income		
Dwelling rental	\$	60,435.00
Interest on general fund investments		693.02
Other income		<u>324,420.43</u>
Total Operating Income - Exhibit D(1)		<u>385,548.45</u>
Operating Expenses		
Administration		40,106.00
Utilities		2,034.00
Ordinary maintenance and operation		23,063.20
General expense		<u>60,405.91</u>
Total Operating Expense - Exhibit D(1)		<u>145,709.11</u>
Net Operating Income (Loss)		<u>243,145.70</u>
Other Charges		
Prior year adjustments - affecting residual receipts		<u>9,489.05</u>
Total Other Charges		<u>9,489.05</u>
Net Loss - Exhibit C	\$	<u>233,655.65</u>

HOUSING AUTHORITY OF THE CITY OF CONROSTON

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1997ANNUAL CONTRIBUTION CONTRACT
EW — 2263ASSETS

Cash - Exhibit F	\$	429,160.38
Accounts receivable - tenants		219.50
Accounts receivable - other		258.63
Land, structures and equipment		<u>2,319,176.61</u>
Total Assets	\$	<u>2,948,814.52</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	7,044.00
Accounts payable - HUD - Exhibit D(2) & D(3)		49,610.00
Accounts payable - HUD - prior YE settlements		31,717.20
Accrued liabilities		16,442.72
Deferred credits		<u>34,851.00</u>
Total Liabilities		139,664.92
Surplus - Exhibit C		<u>2,810,749.50</u>
Total Liabilities and Surplus	\$	<u>2,949,814.52</u>

HOUSING AUTHORITY OF THE CITY OF COVINGTON
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
 MARCH 31, 1997

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 5,200.91	\$ 5,200.91
ADDITIONS		
Receipts from tenants	<u>1,413.09</u>	<u>1,413.09</u>
Total Additions	<u>1,413.09</u>	<u>1,413.09</u>
DEPOSIT BALANCES AT END OF YEAR	<u>\$ 6,614.00</u>	<u>\$ 6,614.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COMINGTON

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 1997

	Agency Funds	
	Tenant Security Deposit Funds	Total Fiduciary Funds
ASSETS		
Cash and cash equivalents	\$ 6,014.00	\$ 6,014.00
Total Assets	\$ 6,014.00	\$ 6,014.00
LIABILITIES		
Due to tenants	\$ 6,014.00	\$ 6,014.00
Total Liabilities	\$ 6,014.00	\$ 6,014.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON
 SPECIAL REVENUE FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1997

	Allocated Housing Programs		
	Existing Leads Program	Teacher Program	Total
Administrative			
Intergovernmental	\$ 220,818.00	\$ 180,700.00	\$ 371,265.80
Interest	879.00	1,741.94	2,621.94
Total Revenue	<u>281,697.00</u>	<u>171,882.97</u>	<u>473,948.17</u>
Construction			
Administration	40,868.06	64,347.06	105,215.82
Housing assistance payments	181,879.00	148,888.82	330,767.82
Total Expenditures	<u>222,747.06</u>	<u>213,235.88</u>	<u>435,982.94</u>
Excess (deficiency) of revenues over (under) expenditures	69,950.94	6,117.43	17,128.42
FUND BALANCE, beginning of year	(12,943.04)	(72,882.62)	(24,045.37)
FUND BALANCE, end of year	<u>\$ 56,907.90</u>	<u>\$ 9,484.79</u>	<u>\$ 77,001.89</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

SPECIAL REVENUE FUND TYPES
COMBINING BALANCE SHEET
MARCH 31, 1987

	Assisted Housing Programs		
	City Utility Programs	Weather Programs	Total
ASSETS			
Due from:			
Other funds	\$ 58,218.00	\$ 48,000.00	\$ 106,218.00
Total Assets	\$ 58,218.00	\$ 48,000.00	\$ 106,218.00
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Due to:			
Other governments	\$ 28,000.00	\$ 80,307.26	\$ 108,307.26
Deferred revenue	(9,281.00)		(9,281.00)
Total liabilities	\$ 18,719.00	\$ 80,307.26	\$ 99,026.26
FUND EQUITY			
Unreserved and unassigned	(3,000.00)	(4,488.18)	(7,488.18)
Total fund equity	(3,000.00)	(4,488.18)	(7,488.18)
Total liabilities and fund equity	\$ 15,719.00	\$ 75,819.08	\$ 91,538.08

HOUSING AUTHORITY OF THE CITY OF DOWNTON

NOTES TO FINANCIAL STATEMENTS
(Continued)
MARCH 31, 1997

NOTE F - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

Long Term Debt

It is not possible to estimate the fair value of long term debt owed to the federal government by this governmental entity, a housing authority. The housing authority is unable, by law, to access long term financing from any other source. FASB 107 describes fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

NOTE G - ACCOUNTING FOR THE IMPAIRMENT OF LONG - LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE H - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of these financial statements requires the use of estimates by management. No significant estimates have been made by management that require disclosure.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 1997

NOTE C - ACTIVITIES OF THE PHA

At March 31, 1997, the PHA was managing 50 units of lowrent in one project under Program FW -- 2202, 54 units of section 8 existing, and 65 units of vouchers under Program FW -- 2202.

NOTE D - CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Changes in the general fixed assets account group are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land inputs.	\$ 189,804.24	\$	\$	\$ 189,804.24
Buildings	2,279,881.84	14,235.65		2,294,117.49
Equipment	25,284.18			25,284.18
Total	\$ 2,594,968.26	\$ 14,235.65	\$ 0.00	\$ 2,619,178.00

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS

(Continued)
MARCH 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

Cash and investments are insured as follows:

FDIC insurance	\$	100,000.00
Collateralized by pledged securities		<u>299,160.39</u>
	\$	<u>429,160.39</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. This difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(7) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at March 31, 1997.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not reported on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or 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. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain overruns which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) Subsidiary Data

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Covington, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the City of Covington, Louisiana. Each member serves a two-year term on a rotating basis. 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, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of March 31, 1987, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and board categories in the financial statements as follows:

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND AND SPECIAL REVENUE FUNDS

YEAR ENDED MARCH 31, 2022

	Special Revenue Funds			
	Budget	Actual	Over (Under) Budget	Over (Under) Budget
REVENUES				
Rents	\$ 66,416.00	\$ 66,420.00	\$ (3,094.42)	\$ 2.00
Intergovernmental	24,071.00	24,071.00	0.00	(94,709.17)
Fees	1,208.00	893.83	319.98	3,827.34
Other income	3,200.00	512,349.08	509,149.08	0.00
Total Revenues	74,905.00	567,883.11	492,908.08	(66,689.09)
EXPENDITURES				
Administration	45,142.00	45,138.80	1,803.80	973,839.08
Utilities	1,910.00	2,024.84	424.84	0.00
Ordinary maintenance	27,400.00	29,093.20	1,693.20	0.00
Capital expenditures	95,800.00	85,455.21	10,344.79	0.00
Housing assistance payments	0.00	0.00	418,000.00	(88,282.17)
Capital expenditures	800.00	0.00	(800.00)	0.00
Total Expenditures	170,872.00	161,712.05	9,159.95	(708,228.25)
Balance (advance) of resources				
Over (under) requirements				
Total	\$ (95,967.00)	\$ (6,828.94)	\$ (89,138.06)	\$ 17,108.42
Transfer of net income to unreserved deficit				
FUND BALANCES, beginning of year	0.00	0.00		(54,646.27)
FUND BALANCES, end of year		608,061.00		\$ 17,287.90

FUND BALANCES, beginning of year

FUND BALANCES, end of year

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 1997

	Governmental Fund Types				Total (Interfund Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Rentals	\$ 63,435.50	\$	\$	\$	\$ 63,435.50
Intergovernmental	24,071.80	373,308.83			397,380.63
Interest	893.83	2,621.34			3,515.17
Other	312,348.95				312,348.95
Total Revenues	380,750.08	375,930.17	0.00	0.00	756,680.25
EXPENDITURES					
Administration	45,378.55	28,070.82			73,449.37
Utilities	2,824.04				2,824.04
Ordinary maintenance	29,853.28				29,853.28
General expenditures	80,498.91				80,498.91
Housing assistance payments		300,535.80			300,535.80
Total expenditures	142,700.00	328,606.62	0.00	0.00	471,306.62
Excess (deficiency) of revenues over (under) expenditures	<u>238,050.08</u>	<u>47,323.55</u>	<u>0.00</u>	<u>0.00</u>	<u>285,373.63</u>
OTHER FINANCING SOURCES(USES)					
Operating transfers in					0.00
Operating transfers out					0.00
Total other financing sources(uses)	0.00	0.00	0.00	0.00	0.00
FUND BALANCE, beginning of year	43,895.30	(24,648.37)			19,246.93
FUND BALANCE, end of year	\$ 281,945.38	\$ (7,324.82)	\$ 0.00	\$ 0.00	\$ 274,620.56

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF COVINGTON
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
 MARCH 31, 1997

	Governmental Fund Types				Specialty Fund Types		Assigned Outlays		Total (Major-Component Only)
	General	Special Revenues	Debt Service	Capital Projects	Trust and Agency	General Fund	Assigned Outlays		
							General Fund Assets	General Long-Term Debt	
LIABILITIES	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable	400.00								400.00
Interest liabilities	16,442.72								16,442.72
Due to:									
Tenants					6,814.00				6,814.00
Other funds		60,307.26							60,307.26
Other governments		34,281.08							34,281.08
Deferred revenues									
Total Liabilities	423,042.89	114,578.26	0.00	0.00	6,814.00	0.00	0.00	0.00	544,435.15
FUND EQUITY									
Investment in general fund assets						2,219,178.09			2,219,178.09
Fund balances:									
Unassigned	289,081.50	17,807.89							306,889.39
Total Fund Equity	289,081.50	17,807.89	0.00	0.00	0.00	2,219,178.09	0.00	0.00	2,516,077.48
Total Liabilities and Fund Equity	\$ 423,042.89	\$ 132,386.15	\$ 0.00	\$ 0.00	\$ 6,814.00	\$ 2,219,178.09	\$ 0.00	\$ 0.00	\$ 2,558,562.77

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF CONINGTON
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1997

	Governmental Fund Types				Municipality Fund Types			Account Groups		
	General	Special Revenues	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	General Long-Term Debt	Total (Manufacturers Only)		
ASSETS										
Cash and cash equivalents	\$ 422,046.00	\$	\$	\$	\$ 6,116.00	\$	\$	\$	\$	\$ 428,162.00
Receivables, net of allowance										
Interest	279.00									279.00
Other	228.00									228.00
Due from										
Other funds		187,879.25				2,095,178.04				607,879.25
Property, plant and equipment										241,817.81
Total Assets	\$ 422,044.51	\$ 187,879.25	\$ 0.00	\$ 0.00	\$ 6,116.00	\$ 2,095,178.04	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,552,814.77

The Notes to Financial Statements are an integral part of these statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 18, 1997, on our consideration of the Authority's system of internal control and a report dated July 18, 1997, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The budgetary information included in the accompanying financial statements and the accompanying financial information listed as financial schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Housing Authority of the City of Covington, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material aspects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Ernst and Associates

Fort Worth, Texas
July 18, 1997

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CERTIFIED PUBLIC ACCOUNTANTS
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IRVING, TEXAS, 75039

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HOUSING AUTHORITY OF THE CITY OF COVINGTON, LOUISIANA

REPORT
PREPARED FOR THE HOUSING AUTHORITY OF THE CITY OF COVINGTON, LOUISIANA

Report of Independent Certified Public Accountants
on Financial Statements and Financial Schedule

Board of Commissioners
Housing Authority of the
City of Covington
Covington, Louisiana

Regional Inspector General for Audit
Office of Inspector General
Department of Housing and Urban
Development

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of the City of Covington, Louisiana (the Authority) as of March 31, 1997, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-120, "Audits of State and Local Governments." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Covington, Louisiana as of March 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Housing Authority of the City of Covington, Louisiana as of March 31, 1997, and the results of operations of each fund for the year then ended in conformity with generally accepted accounting principles.

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HOUSING AUTHORITY OF THE CITY OF COVINGTON, LOUISIANA
150 West 15th Street
Covington, Louisiana
April 15, 1937

HOUSING AUTHORITY OF THE CITY OF COVINGTON, LOUISIANA

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED MARCH 31, 1937

These financial statements have been prepared by the Housing Authority of the City of Covington, Louisiana, and are subject to the audit of the Board of Supervisors of the City of Covington, Louisiana. The Board of Supervisors is the governing body of the Housing Authority and is responsible for the preparation of the financial statements and for the accuracy of the same. The Board of Supervisors is also responsible for the collection of the taxes levied for the purpose of raising the funds necessary for the operation of the Housing Authority.

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Ernes & Associates
CERTIFIED PUBLIC ACCOUNTANTS