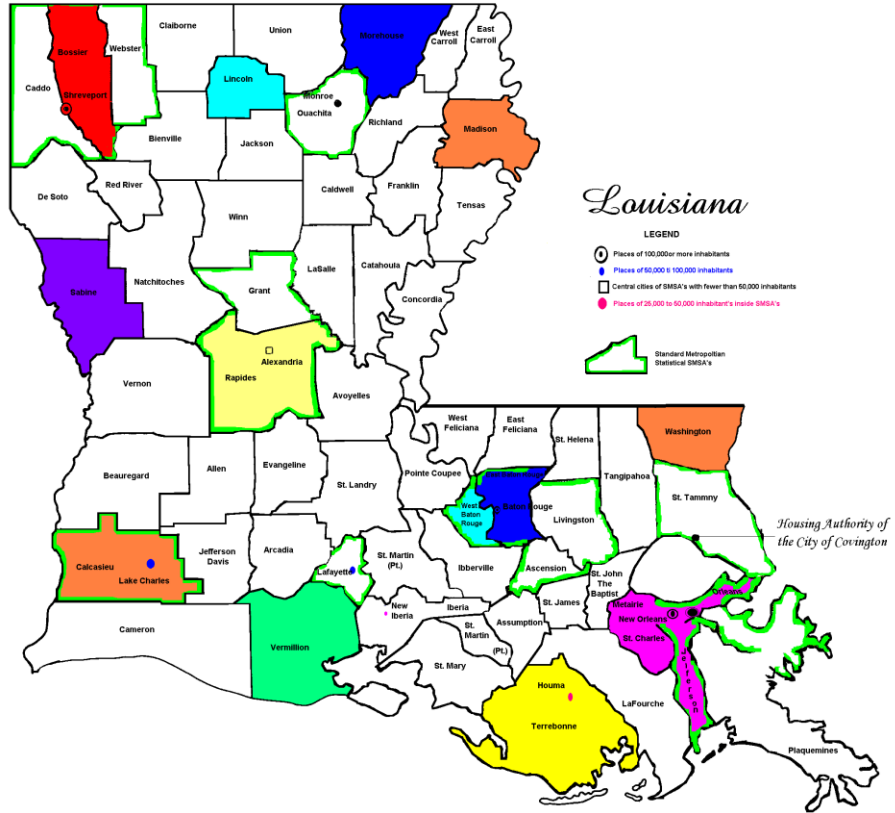


**HOUSING AUTHORITY
OF THE
CITY OF COVINGTON, LOUISIANA**

**Financial Statements &
Supplemental Financial Information**

March 31, 2022

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
Table of Contents
March 31, 2022**

	Page No.
Independent Auditor's Report.....	1-3
Management's Discussion & Analysis.....	4-8
<u>Basic Financial Statements</u>	
Statement of Net Position.....	10
Statement of Revenues, Expenses, & Changes in Net Position.....	11
Statement of Cash Flows.....	12-13
Notes to the Basic Financial Statements.....	14-23
<u>Supplementary Information</u>	
Schedule of Compensation Paid to Commissioners.....	25
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....	26
Schedule of Expenditures of Federal Awards.....	27
Notes to Schedule of Expenditures of Federal Awards.....	28
Statement and Certification of Actual Modernization Cost.....	29
<u>Other Reports</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance.....	33-35
Schedule of Findings and Questioned Cost.....	36-37
Management's Corrective Action for Current Year Audit Findings.....	38
Summary of Prior Year Findings.....	39
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	40-49
Financial Data Schedule.....	50

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
City of Covington
Covington, Louisiana

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Covington, as of March 31, 2022, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Audrey Heights Development Limited Partnership (discretely presented component unit), which represent 87 percent, 77 percent and 20 percent respectively, of the assets and net position, and revenues of the Audrey Heights Development Limited Partnership as of December 31, 2021 and the respective changes in financial position, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Audrey Heights Development Limited Partnership, are based solely on the report of the other auditors.

Basis for Opinions

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 the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Covington and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Covington's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Covington internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Covington's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary 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 Schedule of Expenditures of Federal Awards, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2022, 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 27, 2022

**Housing Authority of the City of Covington
Management's Discussion and Analysis
March 31, 2022**

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, 2022. 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 \$750,273 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$156,124.

The Authority had unrestricted cash and investments totaling \$164,678 at March 31, 2022, and \$30,852 in restricted cash. Of the restricted cash, \$14,909 was restricted for tenant security deposits.

The Authority had total operating revenue of \$1,326,671, and total non-operating revenue of \$275,271.

The Authority had total operating expenses of \$627,168, and total non-operating expenses of \$969,126.

The Authority had capital contributions in the amount of \$45,091 for the year.

The Authority had a total change in net position of \$50,739 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, 2022**

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, 2022.

Statement of Net Position

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Current Assets	\$ 125,137	\$ 263,200	103.3
Restricted Assets	32,660	30,852	-5.5
Capital Assets Net of Depreciation	654,357	578,206	-11.6
Total Assets	<u>812,154</u>	<u>872,258</u>	7.4
Current Liabilities	46,424	48,384	4.2
Non-Current Liabilities	66,196	73,601	11.1
Total Liabilities	<u>112,620</u>	<u>121,985</u>	8.3
Net Investment in Capital Assets	654,357	578,206	-11.6
Restricted Assets	7,584	15,943	110.2
Unrestricted Assets	37,593	156,124	315.3
Total Net Position	<u>\$ 699,534</u>	<u>\$ 750,273</u>	7.2

- Total assets increased by \$60,104 or 7.4% from last year. The primary reason for this increase is due to an increase in current assets in the amount of \$138,063.
- Total liabilities increased by \$9,365 or 8.3%. The primary reason for this change is due to an increase in non-current liabilities in the amount of \$7,405.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2022**

The table below lists the revenue and expense comparisons for the year ended March 31, 2022.

Statement of Revenues, Expenses, & Changes in Net Position

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 148,955	\$ 142,367	-4.46
HUD PHA Operating	1,078,840	1,184,304	9.7
Total Operating Revenues	<u>1,227,795</u>	<u>1,326,671</u>	8.0
Operating Expenses			
Administrative	278,162	371,019	33.3
Tenant Services	39,573	5,449	-86.2
Utilities	7,830	9,968	27.3
Maintenance	81,999	93,990	14.6
Protective Services	14,890	17,983	20.7
General	60,426	20,482	-66.1
Depreciation	122,276	108,277	-11.4
Total Operating Expenses	<u>605,156</u>	<u>627,168</u>	3.8
Operating Income (Loss)	<u>622,639</u>	<u>699,503</u>	12.3
Non-Operating Revenues (Expenses)			
Extraordinary Maintenance	-0-	(17,839)	100.0
Investment Income	45	16	-64.4
Extraordinary Gains	-0-	55,144	100.0
Other Revenue	221,574	220,111	-7.0
Housing Assistance Payments	(953,609)	(951,287)	2.0
Total Non-Operating Revenues (Expenses)	<u>(731,990)</u>	<u>(693,855)</u>	5.2
Capital Contributions	39,838	45,091	13.1
Change in Net Position	(69,513)	50,739	173.03
Total Net Position - Beginning	769,047	699,534	-9.0
Total Net Position - Ending	<u>\$ 699,534</u>	<u>\$ 750,273</u>	7.2

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2022**

- Operating revenues increased by \$98,876 or 8.1%. The primary reason for this increase is because of an increase in HUD operating grants in the amount of \$105,464.
- Total operating expenses increased by \$22,012 or 3.6%. The primary reason for this increase is due to an increase in administrative expenses in the amount of \$92,887.
- Non-operating revenue and expenses changed by \$38,135 or 5.2%. The primary reason for this change is because of an increase in extraordinary maintenance in the amount of \$17,839.
- Capital contributions increased by \$5,253 or 13.9%.

Capital Asset & Debt Administration

Capital Assets

As of March 31, 2022, the Authority's investment in capital assets was \$578,204 (net of accumulated depreciation). This investment included land, building, building improvements, office equipment, and maintenance equipment.

Capital Assets at Year-End

	2021	2022
Land *	\$ 202,304	\$ 202,304
Buildings	3,058,533	2,988,118
Furniture & Equipment	171,262	189,109
Accumulated Depreciation	(2,777,742)	(2,801,327)
Total	\$ 654,357	\$ 578,204

* 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, 2022**

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 2023 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

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

Component Units

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

Contacting the Authority's Financial Management

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

Basic Financial Statements

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Net Position
March 31, 2022**

	Primary Government	As of 12/31/2021 Discretely Presented Component Unit	Total
ASSETS			
CURRENT ASSETS			
Cash & Investments	\$ 164,678	257,638	422,316
Receivables (Net of Allowances for Un-collectibles)	84,893	1,239	86,132
Prepaid Items	9,934	8,847	18,781
Inventories	3,695	-0-	3,695
TOTAL CURRENT ASSETS	<u>263,200</u>	<u>267,724</u>	<u>530,924</u>
RESTRICTED ASSETS			
Other Restricted Cash	15,943	-0-	15,943
Tenant Security Deposits	14,909	8,887	23,796
TOTAL RESTRICTED ASSETS	<u>30,852</u>	<u>8,887</u>	<u>39,739</u>
NON-CURRENT ASSETS			
Other Assets	-0-	41,283	41,283
Capital Assets (Net of Accumulated Depreciation)	578,206	5,770,397	6,348,603
TOTAL NON-CURRENT ASSETS	<u>578,206</u>	<u>5,811,680</u>	<u>6,389,886</u>
TOTAL ASSETS	<u>872,258</u>	<u>6,088,291</u>	<u>6,960,549</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	21,904	-0-	21,904
Accrued Wage/Payroll Taxes Payable	4,677	-0-	4,677
Accrued Interest Payable	-0-	4,567	4,567
Compensated Absences	4,227	-0-	4,227
Accrued Liabilities – Other	742	-0-	742
Unearned Revenue	1,925	1,158	3,083
Other Current Liabilities	-0-	-0-	-0-
Prepaid Rent	-0-	-0-	-0-
Debt – Current Portion	-0-	26,432	26,432
Tenant Security Deposits (Payable from Restricted Assets)	14,909	8,887	23,796
TOTAL CURRENT LIABILITIES	<u>48,384</u>	<u>41,044</u>	<u>89,428</u>
NON-CURRENT LIABILITIES			
Compensated Absences	73,601	-0-	73,601
Long-Term Debt – Capital Projects	-0-	1,007,488	1,007,488
Other Noncurrent Debt	-0-	2,488,558	2,488,558
TOTAL NON-CURRENT LIABILITIES	<u>73,601</u>	<u>3,496,046</u>	<u>3,569,647</u>
TOTAL LIABILITIES	<u>121,985</u>	<u>3,537,090</u>	<u>3,659,075</u>
NET POSITION			
Net Investment in Capital Assets	578,206	4,736,477	5,314,683
Restricted	15,943	-0-	15,943
Unrestricted	156,124	(2,185,276)	(2,029,152)
TOTAL NET POSITION	<u>\$ 750,273</u>	<u>2,551,201</u>	<u>3,301,474</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, 2022**

	Primary Government	Year ended 12/31/2021 Discretely Presented Component Unit	Total
OPERATING REVENUES			
Tenant Revenue	\$ 138,781	\$ 311,727	\$ 450,508
Other Tenant Revenue	3,586	12,125	15,711
HUD PHA Operating Grant	1,184,304	-0-	1,184,304
TOTAL OPERATING REVENUES	1,326,671	323,852	1,650,523
OPERATING EXPENSES			
Administrative Salaries	111,710	38,231	149,941
EBC Administrative	30,784	7,221	38,005
Other Operating - Administrative	185,712	68,520	254,232
Tenant Services	5,449	-0-	5,449
Water	1,950	3,308	5,258
Electricity	6,772	2,571	9,343
Gas	1,246	-0-	1,246
Labor	-0-	-0-	-0-
Materials	28,041	2,149	30,190
Contract Cost	65,949	57,907	123,856
Maintenance	-0-	-0-	-0-
Protective Services	16,500	-0-	16,500
EBC Protective Services	1,483	-0-	1,483
Insurance	42,813	37,801	80,614
Other General Expense	20,482	7,440	27,922
Interest Expense	-0-	113,884	113,884
<i>Depreciation</i>	108,277	185,411	293,688
TOTAL OPERATING EXPENSES	627,168	524,443	1,151,611
OPERATING INCOME (LOSS)	699,503	(200,591)	498,912
NONOPERATING REVENUES (EXPENSES)			
Extraordinary Maintenance	(17,839)	-0-	(17,839)
Investment Income (Unrestricted)	16	290	306
Extraordinary Gains	55,144	-0-	55,144
Other Revenue	220,111	425	220,536
Housing Assistance Payments	(951,287)	-0-	(951,287)
TOTAL NONOPERATING REVENUES (EXPENSES)	(693,855)	715	(693,855)
Capital Contributions	45,091	-0-	45,091
CHANGE IN NET POSITION	50,739	(199,876)	(149,137)
TOTAL NET POSITION - BEGINNING	699,534	2,751,077	3,450,611
TOTAL NET POSITION - ENDING	\$ 750,273	\$ 2,551,201	\$ 3,301,474

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, 2022**

	<u>Primary Government</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 85,982
Receipts From HUD	1,178,230
Payments to Employees	(127,670)
Payments to Suppliers and Others	(368,564)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>767,978</u>
CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Extra Ordinary Items	37,305
Other Revenue	220,111
Housing Assistance Payments	(951,287)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>(693,871)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants	45,091
Acquisition/Deletion of Capital Assets	(52,568)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(7,477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	-0-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	66,630
CASH, BEGINNING OF YEAR	<u>128,900</u>
CASH, END OF YEAR	<u><u>195,530</u></u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	164,678
Tenant Security Deposits	14,909
Other Restricted Cash	15,943
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 195,530</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
Reconciliation
For the Year Ended March 31, 2022**

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ <u>699,503</u>
Depreciation Expense	108,277
(Increase) Decrease in Accounts Receivable	(67,187)
(Increase) Decrease in Accounts Receivable HUD	(1,324)
(Increase) Decrease in Accounts Receivable PHA Projects	10,802
(Increase) Decrease in Inventories	(1,991)
(Increase) Decrease in Prepaid Items	(5,175)
Increase (Decrease) in Accounts Payable	8,367
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	(232)
Increase (Decrease) in Compensated Absences	7,607
Increase (Decrease) in Tenant Security Deposits	700
Increase (Decrease) in Other Current Liabilities	-0-
Increase (Decrease) in Accrued Liabilities-Other	82
Increase (Decrease) in Unearned Revenue	8,549
TOTAL ADJUSTMENTS	<u>68,475</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$ 767,978

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

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

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
March 31, 2022**

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, 2022**

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, 2021. Separate financial statements of the Partnership were issued for calendar year ended December 31, 2021.

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, 2022**

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, 2022**

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, 2022.

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 un-collectibles.

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, 2022**

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, 2022**

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

At March 31, 2022, the housing authority had cash (bank balances) totaling \$203,353 as follows:

JP Morgan Chase	\$ 203,353
Total	\$ <u>203,353</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, 2022**

Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 203,353
Securities (Category 2)	-0-
Uncollateralized (Category 3)	-0-
Total	\$ 203,353

All deposits were fully secured at March 31, 2022.

The following represents Restricted Cash:

Other Restricted Cash	\$ 15,943
Tenant Security Deposits	14,909
Total Restricted Cash	\$ 30,852

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 \$84,893 as of March 31, 2022. The receivables are as follows:

A/R HUD	\$ 5,443
A/R PHA Projects	2,142
Other government	4,750
Other Receivables	72,558
Total	\$ 84,893

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2022**

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended March 31, 2022, for the primary government is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land *	\$ 202,304	\$ -0-	\$ -0-	\$ 202,304
Buildings	3,058,533	38,711	(109,126)	2,988,118
Furniture & Equipment, Etc.	171,262	20,579	(2,732)	189,109
Total	3,432,099	59,290	(111,858)	3,379,531
Less Accumulated Depreciation	(2,777,742)	(108,277)	84,692	(2,801,327)
Net Capital Assets	\$ 654,357	\$ (48,987)	\$ (27,166)	\$ 578,204

* 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 \$139,879, with covered payroll of \$139,879 and the housing authority contribution of \$8,394 for the year ended March 31, 2022.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$33,475 at March 31, 2022, are as follows:

Accounts Payable Vendors/Contractors	\$ 21,904
Accrued Wages/Payroll Taxes Payable	4,677
Accrued Liabilities - Other	742
Accrued Compensated Absences - Current	4,227
Prepaid Rent	1,925
Total	\$ 33,475

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2022**

7. COMPENSATED ABSENCES

At March 31, 2022, employees of the PHA have accumulated and vested \$77,828 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at March 31, 2022, was \$4,227 recorded as current obligation and \$73,601 recorded as non-current obligation.

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	4,025	\$	66,196	\$	70,221
Additions/(Deletions)		202		7,405		7,607
End of year	\$	4,227		73,601		77,828

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 \$1,213,778 to the housing authority, represents approximately 76.25% of the housing authority's revenue for the year.

10. RESTRICTED NET POSITION

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

11. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, August 27, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements.

Supplementary Information

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

**Schedule of Compensation Paid to Commissioners
For the Year Ended March 31, 2022**

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, 2022**

Tammie Groover, Executive Director

Purpose	Amount
Salary	\$ 103,379
Benefits-Insurance	13,355
Benefits-Retirement	6,203
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	752
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, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)
Housing Voucher			
Department of Housing and Urban Development			
Direct Programs			
Section 8 Housing Choice Vouchers	14.871		\$ 908,036
Section 8 Housing Choice Vouchers-CARES	14.HCC		10,867
<i>Total Department Housing and Urban Development</i>			<u>918,903</u>
Other Programs			
Department of Homeland Security (Presidentially Declared Disasters)			<u>4,750</u>
Disaster Grants-Public Assistance	97.036		<u>4,750</u>
Department of Housing and Urban Development			
Direct Programs			
Public Indian Housing	14.850		<u>170,093</u>
Total Public Indian Housing			<u>170,093</u>
Department of Housing and Urban Development			
Direct Programs			
Public Housing Capital Fund	14.872		<u>135,649</u>
Total Public Housing Capital Fund			<u>135,649</u>
Total Public Housing Capital Fund			<u>305,742</u>
<i>Total Department of Housing and Urban Development</i>			<u>310,492</u>
Total Other Programs			<u>310,492</u>
Total Expenditures of Federal Awards			<u>\$ 1,229,395</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, 2022**

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	\$	170,093
Disaster grants-Public assistance		4,750
Capital Fund Grant		135,649
Section 8 Housing Choice Vouchers		908,036
Section 8 Housing Choice Vouchers-Cares		10,867
Total	\$	<u>1,229,395</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.

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

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

	Incomplete CFP Project 501-20	Complete CFP Project 501-21	Total
	<u> </u>	<u> </u>	<u> </u>
The Actual Modernization Costs Are As Follows:			
1. Funds Approved	\$ 92,929	\$ 92,626	\$ 185,555
Funds Expended	<u>(91,273)</u>	<u>(92,626)</u>	<u>(183,899)</u>
Excess of Funds Approved	<u>1,654</u>	<u>-0-</u>	<u>1,656</u>
2. Funds Advanced	91,219	92,626	183,845
Funds Expended	<u>(91,273)</u>	<u>(92,626)</u>	<u>(183,899)</u>
Excess of Funds Advanced	<u>\$ (54)</u>	<u>\$ -0-</u>	<u>\$ (54)</u>

See independent auditor's report.



Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

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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, 2022, 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 27, 2022.

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 or significant difficulties may exist that were not 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 27, 2022

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

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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

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Covington, LA's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Covington, LA's major federal programs for the year ended March 31, 2022. The Housing Authority of the City of Covington, LA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the City of Covington, LA 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the City of Covington, LA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Covington, LA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Housing Authority of the City of Covington, LA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Housing Authority of the City of Covington, LA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Housing Authority of the City of Covington, LA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Housing Authority of the City of Covington, LA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Housing Authority of the City of Covington, LA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Covington, LA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

The Vercher Group

Jena, Louisiana
August 27, 2022

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2022**

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, 2022, and have issued our report thereon dated August 27, 2022. 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, 2022, 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
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, 2022**

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 Town 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, 2021.

PRIOR YEAR FINDINGS

No items identified.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Housing Authority of the
City of Covington
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by Housing Authority of the City of Covington (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2021 through March 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Observations: No exceptions were found as a result of this procedure.

Board or Finance Committee

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

Observations: No exceptions were found as a result of these procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Observations: No exceptions were found as a result of these procedures.

Collections (excluding electronic funds transfers)

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

Observations: We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Observations:

- a) **The entity's policy is not to accept cash.**
- b) **The entity's policy is not to accept cash.**
- c) **The fee accountant who does not make deposits, posts collection entries in the GL.**
- d) **The fee accountant who does not make deposits, reconciles the bank accounts.**

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Observations: No exceptions were found as a result of these procedures.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Observations:

- a) **The entity does not accept cash, no receipts written.**
- b) **Traced other related collection documentation to the deposit slip.**
- c) **Traced the deposit slip total to the actual deposit per the bank statement.**
- d) **Deposits were not made within one business day of receipt.**
- e) **Traced the actual deposit per the bank statement to the general ledger.**

Exception: Deposits were not made within one business day of receipt.

Management’s Response: It is not practical to make daily deposits. Checks are stored in secure location.

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

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

Observations: Management represented it had one location.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Observations: No exceptions were found as a result of these procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observations: No exceptions were found as a result of these procedures.

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

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

Observations: We obtained a listing and management's representation, the list is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Observations: We selected the Month of December 2021 and observed:

- a) **The monthly statements were not reviewed and approved, in writing by someone other than the authorized card holder.**

Exception: The monthly statements were not reviewed and approved, in writing by someone other than the authorized card holder.

Management's response: The board reviews statements and approves payment of statements.

- b) **There were no finance charges or late fees assessed on the statements.**

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

Observations: For each transaction, we observed it was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) but not documentation of the individuals participating in meals (for meal charges only).

Exception: There was no documentation of the individuals participating in meals.

Management’s response: Documentation was made as to the group participating in the meals. Future meals invoices will document the individuals participating in meals.

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

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observations: Management represented there were no travel related expenditures for the fiscal year.

Contracts

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

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

Observations: Management represented there were no contracts/agreements initiated or renewed during the fiscal year.

Payroll and Personnel

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

Observations: We obtained a listing of employees and management's representation the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Observations: No exceptions were found as a result of this procedure.

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

Observations: Management represented there were no terminations during the period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Observations: Management represented that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Observations: No exceptions were found as a result of this procedure.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Observations: The entity has no debt.

Fraud Notice

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

Observations: Management represented there were no misappropriations of public funds and assets during the fiscal period.

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

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

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Observations: We performed the following procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Observations: Observed documentation demonstrating each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Observations: Observed the entity has posted its sexual harassment policy and complaint procedure in a conspicuous location on the entity’s premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Observations: The entity did not file the annual sexual harassment report for the current fiscal period.

Exception: The entity did not file the annual sexual harassment report for the current fiscal period.

Management's Response: There were no complaints reported during the fiscal year.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
August 27, 2022



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: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$134,832	\$0	\$257,638	\$0	\$29,846
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$15,943
114 Cash - Tenant Security Deposits	\$14,909	\$0	\$8,887	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$149,741	\$0	\$266,525	\$0	\$45,789
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$2,142
122 Accounts Receivable - HUD Other Projects	\$54	\$0	\$0	\$0	\$5,389
124 Accounts Receivable - Other Government	\$0	\$4,750	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$72,558	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$0	\$0	\$1,239	\$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	\$72,612	\$4,750	\$1,239	\$0	\$7,531
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	\$2,576	\$0	\$8,847	\$0	\$7,358
143 Inventories	\$3,695	\$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: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$4,750	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$233,374	\$4,750	\$276,611	\$0	\$60,678
161 Land	\$202,304	\$0	\$753,490	\$0	\$0
162 Buildings	\$2,988,118	\$0	\$7,238,005	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$57,882	\$0	\$211,747	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$128,700	\$0	\$0	\$0	\$2,529
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$2,798,798	\$0	-\$2,432,845	\$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	\$578,206	\$0	\$5,770,397	\$0	\$0
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	\$41,283	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$578,206	\$0	\$5,811,680	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$811,580	\$4,750	\$6,088,291	\$0	\$60,678

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$13,720	\$0	\$0	\$0	\$6,401
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,677	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$2,536	\$0	\$0	\$0	\$1,691
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$4,567	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$1,783
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$14,909	\$0	\$8,887	\$0	\$0
342 Unearned Revenue	\$1,925	\$0	\$1,158	\$0	\$0
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$26,432	\$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	\$742	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$4,750	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$38,509	\$4,750	\$41,044	\$0	\$9,875
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$1,007,488	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$2,488,558	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$44,161	\$0	\$0	\$0	\$29,440
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$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: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$0
350 Total Non-Current Liabilities	\$44,161	\$0	\$3,496,046	\$0	\$29,440
300 Total Liabilities	\$82,670	\$4,750	\$3,537,090	\$0	\$39,315
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$578,206	\$0	\$4,736,477	\$0	\$0
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$15,943
512.4 Unrestricted Net Position	\$150,704	\$0	-\$2,185,276	\$0	\$5,420
513 Total Equity - Net Assets / Position	\$728,910	\$0	\$2,551,201	\$0	\$21,363
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$811,580	\$4,750	\$6,088,291	\$0	\$60,678

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$422,316		\$422,316
112 Cash - Restricted - Modernization and Development	\$0		\$0
113 Cash - Other Restricted	\$15,943		\$15,943
114 Cash - Tenant Security Deposits	\$23,796		\$23,796
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0
100 Total Cash	\$462,055	\$0	\$462,055
121 Accounts Receivable - PHA Projects	\$2,142		\$2,142
122 Accounts Receivable - HUD Other Projects	\$5,443		\$5,443
124 Accounts Receivable - Other Government	\$4,750		\$4,750
125 Accounts Receivable - Miscellaneous	\$72,558		\$72,558
126 Accounts Receivable - Tenants	\$1,239		\$1,239
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	\$86,132	\$0	\$86,132
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	\$18,781		\$18,781
143 Inventories	\$3,695		\$3,695
143.1 Allowance for Obsolete Inventories	\$0		\$0

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
144 Inter Program Due From	\$4,750	-\$4,750	\$0
145 Assets Held for Sale	\$0		\$0
150 Total Current Assets	\$575,413	-\$4,750	\$570,663
161 Land	\$955,794		\$955,794
162 Buildings	\$10,226,123		\$10,226,123
163 Furniture, Equipment & Machinery - Dwellings	\$269,629		\$269,629
164 Furniture, Equipment & Machinery - Administration	\$131,229		\$131,229
165 Leasehold Improvements	\$0		\$0
166 Accumulated Depreciation	-\$5,234,172		-\$5,234,172
167 Construction in Progress	\$0		\$0
168 Infrastructure	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,348,603	\$0	\$6,348,603
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	\$41,283		\$41,283
176 Investments in Joint Ventures	\$0		\$0
180 Total Non-Current Assets	\$6,389,886	\$0	\$6,389,886
200 Deferred Outflow of Resources	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$6,965,299	\$0	\$6,965,299
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: 03/31/2022

	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$20,121		\$20,121
313 Accounts Payable >90 Days Past Due	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,677		\$4,677
322 Accrued Compensated Absences - Current Portion	\$4,227		\$4,227
324 Accrued Contingency Liability	\$0		\$0
325 Accrued Interest Payable	\$4,567		\$4,567
331 Accounts Payable - HUD PHA Programs	\$0		\$0
332 Account Payable - PHA Projects	\$1,783		\$1,783
333 Accounts Payable - Other Government	\$0		\$0
341 Tenant Security Deposits	\$23,796		\$23,796
342 Unearned Revenue	\$3,083		\$3,083
343 Current Portion of Long-term Debt - Capital	\$26,432		\$26,432
344 Current Portion of Long-term Debt - Operating Borrowings	\$0		\$0
345 Other Current Liabilities	\$0		\$0
346 Accrued Liabilities - Other	\$742		\$742
347 Inter Program - Due To	\$4,750	-\$4,750	\$0
348 Loan Liability - Current	\$0		\$0
310 Total Current Liabilities	\$94,178	-\$4,750	\$89,428
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$1,007,488		\$1,007,488
352 Long-term Debt, Net of Current - Operating Borrowings	\$0		\$0
353 Non-current Liabilities - Other	\$2,488,558		\$2,488,558
354 Accrued Compensated Absences - Non Current	\$73,601		\$73,601
355 Loan Liability - Non Current	\$0		\$0
356 FASB 5 Liabilities	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0		\$0

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$3,569,647	\$0	\$3,569,647
300 Total Liabilities	\$3,663,825	-\$4,750	\$3,659,075
400 Deferred Inflow of Resources	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$5,314,683		\$5,314,683
511.4 Restricted Net Position	\$15,943		\$15,943
512.4 Unrestricted Net Position	-\$2,029,152		-\$2,029,152
513 Total Equity - Net Assets / Position	\$3,301,474	\$0	\$3,301,474
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$6,965,299	-\$4,750	\$6,960,549

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$138,781	\$0	\$311,727	\$0	\$0
70400 Tenant Revenue - Other	\$3,586	\$0	\$12,125	\$0	\$0
70500 Total Tenant Revenue	\$142,367	\$0	\$323,852	\$0	\$0
70600 HUD PHA Operating Grants	\$260,651	\$0	\$0	\$10,867	\$908,036
70610 Capital Grants	\$45,091				\$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	\$4,750	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$7	\$0	\$290	\$0	\$9
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	\$39,210	\$0	\$425	\$0	\$180,901
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	\$487,326	\$4,750	\$324,567	\$10,867	\$1,088,946
91100 Administrative Salaries	\$65,026	\$0	\$38,231	\$10,095	\$36,589

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
91200 Auditing Fees	\$7,722	\$0	\$7,250	\$0	\$7,146
91300 Management Fee	\$0	\$0	\$48,358	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$600	\$0	\$1,201	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$17,402	\$0	\$7,221	\$772	\$12,610
91600 Office Expenses	\$71,940	\$0	\$7,209	\$0	\$49,851
91700 Legal Expense	\$340	\$0	\$3,366	\$0	\$0
91800 Travel	\$0	\$0	\$0	\$0	\$1,994
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$29,453	\$0	\$1,136	\$0	\$16,666
91000 Total Operating - Administrative	\$192,483	\$0	\$113,972	\$10,867	\$124,856
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$5,449	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$5,449	\$0	\$0	\$0	\$0
93100 Water	\$1,950	\$0	\$3,308	\$0	\$0
93200 Electricity	\$6,772	\$0	\$2,571	\$0	\$0
93300 Gas	\$1,246	\$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

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$9,968	\$0	\$5,879	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$28,041	\$0	\$2,149	\$0	\$0
94300 Ordinary Maintenance and Operations Contracts	\$65,949	\$0	\$57,907	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$93,990	\$0	\$60,056	\$0	\$0
95100 Protective Services - Labor	\$16,500	\$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	\$1,483	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$17,983	\$0	\$0	\$0	\$0
96110 Property Insurance	\$31,588	\$0	\$0	\$0	\$0
96120 Liability Insurance	\$5,405	\$0	\$0	\$0	\$1,827
96130 Workmen's Compensation	\$0	\$0	\$1,227	\$0	\$0
96140 All Other Insurance	\$3,993	\$0	\$36,574	\$0	\$0
96100 Total insurance Premiums	\$40,986	\$0	\$37,801	\$0	\$1,827
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$315
96210 Compensated Absences	\$12,100	\$0	\$0	\$0	\$8,067
96300 Payments in Lieu of Taxes	\$0	\$0	\$7,440	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$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: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$12,100	\$0	\$7,440	\$0	\$8,382
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$111,041	\$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	\$113,884	\$0	\$0
96900 Total Operating Expenses	\$372,959	\$0	\$339,032	\$10,867	\$135,065
97000 Excess of Operating Revenue over Operating Expenses	\$114,367	\$4,750	-\$14,465	\$0	\$953,881
97100 Extraordinary Maintenance	\$13,089	\$4,750	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$819,477
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$131,810
97400 Depreciation Expense	\$108,277	\$0	\$185,411	\$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	\$494,325	\$4,750	\$524,443	\$10,867	\$1,086,352
10010 Operating Transfer In	\$23,826	\$0	\$0	\$0	\$0
10020 Operating transfer Out	-\$23,826	\$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: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	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	\$55,144	\$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)	\$55,144	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$48,145	\$0	-\$199,876	\$0	\$2,594
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$680,765	\$0	\$2,751,077	\$0	\$18,769
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					\$5,420
11180 Housing Assistance Payments Equity					\$15,943

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers
11190 Unit Months Available	571	0	432	0	1253
11210 Number of Unit Months Leased	571	0	406	0	1253
11270 Excess Cash	\$161,985				
11610 Land Purchases	\$0				
11620 Building Purchases	\$38,711				
11630 Furniture & Equipment - Dwelling Purchases	\$3,984				
11640 Furniture & Equipment - Administrative Purchases	\$2,396				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$450,508		\$450,508
70400 Tenant Revenue - Other	\$15,711		\$15,711
70500 Total Tenant Revenue	\$466,219	\$0	\$466,219
70600 HUD PHA Operating Grants	\$1,179,554		\$1,179,554
70610 Capital Grants	\$45,091		\$45,091
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	\$4,750		\$4,750
71100 Investment Income - Unrestricted	\$306		\$306
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	\$220,536	\$0	\$220,536
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$1,916,456	\$0	\$1,916,456
91100 Administrative Salaries	\$149,941		\$149,941
91200 Auditing Fees	\$22,118		\$22,118

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
91300 Management Fee	\$48,358		\$48,358
91310 Book-keeping Fee	\$0		\$0
91400 Advertising and Marketing	\$1,801		\$1,801
91500 Employee Benefit contributions - Administrative	\$38,005		\$38,005
91600 Office Expenses	\$129,000	\$0	\$129,000
91700 Legal Expense	\$3,706		\$3,706
91800 Travel	\$1,994		\$1,994
91810 Allocated Overhead	\$0		\$0
91900 Other	\$47,255		\$47,255
91000 Total Operating - Administrative	\$442,178	\$0	\$442,178
92000 Asset Management Fee	\$0		\$0
92100 Tenant Services - Salaries	\$0		\$0
92200 Relocation Costs	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0		\$0
92400 Tenant Services - Other	\$5,449		\$5,449
92500 Total Tenant Services	\$5,449	\$0	\$5,449
93100 Water	\$5,258		\$5,258
93200 Electricity	\$9,343		\$9,343
93300 Gas	\$1,246		\$1,246
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

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
93000 Total Utilities	\$15,847	\$0	\$15,847
94100 Ordinary Maintenance and Operations - Labor	\$0		\$0
94200 Ordinary Maintenance and Operations - Materials and	\$30,190		\$30,190
94300 Ordinary Maintenance and Operations Contracts	\$123,856		\$123,856
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0		\$0
94000 Total Maintenance	\$154,046	\$0	\$154,046
95100 Protective Services - Labor	\$16,500		\$16,500
95200 Protective Services - Other Contract Costs	\$0		\$0
95300 Protective Services - Other	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$1,483		\$1,483
95000 Total Protective Services	\$17,983	\$0	\$17,983
96110 Property Insurance	\$31,588		\$31,588
96120 Liability Insurance	\$7,232		\$7,232
96130 Workmen's Compensation	\$1,227		\$1,227
96140 All Other Insurance	\$40,567		\$40,567
96100 Total insurance Premiums	\$80,614	\$0	\$80,614
96200 Other General Expenses	\$315		\$315
96210 Compensated Absences	\$20,167		\$20,167
96300 Payments in Lieu of Taxes	\$7,440		\$7,440
96400 Bad debt - Tenant Rents	\$0		\$0
96500 Bad debt - Mortgages	\$0		\$0
96600 Bad debt - Other	\$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: 03/31/2022

	Subtotal	ELIM	Total
96800 Severance Expense	\$0		\$0
96000 Total Other General Expenses	\$27,922	\$0	\$27,922
96710 Interest of Mortgage (or Bonds) Payable	\$111,041		\$111,041
96720 Interest on Notes Payable (Short and Long Term)	\$0		\$0
96730 Amortization of Bond Issue Costs	\$2,843		\$2,843
96700 Total Interest Expense and Amortization Cost	\$113,884	\$0	\$113,884
96900 Total Operating Expenses	\$857,923	\$0	\$857,923
97000 Excess of Operating Revenue over Operating Expenses	\$1,058,533	\$0	\$1,058,533
97100 Extraordinary Maintenance	\$17,839		\$17,839
97200 Casualty Losses - Non-capitalized	\$0		\$0
97300 Housing Assistance Payments	\$819,477		\$819,477
97350 HAP Portability-In	\$131,810		\$131,810
97400 Depreciation Expense	\$293,688		\$293,688
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	\$2,120,737	\$0	\$2,120,737
10010 Operating Transfer In	\$23,826	-\$23,826	\$0
10020 Operating transfer Out	-\$23,826	\$23,826	\$0
10030 Operating Transfers from/to Primary Government	\$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: 03/31/2022

	Subtotal	ELIM	Total
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	\$55,144		\$55,144
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)	\$55,144	\$0	\$55,144
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$149,137	\$0	-\$149,137
11020 Required Annual Debt Principal Payments	\$0		\$0
11030 Beginning Equity	\$3,450,611		\$3,450,611
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	\$5,420		\$5,420
11180 Housing Assistance Payments Equity	\$15,943		\$15,943
11190 Unit Months Available	2256		2256

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Subtotal	ELIM	Total
11210 Number of Unit Months Leased	2230		2230
11270 Excess Cash	\$161,985		\$161,985
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$38,711		\$38,711
11630 Furniture & Equipment - Dwelling Purchases	\$3,984		\$3,984
11640 Furniture & Equipment - Administrative Purchases	\$2,396		\$2,396
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