

**HOUSING AUTHORITY OF THE  
CITY OF WESTWEGO, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
The Housing Authority of the  
City of Westwego, Louisiana  
Westwego, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of The Housing Authority of the City of Westwego, Louisiana (the "Housing Authority"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

**To the Board of Commissioners  
The Housing Authority of the  
City of Westwego, Louisiana**

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority, as of June 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6 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.

**To the Board of Commissioners  
The Housing Authority of the  
City of Westwego, Louisiana**

*Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying other supplementary information, as listed in the table of contents is presented for the United States Department of Housing and Urban Development and the Louisiana Legislative Auditor and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Capital Fund Programs Completed, the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, the HUD Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Capital Fund Programs Completed, the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, the HUD Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

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



Metairie, Louisiana  
December 17, 2020

**PACIERA, GAUTREAU & PRIEST, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Housing Authority of the City of Westwego's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Authority's financial statements which begins on page 7.

### FINANCIAL HIGHLIGHTS

- The Authority's net position increased by 5.86% as a result of this year's operations.
- During the year, the Authority had operating, non-operating revenues/(expenses), and capital fund grant revenue that were \$724,012 more than the \$2,439,867 in operating expenses. This compares to last year when revenues exceeded expenses by \$384,486.
- Total of the Authority's operating expenses increased by \$158,542 or 6.95% over the fiscal year ending June 30, 2019.

### USING THIS ANNUAL REPORT

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

### Reporting the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's *net position* and changes in it. You can think of the Authority's net position—the difference between assets and liabilities—as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position is one indicator of whether its *financial health* is improving or deteriorating.

### Proprietary Fund

The Housing Authority of the City of Westwego, Louisiana (the Housing Authority) was created pursuant to the adoption of the United States Housing Act of 1937 to engage in the acquisition, development, and administration of a low income housing program to provide safe, sanitary, and affordable housing to the citizens of Westwego, Louisiana.

**Proprietary Fund - continued**

- Proprietary Fund- All of the Housing Authority's services are reported in one enterprise fund. They are reported using the full accrual method of accounting in which all assets, liabilities and deferred outflows/inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

The Housing Authority's *combined* net position increased by \$724,012 from a year ago.

	<u>Condensed Statement of Net Position</u>	
	<u>FYE 6/30/20</u>	<u>FYE 6/30/19</u>
Other assets	\$ 1,069,476	\$ 1,084,463
Capital assets	12,288,178	11,488,043
Total Assets	<u>\$13,357,654</u>	<u>\$12,572,506</u>
Other liabilities	\$ 238,417	\$ 180,831
Non-current liabilities	39,528	35,978
Total Liabilities	<u>\$ 277,945</u>	<u>\$ 216,809</u>
Net position:		
Net Investment in capital assets	\$12,288,178	\$ 11,488,043
Unrestricted	791,531	867,654
Total Net Position	<u>\$13,079,709</u>	<u>\$ 12,355,697</u>

	<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating Revenues	\$ 2,037,421	\$ 1,896,534
Operating Expenses	<u>2,439,867</u>	<u>2,281,325</u>
Operating Loss	<u>(402,446)</u>	<u>(384,791)</u>
Non-operating Revenues/(Expenses):		
Investment income	8,959	7,185
(Loss) on disposition of equipment	-0-	<u>(1,637)</u>
Total Non-operating Revenues/(Expenses)	<u>8,959</u>	<u>5,548</u>
Net income/(loss) before Capital fund grant revenue	<u>(393,487)</u>	<u>(379,243)</u>
Capital fund grant revenue	<u>1,117,499</u>	<u>763,729</u>
Increase (decrease) in Net Position	<u>\$ 724,012</u>	<u>\$ 384,486</u>

**Business-type Activities**

The Housing Authority's total revenues of \$3,163,879 increased by 18.61% or \$496,431. Total expenses (including disposition of equipment) increased by 6.87% or \$156,905.

Rental revenues decreased by \$23,707, revenues from the U.S. Department of Housing and Urban Development for capital funding increased by \$353,770, and investment income and other charges to tenants increased by \$14,723. The operating subsidy grant increased by \$106,281 including the subsidy COVID-19 funding of \$71,579. There was an insurance reimbursement of \$45,364 shown as other revenue.

**The Housing Authority's Funds**

The Housing Authority only has one fund which is reported as a Proprietary Fund. The net position of this fund increased by \$724,012 during the fiscal year ending June 30, 2020 primarily due to grant revenue received.

## Budgetary Highlights

The Housing Authority adopts an operating budget that serves as a management tool. For the fiscal year ended June 30, 2020, the operating budget was amended when the June 30, 2021 budget was approved.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2020, the Housing Authority had \$20,246,900 invested in Land, Buildings, Equipment, and Furniture. This amount represents a net increase (including additions and deletions) of \$1,180,778 or 6.19% over last year.

	<u>FYE 6/30/20</u>	<u>FYE 6/30/19</u>
Land	\$ 2,264,014	\$ 2,264,014
Buildings	17,352,899	16,194,566
Equipment and Furniture	<u>629,987</u>	<u>607,542</u>
	<u>\$20,246,900</u>	<u>\$19,066,122</u>

Additional information can be found in Note 4 on page 14 of this report.

### Debt

The Housing Authority has accrued compensated absences of \$51,315, of which \$11,787 is classified as a current liability and \$39,528 is classified as a non-current liability as of June 30, 2020.

Additional information can be found in Note 5 on page 15 of this report.

### Economic Factors and Next Year's Budget

The Housing Authority's appointed officials considered many factors when setting the fiscal year June 30, 2021 budget. The Board's understanding of the Federal Agency's requirements influences the setting of capital projects. Rental rates charged to tenants are set by Federal guidelines and, therefore, cannot be adjusted to maximize revenues. Salaries were adjusted using guidelines for Civil Service employees and merit increases for non-classified employees (the Executive Director and Assistant Director). While uncertainties exist due to the impact of COVID-19 on the economy, the budget for fiscal year 2021 is planned to result in a healthy balance in unrestricted net position.

## CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Housing Authority of the City of Westwego, 1010 Sixth St., Westwego, LA 70094, or call (504) 341-5545.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 JUNE 30, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 629,150
Grants receivable	191,476
Accounts receivable (net of allowance for doubtful accounts)	72,876
Inventories	25,552
Prepaid expenses	<u>105,627</u>
Total current assets	<u>1,024,681</u>
Restricted assets:	
Cash and cash equivalents	<u>44,795</u>
Capital assets:	
Land	2,264,014
Buildings, equipment, and furniture, at cost less accumulated depreciation	<u>10,024,164</u>
Total capital assets, net	<u>12,288,178</u>
Total assets	<u>13,357,654</u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accounts payable	163,844
Compensated absences	11,787
Deferred revenue	<u>17,991</u>
Total current liabilities	<u>193,622</u>
Liabilities payable from restricted assets:	
Tenant security deposits	<u>44,795</u>
Non-current liabilities:	
Compensated absences	<u>39,528</u>
Total liabilities	<u>277,945</u>
Net Position	
Net investment in capital assets	12,288,178
Unrestricted	<u>791,531</u>
Total net position	<u>\$13,079,709</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2020

Operating Revenues:	
Tenant rental revenue	\$ 905,504
Operating subsidy grant	977,998
Operating subsidy grant – supplemental	71,579
Other revenue	<u>82,340</u>
Total operating revenues	<u>2,037,421</u>
Operating Expenses:	
Administrative salaries	265,453
Auditing fees	16,725
Employee benefits-administrative	72,735
Other operating-administrative	243,512
Tenant services other	60,599
Water & Sewer	255,847
Electricity	44,794
Gas	96,720
Other utilities expense	61,164
Ordinary maintenance and operations-labor	262,393
Materials	96,263
Contract costs	299,561
Employee benefits-maintenance & operations	71,897
Insurance	156,605
Payment in lieu of taxes	35,129
Bad debt-tenant rents	3,672
Depreciation expense	<u>396,798</u>
Total operating expenses	<u>2,439,867</u>
Net operating (loss)	<u>(402,446)</u>
Non-operating Revenues:	
Investment income	<u>8,959</u>
Total non-operating revenues	<u>8,959</u>
Net (loss) before Capital fund grant revenue	<u>(393,487)</u>
Capital fund grant revenue	<u>1,117,499</u>
Change in Net Position	724,012
Net Position-Beginning of Year	<u>12,355,697</u>
Net Position-End of Year	<u>\$ 13,079,709</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Dwelling rent receipts	\$ 905,374
Operating subsidy and supplemental	923,543
Other income	37,041
Net tenant security deposits collected	2,425
Payments to employees	(525,590)
Payments to vendors and others	(1,529,084)
Payment in lieu of taxes	(34,714)
Net cash used by operating activities	<u>(221,005)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property, plant, and equipment	(1,138,624)
Capital subsidy received	1,064,754
Net cash used by capital and related financing activities	<u>(73,870)</u>
Cash Flows from Investing Activities:	
Interest on investments	8,959
Net cash provided by investing activities	<u>8,959</u>
Net decrease in cash and cash equivalents	(285,916)
Cash and Cash Equivalents:	
Beginning of year	959,861
End of year	<u>\$ 673,945</u>
Classification of Cash and Cash Equivalents at End of Year:	
Current assets	\$ 629,150
Restricted assets	44,795
	<u>\$ 673,945</u>
Reconciliation of Net Operating (Loss) to Net Cash	
Used by Operating Activities:	
Net operating (loss)	\$ (402,446)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation	396,798
Bad debt	3,672
(Increase) in accounts and grants receivable	(193,641)
(Increase) in inventories	(8,257)
(Increase) in prepaid expenses	(14,397)
(Decrease) in accounts payable	(13,625)
Increase in accrued wages	2,256
Increase in tenant security deposit	2,425
Increase in deferred revenue	6,210
Net cash used by operating activities	<u>\$ (221,005)</u>
Noncash investing, capital, and financing activities:	
Acquisitions of property, plant and equipment through accounts payable	<u>\$ 64,852</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FORMATION AND OPERATIONS

The Housing Authority of the City of Westwego, Louisiana (the Housing Authority) was created pursuant to the adoption of the United States Housing Act of 1937 to engage in the acquisition, development, and administration of a low income housing program to provide safe, sanitary, and affordable housing to the citizens of Westwego, Louisiana. Under the Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct oversight and financial responsibility for administering and overseeing low rent housing programs in the United States. To accomplish this task, HUD has entered into annual contributions contracts with the Housing Authority for the purpose of providing assistance to the Housing Authority to acquire, contract, and lease the housing units. The annual contributions or subsidies also aid in helping the Housing Authority maintain its low rent character.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its budget and set rates or charges.

The Housing Authority is a related organization of the City of Westwego, Louisiana since the City appoints a voting majority of the Housing Authority's governing board. The Board is composed of five members who are appointed by the Mayor of the City of Westwego, Louisiana. Members serve four-year staggered terms. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City.

In determining how to define the reporting entity, management has considered all potential component units. Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Authority for financial reporting purposes. The criterion include manifestation of oversight responsibility; including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based on the previous criteria, the Authority has determined that there is one component unit that should be considered as part of the Authority's reporting entity.

On July 15, 2019, the Westwego Affordable Housing Solutions (WAHS), a Louisiana nonprofit corporation was created. The purpose of WAHS is to provide a financial entity to assist in facilitating the financing, acquisition, redevelopment, rehabilitation and constructing of affordable housing in collaboration with the Housing Authority. Membership of WAHS includes (a) the Housing Authority's Board of Commissioners and Executive Director, and (b) Westwego Resident Organization. Membership may include appointed honorary members of the community at-large. For the year ended June 30, 2020, WAHS had no assets, liabilities, or activities; as a result, there were no separately issued financial statements issued for this entity.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

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

In accordance with Louisiana State Reporting Laws (LAS-R.S. 24:514), the accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Housing Authority classifies its fund as a proprietary fund (enterprise fund). Enterprise funds account for activities similar to those funds in the private sector, where the determination of net income is necessary or useful to sound financial administration. The focus for enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

The accompanying 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 proprietary fund financial statements follow guidance included in GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits and cash on hand. The Housing Authority considers short-term (maturity of less than 90 days), highly liquid investments as cash equivalents. Under state law, the Housing Authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

D. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments are 90 or more days, they are classified as investments; however, if the original maturities are less than 90 days, they are classified as cash equivalents. Investments are carried at fair value. The Housing Authority had no investments on June 30, 2020.

E. INVENTORY AND PREPAID ITEMS

All inventories are valued on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

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

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

F. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the accompanying financial statements. Capital assets are stated at their historical cost or estimated historical cost if actual cost was not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Housing Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized on the last day of the month in which the projects are completed. The results of that method do not differ materially from generally accepted accounting principles.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture, office equipment	5
Motor Vehicles	5
Buildings	40
Equipment	5

G. COMPENSATED ABSENCES

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

In some cases, employees can earn compensatory time in lieu of overtime. For each hour worked over the scheduled hours, the employee earns 1 ½ hours of compensatory time.

H. LONG-TERM OBLIGATIONS

Long-term obligations, consisting of compensated absences, are expected to be financed from operating funds.

I. USE OF ESTIMATES

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

J. RESTRICTED ASSETS

Restricted assets consist of tenant deposits.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

K. ENCUMBRANCES

The Housing Authority does not utilize encumbrance accounting.

L. OPERATING AND NON-OPERATING REVENUES/(EXPENSES)

Operating revenues include rents received from tenants as well as operating subsidy and supplemental subsidy grant funds received from HUD. Other income amounts are included as well.

Non-operating revenue/(expenses) includes loss on disposition of capital assets and investment income.

M. NET POSITION

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of amounts with constraints placed on the use 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 – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Housing Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Housing Authority has no items that qualify for reporting in this category.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

2. CASH AND CASH EQUIVALENTS

At June 30, 2020, the Housing Authority had cash and cash equivalents totaling \$673,945 as follows:

Petty cash and demand deposits, unrestricted	\$	629,150
Demand deposits, restricted		<u>44,795</u>
 Total		 <u>\$ 673,945</u>

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 bank. 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. At June 30, 2020, the Housing Authority had \$736,164 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$486,164 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. The Housing Authority's bank balance of \$736,164 at June 30, 2020 is secured by pledged collateral held in joint custody. The Housing Authority has no formal policy regarding custodial credit risk.

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 Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

3. ACCOUNTS AND GRANTS RECEIVABLES

The following is a summary of accounts and grants receivables at June 30, 2020:

<u>HUD</u>	<u>Current Tenant (net)</u>	<u>Other</u>
<u>\$191,476</u>	<u>\$ 5,266</u>	<u>\$ 67,610</u>

An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2020, there was no allowance for doubtful accounts.

4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020.

	<u>Balance 07/01/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/20</u>
Land	\$ 2,264,014	\$ 0	\$ 0	\$ 2,264,014
Buildings	16,194,566	1,158,333	0	17,352,899
Furniture and Equipment Dwelling	311,902	29,265	16,155	325,012
Furniture and Equipment Administration	295,640	9,335	-0-	304,975
Totals	<u>19,066,122</u>	<u>1,196,933</u>	<u>16,155</u>	<u>20,246,900</u>
Less accumulated Depreciation	7,578,079	396,798	16,155	7,958,722
Capital assets, net	<u>\$11,488,043</u>	<u>\$ 800,135</u>	<u>\$ -0-</u>	<u>\$12,288,178</u>

Depreciation expense recorded for the year ended June 30, 2020 was \$396,798.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

5. COMPENSATED ABSENCES

At June 30, 2020, employees of the Housing Authority have accumulated and vested \$51,315 of vacation benefits and compensatory time. This is classified on the Statement of Net Position as \$11,787 as a current obligation and \$39,528 as a non-current obligation.

The following is a summary of the compensated absences liability for the year ended June 30, 2020.

<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2020</u>	<u>Amount due within one year</u>
\$ <u>49,059</u>	\$ <u>33,036</u>	\$ <u>30,780</u>	\$ <u>51,315</u>	\$ <u>11,787</u>

6. RETIREMENT PLAN

The Housing Authority participates in The Housing Agency Retirement Trust ("HART") which is a defined contribution plan (the "Plan"). HART is a retirement savings program established exclusively for local and regional housing agencies and pools the funds of local agencies.

The Plan is governed by eight individual trustees who serve without compensation. Each trustee is a plan participant and is employed by a participating agency. The Plan is administered by Mercer, a division of Marsh and McLennan since the Plan's inception. Personalized service is provided by HART's recordkeeper, ADP retirement services. As approved by the Housing Authority's Board of Commissioners, the Housing Authority elects all plan provisions. This is inclusive of the: eligibility date, contribution levels of the employer or employee, vesting schedule, normal retirement age, and whether or not to provide life insurance or to offer loans. All of these provisions may be changed at any time at the discretion of the Housing Authority.

All regular and full-time employees shall participate in the Plan on the first day of the month after attaining age eighteen (18) and completing one (1) year of continuous and uninterrupted employment with the employer. All employees who were participants in the prior retirement plan shall automatically be participants in this Plan.

Each participant in the plan is required to make a monthly contribution equal to 5% of his basic employee compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 7% of each participant's basic employee compensation.

The normal retirement date for participating employees shall be the first day of the month following the employee's sixty-fifth (65<sup>th</sup>) birthday, or the date specified in the prior plan, if later, with respect to participating employees in the prior plan who are participating employees in this Plan. Under a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

Employees shall vest in the value of the employer's contributions at the rate of twenty percent (20%) per each full year of continuous employment with the employer. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority contributed approximately \$31,005 to the plan and the plan members contributed approximately \$22,146 to the plan. At June 30, 2020, there is a liability of \$4,092 due to the pension plan, shown on the Statement of Net Position as a current obligation.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

7. RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; error and omissions; workers' compensation; employee health and accident; and natural disasters. The Housing Authority is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Housing Authority. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Housing Authority, or if not so covered, are not expected to have a material effect on the financial statements of the Housing Authority.

8. FEDERAL COMPLIANCE CONTINGENCIES

The Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing the Housing Authority's activities. These examinations may result in the Housing Authority receiving a lower HUD score and a reduced HUD subsidy.

9. ECONOMIC DEPENDENCY

The Housing Authority is economically dependent upon annual contributions and grants from HUD. HUD provided approximately 68.5% of the Housing Authority's revenue for the year ended June 30, 2020.

10. RELATED PARTY TRANSACTIONS

The governing board of the Housing Authority receives a per diem of \$225 each month as long as they attend at least one meeting that month. For the year ended June 30, 2020, the related party transactions were:

<u>Name</u>	<u>Amount</u>
D. Thibodeaux, III	\$ 2,700
D. Manuel	2,700
C. Jones	2,700
S. Lacayo	2,700
C. Falgout	2,700
Total	<u>\$13,500</u>

No amounts were payable at June 30, 2020.

11. SUPPLEMENTAL OPERATING SUBSIDY

On March 27, 2020, President Trump signed the CARES Act into law which authorized emergency assistance due to the COVID-19 pandemic. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to coronavirus, including to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. The Housing Authority of Westwego has drawn down \$71,579 in supplemental operating funds as of June 30, 2020.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

12. COVID – 19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern”, and on March 11, 2020 declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Housing Authority of Westwego operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Housing Authority’s office.

13. SUBSEQUENT EVENTS

Management of the Housing Authority of Westwego has evaluated subsequent events through December 17, 2020, the date which the financial statements were available to be issued. Except for the information in the following paragraph, the Housing Authority is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
 SCHEDULE OF CAPITAL FUND PROGRAMS COMPLETED  
 AS OF JUNE 30, 2020

The following amounts are in agreement with the Housing Authority's records.

<u>Project No.</u>	<u>LA48P01150117</u>	<u>LA48P01150118</u>
Funds Approved	\$ 406,826	\$ 631,825
Funds Advanced	406,826	631,825
Funds Remaining	<u>\$ 0</u>	<u>\$ 0</u>
Funds Advanced	\$ 406,826	\$ 631,825
Funds Expended	<u>406,826</u>	<u>631,825</u>
Excess (Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>

The Comprehensive Grant Program LA48P01150117 was completed with all budgeted amounts expended and the Actual Cost Modernization Cost Certificate submitted to the United States Department of Housing and Urban Development on December 15, 2020.

The Comprehensive Grant Program LA48P01150118 was completed with all budgeted amounts expended and the Actual Cost Modernization Cost Certificate submitted to the United States Department of Housing and Urban Development on August 7, 2020.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

Schedule of Compensation, Benefits, and Other Payments  
to Agency Head or Chief Executive Officer  
Year Ended June 30, 2020

	<u>Dorian Rawles Executive Director</u>
Salary	\$ 92,907
Benefits – Insurance	13,650
Benefits – Retirement	6,503
Benefits – Payroll Taxes	7,163
Car Allowance	1,200
Per Diem	244
Conference Travel	783
Registration Fees & Dues	842
Other	<u>594</u>
	<u>\$ 123,886</u>

Housing Authority of Westwego (LA011)

WESTWEGO, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
111 Cash - Unrestricted	\$626,947		\$626,947	\$626,947
112 Cash - Restricted - Modernization and Development	\$2,203		\$2,203	\$2,203
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$44,795		\$44,795	\$44,795
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$673,945	\$0	\$673,945	\$673,945
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$191,476		\$191,476	\$191,476
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous	\$67,610		\$67,610	\$67,610
126 Accounts Receivable - Tenants	\$5,266		\$5,266	\$5,266
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0
129 Accrued Interest Receivable	\$0		\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$264,352	\$0	\$264,352	\$264,352
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$105,627		\$105,627	\$105,627

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)

WESTWEGO, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
143 Inventories	\$25,552		\$25,552	\$25,552
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$1,069,476	\$0	\$1,069,476	\$1,069,476
161 Land	\$2,264,014		\$2,264,014	\$2,264,014
162 Buildings	\$17,352,899		\$17,352,899	\$17,352,899
163 Furniture, Equipment & Machinery - Dwellings	\$325,012		\$325,012	\$325,012
164 Furniture, Equipment & Machinery - Administration	\$304,975		\$304,975	\$304,975
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$7,958,722		-\$7,958,722	-\$7,958,722
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$12,288,178	\$0	\$12,288,178	\$12,288,178
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$12,288,178	\$0	\$12,288,178	\$12,288,178
200 Deferred Outflow of Resources				

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)

WESTWEGO, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$13,357,654	\$0	\$13,357,654	\$13,357,654
311 Bank Overdraft	\$0		\$0	\$0
312 Accounts Payable <= 90 Days	\$128,715		\$128,715	\$128,715
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion	\$11,787		\$11,787	\$11,787
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$35,129		\$35,129	\$35,129
341 Tenant Security Deposits	\$44,795		\$44,795	\$44,795
342 Unearned Revenue	\$17,991		\$17,991	\$17,991
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$238,417	\$0	\$238,417	\$238,417
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$39,528		\$39,528	\$39,528
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$39,528	\$0	\$39,528	\$39,528
300 Total Liabilities	\$277,945	\$0	\$277,945	\$277,945
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$12,288,178		\$12,288,178	\$12,288,178
511.4 Restricted Net Position	\$0		\$0	\$0
512.4 Unrestricted Net Position	\$791,531	\$0	\$791,531	\$791,531
513 Total Equity - Net Assets / Position	\$13,079,709	\$0	\$13,079,709	\$13,079,709
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$13,357,654	\$0	\$13,357,654	\$13,357,654

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
70300 Net Tenant Rental Revenue	\$905,504		\$905,504	\$905,504
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$905,504	\$0	\$905,504	\$905,504
70600 HUD PHA Operating Grants	\$977,998	\$71,579	\$1,049,577	\$1,049,577
70610 Capital Grants	\$1,117,499		\$1,117,499	\$1,117,499
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				
71100 Investment Income - Unrestricted	\$8,959		\$8,959	\$8,959
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$82,340		\$82,340	\$82,340
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0	\$0
72000 Investment Income - Restricted				
70000 Total Revenue	\$3,092,300	\$71,579	\$3,163,879	\$3,163,879

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
91100 Administrative Salaries	\$242,942	\$2,823	\$245,765	\$245,765
91200 Auditing Fees	\$16,725		\$16,725	\$16,725
91300 Management Fee				
91310 Book-keeping Fee	\$0		\$0	\$0
91400 Advertising and Marketing	\$2,630		\$2,630	\$2,630
91500 Employee Benefit contributions - Administrative	\$72,519	\$216	\$72,735	\$72,735
91600 Office Expenses	\$39,246	\$1,155	\$40,401	\$40,401
91700 Legal Expense	\$15,438		\$15,438	\$15,438
91800 Travel	\$2,685		\$2,685	\$2,685
91810 Allocated Overhead				
91900 Other	\$152,519	\$3,111	\$155,630	\$155,630
91000 Total Operating - Administrative	\$544,704	\$7,305	\$552,009	\$552,009
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$60,599		\$60,599	\$60,599
92500 Total Tenant Services	\$60,599	\$0	\$60,599	\$60,599
93100 Water	\$117,027		\$117,027	\$117,027
93200 Electricity	\$44,794		\$44,794	\$44,794
93300 Gas	\$96,720		\$96,720	\$96,720
93400 Fuel				

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
93500 Labor				
93600 Sewer	\$138,820		\$138,820	\$138,820
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$61,164		\$61,164	\$61,164
93000 Total Utilities	\$458,525	\$0	\$458,525	\$458,525
94100 Ordinary Maintenance and Operations - Labor	\$235,099	\$21,882	\$256,981	\$256,981
94200 Ordinary Maintenance and Operations - Materials and Other	\$92,389	\$3,874	\$96,263	\$96,263
94300 Ordinary Maintenance and Operations Contracts	\$277,013	\$22,548	\$299,561	\$299,561
94500 Employee Benefit Contributions - Ordinary Maintenance	\$70,223	\$1,674	\$71,897	\$71,897
94000 Total Maintenance	\$674,724	\$49,978	\$724,702	\$724,702
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other	\$26,728		\$26,728	\$26,728
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$26,728	\$0	\$26,728	\$26,728
96110 Property Insurance	\$121,975		\$121,975	\$121,975
96120 Liability Insurance				
96130 Workmen's Compensation	\$33,532		\$33,532	\$33,532
96140 All Other Insurance	\$1,098		\$1,098	\$1,098
96100 Total insurance Premiums	\$156,605	\$0	\$156,605	\$156,605

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
96200 Other General Expenses				
96210 Compensated Absences	\$25,100		\$25,100	\$25,100
96300 Payments in Lieu of Taxes	\$35,129		\$35,129	\$35,129
96400 Bad debt - Tenant Rents	\$3,672		\$3,672	\$3,672
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$63,901	\$0	\$63,901	\$63,901
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,985,786	\$57,283	\$2,043,069	\$2,043,069
97000 Excess of Operating Revenue over Operating Expenses	\$1,106,514	\$14,296	\$1,120,810	\$1,120,810
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$396,798		\$396,798	\$396,798
97500 Fraud Losses				

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$2,382,584	\$57,283	\$2,439,867	\$2,439,867
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$709,716	\$14,296	\$724,012	\$724,012
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$12,355,697	\$0	\$12,355,697	\$12,355,697
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$14,296	-\$14,296	\$0	\$0

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

Housing Authority of Westwego (LA011)  
WESTWEGO, LA  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	3600		3600	3600
11210 Number of Unit Months Leased	3537		3537	3537
11270 Excess Cash	\$532,195		\$532,195	\$532,195
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$1,158,333		\$1,158,333	\$1,158,333
11630 Furniture & Equipment - Dwelling Purchases	\$29,265		\$29,265	\$29,265
11640 Furniture & Equipment - Administrative Purchases	\$9,335		\$9,335	\$9,335
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

Note: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

**PACIERA, GAUTREAU & PRIEST, LLC**

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RENE G. GAUTREAU, C.P.A.  
(1958-2019)

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

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

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Metairie, Louisiana  
December 17, 2020

PACIERA, GAUTREAU & PRIEST, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**PACIERA, GAUTREAU & PRIEST, LLC**

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

To the Board of Commissioners  
The Housing Authority of the  
City of Westwego, Louisiana  
Westwego, Louisiana

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

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

**Report on Internal Control over Compliance**

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

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

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

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

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

*Paciera, Guatreau & Priest, LLC*

Metairie, Louisiana  
December 17, 2020

**PACIERA, GUATREAU & PRIEST, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

<u>FEDERAL GRANTOR</u> <u>PROGRAM NAME</u>	<u>Federal CFDA</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>
U. S. Department of Housing and Urban Development		
Public Housing – Operating Subsidy	14.850	\$ 977,998
Public Housing – Operating Subsidy – COVID-19	14.850	71,579
Public Housing – Capital Fund Program	14.872	<u>1,117,499</u>
Total U. S. Department of Housing and Urban Development		<u>2,167,076</u>
Total expenditures of federal awards		<u>\$2,167,076</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Housing Authority.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST

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

THE HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2020

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**Section I – Summary of Auditor’s Reports**

*Financial Statement*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  Yes  No

*Major Program*

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850	Department of Housing and Urban Development - Public and Indian Housing

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

Auditee qualified as low-risk auditee?  Yes  No

THE HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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**Section II – Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards**

No items to report.

**Section III – Major Federal Award Programs Findings and Questioned Costs**

No items to report.

THE HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

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**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings or questioned costs related to the financial statement audit for the year ended June 30, 2019.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

There were no findings and questioned costs related to the Major Federal Awards Programs for the year ended June 30, 2019.