

**HOUSING AUTHORITY OF THE
CITY OF WESTWEGO, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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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 Audit of the Financial Statements

Opinion

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, 2023, 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, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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'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.

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

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 opinion. 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 judgment 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 judgment 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's 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority'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 on pages 4–7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

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

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 an opinion 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. Such information is 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. 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 Capital Funds 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 28, 2023, 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 28, 2023

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, 2023. Please read it in conjunction with the Authority's financial statements which begins on page 8.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by 5.53% as a result of this year's operations.
- During the year, the Authority had operating, non-operating revenues, and capital fund grant revenue that were \$995,366 more than the \$2,753,449 in operating expenses, non-operating expenses, and capital fund expenses. This compares to last year when revenues exceeded expenses by \$4,552,002.
- Total of the Authority's operating expenses increased by \$336,692 or 14.00% over the fiscal year ending June 30, 2022.

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 \$995,366 from a year ago.

	<u>Condensed Statement of Net Position</u>	
	<u>FYE 6/30/23</u>	<u>FYE 6/30/22</u>
Other assets	\$ 2,696,225	\$ 2,992,632
Capital assets	<u>16,517,009</u>	<u>15,563,211</u>
Total Assets	<u>\$19,213,234</u>	<u>\$18,555,843</u>
Other liabilities	\$ 196,467	\$ 528,061
Non-current liabilities	<u>35,473</u>	<u>41,854</u>
Total Liabilities	<u>\$ 231,940</u>	<u>\$ 569,915</u>
Net position:		
Net Investment in capital assets	\$16,517,009	\$ 15,563,211
Unrestricted	<u>2,464,285</u>	<u>2,422,717</u>
Total Net Position	<u>\$18,981,294</u>	<u>\$17,985,928</u>

	<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating Revenues	\$ 2,333,083	\$ 2,148,108
Operating Expenses	<u>2,741,418</u>	<u>2,404,726</u>
Operating Loss	<u>(408,335)</u>	<u>(256,618)</u>
Non-operating Revenues/(Expenses)		
Non-operating Revenues	\$ 934,275	\$ 4,999,979
Casualty Loss	<u>-0-</u>	<u>600,223</u>
Total Non-Operating Revenues/(Expenses)	<u>\$ 934,275</u>	<u>\$ 4,399,756</u>
Net income before Capital fund grant revenue	<u>525,940</u>	<u>4,143,138</u>
Capital Fund Grant Revenues/(Expenses)		
Capital fund grant revenues	\$ 481,457	\$ 416,515
Capital fund expenses	<u>12,031</u>	<u>7,651</u>
Total Capital Fund Revenues/(Expenses)	<u>\$ 469,426</u>	<u>\$ 408,864</u>
Increase in Net Position	<u>\$ 995,366</u>	<u>\$ 4,552,002</u>

Business-type Activities

The Housing Authority's total revenues of \$3,748,815 decreased by 50.44% or \$3,815,787. Total expenses of \$2,753,449 decreased by 8.60% or \$259,151.

Rental revenues increased by \$98,844, revenues from U.S. Department of Housing and Urban Development for capital funding increased by \$64,942, and other income decreased by \$4,843. The operating subsidy grant increased by \$90,974 including the subsidy ROSS funding. Non-operating revenue decreased by \$4,065,704.

Non-operating revenues relate primarily to Hurricane Ida. On August 29, 2021, Hurricane Ida struck the Louisiana coast causing extensive damage to the property of the Housing Authority. The Housing Authority maintains property insurance for this type of damage, however, as of the date of the loss the amount of the insurance recoveries could not be estimated. Accordingly, insurance recoveries totaling \$934,275 are considered a change in estimate and are shown as non-operating revenue in the current year.

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 \$995,366 during the fiscal year ending June 30, 2023 primarily due to grant revenue and insurance recoveries.

Budgetary Highlights

The Housing Authority adopts an operating budget that serves as a management tool. For the fiscal year ended June 30, 2023, the operating budget was amended when the June 30, 2024 budget was approved.

Economic Factors and Next Year's Budget

The Housing Authority's appointed officials considered many factors when setting the fiscal year June 30, 2024 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). The budget for fiscal year 2024 is expected to achieve a healthy balance in unrestricted net position.

Component Units

Westwego Affordable Housing Solutions (WAHS), is considered a component unit. As of and for the year ended June 30, 2023, WAHS had no assets, liabilities, or activities; as a result, there were no separately issued financial statements issued for this entity.

Additional information can be found in Note 1 on page 11 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the Housing Authority had \$23,573,812 invested in Land, Buildings, Equipment, and Furniture. This amount represents a net increase (including additions and disposals) of \$1,479,196 or 6.69% over last year.

	<u>FYE 6/30/23</u>	<u>FYE 6/30/22</u>
Land	\$ 2,264,014	\$ 2,264,014
Buildings	20,653,794	19,184,073
Equipment and Furniture	<u>656,004</u>	<u>646,529</u>
	<u>\$23,573,812</u>	<u>\$22,094,616</u>

Additional information can be found in Note 4 on page 15 of this report.

Debt

The Housing Authority has accrued compensated absences of \$47,084, of which \$11,611 is classified as a current liability and \$35,473 is classified as a non-current liability as of June 30, 2023.

Additional information can be found in Note 5 on page 16 of this report.

COMMITMENTS AND CONTINGENCIES

The Housing Authority has entered into a development contract for the Rental Assistance Demonstration program and a contract to replace damaged roofs.

Additional information can be found in Note 12 on page 18 of this report.

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, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 1,820,368
Grants receivable	567,523
Accounts receivable (net of allowance for doubtful accounts)	75,016
Prepaid expenses	194,576
Total current assets	<u>2,657,483</u>
Restricted assets:	
Cash and cash equivalents	<u>38,742</u>
Capital assets:	
Land	2,264,014
Buildings, equipment, and furniture, at cost less accumulated depreciation	<u>14,252,995</u>
Total capital assets, net	<u>16,517,009</u>
Total assets	<u>19,213,234</u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accounts payable	130,153
Compensated absences	11,611
Deferred revenue	15,961
Total current liabilities	<u>157,725</u>
Liabilities payable from restricted assets:	
Tenant security deposits	<u>38,742</u>
Non-current liabilities:	
Compensated absences	<u>35,473</u>
Total liabilities	<u>231,940</u>
Net Position	
Net investment in capital assets	16,517,009
Unrestricted	<u>2,464,285</u>
Total net position	<u>\$18,981,294</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, 2023

Operating Revenues:	
Tenant rental revenue	\$ 961,289
Operating subsidy grant	1,256,898
ROSS grant	82,863
Other revenue	<u>32,033</u>
Total operating revenues	<u>2,333,083</u>
Operating Expenses:	
Administrative salaries	264,174
Auditing fees	21,000
Employee benefits-administrative	48,420
Other operating-administrative	259,743
Tenant services other	99,531
Water & Sewer	253,293
Electricity	74,246
Gas	133,349
Other utilities expense	67,662
Ordinary maintenance and operations-labor	230,010
Materials	111,388
Contract costs	295,851
Employee benefits-maintenance & operations	42,546
Insurance	236,088
Payment in lieu of taxes	41,676
Bad debt-tenant rents	21,071
Depreciation expense	<u>541,370</u>
Total operating expenses	<u>2,741,418</u>
Net operating loss	<u>(408,335)</u>
Non-operating Revenues	
Insurance recoveries	<u>934,275</u>
Total non-operating revenues	<u>934,275</u>
Net income before Capital fund grant revenues/(expenses)	<u>525,940</u>
Capital Fund Grant Revenues/(Expenses):	
Capital Fund grant revenue	481,457
Capital Fund contract and material cost	<u>(12,031)</u>
Total capital fund grant revenues/(expenses)	<u>469,426</u>
Change in Net Position	995,366
Net Position-Beginning of Year	<u>17,985,928</u>
Net Position-End of Year	<u>\$ 18,981,294</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, 2023

Cash Flows from Operating Activities:	
Dwelling rent receipts	\$ 899,437
Operating subsidy and supplemental	1,751,992
Other income	32,033
Net tenant security deposits	(25)
Payments to employees	(492,354)
Payments to vendors and others	(1,762,800)
Payment in lieu of taxes	(39,772)
Net cash provided by operating activities	<u>388,511</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property, plant, and equipment	(1,769,969)
Insurance recoveries	934,275
FEMA proceeds	222,882
Capital subsidy received, net	470,019
Net cash used by capital and related financing activities	<u>(142,793)</u>
Net increase in cash and cash equivalents	245,718
Cash and Cash Equivalents:	
Beginning of year	<u>1,613,392</u>
End of year	<u>\$ 1,859,110</u>
Classification of Cash and Cash Equivalents at End of Year:	
Current assets	\$ 1,820,368
Restricted assets	38,742
	<u>\$ 1,859,110</u>
Reconciliation of Net Operating (Loss) to Net Cash	
Provided by Operating Activities:	
Net operating (loss)	\$ (408,335)
Adjustments to reconcile net operating loss to	
net cash provided by operating activities:	
Depreciation	541,370
Bad debt	21,071
Decrease in accounts and grants receivable	338,878
(Increase) in prepaid expenses	(43,739)
(Decrease) in accounts payable	(61,195)
Increase in accrued wages	1,830
(Decrease) in tenant security deposit	(25)
(Decrease) in deferred revenue	(1,344)
Net cash provided by operating activities	<u>\$ 388,511</u>
Noncash investing, capital, and financing activities:	
Acquisitions of property, plant and equipment through	
accounts payable	<u>\$ 18,552</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, 2023

1. 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, 2023, 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, 2023

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, 2023.

E. PREPAID ITEMS

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, 2023

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, 2023

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 includes insurance recoveries.

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 assets 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 assets 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, 2023

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the Housing Authority had cash and cash equivalents totaling \$1,859,110 as follows:

Petty cash and demand deposits, unrestricted	\$ 1,820,368
Demand deposits, restricted	<u>38,742</u>
Total	<u>\$ 1,859,110</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, 2023, the Housing Authority had \$2,005,289 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,755,289 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 \$2,005,289 at June 30, 2023 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, 2023:

<u>HUD</u>	<u>Current Tenant (net)</u>	<u>Other</u>
<u>\$567,523</u>	<u>\$ 58,006</u>	<u>\$ 17,010</u>

An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2023, \$21,071 was recorded as an allowance for doubtful accounts.

4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023.

	<u>Balance 07/01/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 06/30/23</u>
Land	\$ 2,264,014	\$ 0	\$ 0	\$ 2,264,014
Buildings	19,184,073	1,469,721	0	20,653,794
Furniture and Equipment Dwelling	332,531	25,447	15,972	342,006
Furniture and Equipment Administration	313,998	0	0	313,998
Totals	<u>22,094,616</u>	<u>1,495,168</u>	<u>15,972</u>	<u>23,573,812</u>
Less accumulated Depreciation	6,531,405	541,370	15,972	7,056,803
Capital assets, net	<u>\$15,563,211</u>	<u>\$ 953,798</u>	<u>\$ 0</u>	<u>\$16,517,009</u>

Depreciation expense recorded for the year ended June 30, 2023, was \$541,370.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

5. COMPENSATED ABSENCES

At June 30, 2023, employees of the Housing Authority have accumulated and vested \$47,084 of vacation benefits and compensatory time. This is classified on the Statement of Net Position as \$11,611 as a current obligation and \$35,473 as a non-current obligation.

The following is a summary of the compensated absences liability for the year ended June 30, 2023.

<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2023</u>	<u>Amount due within one year</u>
\$ <u>45,254</u>	\$ <u>30,868</u>	\$ <u>29,038</u>	\$ <u>47,084</u>	\$ <u>11,611</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 a Board of 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 (65th) 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 \$22,994 to the plan and the plan members contributed approximately \$16,424 to the plan. At June 30, 2023, there is a liability of \$16,006 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, 2023

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 64.71% of the Housing Authority's revenue for the year ended June 30, 2023, without consideration of insurance recoveries.

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, 2023, 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, 2023.

11. RESIDENT OPPORTUNITY SELF-SUFFICIENCY GRANT (ROSS)

The Housing Authority was awarded a FY21 Resident Opportunity Self-Sufficiency Grant (ROSS), beginning June 1, 2022, and ending May 31, 2025. The grant amount is \$245,850 and \$82,863 was expended in FYE June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

12. COMMITMENTS AND CONTINGENCIES

Management of the Housing Authority of Westwego has evaluated subsequent events through December 28, 2023, the date which the financial statements were available to be issued. Except for the information in the following paragraphs, the Housing Authority is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Repositioning – The Housing Authority has entered into a development contract with an unrelated party, in the amount of \$100,000, for the Rental Assistance Demonstration program conversion. On June 30, 2023, \$50,000 of the contract commitment had not yet been incurred.

The Housing Authority of Westwego has entered into a contract to replace damaged roofs. The remainder of the contract is approximately \$126,500.

13. HURRICANE IDA

On August 29, 2021, Hurricane Ida struck the Louisiana coast, causing extensive damage to the Housing Authority's property. The Housing Authority maintains property insurance for this type of damage; however, as of the date of the loss, the amount of the insurance recoveries could not be estimated. Accordingly, insurance recoveries totaling \$934,275 are considered a change in estimate and are shown as non-operating revenue in the accompanying statement of activities, expenses and changes in the assets.

14. UPCOMING PRONOUNCEMENT

The following Governmental Accounting Standards Board Statement will become effective in fiscal year June 30, 2024.

Statement No. 101, "*Compensated Absences*" provides guidance to better meet the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 SCHEDULE OF CAPITAL FUND PROGRAMS COMPLETED
 AS OF JUNE 30, 2023

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

<u>Project No.</u>	<u>LA48E01150119</u>	<u>LA48P01150120</u>	<u>LA48P01150121</u>
Funds Approved	\$ 28,796	\$ 721,457	\$ 753,193
Funds Advanced	<u>28,796</u>	<u>721,457</u>	<u>753,193</u>
Funds Remaining	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Advanced	\$ 28,796	\$ 721,457	\$ 753,193
Funds Expended	<u>28,796</u>	<u>721,457</u>	<u>753,193</u>
Excess (Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The Comprehensive Grant Program LA48E01150119 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 May 3, 2023.

The Comprehensive Grant Program LA48P01150120 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 31, 2022.

The Comprehensive Grant Program LA48P01150121 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 May 3, 2023.

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, 2023

	<u>Cantrese Wilson - Jones Executive Director</u>
Salary	\$ 76,042
Benefits – Insurance	4,489
Benefits – Retirement	5,323
Benefits – Payroll Taxes	5,693
Phone Allowance	350
Per Diem	1,247
Conference Travel	3,930
Registration Fees & Dues	<u>812</u>
	<u>\$ 97,886</u>

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

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
111 Cash - Unrestricted	\$1,820,368		\$1,820,368	\$1,820,368
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$38,742		\$38,742	\$38,742
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$1,859,110	\$0	\$1,859,110	\$1,859,110
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$567,523	\$0	\$567,523	\$567,523
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous	\$17,010		\$17,010	\$17,010
126 Accounts Receivable - Tenants	\$79,077		\$79,077	\$79,077
126.1 Allowance for Doubtful Accounts -Tenants	-\$21,071		-\$21,071	-\$21,071
126.2 Allowance for Doubtful Accounts - Other	\$0	\$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				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$642,539	\$0	\$642,539	\$642,539
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$194,576		\$194,576	\$194,576

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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$2,696,225	\$0	\$2,696,225	\$2,696,225
161 Land	\$2,264,014		\$2,264,014	\$2,264,014
162 Buildings	\$20,653,794		\$20,653,794	\$20,653,794
163 Furniture, Equipment & Machinery - Dwellings	\$342,006		\$342,006	\$342,006
164 Furniture, Equipment & Machinery - Administration	\$313,998		\$313,998	\$313,998
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$7,056,803		-\$7,056,803	-\$7,056,803
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$16,517,009	\$0	\$16,517,009	\$16,517,009
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	\$16,517,009	\$0	\$16,517,009	\$16,517,009
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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$19,213,234	\$0	\$19,213,234	\$19,213,234
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$88,477		\$88,477	\$88,477
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion	\$11,611		\$11,611	\$11,611
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs		\$0	\$0	\$0
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$41,676		\$41,676	\$41,676
341 Tenant Security Deposits	\$38,742		\$38,742	\$38,742
342 Unearned Revenue	\$15,961		\$15,961	\$15,961
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	\$196,467	\$0	\$196,467	\$196,467
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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$35,473		\$35,473	\$35,473
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$35,473	\$0	\$35,473	\$35,473
300 Total Liabilities	\$231,940	\$0	\$231,940	\$231,940
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$16,517,009		\$16,517,009	\$16,517,009
511.4 Restricted Net Position	\$0		\$0	\$0
512.4 Unrestricted Net Position	\$2,464,285	\$0	\$2,464,285	\$2,464,285
513 Total Equity - Net Assets / Position	\$18,981,294	\$0	\$18,981,294	\$18,981,294
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$19,213,234	\$0	\$19,213,234	\$19,213,234

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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
70300 Net Tenant Rental Revenue	\$961,289		\$961,289	\$961,289
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$961,289	\$0	\$961,289	\$961,289
70600 HUD PHA Operating Grants	\$1,256,898	\$82,863	\$1,339,761	\$1,339,761
70610 Capital Grants	\$481,457		\$481,457	\$481,457
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				
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	\$966,308		\$966,308	\$966,308
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$3,665,952	\$82,863	\$3,748,815	\$3,748,815

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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
91100 Administrative Salaries	\$166,371	\$80,850	\$247,221	\$247,221
91200 Auditing Fees	\$21,000		\$21,000	\$21,000
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$409		\$409	\$409
91500 Employee Benefit contributions - Administrative	\$48,420		\$48,420	\$48,420
91600 Office Expenses	\$42,640	\$230	\$42,870	\$42,870
91700 Legal Expense	\$3,966		\$3,966	\$3,966
91800 Travel	\$16,250	\$220	\$16,470	\$16,470
91810 Allocated Overhead				
91900 Other	\$164,335	\$373	\$164,708	\$164,708
91000 Total Operating - Administrative	\$463,391	\$81,673	\$545,064	\$545,064
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$99,531		\$99,531	\$99,531
92500 Total Tenant Services	\$99,531	\$0	\$99,531	\$99,531
93100 Water	\$115,208		\$115,208	\$115,208
93200 Electricity	\$74,246		\$74,246	\$74,246
93300 Gas	\$133,349		\$133,349	\$133,349
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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
93500 Labor				
93600 Sewer	\$138,085		\$138,085	\$138,085
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$67,662		\$67,662	\$67,662
93000 Total Utilities	\$528,550	\$0	\$528,550	\$528,550
94100 Ordinary Maintenance and Operations - Labor	\$224,324		\$224,324	\$224,324
94200 Ordinary Maintenance and Operations - Materials and Other	\$118,818		\$118,818	\$118,818
94300 Ordinary Maintenance and Operations Contracts	\$299,262	\$1,190	\$300,452	\$300,452
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,546		\$42,546	\$42,546
94000 Total Maintenance	\$684,950	\$1,190	\$686,140	\$686,140
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other	\$31,320		\$31,320	\$31,320
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$31,320	\$0	\$31,320	\$31,320
96110 Property Insurance	\$209,498		\$209,498	\$209,498
96120 Liability Insurance	\$5,714		\$5,714	\$5,714
96130 Workmen's Compensation	\$20,876		\$20,876	\$20,876
96140 All Other Insurance				
96100 Total insurance Premiums	\$236,088	\$0	\$236,088	\$236,088

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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
96200 Other General Expenses				
96210 Compensated Absences	\$22,639		\$22,639	\$22,639
96300 Payments in Lieu of Taxes	\$41,676		\$41,676	\$41,676
96400 Bad debt - Tenant Rents	\$21,071		\$21,071	\$21,071
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$85,386	\$0	\$85,386	\$85,386
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	\$2,129,216	\$82,863	\$2,212,079	\$2,212,079
97000 Excess of Operating Revenue over Operating Expenses	\$1,536,736	\$0	\$1,536,736	\$1,536,736
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$541,370		\$541,370	\$541,370
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: 06/30/2023

	Project Total	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$2,670,586	\$82,863	\$2,753,449	\$2,753,449
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	\$995,366	\$0	\$995,366	\$995,366
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$17,985,928	\$0	\$17,985,928	\$17,985,928
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$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: 06/30/2023

	Project Total	14,870 Resident Opportunity and Supportive Services	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	3131		3131	3131
11270 Excess Cash	\$2,128,750		\$2,128,750	\$2,128,750
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$1,469,721		\$1,469,721	\$1,469,721
11630 Furniture & Equipment - Dwelling Purchases	\$25,447		\$25,447	\$25,447
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

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

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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

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, 2023, 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 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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

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 deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. 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 28, 2023

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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

Opinion on 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 identified as subject to audit 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, 2023. 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.

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, 2023.

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 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's compliance with the compliance requirements referred to above.

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

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'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 the Housing Authority'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 the Housing Authority'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 the Housing Authority'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 the Housing Authority'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 the Housing Authority'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.

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

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.



Metairie, Louisiana
December 28, 2023

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

<u>FEDERAL GRANTOR</u> <u>PROGRAM NAME</u>	<u>Assistance Listing</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>
U. S. Department of Housing and Urban Development		
Public and Indian Housing	14.850	\$1,256,898
Resident Opportunity & Self-Sufficiency	14.870	82,863
Public Housing Capital Fund	14.872	<u>481,457</u>
Total U. S. Department of Housing and Urban Development		<u>1,821,218</u>
Total Federal Awards Expended		<u>\$1,821,218</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, 2023

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, 2023

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

Federal Assistance	
<u>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, 2023

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, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings or questioned costs related to the financial statement audit for the year ended June 30, 2022.

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, 2022.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Housing Authority of the City of Westwego and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Housing Authority of the City of Westwego's (HAW) management is responsible for those C/C areas identified in the SAUPs.

HAW has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were noted as a result of applying these procedures.

ii. ***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.

Results: No exceptions were noted as a result of applying these procedures.

iii. ***Disbursements***, including processing, reviewing, and approving.

Results: No exceptions were noted as a result of applying these procedures.

iv. ***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).

Results: No exceptions were noted as a result of applying these procedures.

- v. ***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.

Results: No exceptions were noted as a result of applying these procedures.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: No exceptions were noted as a result of applying these procedures.

- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were noted as a result of applying these procedures.

- viii. ***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).

Results: No exceptions were noted as a result of applying these procedures.

- ix. ***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.

Results: No exceptions were noted as a result of applying these procedures.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: Procedures were not performed. HAW does not have debt service. This is not an exception.

- xi. ***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.

Results: No exceptions were noted as a result of applying these procedures.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were noted as a result of applying these procedures.

2. ***Board or Finance Committee***

- A. 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:

- i. 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.

Results: No exceptions were noted as a result of applying these procedures.

- ii. For those entities reporting on the governmental accounting model, observe that 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.

Results: No exceptions were noted as a result of applying these procedures.

- iii. 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.

Results: No exceptions were noted as a result of applying these procedures.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are resolved.

Results: No exceptions were noted as a result of applying these procedures.

3. *Bank Reconciliations*

- A. 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:
- i. 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);
 - ii. 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
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted as a result of applying these procedures.

4. *Collections (excluding electronic funds transfers)*

- A. 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).

Results: No exceptions were noted as a result of applying these procedures.

- B. 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:
- i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. 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.
 - iii. 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.

**The Housing Authority of the City of Westwego and
the Louisiana Legislative Auditor**

Page 5

- iv. 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 also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A. 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:

- i. Observe that receipts are sequentially pre-numbered.

Results: HAW does not use sequentially pre-numbered receipts. HAW has compensating controls that mitigate the underlying control risk. This is not an exception.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: HAW does not use sequentially pre-numbered receipts. HAW receives funds via ACH and deposit slips are not used. HAW has compensating controls that mitigate the underlying control risk. This is not an exception.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were noted as a result of applying these procedures.

- iv. Observe that 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).

Results: No exceptions were noted as a result of applying these procedures.

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of applying these procedures.

**The Housing Authority of the City of Westwego and
the Louisiana Legislative Auditor**

Page 6

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

- A. 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).

Results: No exceptions were noted as a result of applying these procedures.

- B. For each location selected under #5A 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:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- ii. At least two employees are involved in processing and approving payments to vendors.
- iii. 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.
- iv. 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.
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were noted as a result of applying these procedures.

- C. For each location selected under #5A 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:

- i. Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

**The Housing Authority of the City of Westwego and
the Louisiana Legislative Auditor**

Page 7

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions were noted as a result of applying these procedures.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. 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.

Results: No exceptions were noted as a result of applying these procedures.

- B. 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:

- i. Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of applying these procedures.

- C. Using the monthly statements or combined statements selected under #6B 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 that 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.

Results: No exceptions were noted as a result of applying these procedures.

7. *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

A. 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:

- i. If reimbursed using a per diem, observe that 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).

Results: No exceptions were noted as a result of applying these procedures.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: No exceptions were noted as a result of applying these procedures.

- iii. Observe that 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 and Procedures procedure #1A(vii).

Results: No exceptions were noted as a result of applying these procedures.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted as a result of applying these procedures.

8. *Contracts*

A. 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:

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: No exceptions were noted as a result of applying these procedures.

- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

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Results: No exceptions were noted as a result of applying these procedures.

- iii. If the contract was amended (e.g. change order), observe that 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).

Results: No exceptions were noted as a result of applying these procedures.

- iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of applying these procedures.

9. Payroll and Personnel

- A. 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.

Results: No exceptions were noted as a result of applying these procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of applying these procedures.

- C. 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 policy on termination payments. Agree the hours to the employee or officials cumulate leave records, agree the

pay rates to the employee or officials authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted as a result of applying these procedures.

- D. 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.

Results: No exceptions were noted as a result of applying these procedures.

10. Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
- ii. Observe that 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.

Results: No exceptions were noted as a result of applying these procedures.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were noted as a result of applying these procedures.

11. Debt Service

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: These procedures were not performed because The Housing Authority of the City of Westwego has no debt service. These procedures do not apply. This is not an exception.

- B. 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

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covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: These procedures were not performed because The Housing Authority of the City of Westwego has no debt service. These procedures do not apply. This is not an exception.

12. *Fraud Notice*

- A. 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 as required by R.S. 24:523.

Results: No exceptions were noted as a result of applying these procedures.

- B. Observe that 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.

Results: No exceptions were noted as a result of applying these procedures.

13. *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures and verbally discuss the results with management:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. 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.

Results: We performed the procedures and discussed the results with management. No exceptions were noted as a result of applying these procedures.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions were noted as a result of applying these procedures.

14. Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were noted as a result of applying these procedures.

- B. Observe that 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).

Results: No exceptions were noted as a result of applying these procedures.

- C. 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 that it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No exceptions were noted as a result of applying these procedures.

We were engaged by HAW to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

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We are required to be independent of HAW and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Paciera, Gautreau & Priest, LLC

Paciera, Gautreau & Priest, LLC
Metairie, Louisiana
December 28, 2023