

**HOUSING AUTHORITY OF THE  
CITY OF WESTWEGO, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of The Housing Authority of the City of Westwego, Louisiana (the "Housing Authority"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority, as of June 30, 2019, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Supplementary Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



Metairie, Louisiana  
December 17, 2019

**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, 2019. Please read it in conjunction with the Authority's financial statements which begins on page 7.

### FINANCIAL HIGHLIGHTS

- The Authority's net position increased by 3.21% as a result of this year's operations.
- During the year, the Authority had operating, non-operating revenues/(expenses), and capital fund grant revenue that were \$384,486 more than the \$2,281,325 in operating expenses. This compares to last year when expenses exceeded revenues by \$200,039.
- Total of the Authority's operating expenses decreased by \$373,081 or 14.06% over the fiscal year ending June 30, 2018.

### 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 \$384,486 from a year ago.

	<u>Condensed Statement of Net Position</u>	
	<u>FYE 6/30/19</u>	<u>FYE 6/30/18</u>
Other assets	\$ 1,084,463	\$ 1,294,865
Capital assets	11,488,043	10,999,941
Total Assets	<u>\$12,572,506</u>	<u>\$12,294,806</u>
Other liabilities	\$ 180,831	\$ 285,084
Non-current liabilities	35,978	38,511
Total Liabilities	<u>\$ 216,809</u>	<u>\$ 323,595</u>
Net position:		
Net Investment in capital assets	\$11,488,043	\$ 10,999,941
Unrestricted	867,654	971,270
Total Net Position	<u>\$12,355,697</u>	<u>\$ 11,971,211</u>

	<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating Revenues	\$ 1,896,534	\$ 1,858,309
Operating Expenses	<u>2,281,325</u>	<u>2,654,406</u>
Operating Loss	<u>(384,791)</u>	<u>(796,097)</u>
Non-operating Revenues/(Expenses):		
Interest income	7,185	607
(Loss) on disposition of equipment	<u>(1,637)</u>	<u>-0-</u>
Total Non-operating Revenues/(Expenses)	<u>5,548</u>	<u>607</u>
Net income/(loss) before Capital fund grant revenue	<u>(379,243)</u>	<u>(795,490)</u>
Capital fund grant revenue	<u>763,729</u>	<u>595,451</u>
Increase (decrease) in Net Position	<u>\$ 384,486</u>	<u>\$ (200,039)</u>

### Business-type Activities

The Housing Authority's total revenues (excluding disposition of equipment) increased by 8.68% (\$213,081). The total operating expenses decreased by \$373,081 or 14.06% with no new programs added this year.

Rental revenues increased by \$18,612, revenues from the U.S. Department of Housing and Urban Development for capital funding increased by \$168,278, and interest income and other charges to tenants increased by \$6,912. The operating subsidy grant increased by \$19,279. The Housing Authority also reported a loss on disposition of equipment of \$1,637.

### 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 \$384,486 during the fiscal year ending June 30, 2019.

## **Budgetary Highlights**

The Housing Authority adopts an operating budget that serves as a management tool. For the fiscal year ended June 30, 2019, the operating budget was amended when the June 30, 2020 budget was approved.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2019, the Housing Authority had \$19,066,122 invested in Land, Buildings, Equipment, and Furniture. This amount represents a net increase (including additions and deletions) of \$825,782 or 4.53% over last year.

	<u>FYE 6/30/19</u>	<u>FYE 6/30/18</u>
Land	\$ 2,264,014	\$ 2,264,014
Buildings	16,194,566	15,401,243
Equipment and Furniture	<u>607,542</u>	<u>575,083</u>
	<u>\$19,066,122</u>	<u>\$18,240,340</u>

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

### **Debt**

The Housing Authority has accrued compensated absences of \$49,059, of which \$13,081 is classified as a current liability and \$35,978 is classified as a non-current liability as of June 30, 2019.

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

### **Economic Factors and Next Year's Budget**

The Housing Authority's appointed officials considered many factors when setting the fiscal year June 30, 2020 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 2020 is planned to result in a healthy balance in unrestricted net position.

## **CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

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

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 JUNE 30, 2019

ASSETS

Current assets:	
Cash and cash equivalents	\$ 917,491
Accounts receivable (net of allowance for doubtful accounts)	16,077
Inventories	17,295
Prepaid expenses	91,230
Total current assets	<u>1,042,093</u>
Restricted assets:	
Cash and cash equivalents	<u>42,370</u>
Capital assets:	
Land, buildings, equipment, and furniture, at cost less accumulated depreciation	<u>11,488,043</u>
Total assets	<u>12,572,506</u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accounts payable	119,160
Compensated absences	13,081
Deferred revenue	6,220
Total current liabilities	<u>138,461</u>
Liabilities payable from restricted assets:	
Tenant security deposits	<u>42,370</u>
Non-current liabilities:	
Compensated absences	<u>35,978</u>
Total liabilities	<u>216,809</u>
Net Position	
Net investment in capital assets	11,488,043
Unrestricted	<u>867,654</u>
Total net position	<u>\$12,355,697</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, 2019

Operating Revenues:	
Tenant rental revenue	\$ 929,211
Operating subsidy grant	943,296
Other revenue	<u>24,027</u>
Total operating revenues	<u>1,896,534</u>
Operating Expenses:	
Administrative salaries	301,945
Auditing fees	16,000
Employee benefits-administrative	77,283
Other operating-administrative	236,170
Tenant services other	77,286
Water & Sewer	227,550
Electricity	42,791
Gas	90,785
Other utilities expense	60,732
Ordinary maintenance and operations-labor	246,027
Materials	119,026
Contract costs	160,124
Employee benefits-maintenance & operations	61,027
Insurance	153,015
Payment in lieu of taxes	34,714
Bad debt-tenant rents	6,224
Depreciation expense	<u>370,626</u>
Total operating expenses	<u>2,281,325</u>
Net operating loss	<u>(384,791)</u>
Non-operating Revenues/(Expenses):	
Interest income	7,185
(Loss) on disposition of equipment	<u>(1,637)</u>
Total non-operating revenues/(expenses)	<u>5,548</u>
Net income/(loss) before Capital fund grant revenue	<u>(379,243)</u>
Capital fund grant revenue	<u>763,729</u>
Change in Net Position	384,486
Net Position-Beginning of Year	<u>11,971,211</u>
Net Position-End of Year	<u>\$ 12,355,697</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, 2019

Cash Flows from Operating Activities:	
Dwelling rent receipts	\$ 916,438
Operating subsidy	942,834
Other income	24,027
Net tenant security deposits collected	(47)
Payments to employees	(548,944)
Payments to vendors and others	(1,335,047)
Payment in lieu of taxes	(34,714)
Net cash used by operating activities	<u>(35,453)</u>
Cash Flows from Non-Capital and Related Financing Activities:	
Payments of bank overdraft	<u>(10,504)</u>
Net cash used by non-capital and related financing activities	<u>(10,504)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property, plant, and equipment	(938,825)
Capital subsidy received	837,321
Net cash used by capital and related financing activities	<u>(101,504)</u>
Cash Flows from Investing Activities:	
Purchase of investments	(3,232,782)
Withdrawals of investments	4,218,435
Interest on investments	7,288
Net cash provided by investing activities	<u>992,941</u>
Net increase in cash and cash equivalents	845,480
Cash and cash equivalents:	
Beginning of year	114,381
End of year	<u>\$ 959,861</u>
Classification of Cash at End of Year:	
Current assets	\$ 917,491
Restricted assets	42,370
	<u>\$ 959,861</u>
Reconciliation of Net Operating Income (Loss) to Net Cash	
Used by Operating Activities:	
Net operating (loss)	\$ (384,791)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation	370,626
Bad debt	6,224
(Increase) in accounts receivable	(8,927)
Decrease in inventories	9,765
(Increase) in prepaid expenses	(10,861)
(Decrease) in accounts payable	(11,380)
(Decrease) in accrued wages	(972)
(Decrease) in tenant security deposits	(47)
(Decrease) in deferred revenue	(5,090)
Net cash used by operating activities	<u>\$ (35,453)</u>
Noncash investing, capital, and financing activities:	
Acquisitions of property, plant and equipment through accounts payable	<u>\$ 6,543</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, 2019

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 are no component units that should be considered as part of the Authority's reporting entity.

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.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

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

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.

E. INVENTORY AND PREPAID ITEMS

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

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

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.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

F. CAPITAL ASSETS - Continued

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.

K. ENCUMBRANCES

The Housing Authority does not utilize encumbrance accounting.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

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

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

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

M. NET POSITION

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

- Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

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

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2019, the Housing Authority had cash and cash equivalents totaling \$959,861 as follows:

Petty cash and demand deposits, unrestricted	\$ 917,491
Demand deposits, restricted	<u>42,370</u>
Total	<u>\$ 959,861</u>

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

2. CASH AND CASH EQUIVALENTS - Continued

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, 2019, the Housing Authority had \$1,039,733 in deposits (collected bank balances). These deposits are secured from risk by \$300,857 of federal deposit insurance and \$738,876 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 \$1,039,733 at June 30, 2019 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. RECEIVABLES

The following is a summary of receivables at June 30, 2019:

	<u>HUD</u>	<u>Current Tenant (net)</u>	<u>Other</u>
Accounts receivable	\$ 7,136	\$ 2,597	\$ 6,344

An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2019, \$9,444 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, 2019.

	<u>Balance 07/01/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/19</u>
Land	\$ 2,264,014	\$ 0	\$ 0	\$ 2,264,014
Buildings	15,401,243	793,323	0	16,194,566
Furniture and Equipment Dwelling	299,473	33,434	21,005	311,902
Furniture and Equipment Administration	275,610	33,608	13,578	295,640
Totals	<u>18,240,340</u>	<u>860,365</u>	<u>34,583</u>	<u>19,066,122</u>
Less accumulated Depreciation	7,240,399	370,626	32,946	7,578,079
Capital assets, net	<u>\$10,999,941</u>	<u>\$ 489,739</u>	<u>\$ 1,637</u>	<u>\$11,488,043</u>

Depreciation expense recorded for the year ended June 30, 2019 was \$370,626.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019

5. COMPENSATED ABSENCES

At June 30, 2019, employees of the Housing Authority have accumulated and vested \$49,059 of vacation benefits and compensatory time. This is classified on the Statement of Net Position as \$13,081 as a current obligation and \$35,978 as a non-current obligation.

The following is a summary of the compensated absences liability for the year ended June 30, 2019.

<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2019</u>	<u>Amount due within one year</u>
\$ 50,031	\$ 34,753	\$ 35,725	\$ 49,059	\$ 13,081

6. RETIREMENT PLAN

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

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

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

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

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

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

The Housing Authority contributed approximately \$26,057 to the plan and the plan members contributed approximately \$18,612 to the plan. At June 30, 2019, there is a liability of \$1,778 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, 2019

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 64.0% of the Housing Authority's revenue for the year ended June 30, 2019.

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, 2019, the related party transactions were:

<u>Name</u>	<u>Amount</u>
D. Thibodeaux, III	\$ 2,700
D. Manuel	2,925
C. Jones	2,700
S. Lacayo	2,700
C. Falgout	2,475
Total	<u>\$ 13,500</u>

No amounts were payable at June 30, 2019.

11. SUBSEQUENT EVENTS

Management of the Housing Authority of Westwego has evaluated subsequent events through December 17, 2019, the date which the financial statements were available to be issued. Except for the information in the following paragraph, the Housing Authority is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

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.

**SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF CAPITAL FUND ACTIVITY  
AS OF JUNE 30, 2019

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

<u>Project No.</u>	<u>LA48P011501-15</u>	<u>LA48P011501-16</u>
Funds Approved	\$ 375,725	\$ 393,043
Funds Advanced	375,725	393,043
Funds Remaining	<u>\$ 0</u>	<u>\$ 0</u>
Funds Advanced	\$ 375,725	\$ 393,043
Funds Expended	<u>375,725</u>	<u>393,043</u>
Excess (Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>

The Comprehensive Grant Program LA48P0115015 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 November 8, 2018.

The Comprehensive Grant Program LA48P0115016 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 14, 2019.

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, 2019

	<u>Dorian Rawles Executive Director</u>
Salary	\$ 88,482
Benefits – Insurance	12,744
Benefits – Retirement	6,194
Benefits – Payroll Taxes	6,825
Car Allowance	1,200
Per Diem	574
Conference Travel	2,473
Registration Fees & Dues	972
Other	<u>473</u>
	<u>\$ 119,937</u>

Housing Authority of Westwego (LA011)

WESTWEGO, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$917,102	\$917,102	\$917,102
112 Cash - Restricted - Modernization and Development	\$389	\$389	\$389
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$42,370	\$42,370	\$42,370
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$959,861	\$959,861	\$959,861
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$7,136	\$7,136	\$7,136
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	\$6,344	\$6,344	\$6,344
126 Accounts Receivable - Tenants	\$12,041	\$12,041	\$12,041
126.1 Allowance for Doubtful Accounts - Tenants	-\$9,444	-\$9,444	-\$9,444
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$16,077	\$16,077	\$16,077
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$91,230	\$91,230	\$91,230

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: 06/30/2019

	Project Total	Subtotal	Total
143 Inventories	\$17,295	\$17,295	\$17,295
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,084,463	\$1,084,463	\$1,084,463
161 Land	\$2,264,014	\$2,264,014	\$2,264,014
162 Buildings	\$16,194,566	\$16,194,566	\$16,194,566
163 Furniture, Equipment & Machinery - Dwellings	\$311,902	\$311,902	\$311,902
164 Furniture, Equipment & Machinery - Administration	\$295,640	\$295,640	\$295,640
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$7,578,079	-\$7,578,079	-\$7,578,079
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$11,488,043	\$11,488,043	\$11,488,043
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	\$11,488,043	\$11,488,043	\$11,488,043
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: 06/30/2019

	Project Total	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$12,572,506	\$12,572,506	\$12,572,506
311 Bank Overdraft	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$84,446	\$84,446	\$84,446
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	\$13,081	\$13,081	\$13,081
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$34,714	\$34,714	\$34,714
341 Tenant Security Deposits	\$42,370	\$42,370	\$42,370
342 Unearned Revenue	\$6,220	\$6,220	\$6,220
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	\$180,831	\$180,831	\$180,831
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: 06/30/2019

	Project Total	Subtotal	Total
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$35,978	\$35,978	\$35,978
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$35,978	\$35,978	\$35,978
300 Total Liabilities	\$216,809	\$216,809	\$216,809
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$11,488,043	\$11,488,043	\$11,488,043
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$867,654	\$867,654	\$867,654
513 Total Equity - Net Assets / Position	\$12,355,697	\$12,355,697	\$12,355,697
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$12,572,506	\$12,572,506	\$12,572,506

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: 06/30/2019

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$929,211	\$929,211	\$929,211
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$929,211	\$929,211	\$929,211
70600 HUD PHA Operating Grants	\$943,296	\$943,296	\$943,296
70610 Capital Grants	\$763,729	\$763,729	\$763,729
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	\$7,185	\$7,185	\$7,185
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	\$24,027	\$24,027	\$24,027
71600 Gain or Loss on Sale of Capital Assets	-\$1,637	-\$1,637	-\$1,637
72000 Investment Income - Restricted			
70000 Total Revenue	\$2,665,811	\$2,665,811	\$2,665,811

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: 06/30/2019

	Project Total	Subtotal	Total
91100 Administrative Salaries	\$250,008	\$250,008	\$250,008
91200 Auditing Fees	\$16,000	\$16,000	\$16,000
91300 Management Fee			
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$4,650	\$4,650	\$4,650
91500 Employee Benefit contributions - Administrative	\$77,283	\$77,283	\$77,283
91600 Office Expenses	\$45,103	\$45,103	\$45,103
91700 Legal Expense	\$2,821	\$2,821	\$2,821
91800 Travel	\$8,639	\$8,639	\$8,639
91810 Allocated Overhead			
91900 Other	\$145,641	\$145,641	\$145,641
91000 Total Operating - Administrative	\$550,145	\$550,145	\$550,145
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$77,286	\$77,286	\$77,286
92500 Total Tenant Services	\$77,286	\$77,286	\$77,286
93100 Water	\$92,258	\$92,258	\$92,258
93200 Electricity	\$42,791	\$42,791	\$42,791
93300 Gas	\$90,785	\$90,785	\$90,785
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: 06/30/2019

	Project Total	Subtotal	Total
93500 Labor			
93600 Sewer	\$135,292	\$135,292	\$135,292
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$60,732	\$60,732	\$60,732
93000 Total Utilities	\$421,858	\$421,858	\$421,858
94100 Ordinary Maintenance and Operations - Labor	\$240,285	\$240,285	\$240,285
94200 Ordinary Maintenance and Operations - Materials and Other	\$119,026	\$119,026	\$119,026
94300 Ordinary Maintenance and Operations Contracts	\$160,124	\$160,124	\$160,124
94500 Employee Benefit Contributions - Ordinary Maintenance	\$61,027	\$61,027	\$61,027
94000 Total Maintenance	\$580,462	\$580,462	\$580,462
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other	\$29,316	\$29,316	\$29,316
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$29,316	\$29,316	\$29,316
96110 Property Insurance	\$109,310	\$109,310	\$109,310
96120 Liability Insurance			
96130 Workmen's Compensation	\$42,724	\$42,724	\$42,724
96140 All Other Insurance	\$981	\$981	\$981
96100 Total Insurance Premiums	\$153,015	\$153,015	\$153,015

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: 06/30/2019

	Project Total	Subtotal	Total
96200 Other General Expenses			
96210 Compensated Absences	\$57,679	\$57,679	\$57,679
96300 Payments in Lieu of Taxes	\$34,714	\$34,714	\$34,714
96400 Bad debt - Tenant Rents	\$6,224	\$6,224	\$6,224
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$98,617	\$98,617	\$98,617
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
96900 Total Operating Expenses	\$1,910,699	\$1,910,699	\$1,910,699
97000 Excess of Operating Revenue over Operating Expenses	\$755,112	\$755,112	\$755,112
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$370,626	\$370,626	\$370,626
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: 06/30/2019

	Project Total	Subtotal	Total
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$2,281,325	\$2,281,325	\$2,281,325
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$384,486	\$384,486	\$384,486
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$11,971,211	\$11,971,211	\$11,971,211
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: 06/30/2019

	Project Total	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	3469	3469	3469
11270 Excess Cash	\$635,494	\$635,494	\$635,494
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$793,323	\$793,323	\$793,323
11630 Furniture & Equipment - Dwelling Purchases	\$33,434	\$33,434	\$33,434
11640 Furniture & Equipment - Administrative Purchases	\$33,608	\$33,608	\$33,608
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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KEITH T. HAMILTON, C.P.A.  
(1932-2003)  
LEROY P. LEGENDRE, C.P.A.  
(Retired)  
RENE G. GAUTREAU, C.P.A.  
(Retired)

**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, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 17, 2019.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Metairie, Louisiana  
December 17, 2019

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

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

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

We have audited The Housing Authority of the City of Westwego, Louisiana's (the "Housing Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2019. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Report on Internal Control over Compliance**

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

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

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

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

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

*Paciera, Guatreau & Priest, LLC*

Metairie, Louisiana  
December 17, 2019

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

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

<u>FEDERAL GRANTOR</u> <u>PROGRAM NAME</u>	<u>Federal CFDA</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>
U. S. Department of Housing and Urban Development		
Public Housing – Operating Subsidy	14.850	\$ 943,296
Public Housing – Capital Fund Program	14.872	<u>763,729</u>
Total U. S. Department of Housing and Urban Development		<u>1,707,025</u>
Total expenditures of federal awards		<u>\$1,707,025</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, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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, 2019

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

*Financial Statement*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

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

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

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

*Major Program*

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

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

Auditee qualified as low-risk auditee?  Yes  No

THE HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

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

No items to report.

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

No items to report.

THE HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings or questioned costs related to the financial statement audit for the year ended June 30, 2018.

**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, 2018.

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**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of the City of Westwego (Housing Authority) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures performed, and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedures. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the LLA, the specified user of the report. For those procedures, we will note that the procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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*The procedures 1.a. through 1.j. were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

1. 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):

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 2**

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 3**

***Board or Finance Committee***

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

***Bank Reconciliations***

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

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 4**

- c) 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.

***Collections***

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 5**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 6**

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

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe 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, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

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

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 7**

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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 (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

---

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 8**

employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Debt Service***

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*Not Applicable – No Debt Service*

**To the Board of Directors of the Housing Authority of the City of Westwego, Louisiana  
and the Louisiana Legislative Auditor**

**Page 9**

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

***Other***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. 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.

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

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

*Pacera, Gautreaux & Priest, LLC*

Metairie, Louisiana  
November 6, 2019