

**HOUSING AUTHORITY OF THE
CITY OF WESTWEGO, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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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, 2018, 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, 2018, 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 20, 2018, 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.

Paciera, Gautreau & Priest LLC

Metairie, Louisiana
December 20, 2018

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, 2018. Please read it in conjunction with the Authority's financial statements which begin on page 7.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by 1.64% as a result of this year's operations.
- During the year, the Authority had operating and non-operating revenues that were \$200,039 less than the \$2,654,406 in operating expenses. The Authority had no non-operating expenses. This compares to last year when expenses exceeded revenues by \$532,549.
- Total of the Authority's operating expenses decreased by \$144,530 or 5.16% over the fiscal year ending June 30, 2017.

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 Funds

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 Funds - continued

- Proprietary Funds- All of the Housing Authority's services are reported in enterprise funds. 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 decreased by \$200,039 from a year ago.

	<u>Condensed Statement of Net Position</u>	
	<u>FYE 6/30/18</u>	<u>FYE 6/30/17</u>
Current, non-current, and restricted assets	\$ 1,294,865	\$ 1,857,244
Capital assets	<u>10,999,941</u>	<u>10,604,648</u>
Total Assets	12,294,806	12,461,892
Liabilities	<u>323,595</u>	<u>290,642</u>
	<u>\$11,971,211</u>	<u>\$12,171,250</u>
Net position:		
Net Investment in capital assets	\$10,999,941	\$ 10,604,648
Unrestricted	<u>971,270</u>	<u>1,566,602</u>
Total net position	<u>\$11,971,211</u>	<u>\$ 12,171,250</u>

	<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating Revenues	\$ 1,858,309	\$ 1,905,637
Operating Expenses	<u>2,654,406</u>	<u>2,798,936</u>
Operating Loss	<u>(796,097)</u>	<u>(893,299)</u>
Non Operating Revenues		
Interest income	607	608
Capital fund grant	<u>595,451</u>	<u>360,142</u>
Total Non-Operating Revenues	<u>\$ 596,058</u>	<u>\$ 360,750</u>
(Decrease) in Net Position	<u>\$ (200,039)</u>	<u>\$ (532,549)</u>

Business-type Activities

The Housing Authority's total revenues (excluding insurance reimbursement of \$45,307) increased by 10.50% (\$233,287). The total operating expenses decreased by \$144,530 or 5.16% with no new programs added this year. Rental revenues decreased by \$8,913, revenues from the U.S. Department of Housing and Urban Development for capital funding increased by \$235,309, and interest income and other charges to tenants increased by \$13,783. The operating subsidy grant decreased by \$6,892.

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 decreased by \$200,039 during the fiscal year ending June 30, 2018.

Budgetary Highlights

The Housing Authority adopts an operating budget that serves as a management tool. For the fiscal year ended June 30, 2018, the operating budget was amended when the June 30, 2019 budget was approved.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the Housing Authority had \$18,240,340 invested in Land, Buildings, Equipment, and Furniture. This amount represents a net increase (including additions and deletions) of \$699,959 or 3.99% over last year.

	<u>FYE 6/30/18</u>	<u>FYE 6/30/17</u>
Land	\$ 2,264,014	\$ 2,264,014
Buildings	15,401,243	14,745,227
Equipment & Furniture	<u>575,083</u>	<u>531,140</u>
	<u>\$18,240,340</u>	<u>\$17,540,381</u>

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

Debt

The Housing Authority has accrued compensated absences of \$50,031, of which \$11,520 is classified as a current liability and \$38,511 is classified as a non-current liability as of June 30, 2018.

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, 2019 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 2019 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, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 71,964
Investments	787,506
Accounts receivable (net of allowance for doubtful accounts)	87,299
Accrued interest receivable	103
Inventories	27,060
Prepaid expenses	80,369
Total current assets	<u>1,054,301</u>
Restricted assets:	
Cash and cash equivalents	<u>42,417</u>
Capital assets:	
Land, buildings, and equipment, at cost less accumulated depreciation	<u>10,999,941</u>
Non-current assets:	
Investments	<u>198,147</u>
Total assets	<u>12,294,806</u>

LIABILITIES AND NET POSITION

Current liabilities:	
Bank overdraft	10,504
Accounts payable	209,000
Compensated absences	11,520
Deferred revenue	11,643
Total current liabilities	<u>242,667</u>
Liabilities payable from restricted assets:	
Tenant security deposits	<u>42,417</u>
Non-current liabilities:	
Compensated absences	<u>38,511</u>
Total liabilities	<u>323,595</u>
Net Position	
Net investment in capital assets	10,999,941
Unrestricted	<u>971,270</u>
Total net position	<u>\$11,971,211</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, 2018

Operating Revenues:	
Tenant rental revenue	\$ 910,599
Operating subsidy grant	924,017
Other revenue	<u>23,693</u>
Total operating revenues	<u>1,858,309</u>
Operating Expenses:	
Administrative salaries	299,023
Auditing fees	16,000
Employee benefits-administrative	75,764
Other operating-administrative	216,416
Tenant services other	66,409
Water & Sewer	192,644
Electricity	51,931
Gas	101,117
Other utilities expense	60,516
Ordinary maintenance and operations-labor	292,524
Materials	293,545
Contract costs	399,319
Employee benefits-maintenance & operations	73,974
Insurance	131,550
Payment in lieu of taxes	34,714
Bad debt-tenant rents	1,861
Depreciation expense	<u>347,099</u>
Total operating expenses	<u>2,654,406</u>
Net operating loss	<u>(796,097)</u>
Non-Operating Revenues:	
Interest income	607
Capital fund grant revenue	<u>595,451</u>
Total non-operating revenues	<u>596,058</u>
Change in Net Position	(200,039)
Net Position-Beginning of Year	<u>12,171,250</u>
Net Position-End of Year	<u>\$ 11,971,211</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, 2018

Cash Flows from Operating Activities:	
Dwelling rent receipts	\$ 909,839
Operating subsidy	923,886
Other income	23,693
Net tenant security deposits collected	1,847
Payments to employees	(583,690)
Payments to vendors and others	(1,752,409)
Payment in lieu of taxes	<u>(34,714)</u>
Net cash used by operating activities	<u>(511,548)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property, plant, and equipment	(689,162)
Capital subsidy received	563,006
Insurance proceeds	<u>45,307</u>
Net cash used by capital and related financing activities	<u>(80,849)</u>
Cash Flows from Investing Activities:	
Purchase of investments	(878,498)
Withdrawals of investments	1,097,140
Interest on investments	<u>601</u>
Net cash provided by investing activities	<u>219,243</u>
Net decrease in cash and cash equivalents	(373,154)
Cash and cash equivalents:	
Beginning of year	<u>477,031</u>
End of year	<u>\$ 103,877</u>
Classification of Cash at End of Year:	
Current assets	\$ 71,964
Current liabilities	(10,504)
Restricted assets	<u>42,417</u>
	<u>\$ 103,877</u>
Reconciliation of Net Operating Income (Loss) to Net Cash	
Used by Operating Activities	
Operating Activities:	
Net operating (loss)	\$ (796,097)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation	347,099
(Increase) in accounts receivable	(5,798)
(Increase) in inventories	(17,902)
(Increase) in prepaid expenses	(7,736)
(Decrease) in accounts payable	(42,860)
Increase in accrued wages	7,857
Increase in tenant security deposits	1,847
Increase in deferred revenue	<u>2,042</u>
Net cash used by operating activities	<u>\$ (511,548)</u>
Noncash investing, capital, and financing activities:	
Acquisitions of property, plant and equipment through accounts payable	<u>\$ 85,003</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, 2018

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, 2018

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

The Housing Authority reports under the governmental proprietary fund type (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 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, 2018

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, 2018

L. OPERATING AND NON-OPERATING REVENUES

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 includes capital project fund grants received from HUD 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 AND INVESTMENTS

At June 30, 2018, the Housing Authority had cash and cash equivalents and investments totaling \$1,089,530 as follows:

Petty cash and demand deposits, unrestricted	\$ 71,964
Demand deposits, overdraft	(10,504)
Demand deposits, restricted	42,417
Time deposits (maturity over 90 days)	<u>985,653</u>
Total	<u>\$ 1,089,530</u>

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2018

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS - 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, 2018, the Housing Authority had \$1,154,651 in deposits (collected bank balances). These deposits are secured from risk by \$302,850 of federal deposit insurance and \$851,801 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 \$1,154,651 at June 30, 2018 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.

The Housing Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Housing Authority's investments are reported at fair value based on quoted market prices, which are considered to be Level 1 inputs.

3. RECEIVABLES

The following is a summary of receivables at June 30, 2018:

	<u>HUD</u>	<u>Current Tenant</u>	<u>Other</u>
Accounts receivable	<u>\$ 80,599</u>	<u>\$ 1,138</u>	<u>\$ 5,562</u>

An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2018, \$9,514 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, 2018.

	<u>Balance 07/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/18</u>
Land	\$ 2,264,014	\$ 0	\$ 0	\$ 2,264,014
Buildings	14,745,227	656,016	0	15,401,243
Furniture and Equipment Dwelling	292,210	49,696	42,433	299,473
Furniture and Equipment Administration	238,930	36,680	0	275,610
Totals	<u>17,540,381</u>	<u>742,392</u>	<u>42,433</u>	<u>18,240,340</u>
Less accumulated Depreciation	6,935,733	347,099	42,433	7,240,399
Capital assets, net	<u>\$10,604,648</u>	<u>\$ 395,293</u>	<u>\$ 0</u>	<u>\$10,999,941</u>

Depreciation expense recorded for the year ended June 30, 2018 was \$347,099.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

5. COMPENSATED ABSENCES

At June 30, 2018, employees of the Housing Authority have accumulated and vested \$50,031 of vacation benefits and compensatory time. This is classified on the Statement of Net Position as \$11,520 as a current obligation and \$38,511 as a non-current obligation.

The following is a summary of the compensated absences liability for the year ended June 30, 2018.

<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2018</u>	<u>Amount due within one year</u>
\$ <u>42,174</u>	\$ <u>39,538</u>	\$ <u>31,681</u>	\$ <u>50,031</u>	\$ <u>11,520</u>

6. RETIREMENT PLAN

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

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

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

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

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

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

The Housing Authority contributed approximately \$24,774 to the plan and the plan members contributed approximately \$17,696 to the plan. At June 30, 2018, there is a liability of \$3,624 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, 2018

7. RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 61.9% of the Housing Authority's revenue for the year ended June 30, 2018.

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, 2018, the related party transactions were:

<u>Name</u>	<u>Amount</u>
D. Thibodeaux, III	\$ 2,700
J. Hardy	450
D. Manuel	2,475
C. Jones	2,700
S. Lacayo	2,250
C. Falgout	2,025
Total	<u>\$ 12,600</u>

No amounts were payable at June 30, 2018.

11. SUBSEQUENT EVENTS

Management of the Housing Authority of Westwego has evaluated subsequent events through December 20, 2018, the date which the financial statements were available to be issued. The Housing Authority is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
SCHEDULE OF CAPITAL FUND ACTIVITY
AS OF JUNE 30, 2018

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

<u>Project No.</u>	<u>LA48P011501-14</u>
Funds Approved	\$ 370,156
Funds Advanced	<u>370,156</u>
Funds Remaining	\$ <u>0</u>
Funds Advanced	\$ 370,156
Funds Expended	<u>370,156</u>
Excess (Deficiency)	\$ <u>0</u>

The Comprehensive Grant Program LA48P0115014 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 July 2, 2018.

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, 2018

	<u>Dorian Rawles Executive Director</u>
Salary	\$ 82,694
Benefits – Insurance	12,583
Benefits – Retirement	5,789
Benefits – Payroll Taxes	6,418
Car Allowance	1,200
Per Diem	153
Conference Travel	403
Registration Fees & Dues	<u>785</u>
	<u>\$ 110,025</u>

Housing Authority of Westwego (LA011)
WESTWEGO, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2018

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$71,470	\$71,470	\$71,470
112 Cash - Restricted - Modernization and Development	\$494	\$494	\$494
113 Cash - Other Restricted	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$42,417	\$42,417	\$42,417
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0
100 Total Cash	\$114,381	\$114,381	\$114,381
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$80,599	\$80,599	\$80,599
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	\$5,562	\$5,562	\$5,562
126 Accounts Receivable - Tenants	\$10,652	\$10,652	\$10,652
126.1 Allowance for Doubtful Accounts - Tenants	-\$9,514	-\$9,514	-\$9,514
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			
129 Accrued Interest Receivable	\$103	\$103	\$103
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$87,402	\$87,402	\$87,402
131 Investments - Unrestricted	\$985,653	\$985,653	\$985,653
132 Investments - Restricted	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$80,369	\$80,369	\$80,369

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: 06/30/2018

	Project Total	Subtotal	Total
143 Inventories	\$27,060	\$27,060	\$27,060
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,294,865	\$1,294,865	\$1,294,865
161 Land	\$2,264,014	\$2,264,014	\$2,264,014
162 Buildings	\$15,401,243	\$15,401,243	\$15,401,243
163 Furniture, Equipment & Machinery - Dwellings	\$299,473	\$299,473	\$299,473
164 Furniture, Equipment & Machinery - Administration	\$275,610	\$275,610	\$275,610
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$7,240,399	-\$7,240,399	-\$7,240,399
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,999,941	\$10,999,941	\$10,999,941
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	\$10,999,941	\$10,999,941	\$10,999,941
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: 06/30/2018

	Project Total	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$12,294,806	\$12,294,806	\$12,294,806
311 Bank Overdraft	\$10,504	\$10,504	\$10,504
312 Accounts Payable <= 90 Days	\$174,286	\$174,286	\$174,286
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	\$11,520	\$11,520	\$11,520
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	\$42,417	\$42,417	\$42,417
342 Unearned Revenue	\$11,643	\$11,643	\$11,643
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	\$285,084	\$285,084	\$285,084
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: 06/30/2018

	Project Total	Subtotal	Total
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$38,511	\$38,511	\$38,511
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$38,511	\$38,511	\$38,511
300 Total Liabilities	\$323,595	\$323,595	\$323,595
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$10,999,941	\$10,999,941	\$10,999,941
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$971,270	\$971,270	\$971,270
513 Total Equity - Net Assets / Position	\$11,971,211	\$11,971,211	\$11,971,211
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$12,294,806	\$12,294,806	\$12,294,806

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: 06/30/2018

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$910,599	\$910,599	\$910,599
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$910,599	\$910,599	\$910,599
70600 HUD PHA Operating Grants	\$924,017	\$924,017	\$924,017
70610 Capital Grants	\$595,451	\$595,451	\$595,451
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	\$607	\$607	\$607
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	\$23,693	\$23,693	\$23,693
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$2,454,367	\$2,454,367	\$2,454,367

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: 06/30/2018

	Project Total	Subtotal	Total
91100 Administrative Salaries	\$255,857	\$255,857	\$255,857
91200 Auditing Fees	\$16,000	\$16,000	\$16,000
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$3,767	\$3,767	\$3,767
91500 Employee Benefit contributions - Administrative	\$75,764	\$75,764	\$75,764
91600 Office Expenses	\$38,107	\$38,107	\$38,107
91700 Legal Expense	\$2,550	\$2,550	\$2,550
91800 Travel	\$3,456	\$3,456	\$3,456
91810 Allocated Overhead			
91900 Other	\$138,376	\$138,376	\$138,376
91000 Total Operating - Administrative	\$533,877	\$533,877	\$533,877
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$66,409	\$66,409	\$66,409
92500 Total Tenant Services	\$66,409	\$66,409	\$66,409
93100 Water	\$67,084	\$67,084	\$67,084
93200 Electricity	\$51,931	\$51,931	\$51,931
93300 Gas	\$101,117	\$101,117	\$101,117
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: 06/30/2018

	Project Total	Subtotal	Total
93500 Labor			
93600 Sewer	\$125,560	\$125,560	\$125,560
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$60,516	\$60,516	\$60,516
93000 Total Utilities	\$406,208	\$406,208	\$406,208
94100 Ordinary Maintenance and Operations - Labor	\$286,986	\$286,986	\$286,986
94200 Ordinary Maintenance and Operations - Materials and Other	\$293,545	\$293,545	\$293,545
94300 Ordinary Maintenance and Operations Contracts	\$399,319	\$399,319	\$399,319
94500 Employee Benefit Contributions - Ordinary Maintenance	\$73,974	\$73,974	\$73,974
94000 Total Maintenance	\$1,053,824	\$1,053,824	\$1,053,824
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other	\$30,160	\$30,160	\$30,160
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$30,160	\$30,160	\$30,160
96110 Property Insurance	\$106,158	\$106,158	\$106,158
96120 Liability Insurance			
96130 Workmen's Compensation	\$21,379	\$21,379	\$21,379
96140 All Other Insurance	\$4,013	\$4,013	\$4,013
96100 Total insurance Premiums	\$131,550	\$131,550	\$131,550

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: 06/30/2018

	Project Total	Subtotal	Total
96200 Other General Expenses			
96210 Compensated Absences	\$48,704	\$48,704	\$48,704
96300 Payments in Lieu of Taxes	\$34,714	\$34,714	\$34,714
96400 Bad debt - Tenant Rents	\$1,861	\$1,861	\$1,861
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$85,279	\$85,279	\$85,279
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	\$2,307,307	\$2,307,307	\$2,307,307
97000 Excess of Operating Revenue over Operating Expenses	\$147,060	\$147,060	\$147,060
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$347,099	\$347,099	\$347,099
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: 06/30/2018

	Project Total	Subtotal	Total
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$2,654,406	\$2,654,406	\$2,654,406
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	-\$200,039	-\$200,039	-\$200,039
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$12,171,250	\$12,171,250	\$12,171,250
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: 06/30/2018

	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	3361	3361	3361
11270 Excess Cash	\$709,583	\$709,583	\$709,583
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$656,016	\$656,016	\$656,016
11630 Furniture & Equipment - Dwelling Purchases	\$49,696	\$49,696	\$49,696
11640 Furniture & Equipment - Administrative Purchases	\$36,680	\$36,680	\$36,680
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of The Housing Authority of the City of Westwego, Louisiana (the "Housing Authority"), as of and for the year ended June 30, 2018, 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 20, 2018.

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.

Paciera, Gautreau & Priest LLC

Metairie, Louisiana
December 20, 2018

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(Retired)

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, 2018. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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 20, 2018

PACIERA, GUATREAU & PRIEST, LLC
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HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2018

<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	\$ 924,017
Public Housing – Capital Fund Program	14.872	<u>595,451</u>
Total U. S. Department of Housing and Urban Development		<u>1,519,468</u>
Total expenditures of federal awards		<u>\$1,519,468</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, 2018

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, 2018

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>
14.872	Public Housing – Capital Fund Program

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, 2018

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, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings or questioned costs related to the financial statement audit for the year ended June 30, 2017.

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, 2017.

PACIERA, GAUTREAU & PRIEST, LLC

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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, 2017 through June 30, 2018. 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

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):
 - 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.

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

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- 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.

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

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.

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

Page 3

- 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

- 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
 - 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: There was no evidence that a member of management or a board member had reviewed each bank reconciliation.

Response: The executive director will document his review of each bank reconciliation.

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

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Collections

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.
 - 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.

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

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

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

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

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

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

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

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

Page 6

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).

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

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:
 - 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).
 - 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.

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

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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

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 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.

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

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- 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

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

Not Applicable – No Debt Service

- 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.

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

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Other

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, Gambreau & Priest LLC

Metairie, Louisiana
December 20, 2018