

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

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of **Housing Authority of the City of Winnfield (HACW)**, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise **HACW's** 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Auditors' Responsibility, Continued

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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to **HACW'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 **HACW'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 opinion.

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the respective financial position of **HACW** as of September 30, 2020, and the respective changes in fund net position and cash flows of its enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021 on our consideration of HACW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HACW's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2021

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

INTRODUCTION TO FINANCIAL STATEMENTS

The management of **Housing Authority of the City of Winnfield (HACW)** has complied with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments (GASB 34)* and, as amended by GASB 37.

Management believes that GASB 34 as amended, financial statements provide useful information because these statements show not only the short-term results of operations but also the long-term financial picture.

HACW based on the requirements of GASB 34, as amended, has only one fund, the Enterprise Fund, and engages in only one type of activity. A Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position shown on pages 13 and 14, show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual basis* of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private sector for profit enterprises.

The following is a discussion and analysis of **HACW's** financial activities for the years ended September 30, 2020 and 2019. This discussion and analysis should be read in conjunction with **HACW's** accompanying audited financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. **HACW**, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. **HACW** has two federally funded and a business activity programs that are consolidated into a single enterprise fund. The Business Activity program stems from the management of a housing program for another government entity.

Low Rent Public Housing Program - **HACW's** Low Rent Public Housing Program rents housing units to low-income families. The Low Rent Public Housing Program is operated under an Annual Contribution Contract with U.S. Department of Housing and Urban Development (HUD). HUD provides an operating grant to enable **HACW** to provide housing at a rent that is based upon 30% of adjusted gross household income.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Fund Financial Statements, Continued

Capital Fund Program (CFP) - The Low Rent Housing Program also includes the CFP as the primary funding source for physical and management improvements. CFP funding is provided by formula allocation and based upon size and age of HACW's units.

Business Activity Program - Through a cooperative agreement, HACW manages selected aspects of the Housing Choice Voucher Program for a local government entity.

USING THIS ANNUAL REPORT

HACW's annual report consists of financial statements that show combined information about HACW's most significant funds, Low Rent Public Housing, Public Housing Capital Fund and Business Activity Programs.

HACW's auditors provided assurance in their independent auditor's report, located immediately preceding the MD&A. That opinion was unmodified with respect to the basic financial statements. The auditors' provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

FINANCIAL HIGHLIGHTS

- HACW's assets exceeded its liabilities by \$3,204,508 and \$3,183,533, respectively for the years ended September 30, 2020 and 2019.
 - Of this amount \$1,091,743 and \$945,901 of unrestricted net position for each period, may be used to meet HACW's ongoing obligations to citizens and creditors.
 - The remainder of \$2,112,765 and \$2,237,632, respectively represent a restriction equal to the net amount of investment in land, building and building improvements, and equipment.
 - HACW's most significant asset at September 30, 2020 and 2019 were capital assets of \$2,112,765 and \$2,237,632, respectively.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

FINANCIAL HIGHLIGHTS, CONTINUED

- **HACW's** significant operating expenses for the years ended September 30, 2020 and 2019 were salaries and related benefits, depreciation, contractual services, and insurance premiums.
- Operating grants from the Federal government constitutes 51% in 2020 and 43% in 2019 of its total operating revenues, with total dwelling revenues accounting for 48% of its total operating revenues for the year ended September 30, 2020 and 55% for 2019. Fees and charges constitute 1% for 2020 and 2% for 2019.
- Capital grants for modernization and management improvements were \$32,987 and \$12,950, respectively for the years ended September 30, 2020 and 2019.

OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS

The basic financial statements of **HACW** consists of the Statement of Net Position, (shows assets and liabilities separated into current and noncurrent and net position) and Statement of Revenues and Expenses and Changes in Fund Net Position which uses the *full accrual* basis of accounting with revenues recognized when earned and expenses when incurred, regardless of the timing in the receipt of the disbursement. The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the basic financial statements. The measurement focus is the total economic resources of **HACW**.

The following provides condensed information from the Statement of Net Position as of September 30, 2020 and 2019.

Condensed Statement of Net Position		
September 30		
	<u>2020</u>	<u>2019</u>
Current assets	\$1,178,359	\$1,049,738
Non-current assets	<u>2,112,765</u>	<u>2,237,632</u>
Total assets	<u>3,291,124</u>	<u>3,287,370</u>
Current liabilities	68,554	87,250
Non-current liabilities	<u>18,062</u>	<u>16,587</u>
Total liabilities	<u>86,616</u>	<u>103,837</u>
Net position	<u>\$3,204,508</u>	<u>\$3,183,533</u>

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS, CONTINUED

The following provides condensed information from the Statement of Revenues, Expenses and Changes in Net Position for the years ended September 30, 2020 and 2019:

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended September 30

	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 590,202	\$ 575,026
Operating expenses	<u>(732,337)</u>	<u>(795,057)</u>
Operating income (loss)	<u>(142,135)</u>	<u>(220,031)</u>
Non-operating revenues	<u>130,123</u>	<u>49,138</u>
Capital contributions	<u>32,987</u>	<u>12,950</u>
Change in net position	20,975	(157,943)
Net position, beginning of year	<u>3,183,533</u>	<u>3,341,476</u>
Net position, end of year	<u>\$3,204,508</u>	<u>\$3,183,533</u>

Also, see page 14 for a display of the components of operating revenues, operating expenses and nonoperating revenues.

EXPLANATION OF FINANCIAL ANALYSIS

Changes in current assets for 2020 resulted primarily from the receipt of proceeds from an insurance settlement in July 2020. The impact coupled with the timing of receipt of funds and payments to vendors, resulted in an increase in cash balance at September 30, 2020.

For 2020, the decrease in current liabilities was associated with the timing in vendor payments.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED

Further, change in net position was \$20,975 and \$(157,943) for the years ended September 30, 2020 and 2019, respectively. The primary cause for the change during 2020 and 2019, was due to the level of funding received from HUD for operating and modernization and management improvement project grants and for 2020 proceeds from an insurance settlement.

Changes in current assets for 2019 resulted from the timing in receipt of funds during 2019 coupled with a reduction in outstanding grants receivable and obligations at September 30, 2019 compared to 2018. The impact coupled with the timing of payments to vendors resulted in an increase in cash balance at September 30, 2019.

For 2019, the decrease in current liabilities was associated with the timing in vendor payments.

Further, change in net position was \$(157,943) and \$(24,605) for the years ended September 30, 2019 and 2018, respectively. The primary cause for the change during 2019 and 2018, was due to the level of funding received from HUD for operating and modernization and management improvement project grants.

For 2020, a comparison to prior fiscal year reflects an increase in total operating and nonoperating revenues by \$96,161. Further, capital contributions from the Capital Funds Program increased by \$20,037 in 2020. This net change in total revenues resulted from a combination of larger offsetting factors.

Reasons for most of these changes are listed below:

- Federal revenues for 2020 from HUD for operations increased to \$304,427 compared to \$244,544 in 2019 principally due to the determination of **HACW's** operating subsidy which is based upon a three year rolling average of past operations.
- Capital Funds for new construction and modernization projects increased from \$12,950 in 2019 to \$32,987 during the year ended September 30, 2020. The increase was due to funding available for modernization projects during 2020.
- In July 2020 **HACW** received proceeds from an insurance settlement.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED

Reasons for most of these changes are listed below, Continued:

- Tenant revenues and fees decreased from \$330,482 in 2019 to \$255,775 for the year ended September 30, 2020. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2020 compared to 2019.

In comparison to prior year, total operating expenses decreased from \$795,057 in 2019 to \$732,337 in 2020.

Reasons for this change are as follows:

- Decrease in salaries and related benefits from \$215,776 in 2019 to \$211,884 in 2020 due the number of employees hired through the year ended September 30, 2020. Contractual service cost increase from \$158,826 in 2019 to \$160,095 in 2020. Also, depreciation expense in 2019 was \$225,908 to \$158,009 in 2020. The decrease was due to a lower depreciable base in 2020.

For 2019, a comparison to prior fiscal year reflects a decrease in total operating and nonoperating revenues by \$53,338. Further, capital contributions from the Capital Funds Program decreased by \$105,905 in 2019. This net change in total revenues resulted from a combination of larger offsetting factors.

Reasons for most of these changes are listed below:

- Federal revenues for 2019 from HUD for operations decreased to \$244,544 compared to \$285,253 in 2018 principally due to the determination of **HACW's** operating subsidy which is based upon a three year rolling average of past operations.
- Capital Funds for new construction and modernization projects decreased from \$118,855 in 2018 to \$12,950 during the year ended September 30, 2019. The decrease was due to funding available for modernization projects during 2019.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED

Reasons for this change are as follows, Continued:

- Tenant revenues and fees decreased from \$345,138 in 2018 to \$330,482 for the year ended September 30, 2019. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2019 compared to 2018.

In comparison to prior year, total operating expenses decreased from \$820,962 in 2018 to \$795,057 for the year ended September 30, 2019.

- Decrease in salaries and related benefits from \$230,664 in 2018 to \$215,776 in 2019 due to a reduction in the number of employees.
- Contractual services cost decreased from \$165,939 in 2018 to \$158,826 for the year ended September 30, 2019, from implemented cost containment measures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

HACW's investment in capital assets amount to \$2,112,765 and \$2,237,632 net of accumulated depreciation of \$6,720,749 and \$6,562,895, respectively at September 30, 2020 and 2019.

A summary of its composition follows:

	September 30,	
	<u>2020</u>	<u>2019</u>
Capital assets	\$ 8,833,514	\$ 8,800,527
Less accumulated depreciation	<u>(6,720,749)</u>	<u>(6,562,895)</u>
Capital assets, net	<u>\$ 2,112,765</u>	<u>\$ 2,237,632</u>

Also, see the accompanying financial statements for additional disclosure on capital assets.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

DEBT

At September 30, 2020 and 2019, **HACW** had no debt obligations in the form of loans, bonds, mortgages, etc.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

HACW is primarily dependent upon Federal funding for its operations; therefore, it is affected more by Federal budget than by local economic conditions. **HACW's** operating subsidy calculation for 2021 has been submitted and approved with no major changes in the subsidy amount. **HACW's** capital fund programs are multiple year budgets and have remained relatively stable. However, management continues to work through initiatives and executive orders to evaluate the potential impact of "COVID-19" on its federal funding.

REQUEST FOR INFORMATION

This information report is designed to provide a general overview of **HACW** finances for all those with an interest in **HACW's** finances and should be read in conjunction with **HACW's** accompanying audited financial statements. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of Winnfield, 901 Neil Wagoner Drive, P. O. Box 1413, Winnfield, Louisiana 71483.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF NET POSITION--ENTERPRISE FUND
SEPTEMBER 30, 2020

ASSETS

Current Assets:	
Cash (NOTE 2)	\$1,081,394
Restricted cash (NOTE 3)	11,166
Amounts receivable, net (NOTE 11)	44,428
Prepaid items and other (NOTE 9)	<u>41,371</u>
Total current assets	<u>1,178,359</u>
Non-Current Assets:	
Capital assets, net (NOTES 4, AND 10)	<u>2,112,765</u>
Total non-current assets	<u>2,112,765</u>
Total assets	<u>3,291,124</u>

LIABILITIES

Current Liabilities:	
Amounts and other payable (NOTE 5)	48,922
Compensated absences payable-current portion (NOTE 14)	7,027
Security and pet deposits held for tenants (NOTE 3)	11,166
Unearned revenues	<u>1,439</u>
Total current liabilities	<u>68,554</u>
Non-Current Liabilities:	
Compensated absences payable-noncurrent portion (NOTE 14)	<u>18,062</u>
Total non-current liabilities	<u>18,062</u>
Total liabilities	<u>86,616</u>

NET POSITION

Net investment in capital assets (NOTE 4)	2,112,765
Unrestricted	<u>1,091,743</u>
Total net position	<u>\$3,204,508</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION--ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Operating Revenues:	
HUD operating grant	\$ 304,427
Dwelling rental	280,693
Fees and charges	<u>5,082</u>
Total operating revenues	<u>590,202</u>
Operating Expenses:	
Salaries and employee benefits	211,884
Compensated absences	13,539
Materials	16,639
Contractual services	160,095
Utilities	14,383
Depreciation	158,009
Insurance	58,262
Training, convention and travel	7,508
Office supplies	3,734
Postage and publication	2,007
General	49,402
Telephone	9,416
Membership dues	320
Payment in lieu of taxes	<u>27,139</u>
Total operating expenses	<u>732,337</u>
Operating loss	<u>(142,135)</u>
Non-operating Revenues:	
Administrative fees and other income	40,864
Interest income	985
Proceeds from lawsuit settlement (NOTE 15)	<u>88,274</u>
Total non-operating revenues	<u>130,123</u>
Capital Contributions:	
HUD capital grants	<u>32,987</u>
Total capital contributions	<u>32,987</u>
Change in net position	<u>20,975</u>
Net position, beginning of year	<u>3,183,533</u>
Net position, end of year	<u>\$3,204,508</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CASH FLOWS--ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Cash Flows Used by Operating Activities:	
HUD operating grants	\$ 288,507
Receipts from tenants	253,484
Receipt of interest income	985
Receipt of management fees	38,948
Payments to vendors	(374,455)
Payments to employees and related benefits	<u>(224,126)</u>
Net cash used by operating activities	<u>(16,657)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	<u>(32,987)</u>
Cash used by capital and related financing activities	<u>(32,987)</u>
Cash Flows from Noncapital Financing Activities:	
Capital contributions	74,681
Proceeds from settlement	<u>88,274</u>
Cash provided by noncapital and related financing activities	<u>162,955</u>
Net increase in cash	113,311
Cash, beginning of year	<u>979,249</u>
Cash, end of year	<u>\$1,092,560</u>
NOTE:	
Cash	\$1,081,394
Restricted cash	<u>11,166</u>
Total cash	<u>\$1,092,560</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CASH FLOWS--ENTERPRISE FUND, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Reconciliation of Operating Loss to Net Cash Used By

Operating Activities:

Operating loss \$ (142,135)

Adjustments to reconcile operating income to net cash used
by operating activities:

Depreciation 158,009

Changes in assets and liabilities:

Increase in amounts receivable (9,950)

Increase in prepaid items and other (5,360)

Decrease in amounts and other payable (18,192)

Increase in compensated absences payable 1,730

Decrease in security deposits held for tenants (255)

Decrease in unearned revenues (504)

Net cash used by operating activities \$ (16,657)

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

Background

The **Housing Authority of the City of Winnfield (HACW)** is a public corporation, legally separate and fiscally independent and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. **HACW** has been contracted by HUD to administer the Low-Rent Housing Program under an Annual Contributions Contract.

As of September 30, 2020, **HACW** was primarily engaged in the administration of Low-Rent Public Housing Program to low-income residents in Winnfield, Louisiana.

Under the Low-Rent Public Housing Program, **HACW** provides housing to eligible families under leasing arrangements.

Further, through a cooperative agreement, **HACW** manages selected aspects of the Housing Choice Voucher Program for a local government.

Financial Reporting Entity

HACW has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of Winnfield.

Government Accounting Standards Board (GASB) Statement Nos. 14 and 39, established standards for defining and reporting on the financial entity. The standards indicate that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government. The basic criteria for including a component unit within the reporting entity's financial accountability includes:

1. Appointing a majority of an organization's governing body, and;
 - a. The ability of the government to impose its will on that organization and/or

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Reporting Entity, Continued

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependant on the government.
3. Organizations for which the reporting entity's financial statements would be misleading if not included because of the nature or significance of the relationship.

HACW was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB's 14 and 39. Accordingly, management has concluded that **HACW** is a financial reporting entity within the meaning of the provisions of GASB's 14 and 39. Accordingly, **HACW** is not a component unit of the financial reporting entity of the City of Winnfield. Also, **HACW** has no component unit for financial reporting entity purposes as described within the provisions of GASB Statement No.'s 14, 39 and as amended by 61.

Basis of Presentation

As required by Louisiana Revised Statute (LRS-24:514) and HUD regulations, the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of **HACW** are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued

Proprietary Fund Type - A proprietary fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. **HACW's** fund include the following type:

Enterprise Fund - An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

HACW follows the provisions of GASB 33 (Accounting and Financial Reporting for Non-Exchange Transactions).

Under GASB 33 Standards, **HACW** recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- Assets and liabilities are recognized when all applicable eligibility requirements are met or resources received, whichever is first;
- Revenues and expenses are recognized when all applicable eligibility requirements are met;
- Transactions with time requirement(s) received prior to the satisfaction of the time requirement(s) are recorded as deferred revenues upon award; and
- Transactions with no time requirement(s) are recorded by **HACW** as revenues upon award.

HOUSING AUTHORITY OF THE CITY OF WINNFELD
WINNFELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting and Financial Statement of Presentation

HACW adopted the provisions of Government Accounting Standards Board Statement No. 34, as amended, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". Statement No. 34, as amended established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. It requires the classification of net position into three components-net investment in capital assets, restricted, and unrestricted.

The term measurement focus is used to denote what is being measured and reported in **HACW's** operating statement. **HACW's** financial activities are accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether **HACW** is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on **HACW's** operating statement. **HACW** used the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

These revenues consist of operating and capital grants, dwelling rent and charges, which are categorized as operating and nonoperating income respectively.

Operating expenses are displayed by their natural classification.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Net Position

HACW has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standards provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of **HACW's** net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Budgets

HACW prepares an annual budget for its proprietary fund. Prior to the beginning of the fiscal year, October 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board. **HACW** does not present its budgeted to actual comparison for the enterprise fund as part of its financial statements as accounting principles generally accepted in the United States of America do not require such, despite adoption of an annual budget by the Board.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Amounts Receivable

Amounts receivable are stated at net realizable value as required by accounting principles generally accepted in the United States of America.

Statement of Cash Flows

For purposes of the statement of cash flows, **HACW** considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments. At September 30, 2020, temporary cash investments were \$-0-.

Capital Assets

Capital assets are recorded at cost or estimated costs. Donated assets are valued at estimated fair value on the date donated. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized in the enterprise fund.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Capital Assets, Continued

Capital assets with a cost of \$1,000 or more are capitalized and depreciated in the enterprise fund of HACW using the following estimated useful lives in years.

<u>Assets</u>	<u>Estimated Useful Lives in Years</u>
Land improvements	15
Building	33
Building improvements	15
Equipment	3-7

Under accounting principles generally accepted in the United States of America, long lived assets are to be reviewed for impairment. If the sum of the expected future cash flow is less than the carrying value amount of the asset, an impairment loss should be recognized. At September 30, 2020, management has determined that there are no assets subject to the requirements of GASB No. 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

Compensated Absences

HACW follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which 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.

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expense in the enterprise fund when leave is earned.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfer. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram due to and from have been netted at the combined level financial statements.

Use of Restricted Resources

It is the practice of **HACW** to use restricted resources based on restrictions and consistent with Board policy.

NOTE 2 - Cash:

At September 30, 2020, the carrying amount of **HACW's** cash deposits was \$1,081,394 and the cumulative bank balance was \$1,093,918. The bank balance is covered by federal depository insurance and collateral held by the pledging institution's agent in **HACW's** name.

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledge securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of **HACW**.

Custodial credit is the risk that, in the event of a failure by the financial institution, **HACW's** deposits may not be returned to it. **HACW's** bank balance is not exposed to custodial credit risk, since the pledged securities are in the name of **HACW** and are held in safekeeping.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Cash, Continued:

State law also requires that all deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the HACW or with an unaffiliated bank or trust company for the account of HACW.

NOTE 3 - Restricted Cash:

At September 30, 2020, restricted carrying cash and bank balance consisted of \$11,166 in security and pet deposits received and held on behalf of tenants. These deposits are stated at cost, which approximates market.

NOTE 4 - Capital Assets, Net:

At September 30, 2020, capital assets, net consisted of the following:

	<u>Balance</u> <u>October 1, 2019</u>	<u>Addition</u>	<u>Other</u>	<u>Balance</u> <u>September 30, 2020</u>
Land and land improvements	\$ 360,222	\$ -0-	\$ -0-	\$ 360,222
Buildings and building improvements	8,198,609	32,987	-0-	8,231,596
Equipment	<u>241,696</u>	<u>-0-</u>	<u>-0-</u>	<u>241,696</u>
Sub-total	8,800,527	32,987	-0-	8,833,514
Less accumulated depreciation	<u>(6,562,895)</u>	<u>(158,009)</u>	<u>155</u>	<u>(6,720,749)</u>
Total	<u>\$ 2,237,632</u>	<u>\$(125,022)</u>	<u>\$155</u>	<u>\$ 2,112,765</u>

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Amounts and Other Payable:

At September 30, 2020, amounts and other payable consisted of the following:

Accounts payable - vendors	\$14,947
Payroll taxes and other payables	6,836
Payments in lieu of taxes	<u>27,139</u>
Total	<u>\$48,922</u>

NOTE 6 - Risk Management:

HACW is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HACW** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 7 - Concentration of Credit Risk:

HACW receives primarily all of its revenues from dwelling rental and HUD. If the amount of revenues received from both dwelling rental and HUD falls below contract levels, **HACW's** operating results could be adversely affected.

NOTE 8 - Contingencies:

HACW is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to **HACW**. These examinations may result in required refunds by **HACW** to the agencies and/or program beneficiaries.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Prepaid Items and Other:

At September 30, 2020, prepaid items and other consisted of the following:

Prepaid insurance	\$34,558
Prepaid computer support services	3,941
Inventories	<u>3,055</u>
Sub-total	41,554
Less allowance for obsolescence	<u>(183)</u>
Total	<u>\$41,371</u>

NOTE 10 - Commitments:

At September 30, 2020, **HACW** has executed agreements with HUD totaling \$871,589 for various modernization and capital project activities in progress. Balance of funds remaining at September 30, 2020 was \$603,749 (see Schedule IV).

Further, during the year ended September 30, 2020, **HACW** was awarded \$35,773 in Cares Act funding.

NOTE 11 - Amounts Receivable, Net:

At September 30, 2020, amounts receivable, net consisted of the following:

Amounts receivable - tenant	\$ 8,352
Amounts receivable - HUD	27,959
Amounts receivable - other	<u>8,117</u>
Total	<u>44,428</u>

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Per Diem to Board Members:

During the year ended September 30, 2020, board members received per diem in their capacity as commissioners at a rate of \$50 per board meeting attended. Total payments to all commissioners for the year ended September 30, 2020 was \$500.

NOTE 13 - Retirement System:

Plan Description

On November 20, 2006, the Board of Commissioners for HACW approved the establishment of a single employer defined contribution plan. The Housing Authority of the City of Winnfield's Retirement Plan (the Plan) is authorized and may be amended by the Board of Commissioners.

Plan Funding

Funding for the Plan is through a contribution of 3% and 8% by participating employees and HACW respectively. Eligibility is based on full-time and part-time employment with a minimum of 20 hours per week and five months a year. The contribution is based on the employee's base salary each month.

HACW's gross payroll for participating employees for the year ended September 30, 2020 was \$137,213. HACW and employee contributions made using base salary amounted to \$10,977 and \$4,111, respectively.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 14 - Changes in Compensated Absences Payable:

The following is a summary of changes in compensated absences payable at September 30, 2020:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 6,772	\$16,587	\$ 23,359
Addition	3,321	9,255	12,576
Reduction	<u>(3,066)</u>	<u>(7,780)</u>	<u>(10,846)</u>
End of year	<u>\$ 7,027</u>	<u>\$18,062</u>	<u>\$ 25,089</u>

Of the total noncurrent liabilities at September 30, 2020 approximately \$-0- is due within one year of September 30, 2020.

NOTE 15 - Litigation:

On May 30, 2017, **HACW** filed a lawsuit against a vendor and its bonding company for failure to complete a construction contract. The case was settled on July 8, 2020 for \$73,750 and a recovery of retainage in the amount of \$14,524 for a total liquidated damages of \$88,274.

NOTE 16 - Rental Assistance Demonstration Program:

HACW is working with HUD on the implementation phase, to take part in the Rental Assistance Demonstration Program (RAD). RAD is a voluntary program of HUD. RAD primarily seeks to preserve public housing by providing Public Housing Agencies, such as **HACW**, with access to more stable funding to make needed improvements to properties. RAD provides a way to rehabilitate, or repair, units without depending on additional money from the public sector.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 17 - CORONA Virus:

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" as a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency. At March 31, 2021, management of HACW is assessing the impact of COVID-19 on its overall operations as it navigates through initiates, guidelines and executive orders.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Our report on our audit of the financial statements of **Housing Authority of the City of Winnfield (HACW)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule III) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule III has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule III is fairly stated in all material respects in relation to the financial statements taken as a whole.

INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION
(CONTINUED)

The supplementary information (Schedules I, II, and IV) required by HUD and Schedule V is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules I, II, IV, and V are fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2021

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--BALANCE SHEET
SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
111	Cash - unrestricted	\$1,004,565	\$ -0-	\$76,829	\$1,081,394
114	Cash - tenant security deposits	<u>11,166</u>	<u>-0-</u>	<u>-0-</u>	<u>11,166</u>
100	Total cash	<u>1,015,731</u>	<u>-0-</u>	<u>76,829</u>	<u>1,092,560</u>
122	Accounts receivable - HUD other projects	23,179	4,780	-0-	27,959
124	Accounts receivable - other government	-0-	-0-	8,117	8,117
126	Accounts receivable - tenants	<u>8,352</u>	<u>-0-</u>	<u>-0-</u>	<u>8,352</u>
120	Total receivables, net of allowance for doubtful accounts	<u>31,531</u>	<u>4,780</u>	<u>8,117</u>	<u>44,428</u>
142	Prepaid expenses and other assets	38,499	-0-	-0-	38,499
143	Inventories	3,055	-0-	-0-	3,055
143.1	Allowance for obsolete inventories	(183)	-0-	-0-	(183)
144	Interprogram - due from	<u>4,780</u>	<u>-0-</u>	<u>-0-</u>	<u>4,780</u>
150	Total current assets	<u>1,093,413</u>	<u>4,780</u>	<u>84,946</u>	<u>1,183,139</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
161	Land	\$ 360,222	\$ -0-	\$ -0-	\$ 360,222
162	Buildings	8,198,609	32,987	-0-	8,231,596
163	Furniture, equipment and machinery - dwellings	142,319	-0-	-0-	142,319
164	Furniture, equipment and machinery - administration	99,377	-0-	-0-	99,377
166	Accumulated depreciation	<u>(6,720,749)</u>	<u>-0-</u>	<u>-0-</u>	<u>(6,720,749)</u>
160	Total capital assets, net accumulated depreciation	<u>2,079,778</u>	<u>32,987</u>	<u>-0-</u>	<u>2,112,765</u>
180	Total non-current assets	<u>2,079,778</u>	<u>32,987</u>	<u>-0-</u>	<u>2,112,765</u>
290	Total assets	<u>\$ 3,173,191</u>	<u>\$37,767</u>	<u>\$84,946</u>	<u>\$ 3,295,904</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
312	Accounts payable ≤ 90 days	\$ 14,947	\$ -0-	\$ -0-	\$ 14,947
321	Accrued wage-payroll taxes payable	6,836	-0-	-0-	6,836
322	Accrued compensation absences - current	7,027	-0-	-0-	7,027
333	Accounts payable - other government	27,139	-0-	-0-	27,139
341	Tenant security deposits	11,166	-0-	-0-	11,166
342	Unearned revenue	1,439	-0-	-0-	1,439
347	Interprogram-due to	<u>-0-</u>	<u>4,780</u>	<u>-0-</u>	<u>4,780</u>
310	Total current liabilities	<u>68,554</u>	<u>4,780</u>	<u>-0-</u>	<u>73,334</u>
354	Accrued compensated absences - noncurrent	<u>18,062</u>	<u>-0-</u>	<u>-0-</u>	<u>18,062</u>
350	Total non-current liabilities	<u>18,062</u>	<u>-0-</u>	<u>-0-</u>	<u>18,062</u>
300	Total liabilities	<u>86,616</u>	<u>4,780</u>	<u>-0-</u>	<u>91,396</u>
508.4	Net investment in capital assets	2,079,778	32,987	-0-	2,112,765
512.4	Unrestricted net position	<u>1,006,797</u>	<u>-0-</u>	<u>84,946</u>	<u>1,091,743</u>
513	Total net position	<u>3,086,575</u>	<u>32,987</u>	<u>84,946</u>	<u>3,204,508</u>
600	Total liabilities and equity/net position	<u>\$3,173,191</u>	<u>\$37,767</u>	<u>\$84,946</u>	<u>\$3,295,904</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
70300	Net tenant rental revenue	\$280,693	\$ -0-	\$ -0-	\$280,693
70400	Tenant revenue - other	<u>5,082</u>	<u>-0-</u>	<u>-0-</u>	<u>5,082</u>
70500	Total tenant revenue	<u>285,775</u>	<u>-0-</u>	<u>-0-</u>	<u>285,775</u>
70600	HUD PHA operating grants	214,058	90,369	-0-	304,427
70610	Capital grants	-0-	32,987	-0-	32,987
71100	Investment income - unrestricted	985	-0-	-0-	985
71500	Other revenue	<u>83,620</u>	<u>-0-</u>	<u>45,518</u>	<u>129,138</u>
70000	Total revenue	<u>584,438</u>	<u>123,356</u>	<u>45,518</u>	<u>753,312</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
91100	Administrative salaries	\$123,946	\$ -0-	\$ -0-	\$123,946
91200	Auditing fees	19,900	-0-	-0-	19,900
91500	Employee benefit contributions-administrative	41,895	-0-	-0-	41,895
91600	Office expense	64,912	-0-	8,946	73,858
91700	Legal expense	4,136	-0-	-0-	4,136
91800	Travel	500	-0-	-0-	500
91900	Other	<u>40,775</u>	<u>-0-</u>	<u>-0-</u>	<u>40,775</u>
91000	Total operating - administrative	<u>296,064</u>	<u>-0-</u>	<u>8,946</u>	<u>305,010</u>
93100	Water	1,708	-0-	-0-	1,708
93200	Electricity	11,085	-0-	-0-	11,085
93300	Gas	<u>1,590</u>	<u>-0-</u>	<u>-0-</u>	<u>1,590</u>
	Total utilities	<u>14,383</u>	<u>-0-</u>	<u>-0-</u>	<u>14,383</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
94100	Ordinary maintenance and operations-labor	\$ 34,888	\$ -0-	\$ - -0-	\$ 34,888
94200	Ordinary maintenance and operations-material and other	16,639	-0-	-0-	16,639
94300-010	Ordinary maintenance and operations contracts-garbage	21,795	-0-	-0-	21,795
94300-020	Ordinary maintenance and operations contracts-heating and cooling contracts	19,320	-0-	-0-	19,320
94300-050	Ordinary maintenance and operations contracts-landscape and ground contracts	27,082	-0-	-0-	27,082
94300-090	Ordinary maintenance and operations-extermination contracts	8,382	-0-	-0-	8,382
94300-120	Ordinary maintenance and operations contracts-miscellaneous	16,734	-0-	-0-	16,734
94500	Employee benefit contributions-ordinary maintenance	<u>11,155</u>	<u>-0-</u>	<u>-0-</u>	<u>11,155</u>
94000	Total maintenance	<u>155,995</u>	<u>-0-</u>	<u>-0-</u>	<u>155,995</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
96110	Property insurance	\$ 40,901	\$ -0-	\$ -0-	\$ 40,901
96120	Liability insurance	8,011	-0-	-0-	8,011
96130	Workmen's compensation	<u>9,350</u>	<u>-0-</u>	<u>-0-</u>	<u>9,350</u>
96100	Total insurance premiums	<u>58,262</u>	<u>-0-</u>	<u>-0-</u>	<u>58,262</u>
96210	Compensated absences	13,539	-0-	-0-	13,539
96300	Payment in lieu of taxes	<u>27,139</u>	<u>-0-</u>	<u>-0-</u>	<u>27,139</u>
96000	Total other general	<u>40,678</u>	<u>-0-</u>	<u>-0-</u>	<u>40,678</u>
96900	Total operating expenses	<u>565,382</u>	<u>-0-</u>	<u>8,946</u>	<u>574,328</u>
97000	Excess (deficiency) of operating revenue over (under) operating expenses	<u>19,056</u>	<u>123,356</u>	<u>36,572</u>	<u>178,984</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE-INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total Memorandum Only</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
97400	Depreciation expense	\$ <u>158,009</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>158,009</u>
90000	Total expenses	<u>723,391</u>	<u>-0-</u>	<u>8,946</u>	<u>732,337</u>
10010	Operating transfer in	90,369	-0-	-0-	90,369
10020	Operating transfer (out)	<u>-0-</u>	<u>(90,369)</u>	<u>-0-</u>	<u>(90,369)</u>
10100	Total other financing sources (uses)	<u>90,369</u>	<u>(90,369)</u>	<u>-0-</u>	<u>-0-</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>(48,584)</u>	<u>32,987</u>	<u>36,572</u>	<u>20,975</u>
11030	Beginning equity/net position	\$ <u>3,135,159</u>	\$ <u>-0-</u>	\$ <u>48,374</u>	\$ <u>3,183,533</u>
11190	Unit months available	<u>1,416</u>	<u>N/A</u>	<u>N/A</u>	<u>1,416</u>
11210	Number of unit months leased	<u>1,032</u>	<u>N/A</u>	<u>N/A</u>	<u>1,032</u>
11270	Excess cash	\$ <u>936,373</u>	<u>N/A</u>	<u>N/A</u>	\$ <u>936,373</u>
11620	Building purchases	\$ <u>32,987</u>	\$ <u>N/A</u>	<u>N/A</u>	\$ <u>32,987</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE III

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development:		
<u>Subject to Annual Contributions Contract</u>		
Low Rent Public Housing Program	14.850	\$214,058
Capital Fund Program	14.872	<u>123,356</u>
Total		<u>\$337,414</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HACW and is presented on an accrual basis of accounting.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CAPITAL FUND PROGRAM (INCOMPLETE)
FROM INCEPTION THROUGH SEPTEMBER 30, 2020**

	<u>LA48P123501-17</u>	<u>LA48P123501-18</u>	<u>LA48P123501-19</u>	<u>LA48P123501-20</u>	<u>TOTAL</u>
Funds approved	\$ 157,774	\$ 227,324	\$235,934	\$250,557	\$ 871,589
Funds expended	<u>(157,774)</u>	<u>110,066</u>	<u>—(-0-)</u>	<u>—(-0-)</u>	<u>(267,840)</u>
Excess of funds approved	<u>\$ —-0-</u>	<u>\$ 117,258</u>	<u>\$235,934</u>	<u>\$250,557</u>	<u>\$ 603,749</u>
Fund advanced:					
Grand funding	\$ 157,774	\$ 105,286	\$ —-0-	\$ —-0-	\$ 263,060
Total funds advanced	157,774	105,286	-0-	-0-	263,060
Funds expended	<u>(157,774)</u>	<u>(110,066)</u>	<u>—(-0-)</u>	<u>—(-0-)</u>	<u>(267,840)</u>
Excess (deficiency) of funds advanced	<u>\$ —-0-</u>	<u>\$ (4,780)</u>	<u>\$ —-0-</u>	<u>\$ —-0-</u>	<u>\$ (4,780)</u>

See Independent Auditors Report on Supplementary Information.

SCHEDULE V

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

EXECUTIVE DIRECTOR:

Name: Mr. Bobby Collins

<u>Purpose</u>	<u>Amount</u>
Compensation	\$41,246
Automobile allowance	6,000
Retirement contribution	3,300
Medicare	598
Social Security	<u>2,557</u>
Total	<u>\$53,701</u>

See Independent Auditors' Report on Supplementary Information.

INDEPENDENT AUDITORS' 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

Board of Commissioners
Housing Authority of the City of Winnfield
Winnfield, 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 of America, the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2020 and the related notes to the financial statements, and have issued our report dated March 31, 2021.

Internal Control Over Financial Reporting

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

INDEPENDENT AUDITORS' 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
(CONTINUED)

Internal Control Over Financial Reporting, Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected by HACW 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 weaknesses, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HACW's financial statements are free of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Summary Schedule of Findings and Responses as item 2020-001.

INDEPENDENT AUDITORS' 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

(CONTINUED)

Response to Finding

HACW's response to the compliance and other matters finding identified in our audit is described in the accompanying Summary Schedule of Finding and Response under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". HACW's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this 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 HACW's internal control over financial reporting and on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HACW's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of HACW's Board, management, the Legislative Auditor for the State of Louisiana and the U.S. Department of Housing and Urban Development and is not intended to be, and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2021

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None Reported
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs:	
• Material weakness(es) identified?	N/A
• Significant deficiency(ies) identified?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>the Uniform Guidance</i> ?	N/A

N/A - Not Applicable

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:	<u>Name of Federal Program or Cluster</u> N/A
Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section II - Financial Statement Findings and Questioned Costs

Reference Number

2020-001

Criteria

Management of **HACW** is responsible for the establishment of effective policies and procedures to ensure compliance with Federal State and Local regulations, statutes and ordinances, where applicable.

Condition

Pursuant to State of Louisiana R.S. 42:343:

- Each public servant shall receive a minimum of one hour of education and training on preventing sexual harassment during each full calendar year of his or her public employment or term of office, as the case may be.
- Further, **HACW** shall require supervisors and any person designated by **HACW** to accept or investigate a complaint of sexual harassment to receive additional education and training.
- Also, **HACW** shall ensure that each employee is notified of its policy against sexual harassment and the mandatory training requirement on preventing sexual harassment. The Executive Director or his designee, shall be responsible for maintaining records of compliance of each employee with the mandatory training requirement. Further, each employee's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2020-001

Condition, Continued

- In addition, HACW shall ensure that its policy against sexual harassment and its compliance procedure is prominently posted on its website or, if HACW does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in its office.

For the calendar year ended December 31, 2020, HACW was in noncompliance with the requirements of R.S. 42:343 previously listed.

Cause

Oversight of compliance with State of Louisiana statute.

Effect or Potential Effect

Noncompliance of State of Louisiana statute regarding sexual harassment mandatory training.

Recommendation

Management should review the requirements of R.S. 42:343 and ensure compliance.

Management's Response and Planned Corrective Action

Management has initiated the required training for its staff and anticipates compliance by no later than August 31, 2021.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended September 30, 2020.

Section IV - Status of Prior Year's Findings and Questioned Costs

No prior year's findings and questioned costs were reported under this section for the year ended September 30, 2020.

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

EXIT CONFERENCE

The financial statements and related reports were discussed at an exit conference held with management of **Housing Authority of the City of Winnfield** noting their agreement in all material respects.

Those that participated in the discussions are as follows:

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

Mr. Bobby Collins	--	Executive Director
Mrs. Shantell McFarland	--	Executive Assistant

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh, Sr., CPA, CGFM, CGMA, MBA	--	Partner
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Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS RELATED TO INTERNAL CONTROL

To the Board of Commissioners
Housing Authority of the City of Winnfield

In planning and performing our audit of the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2020, we considered **HACW's** internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **HACW's** internal control. Accordingly, we do not express an opinion on the effectiveness of **HACW's** internal control.

However, during our audit, we became aware of other matters that provide an opportunity for **HACW** to strengthen its internal control and operating efficiency. We previously reported on **HACW's** internal control in our report dated March 31, 2021. This letter does not affect our report dated March 31, 2021, on the financial statements of **HACW**.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2020***

Reference Number

OM 2020-001

Criteria

Management of HACW is responsible for the establishment of effective policies and procedures to ensure the safeguarding of its assets.

Condition

For a sample of twenty-five (25) rent collections from tenants, we noted in four (4) instances where the collected funds were deposited outside the board authorized deposit window.

Cause

Oversight of established procedure and policy.

Effect or Potential Effect

Potential for misappropriation of funds.

Recommendation

Management should ensure that all collected funds are deposited on a timely basis pursuant to board policy.

Management's Response and Planned Corrective Action

Management will provide an enhanced oversight to ensure timely deposits of all funds.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-002

Criteria

Management of **HACW** is responsible for the establishment of effective and efficient processes and procedures for all financial transactions to ensure complete and accurate preparation of its financial statements.

Condition

HACW's operating bank account reconciliation at September 30, 2020, revealed stale dated checks outstanding totaling \$3,176.38.

Cause

Lack of an established practice to ensure the timely resolution of stale dated checks.

Effect or Potential Effect

Potential for incomplete and/or inaccurate accounting for financial transactions.

Recommendation

The operating bank account reconciliation should include the timely review and resolution of stale dated checks.

Management's Response and Planned Corrective Action

Management will continue to provide oversight in the timely review and resolution of all stale dated checks.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-003

Criteria

Management of **HACW** is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

Condition

Our review of the depreciation schedule provided for testing revealed incorrect calculations based on work effect from the previous fee accountant.

Cause

The level of oversight afforded to fee accountant.

Effect or Potential Effect

Potential for misstatement of financial statements.

Recommendation

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are executed and documented pursuant to established Board policy.

Management's Response and Planned Corrective Action

Management has resolved the referenced condition as of March 31, 2021 and anticipates a revisit with the level of oversight afforded.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2019***

Reference Number

OM 2019-001

Criteria

Management of HACW is responsible for the establishment of effective and efficient processes and procedures for all financial transactions to ensure complete and accurate preparation of its financial statements.

Condition

HACW's operating bank account reconciliation at September 30, 2019 revealed stale dated checks outstanding totaling \$2,760.11.

Cause

Lack of an established practice to ensure the timely resolution of stale dated checks.

Effect or Potential Effect

Potential for incomplete and/or inaccurate accounting for financial transactions.

Recommendation

The operating bank account reconciliation should include the timely review and resolution of stale dated checks.

Current Status

Unresolved. See current year's report on other matters reference number OM 2020-002.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2019***

Reference Number

OM 2019-002

Criteria

Management of HACW is responsible for the establishment of effective policies and procedures to ensure the safeguarding of its assets.

Condition

HACW's current written policies and procedures do not specifically address areas of rent collection and depositing, types of services requiring written contracts, disaster, recovery/business continuity, etc.

Cause

Lack of an established process to ensure the continuous update and/or development of required policies and procedures.

Effect or Potential Effect

Potential for inconsistent application of practices.

Recommendation

Management should develop and/or update for board approval, policies and procedures to address the areas of collection and depositing, type of contracts and disaster recovery/business continuity.

Current Status

Partially resolved. Anticipated completion date is by no later than August 31, 2021.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

HACW's response to the current year's other matters reported are described in this report under the caption "Management's Response and Planned Corrective Action". We did not audit HACW's response and accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Commissioners, management of HACW and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2021