

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

***Sean M. Bruno***

***Certified Public Accountants, LLC***

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
**Ninth Ward Housing Development Corporation**  
New Orleans, Louisiana

***Report of the Financial Statements***

I have audited the accompanying financial statements of **Ninth Ward Housing Development Corporation** (a non-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***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***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

*Auditor's 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Ninth Ward Housing Development Corporation** as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

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

In accordance with *Government Auditing Standards*, I have also issued my report dated April 1, 2022 on my consideration of **Ninth Ward Housing Development Corporation's** internal control over financial reporting and on my 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 my 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 **Ninth Ward Housing Development Corporation'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 **Ninth Ward Housing Development Corporation's** internal control over financial reporting and compliance.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana

April 1, 2022

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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ASSETS

Cash and cash equivalents (NOTES 2 and 4)	\$ 358,136
Grant receivable (NOTES 2 )	93,468
Rent receivable	907
Prepaid expense	6,895
Deposits	1,034
Buildings, net of accumulated depreciation of \$18,362 (NOTES 2 and 8)	<u>1,083,338</u>
Total assets	<u>\$ 1,543,778</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 2,054
Rental deposits	3,800
Retainage payable	<u>92,543</u>
Total liabilities	<u>98,397</u>
Net Assets (NOTE 2):	
Without Donor Restrictions	1,445,381
With Donor Restrictions	<u>-</u>
Total net assets	<u>1,445,381</u>
Total liabilities and net assets	<u>\$ 1,543,778</u>

The accompanying notes are an integral part of these financial statements

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
Grants and contracts (NOTE 2)	\$ 1,011,454	\$ -	\$ 1,011,454
Rental income	12,088	-	12,088
FEMA income-admin	10,110	-	10,110
Interest income	2,956	-	2,956
Other	250	-	250
Total revenue and support	1,036,858	-	1,036,858
 <b>Expenses:</b>			
Program services	42,239	-	42,239
Support services	15,953	-	15,953
Total expenses	58,192	-	58,192
 Changes in net assets	 978,666	 -	 978,666
 <b>Net Assets:</b>			
Beginning of the year	466,715	-	466,715
 End of year	 \$ 1,445,381	 \$ -	 \$ 1,445,381

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



**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services	Support Services	Total Expenses
Insurance	3,920	-	3,920
Depreciation	18,362	-	18,362
Rent	-	9,306	9,306
Repair and maintenance	6,736	-	6,736
Supplies	3,035	-	3,035
Utilities	2,607	-	2,607
Telephone	564	-	564
Advertisement	-	676	676
Legal fees	-	5,000	5,000
Property manager	2,291	-	2,291
Computer and internet	-	514	514
Bank fees	-	457	457
Miscellaneous	1,080	-	1,080
Evaluation service	634	-	634
Professional services	1,685	-	1,685
Code enforcement	1,325	-	1,325
Total functional expenses	<u>\$ 42,239</u>	<u>\$ 15,953</u>	<u>\$ 58,192</u>

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

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Cash Flows From Operating Activities**

Change in net assets	\$ 978,666
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,362
Increase in receivables	(83,996)
Increase in security deposit	(1,034)
Increase in prepaid expenses	(6,895)
Increase in accounts payable	1,304
Increase in rent deposits	3,800
Increase in retainage payable	<u>92,543</u>
Net cash provided by operating activities	<u>1,002,750</u>

**Cash Flows From Investing Activities**

Construction of buildings	<u>(1,030,840)</u>
Net cash used by investing activities	<u>(1,030,840)</u>
Net decrease in cash and cash equivalents	(28,090)
Cash and cash equivalents - July 1, 2019	<u>386,226</u>
Cash and cash equivalents - June 30, 2020	<u><u>\$ 358,136</u></u>

The accompanying notes are an integral part of these financial statements

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - ORGANIZATION:

**Ninth Ward Housing Development Corporation** was organized to engage exclusively in charitable, educational and scientific activities within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended (or corresponding provisions of any subsequent federal income tax laws) and, more particularly and in furtherance of such activities, to seek, investigate, formulate, develop, organize and carry out programs and projects for improvement in housing and related facilities for low income families and for providing opportunities for members of minority groups to participate in organizing, financing, constructing and managing such facilities; to rehabilitate existing and construct new low and moderate income housing and stimulate the constructions of such housing.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Basis of Presentation

For the year ended June 30, 2020, **Ninth Ward Housing Development Corporation** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 31, 2017 and requires the use of the retrospective transition method. **Ninth Ward Housing Development Corporation** adopted this standard for the year ended June 30, 2020 and its implementation is reflected in the financial statements.

A description of the two net asset categories is as follows:

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis of Presentation, Continued

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

At June 30, 2020, **Ninth Ward Housing Development Corporation** did not have any net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, **Ninth Ward Housing Development Corporation** considers all short-term, highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Property, Plant, and Equipment

**Ninth Ward Housing Development Corporation** capitalizes items with a unit cost of greater than \$5,000 and a useful life greater than 1 year. Property, plant, and equipment is recorded at historical cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which is 30 years.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities and reported in detail on the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Allowance for Losses

Allowances for estimated losses on receivables are provided when, in the opinion of management, such losses are expected to be incurred. Management evaluates the carrying value of these assets at least annually and the allowances are adjusted accordingly.

Support and Revenues

Revenues received under federal grant programs are recognized when earned.

Contributions are received and recorded as net assets without donor restrictions unless specifically restricted by the donor or the board of directors.

Fair Value

**Ninth Ward Housing Development Corporation** has adopted certain provisions of FASB Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures." ASC Topic 820 refines the definition of fair value, establishes specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. ASC Topic 820 requires **Ninth Ward Housing Development Corporation** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - ECONOMIC DEPENDENCY:

The primary source of revenue for **Ninth Ward Housing Development Corporation** is federal and state grants provided through various funding agencies. The continued success of **Ninth Ward Housing Development Corporation** is dependent upon the renewal of contracts from current funding sources and obtaining new funding.

NOTE 4 - CONCENTRATION OF CREDIT RISKS AND UNCERTAINTIES:

**Ninth Ward Housing Development Corporation** has deposit cash balances in one financial institution. Interest-bearing and non-interest-bearing deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor and per insured depository institution for each account ownership category. At June 30, 2020, **Ninth Ward Housing Development Corporation's** uninsured cash balances totaled \$88,363.

NOTE 5 - INCOME TAXES:

**Ninth Ward Housing Development Corporation** is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **Ninth Ward Housing Development Corporation's** tax status be challenged in the future, the 2017, 2018, 2019 and 2020 tax years are open for examination by the IRS.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - COMMITMENTS AND CONTINGENCIES:

Participation in Grant Programs

**Ninth Ward Housing Development Corporation** is a recipient of grant funds from certain funding sources. These grants are governed by various federal, state and local guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by the grants are under the control and administration of **Ninth Ward Housing Development Corporation** and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Operating Leases

**Ninth Ward Housing Development Corporation** leases administrative office space under the terms of a non-cancellable lease. The term of the lease is one year. The lease began on October 1, 2019 and ends on September 30, 2020. Future minimum lease payments under the terms of the operating lease as of June 30, 2020 were:

**2714 Canal Street**  
Year Ending June 30, 2020:

2021	<u>\$ 3,102</u>
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**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - FAIR VALUE MEASUREMENTS OF  
FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820, fair value is defined as the price that **Ninth Ward Housing Development Corporation** would receive to sell an asset or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **Ninth Ward Housing Development Corporation** assets or liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determine through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.



**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - FAIR VALUE MEASUREMENTS OF  
FINANCIAL ASSETS AND LIABILITIES, CONTINUED**

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **Ninth Ward Housing Development Corporation's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. All investments are considered Level 1 investments.

The carrying value and the estimated fair values of **Ninth Ward Housing Development Corporation's** financial instruments at June 30, 2020 are as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 358,136	\$ 358,136
Receivables	94,375	94,375
Prepaid	6,895	6,895
Security deposit	1,034	1,034
Retainage payable	92,543	92,543
Rent deposits	3,800	3,800
Accounts payable	2,054	2,054

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT:**

	<u>Balance at 07/01/19</u>	<u>Additions (Reductions)</u>	<u>Balance at 6/30/20</u>
Buildings	\$ 70,860	1,030,840	1,101,700
Accumulated depreciation	<u>-0-</u>	<u>(18,362)</u>	<u>(18,362)</u>
Net property, plant, and equipment	\$ <u>70,860</u>	\$ <u>1,012,478</u>	\$ <u>1,083,338</u>

Amortization/depreciation expense for the year ended June 30, 2020 totaled \$18,362.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 9 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **Ninth Ward Housing Development Corporation** has evaluated subsequent events and the reason for selecting that date. Management evaluated subsequent events from July 1, 2020 to April 1, 2022, the date the financial statements were available to be issued and determined that the following events occurred that require disclosure:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. Although it is unknown how long these conditions will last and what the complete financial consequences will be, to date, the Organization has not experienced an adverse financial impact due to the coronavirus outbreak. It is not likely that the financial statements will be affected by declining revenue in the 2021 fiscal year.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 10 - LIQUIDITY AND AVAILABILITY:**

The following reflects **Ninth Ward Housing Development Corporation's** financial assets as of June 30, 2020 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2020. As of June 30, 2020, there were no donor-imposed restrictions.

Cash and cash equivalents	\$ 358,136
Grant Receivable	93,468
Rent receivable	907
Security deposit	<u>1,034</u>
 Total financial assets at year end	 453,545
Less: Amounts not available to meet general expenses within one year:	
Deposits	<u>(1,034)</u>
 Financial assets available to meet general expenses within one year	 <u>\$ 452,511</u>

**SUPPLEMENTARY INFORMATION**

**Ninth Ward Housing Development Corporation**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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<u>GRANTOR</u>	<u>CFDA NUMBER</u>	<u>PASS THROUGH ENTITY NUMBER</u>	<u>PASS THROUGH TO SUBRECIPIENTS</u>	<u>ACTIVITY</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>  <u>Disaster Grants-Public Assistance</u> <i>(Presidentially Declared Disasters)</i>  Passed through the Governor's Office of Homeland Security and Emergency Preparedness (State of Louisiana)	97.036	N/A	\$ -0-	\$ 1,011,001

See the Independent Auditor's Report on Supplementary Information

**Ninth Ward Housing Development Corporation**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

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NOTE 1 – Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Ninth Ward Housing Development Corporation** and is presented on the accrual basis of accounting. The information in this schedule is presented as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD OR**  
**CHIEF EXECUTIVE OFFICER (STATEMENT C)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Agency Head Name/Title:** Claude Steward, President

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other (describe)	-
Benefits-other (describe)	-
Benefits-other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements-supplies	1,164
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

(See Independent Auditors' Report)

**Sean M. Bruno**  
**Certified Public Accountants, LLC**

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Member  
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Society of Louisiana  
Certified Public Accountants

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*

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To the Board of Directors  
**Ninth Ward Housing Development Corporation**  
New Orleans, Louisiana

I 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 **Ninth Ward Housing Development Corporation** (a non-profit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated April 1, 2022.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered **Ninth Ward Housing Development Corporation's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Ninth Ward Housing Development Corporation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **Ninth Ward Housing Development Corporation's** internal control.



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*

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(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

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.

My 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 **Ninth Ward Housing Development Corporation's** financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

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*

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(CONTINUED)

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana

April 1, 2022

*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
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Society of Louisiana  
Certified Public Accountants

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

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To the Board of Directors  
**Ninth Ward Housing Development Corporation**  
New Orleans, Louisiana

*Report on Compliance for Each Major Federal Program*

I have audited the **Ninth Ward Housing Development Corporation's** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Ninth Ward Housing Development Corporation's** major federal programs for the year ended June 30, 2020. **Ninth Ward Housing Development Corporation'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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

My responsibility is to express an opinion on compliance for each of **Ninth Ward Housing Development Corporation's** major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I plan

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
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*Auditor's Responsibility, Continued*

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. An audit includes examining, on a test basis, evidence about **Ninth Ward Housing Development Corporation's** compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of **Ninth Ward Housing Development Corporation's** compliance.

*Opinion on Each Major Federal Program*

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

*Other Matters*

The results of my auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. My opinion on each major federal program is not modified with respect to this matter.

*Report on Internal Control over Compliance*

Management of **Ninth Ward Housing Development Corporation** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered **Ninth Ward Housing Development Corporation'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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
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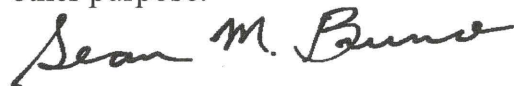
*Report on Internal Control over Compliance, Continued*

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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of **Ninth Ward Housing Development Corporation'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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS, LLC  
New Orleans, Louisiana  
April 1, 2022

***Sean M. Bruno***

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***Certified Public Accountants, LLC***

**SCHEDULE I**

**SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS**

**Ninth Ward Housing Development Corporation**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SCHEDULE I - Summary of the Independent Auditor's Results**

***Financial Statements***

1. Type of report issued on the financial statements. **Unmodified opinion**
2. Did the audit disclose any significant deficiencies in internal control? **No**
3. Did the audit disclose any material weaknesses in internal control? **No**
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization? **Yes**

***Federal Awards***

5. Did the audit disclose any significant deficiencies in internal control over major programs? **No**
6. Did the audit disclose any material weaknesses in internal control over major programs? **No**
7. Type of report issued on compliance for major federal programs. **Unmodified**
8. Did the audit disclose any audit findings which the independent auditors are required to report in accordance with Uniform Guidance 200.518(b)(1)? **Yes**
9. The following is an identification of major programs:

<u>CFDA or Contract Number</u>	<u>Name of Federal Program</u>
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disaster)

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in 2 CFR 200.516(a) was **\$750,000**.
11. Did the auditee qualify as a low risk auditee under Uniform Guidance 200.520? **Yes**

**SCHEDULE II**  
**FINANCIAL STATEMENTS FINDING**



**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SCHEDULE II – Financial Statements Finding**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Audit Finding Reference Number**

2020-001 - Untimely Submission of Audit Report

**Criteria**

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year, and according to Uniform Guidance 2 CFR Part 200.512(a), Single audits are required to be completed and the data collection form and reporting package submitted within the earlier of thirty (30) days after receipt of the auditor's report, or nine (9) months after the end of the audit period. If the due date falls on a Saturday, Sunday, or federal Holiday, the reporting package is due the next business day.

**Conditions**

The June 30, 2020 audit report was not submitted within the prescribed time frame.

**Context**

The audit report was outstanding nine (9) months after the entity's fiscal year.

**Cause**

Management failed to ensure that the audit report was issued within prescribed timeline.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SCHEDULE II – Financial Statements Finding (Continued)**

Effect

**Ninth Ward Housing Development Corporation** has not complied with the audit requirement of Uniform Guidance 2 CFR Part 200.512(a) and Louisiana Statute R.S. 24:513 A.(5)(a)(i).

Recommendation

I recommend that management of **Ninth Ward Housing Development Corporation** take steps to ensure that the financial audit is submitted within the prescribed deadlines.

Management's Response

**Ninth Ward Housing Development Corporation.** concurs with this finding. Delay was mainly due to not engaging an auditor in a timely manner. **Ninth Ward Housing Development Corporation** will submit future audits in a timely manner.

**SCHEDULE III**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Ninth Ward Housing Development Corporation**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SCHEDULE III – Federal Award Finding and Questioned Costs**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Audit Finding Reference Number**

2020-001 - Untimely Submission of Audit Report

**Criteria**

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year, and according to Uniform Guidance 2 CFR Part 200.512(a), Single audits are required to be completed and the data collection form and reporting package submitted within the earlier of thirty (30) days after receipt of the auditor's report, or nine (9) months after the end of the audit period. If the due date falls on a Saturday, Sunday, or federal Holiday, the reporting package is due the next business day.

**Conditions**

The June 30, 2020 audit report was not submitted within the prescribed time frame.

**Context**

The audit report was outstanding nine (9) months after the entity's fiscal year.

**Cause**

Management failed to ensure that the audit report was issued within prescribed timeline.

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SCHEDULE III – Federal Award Finding and Questioned Costs**  
**(Continued)**

Effect

**Ninth Ward Housing Development Corporation** has not complied with the audit requirement of Uniform Guidance 2 CFR Part 200.512(a).

Recommendation

I recommend that management of **Ninth Ward Housing Development Corporation** take steps to ensure that the financial audit is submitted within the prescribed deadlines.

Management's Response

**Ninth Ward Housing Development Corporation** concurs with this finding. Delay was mainly due to not engaging an auditor in a timely manner. **Ninth Ward Housing Development Corporation** will submit future audits in a timely manner.