

**HOUSING AUTHORITY
OF NEW ORLEANS**

**Basic
Financial Statements and
Supplementary
Information**

September 30, 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of New Orleans
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of New Orleans (the "Authority"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

bermanhopkins.com

MELBOURNE

8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO

255 South Orange Avenue, #1200
Orlando, FL 32801
407-841-8841

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's business-type activities and the aggregate discretely presented component units as of September 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The accompanying financial data schedule and schedules of program costs and advances are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, and are not a required part of the financial statements of the Authority. The schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis as required by the State of Louisiana, and are not a required part of the financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is not a required part of the financial statements of the Authority. The other 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 supplementary 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, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

April 29, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

This section of the Housing Authority of New Orleans's ("HANO") financial report represents management's discussion and analysis of HANO's financial performance during the fiscal year ended September 30, 2021. Management's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of HANO's financial activity, identify changes in HANO's financial position and identify individual fund issues or concerns.

Since Management's Discussion and Analysis is designed to focus on the current year activities, resulting changes and currently known facts, we encourage readers to consider the information presented herein in conjunction with HANO's financial statements, which follow this section.

HANO's current major funding streams are: Operating Subsidy, Housing Choice Voucher Program ("HCVP") funds, the Capital Fund Program ("CFP") and the Community Development Block Grant ("CDBG").

Economic Factors

- Federal funding provided by Congress to the Department of Housing and Urban Development;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes therefore tenant rental income;
- Natural disasters which can have a devastating impact on the local economy;
- Locality issues which result from goods and services often being required to be imported; and
- Inflationary pressure on utility rates, supplies and other costs.

Operating Subsidy prorations varied between the months but were averaged at 99.77 affecting HANO's ability to cover the full operating costs at its Asset Management Projects ("AMP"s). Any deficit at the AMPs is covered by accumulated project reserves.

HCVP funding for landlords remained stable. HUD focused on its cash management policy and began reducing the amount of reserves at HANO's level. That means not all appropriated Housing Assistance funds to pay landlords were disbursed to HANO. This does not create an adverse effect on HANO, but HANO has to closely coordinate with HUD when funds are needed to be transferred to cover all necessary HAP costs. All interest earned on those funds go back to the US Treasury and cannot be retained by HANO.

The administrative fee funding was prorated at 82 percent and continues to challenge HANO's ability to cover all its operational costs to administer the HCV program. The reduction in the fee income has significantly affected HANO's ability to cover the routine operational costs requiring HANO to use its unrestricted net assets to cover full costs and right size the program. HANO will continue to carefully monitor the cost of operations and depletion of its unrestricted net assets.

Likewise the CFP and RHFF funding has diminished over the years as HANO had experienced the significant reduction of public housing units as a result of Hurricane Katrina. The reduction of public housing units due to disaster or demolition affects the formula of CFP funds and RHFF funds. HANO carefully examines the receipt of CFP and RHFF funds to ensure all planned projects will have funds available to maintain existing units and create/redevelop units.

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

HUD Funds received (including CARES Act) during FY:

	2021	2020	2019	2018	2017
Operating subsidy	\$ 9,102,120	\$ 8,848,638	\$ 7,991,053	\$ 9,320,507	\$ 10,231,298
HCV funding	193,062,349	168,030,039	172,653,964	165,615,187	164,691,922
CFP & RHFF funds	16,527,812	11,646,626	12,711,792	15,654,672	17,751,779

Financial Highlights

- HANO's cash balance as of September 30, 2021 was \$97,762,928 as compared to \$78,348,873 at September 30, 2020. This represents an increase from the prior year of \$19,414,055. The increase is mainly attributable to the cash relating to the New Orleans Emergency Rental Assistance Program cash account and increases in Operating subsidy, HCVP funding and capital funds.
- HANO's total net position as of September 30, 2021 was \$465,695,135 as compared to \$469,091,533 at September 30, 2020. This represents a decrease from the prior year of \$3,396,398.
- During the year, HANO continued its efforts to redevelop its major mixed finance communities. HANO recognized approximately \$16.5 million in Capital Fund grants. Redevelopment continues at 7 major communities in various phases. During fiscal year 2021, HANO has undertaken modernization activities at several public housing communities.
- During the year, HANO's operating revenues were \$11.6 million more than the \$216 million expended on housing assistance payments, general and administrative, maintenance, utilities, tenant services, protective services, and depreciation expense. In the prior year, operating revenues were \$2.3 million less than operating expenses.
- During the year, HANO recognized HUD Subsidies (including Housing Choice Voucher, Public Housing, and Capital Fund Grants) of \$221,765,261. HANO also recognized \$3,734,409 in net dwelling rental revenues for the current fiscal year.

Overview of Financial Statements

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and other supplementary information.

The financial statements provide both long-term and short-term information about HANO's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

HANO's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized over the life of the asset.

The Statement of Net Position reports HANO's net position. Net position, the difference between HANO's assets and liabilities, is one way to measure HANO's financial health or position.

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

The Statement of Revenues, Expenses, and Changes in Net Position reports the results of activity over the course of the current year. It details the costs associated with operating HANO and how those costs were funded. It also provides an explanation of the change in net position from the previous operating period to the current operating period.

The Statement of Cash Flows reports HANO's cash flows in and out from operating, noncapital financing, capital related financing and investing activities. It details the sources of HANO's cash, what it was used for, and the change in cash over the course of the operating year.

The notes to the financial statements explain some of the information in the financial statements and provide more detailed data.

The statements are followed by required supplementary information that presents HANO's electronic data submitted to HUD's Real Estate Assessment Center.

Net position is categorized as one of three types.

- I. **Net Invested in capital assets** - Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;
- II. **Restricted** - Net position whose use is subject to constraints imposed by law or agreement; and
- III. **Unrestricted** - Net position that is neither invested in capital assets nor restricted.

Over time, significant changes in HANO's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Housing Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Housing Authority's capital assets.

Financial Analysis of HANO as a Whole

As noted earlier, net position may serve over time as a useful indicator of HANO's financial health. In the case of HANO, assets exceeded liabilities by \$465,695,135 at the close of the most recent fiscal year.

As of September 30, 2021, one of the main components of HANO's net position is cash in the amount of \$97,762,928 (restricted and unrestricted). This is the result of the HANO's implementation of a fungibility plan whereby unexpended funds from the HCVP program were consolidated to meet anticipated capital needs for housing redevelopment on 4 of the largest development sites (Marrero Commons (formerly known as BW Cooper), Lafitte, Harmony Oaks (formerly known as C.J. Peete), and Columbia Parc (formerly known as St. Bernard)).

HANO is allowed to fudge (mix) funding from various HUD programs per regulatory guidance as published in the Federal Register on July 28, 2006, "Implementation Guidance for Section 901 of the Emergency Supplementary Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza Act, 2006." HANO is complying with additional accounting and regulatory reporting requirements under this act to maximize services to residents.

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

	<u>Statement of Net Position</u>		
	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Current assets	\$ 118,880,340	\$ 103,890,821	\$ 14,989,519
Capital assets, net	185,996,684	196,473,980	(10,477,296)
Notes receivable	200,476,695	207,557,799	(7,081,104)
Other noncurrent assets	1,240,514	1,349,291	(108,777)
Total assets	<u>506,594,233</u>	<u>509,271,891</u>	<u>(2,677,658)</u>
Deferred outflows	254,752	142,627	112,125
Current liabilities	15,588,299	12,706,390	2,881,909
Long-term debt	2,980,000	4,380,000	(1,400,000)
Prepaid ground leases	2,655,384	2,693,721	(38,337)
OPEB liability	10,886,360	10,183,981	702,379
Deferred developer fees	5,219,203	5,194,309	24,894
Other noncurrent liabilities	1,063,330	1,205,720	(142,390)
Total liabilities	<u>38,392,576</u>	<u>36,364,121</u>	<u>2,028,455</u>
Deferred inflows	2,761,274	3,958,864	(1,197,590)
Net investment in capital assets	185,996,684	196,472,965	(10,476,281)
Restricted	211,432,129	212,012,669	(580,540)
Unrestricted	68,266,322	60,605,899	7,660,423
Total net position	<u>\$ 465,695,135</u>	<u>\$ 469,091,533</u>	<u>\$ (3,396,398)</u>

The balance of *unrestricted net position* of \$68,266,322 will be used to meet HANO's ongoing obligations to program participants and creditors and to fund redevelopment activities.

At the end of the current fiscal year, HANO reports a decrease of \$3,396,398 in its net position. This was mainly due to the prior period adjustments recorded during the year (see Note B-15).

HANO's current assets increased by \$14,989,519 primarily as a result of increases in cash balances and accounts receivables. The increase in cash is mainly due to funds received to disburse as rental assistance payments on behalf of the City of New Orleans as well as cash from operations.

HANO's capital assets decreased by \$10,477,296 primarily due to depreciation and the removal of assets owned by a discretely presented component unit (see Note B-15).

HANO's notes receivable decreased by \$7,081,104 mainly due to the increase of allowance in doubtful accounts of notes receivable in the amount of \$13,077,219.

HANO's current liabilities increased by \$2,881,909 mainly due to the liability associated with the rental assistance program on behalf of the City of New Orleans, offset by decreases in unearned revenue from CARES act funds that were fully spent during the fiscal year.

The OPEB liability increased by \$702,379 mainly due to changes in assumptions and other inputs used in the calculation of the liability.

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

HANO's deferred inflow of resources decreased by \$1,197,590 mainly due to changes in assumptions and other inputs used in the calculation of the deferred items relating to other postemployment benefits.

<u>Statement of Revenues, Expenses, and Changes in Net Position</u>			
	2021	2020	Net Change
Operating revenues			
HUD revenues	\$ 219,630,436	\$ 188,706,437	\$ 30,923,999
Other revenues	7,931,394	6,604,028	1,327,366
Total operating revenues	227,561,830	195,310,465	32,251,365
Operating expenses			
Administrative	12,640,044	10,545,677	2,094,367
Tenant services	4,455,182	4,540,214	(85,032)
Utilities	1,867,461	1,534,738	332,723
Maintenance	3,609,370	3,649,532	(40,162)
Protective services	1,417,351	1,821,153	(403,802)
General	10,974,420	12,496,733	(1,522,313)
Depreciation	3,129,262	3,224,098	(94,836)
Housing assistance payments	177,792,582	159,762,178	18,030,404
Total operating expenses	215,885,672	197,574,323	18,311,349
Operating income (loss)	11,676,158	(2,263,858)	13,940,016
Nonoperating revenues (expenses)			
Interest income	164,130	394,852	(230,722)
Bad debt - notes receivable	(13,077,219)	(5,116,450)	(7,960,769)
Interest expense	(673,061)	(275,900)	(397,161)
Total nonoperating revenues (expenses)	(13,586,150)	(4,997,498)	(8,588,652)
Change in net position before capital contributions	(1,909,992)	(7,261,356)	5,351,364
Capital contributions	2,134,825	2,291,335	(156,510)
Change in net position	224,833	(4,970,021)	5,194,854
Total net position - beginning	469,091,533	488,094,814	(19,003,281)
Prior period adjustment	(3,621,231)	(14,033,260)	10,412,029
Total net position - ending	\$ 465,695,135	\$ 469,091,533	\$ (3,396,398)

Total operating revenues increased by \$32,251,365 mainly due to increases in total HCV subsidy funding of approximately \$26.3 million and other federal subsidy of approximately \$4.4 million.

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

Total operating expenses increased by \$18,311,349 mainly due to increases in administrative expense of \$2,094,367 and housing assistance payments of \$18,030,404.

Administrative expenses primarily increased due to additional administrative salaries and benefits of approximately \$1.9 million.

Housing assistance payments increased due to increased HUD subsidy in the Housing Choice Voucher program to continue to assist the tenants of the Authority.

Capital Asset and Debt Administration

Capital assets

HANO's investment in capital assets as of September 30, 2021 and 2020 are as follows:

	2021	2020
Land	\$ 50,365,835	\$ 54,489,434
Buildings and improvements	91,578,929	98,893,523
Furniture and equipment	7,752,242	7,627,572
Construction in progress	-	180,150
Infrastructure	71,507,520	67,362,080
Less accumulated depreciation	(35,207,842)	(32,079,794)
	\$ 185,996,684	\$ 196,472,965

HANO's capital assets decreased by \$10,477,296 primarily due to depreciation and the removal of assets owned by a discretely presented component unit (see Note B-15).

Additional information on HANO's capital assets can be found in Note B-3 of this report.

Long-term debt

At the end of the current year, HANO had total debt outstanding of HANO's Capital Fund Program Revenue Bonds - Series A of 2003. The bonds are secured by pledges of Replacement Housing Factor Funds and Capital Fund Grants and are payable in monthly installments through December 1, 2023. HANO's total debt decreased by \$1,340,000. This was due to the scheduled pay down of principal.

	2021	2020
Capital Fund Program Revenue Bonds Series A of 2003	\$ 4,380,000	\$ 5,720,000

Housing Authority of New Orleans
Management's Discussion and Analysis

September 30, 2021

Highlights of Redevelopment

Columbia Parc at the Bayou District (formerly St. Bernard) Phases I, II, III

The overall revitalization strategy provided for the development of 1,320 units, including single-family, multi-family and elderly housing with an income mix of Annual Contributions Contract (ACC), Low Income Housing Tax Credit (LIHTC), project based voucher (PBV) and market rate rental units. Bayou District is currently in negotiations with a local grocer to develop a supermarket on St. Bernard Avenue. HANO has funded the infrastructure work for the both commercial and residential properties and the infrastructure work is now complete.

Lafitte

Phase I of the Lafitte Redevelopment includes the development of 812 new residential rental units, 501 of which will be located on the existing site and 302 will be located in the Tremé, Tulane, Gravier and other surrounding neighborhoods (collectively, "Phase I"). Phase I will include ACC, LIHTC and HCVP rental units, affordable and market rate homeownership units. The construction completion of 465 units on-site, as well as 230 offsite units, has led to steady occupancy for the Lafitte Development. The final two phases of development must still be completed. The first of the two remaining phases is for the construction of the homeownership units. Twenty-two (22) units will be built and sold as either affordable (17) or market rate (5) homes. The final construction phase will be rental housing, in which 23 affordable units will be constructed, including six units in HANO's historic building. Due to COVID and construction cost increases, the homeownership project was rebid by the developer and is scheduled to close by the end of 2022. The rental phase is currently securing financing to close the current gap and is expected to close in 2023.

Marrero Commons (BW Cooper Phase II)

Marrero Commons, the first phase of the BW Cooper redevelopment, was completed in 2014 and includes 410 rental-housing units available for occupancy. The development includes a management office, business center, and a day care facility. It includes a mix of ACC, LIHTC and market rate rental units. HANO has procured a development partner for Phase II and is currently still in negotiations with the developer.

Iberville

The Iberville redevelopment will include 821 one-for-one replacement, public housing units located on both its on-site and off-site phases. The on-site project will incorporate ACC, LIHTC, HCVP, and market rate units. To date, all infrastructure work as well as the seven housing phases are complete. The current occupancy is 95% leased, of which 210 are replacement units. Of the off-site phases, City Square 162, which includes 76 rental units, is completed and fully leased. Due to COVID, the grand opening/ribbon cutting ceremony was delayed; however, the event did occur in April 2022.

Guste Phase III

Guste III was completed in December 2020. The site includes a single, four-story building that houses 49 units and also consists of duplexes and fourplexes that house a total of 106 apartments. The unit mix includes ACC, HCVP, and LIHTC units. Litigation with the original contractor is still ongoing.

Housing Authority of New Orleans
Management's Discussion and Analysis

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Bywater

HANO continues to work with its third-party developer, who is still performing predevelopment activities, including obtaining environmental clearances and securing financing. To date, the developer has submitted a its gap financing application to the state's housing financing agency and is preparing its application for a Payment in Lieu of Taxes (PILOT), tax-exempt bonds, and permits. All zoning approvals have been secured. When completed, the development will include 136 mix-income rental units.

Scattered Sites (Development)

- Florida (308 units) – all community outreach meetings have been held; therefore, the developer is moving forward with pre-development activities, including construction drawings for an 85-unit senior building, securing land for the proposed greenway, and securing financing.
- Christopher Park properties (204 units) – all initial financing including 4% LIHTC, funding from the City of New Orleans and the permanent first mortgage, had been secured and the project was slated to close in spring 2022. However, the development team is now in the process of securing additional funds to close the project's gap that resulted from increased insurance costs caused by Hurricane Ida.
- IRIS - the Uptown and West Carrollton projects (82 units) has received preliminary approval on its drawings and is now moving forward with a formal submission to the City to finalize its environmental clearances.

Highlights of Modernization Activities

Guste High Rise

Modernization work continues at the Guste High Rise. To date, repairs to the buildings electrical and roofing systems are underway. Customized electrical panels have been installed as well as new exterior lighting fixtures in the parking lots and corridors. The full scope of the electrical work is approximately 75% complete, while the roofing work is approximately 80% complete. The next planned capital improvements are the installation of new generators and fan coils.

Guste I

The Modernization team has procured a contractor to install new roofs on the remaining 21 of 25 buildings. The work is scheduled to start by May 2022.

Guste II

The Modernization team has completed replacements of the HVAC system.

Scattered Sites (Modernization)

HANO is currently creating a plan to address the modernization of all of the scattered sites. HANO has completed renovations of 7 of 16 units on the Westbank and are working to develop a scope of work to complete the remaining units as well as working with the asset management team to create renovation plans for our Downtown and Uptown sites.

Requests for Information

The financial report is designed to provide a general overview of HANO's finances for all those with an interest in the Housing Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Housing Authority of New Orleans, 4100 Touro Street, New Orleans, Louisiana, 70122.

Housing Authority of New Orleans

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government	Discrete Component Units 12/31/2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 82,183,246	\$ 2,976,026
Cash and cash equivalents - restricted	15,075,646	1,422,304
Investments - unrestricted	519,986	-
Investments - restricted	2,061,233	-
Receivables, net	18,199,302	15,628,615
Prepaid expenses	840,927	219,820
Total current assets	<u>118,880,340</u>	<u>20,246,765</u>
NONCURRENT ASSETS		
Cash and cash equivalents - restricted	504,036	-
Notes receivable - unrestricted	450,000	-
Notes receivable - restricted, net	200,026,695	-
Capital assets, net	185,996,684	69,521,308
Other noncurrent assets	736,478	342,506
Total noncurrent assets	<u>387,713,893</u>	<u>69,863,814</u>
Total assets	<u>506,594,233</u>	<u>90,110,579</u>
DEFERRED OUTFLOWS OF RESOURCES		
Post employment health benefits	<u>254,752</u>	<u>-</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	1,400,000	-
Accounts payable	4,042,848	262,133
Due to related parties	486,711	20,482,710
Tenant security deposits	213,289	71,615
Unearned revenue	324,017	24,213
Accrued liabilities	9,121,434	1,281,014
Total current liabilities	<u>15,588,299</u>	<u>22,121,685</u>
NONCURRENT LIABILITIES		
Accrued compensated absences	559,294	-
Family self-sufficiency escrow	504,036	-
Long-term debt	2,980,000	87,362,829
Unearned developer fees	5,219,203	-
Developer fees payable	-	6,111,319
Prepaid ground lease	2,655,384	-
Accrued other postemployment benefits	10,886,360	-
Total noncurrent liabilities	<u>22,804,277</u>	<u>93,474,148</u>
Total liabilities	<u>38,392,576</u>	<u>115,595,833</u>
DEFERRED INFLOWS OF RESOURCES		
Post employment health benefits	<u>2,761,274</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	185,996,684	(17,841,521)
Restricted	211,432,129	1,350,689
Unrestricted	68,266,322	(8,994,422)
Total net position	<u>\$ 465,695,135</u>	<u>\$ (25,485,254)</u>

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

Housing Authority of New Orleans

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended September 30, 2021

	Primary Government	Discrete Component Units 12/31/2020
OPERATING REVENUES		
HUD grants and subsidies	\$ 219,630,436	\$ -
Tenant revenue, net	3,734,409	1,961,629
Other grant revenue	-	945,552
Other revenues	4,196,985	1,527,445
Total operating revenues	<u>227,561,830</u>	<u>4,434,626</u>
OPERATING EXPENSES		
Administrative	12,640,044	404,131
Tenant services	4,455,182	153,013
Utilities	1,867,461	788,411
Ordinary maintenance	3,609,370	660,079
Protective services	1,417,351	459,970
General	10,974,420	885,869
Depreciation	3,129,262	2,883,307
Housing assistance payments	177,792,582	-
Total operating expenses	<u>215,885,672</u>	<u>6,234,780</u>
OPERATING INCOME (LOSS)	<u>11,676,158</u>	<u>(1,800,154)</u>
NONOPERATING REVENUES (EXPENSES)		
Bad debt - notes receivable	(13,077,219)	-
Interest income	164,130	5,639
Interest expense	(673,061)	(1,081,604)
Total nonoperating expenses	<u>(13,586,150)</u>	<u>(1,075,965)</u>
Change in net position before capital contributions	(1,909,992)	(2,876,119)
CAPITAL CONTRIBUTIONS		
HUD Capital grants	2,134,825	-
Change in net position	224,833	(2,876,119)
Total net position - beginning	469,091,533	(22,609,135)
Prior period adjustment (See note B-15)	(3,621,231)	-
Total net position - beginning, restated	<u>465,470,302</u>	<u>(22,609,135)</u>
Total net position - ending	<u>\$ 465,695,135</u>	<u>\$ (25,485,254)</u>

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

Housing Authority of New Orleans

STATEMENT OF CASH FLOWS

For the year ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 216,734,355
Collections from tenants	3,787,412
Collections from other sources	4,774,667
Payments to employees	(14,344,387)
Payments to suppliers	(11,778,142)
Housing assistance payments	<u>(177,792,582)</u>
Net cash provided by operating activities	<u>21,381,323</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

HUD capital grants received	2,134,825
Payments on long-term debt	(1,340,000)
Payments of interest	(680,516)
Investments in notes receivable	(1,591,243)
Collection of notes receivable	157,733
Purchase of property and equipment	<u>(812,197)</u>
Net cash used in capital and related financing activities	<u>(2,131,398)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>164,130</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS

	19,414,055
Cash and cash equivalents at beginning of year	<u>78,348,873</u>
Cash and cash equivalents at end of year	<u>\$ 97,762,928</u>

AS PRESENTED IN THE ACCOMPANYING STATEMENT OF NET POSITION:

Cash and cash equivalents - unrestricted current	\$ 82,183,246
Cash and cash equivalents - restricted current	15,075,646
Cash and cash equivalents - restricted noncurrent	<u>504,036</u>
	<u>\$ 97,762,928</u>

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

Housing Authority of New Orleans

STATEMENT OF CASH FLOWS (continued)

For the year ended September 30, 2021

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 11,676,158
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	3,129,262
Provision for bad debt, net of recoveries	153,771
(Increase) decrease in assets and deferred outflows:	
Receivables, net	4,122,397
Prepaid expenses	234,555
Deferred outflows of resources	(112,125)
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable	1,000,724
Tenant security deposits	18,185
Unearned developer fees	24,894
Unearned revenue - CARES Act	(3,013,538)
Unearned revenue - other	434
Accrued compensated absences	(87,952)
Family self-sufficiency escrow	45,415
Accrued liabilities other	4,722,691
Prepaid ground lease	(38,337)
Accrued OPEB	702,379
Deferred inflows of resources	(1,197,590)
Net cash provided by operating activities	<u>\$ 21,381,323</u>

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

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

The Housing Authority of New Orleans (“HANO” or the “Authority”) is a political subdivision of the State of Louisiana established on September 29, 1936, pursuant to the laws of the State of Louisiana, to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (“HUD”) and other Federal Agencies. The primary purpose of HANO is to provide safe, decent, sanitary, and affordable housing to low-income, elderly, and disabled families in New Orleans, Louisiana.

The Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board’s (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, *Defining the Financial Reporting Entity*, as the Board independently oversees the Authority’s operations.

The definition of the reporting entity as described by GASB Codification Section 2100 is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The Authority’s reporting entity is comprised of an enterprise fund which includes the activities of several housing programs and blended component units.

HANO is a related organization of the City of New Orleans since Commissioners are appointed by the Mayor of the City of New Orleans. The City of New Orleans is not financially accountable for HANO as it cannot impose its will on HANO and there is no potential for HANO to provide financial benefit to, or impose financial burdens on, the City of New Orleans. Accordingly, HANO is not a component unit of the City of New Orleans.

Blended component units

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are in substance part of the primary government. These component units are blended with the primary government. The purpose of the blended component units is to redevelop or construct mixed income affordable housing projects. One of the blended component units, Crescent Affordable Housing Corporation, and HANO served as co-developers with respect to those affordable housing projects.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

Crescent Affordable Housing Corporation (“CAHC”) was formed in December 2003 as a non-profit membership corporation, in which HANO serves as the sole member, for the purpose of coordinating the development of safe, decent and affordable housing to low and moderate-income citizens of New Orleans. CAHC is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the “Code”) as a supporting organization under Section 509(a)(3) of the Code, the sole purpose of which is to carry out the affordable housing mission of HANO.

Lune d'Or Enterprises, LLC (“Lune d'Or”), a Louisiana Limited Liability Company, whose sole member is CAHC, was formed in March 2004, as a for-profit entity. Lune d'Or currently serves as the managing member of several Louisiana limited liability companies, of which three of these entities each own a single affordable housing project qualified for low-income housing tax credits.

Place d'Genesis, LLC, a Louisiana Limited Liability Company, whose sole member is CAHC, was formed in January of 2007. The purpose of the Limited Liability Company is to acquire, finance, construct, redevelop and rehabilitate affordable and/or market rate housing as a for-profit subsidiary and on behalf of CAHC.

HANO Resident Loan Corporation, Inc. and New Orleans Works had little to no activity during the year ended September 30, 2021.

Discrete component units

The following component units meet the criteria for discrete presentation and are presented in the component unit column in the government-wide financial statements in order to clearly distinguish their balances and transactions from the primary government. The discrete component units have a fiscal year end of December 31, which differs from the Authority's year end. For consolidation purposes, the discrete information identified in these accompanying financial statements is presented as of and for the year ended December 31, 2020. The discrete component units are not considered governmental entities. Therefore they follow all applicable FASB standards and do not follow government accounting standards similar to the Authority. However, for presentation purposes in order to conform to the presentation of the Authority, certain transactions may be reflected differently in these financial statements than in separately issued information. Separately issued financial information for the discrete component units can be obtained from the Authority.

Fischer I, LLC, whose sole managing member is Lune d'Or, was formed in March 2004. The Fischer I project was financed using tax credit equity investments. The project includes 8 units that are required to be operated as Public Housing units.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Discrete component units (continued)

Fischer III, LLC, and ***Guste I, LLC***, whose sole managing member is Lune d'Or, were formed in December 2003. The Fischer III and Guste I projects were funded with mixed-financing which included funds borrowed pursuant to the Trust Indenture between HANO, JP Morgan Trust Company, NA and the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (the Bond Issuer), from the proceeds of the Capital Fund Program Revenue Bonds, Series A of 2003 (the Bonds), tax credit equity investment funds, construction loans from a conventional lender, and Affordable Housing Program grant funds from the Federal Home Loan Bank. Fischer III, LLC and Guste I, LLC include 69 units and 67 units, respectively, which are required to be operated as Public Housing units. Subsequent to year end, the investment member of Fischer III, LLC withdrew and HANO was added as the assigned member with a 99.99% ownership interest.

Guste Homes III, LLC whose sole managing member is CAHC, was formed in 2012. The project is funded with 4% tax exempt bonds, Capital Funds, Replacement Housing Factor Funds, FEMA, and program income. The project includes 109 units that are required to be operated as Public Housing units.

Related parties

The Authority has relationships with the for-profit limited partnerships listed below which were formed to develop and operate mixed finance housing properties. The Authority has no direct ownership interest in these entities but holds notes receivable as detailed in Note B-4 and provides limited program support on behalf of these entities:

St. Bernard I, LLC	Harmony Neighborhood Development, Inc.
St. Bernard II, LLC	Abundance Square Associates, LP
C.J. Peete I, LLC	Lafitte Redevelopment Blocks 1-3, LLC
ON Iberville Phase I, LLC	Lafitte Redevelopment Blocks 5-7, LLC
ON Iberville Phase II, LLC	New Savoy Place Apartments, LP
ON Iberville Phase III, LLC	New Savoy Place Phase II, LP
ON Iberville Phase IV, LLC	Magnolia Market Place, LLC.
ON Iberville Phase V, LLC	Treasure Village Associates, LP
ON Iberville Phase VI, LLC	LGD Rental I, LLC
ON Iberville Phase VII, LLC	LGD Rental II, LLC

These limited partnerships are not considered to be component units of the Authority and, therefore, are not a part of the reporting entity. As disclosed in Note A-4, the Authority has already entered into, or plans to enter into, Mixed-Finance Annual Contributions Contracts ("ACC") with these entities.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements

The government-wide financial statements report information about the reporting government as a whole excluding fiduciary activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities rely to a significant extent on user fees and charges for support.

Governments use fund accounting whereby funds are organized into three major categories: governmental, proprietary and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures/expenses.

For financial reporting purposes, the Authority reports all of its operations as a single business activity in a single enterprise fund. Therefore, the government-wide and the fund financial statements are the same.

Enterprise funds are proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating activities generally arise from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Authority consist primarily of rental charges to tenants, management fees, development fees and operating grants from the U.S. Department of Housing and Urban Development ("HUD") as well as the City and include, to a lesser extent, certain operating amounts of capital grants that offset operating expenses.

Operating expenses for the Authority include the cost of tenant services, general, administrative, maintenance, utilities, protective services, depreciation and housing assistance payments. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources, as needed.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

For financial reporting purposes, the Authority considers its HUD grants and pass through grants from the City associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. HUD and FEMA grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position.

As provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of \$153,771 in accounts written off.

4. Summary of programs

The accompanying basic financial statements include the activities of several housing programs of the Authority. A summary of each significant program is provided below.

Low Rent Public Housing Programs

The Low Rent Public Housing Programs include asset management projects ("AMPs"), which collect both operating and capital fund subsidy and various other related HUD grants.

The purpose of these programs is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained and managed by the Authority. The properties are acquired, developed and modernized under HUD's Development and Capital Fund programs. Funding of operations and development is provided by federal annual contributions, operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition and other allowances).

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs (continued)

Housing Assistance Payments Programs

The Housing Assistance Payments Programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. The Section 8 Housing Choice Voucher ("HCV"), Mainstream Vouchers, Section 8 Moderate Rehabilitation and Single Room Occupancy, and Section 8 New Construction programs are funded through federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants.

Revitalization of Severely Distressed Public Housing Program ("HOPE VI") and Choice Neighborhoods Implementation Grant ("CNI")

Revitalization grants enable the Authority to improve the living environment for public housing residents of severely distressed public housing projects through the demolition, substantial rehabilitation, reconfiguration, and/or replacement of severely distressed units. This helps to build sustainable mixed-income communities and provide well-coordinated, results-based supportive services that directly complement housing redevelopment and that help residents to achieve self-sufficiency. Funding for these programs was provided by grants from HUD.

Community Development Block Grant ("CDBG")

The activities of this program include redevelopment activities of the affected areas of the City undergoing revitalization of distressed public housing communities under the control of the Authority. This program is designed to acquire, construct and manage property within the City, as well as to perform contractual service in the field of housing management, and to assist in providing housing for low and moderate-income individuals.

Mixed Financing

The Authority has entered into, or plans to enter into, Mixed-Finance Annual Contributions Contracts approved by HUD to provide public housing funding for the ACC units at the developments owned by the limited partnerships listed as related parties in Note A-1. HUD, through the Authority, has provided funds through various grants for a number of the developments. As disclosed in Note B-4, a portion of the funds received by the Authority from HUD have been loaned to the respective related parties and are presented as mortgage notes receivable.

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position

a. *Cash and cash equivalents*

For financial statement purposes cash and cash equivalents are considered to be amounts in demand deposits, interest-bearing demand deposits, and time deposits and other investments with original maturities of three months or less. Under state law, HANO may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

b. *Investments*

As required by GASB Codification Section 150, *Investments*, investments are measured at fair value, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial statement purposes, investments typically consist of U.S. Treasuries and certificates of deposit with an original maturity of three months or greater. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by HANO's agent in HANO's name. It is HANO's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Louisiana.

The Authority categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Authority does not have any investments that are measured using Level 2 or 3 inputs.

c. *Receivables*

Receivables, net consist of revenues earned at year-end and not yet collected. Amounts presented as due from HUD principally result from grant revenue being accrued for allowable program expenses not yet funded. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs and reimbursement receivables from various parties in the normal course of business. An allowance for uncollectible amounts is estimated by management based on historical collection experience and a review of the current status of accounts receivable (see Note B-2).

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

d. Notes receivable

A significant portion of the notes receivable represent loans to related parties (see Note A-1). The Authority subordinated mortgage loans to the related parties in conjunction with financing arrangements related to the development of mixed-income, multifamily rental communities, in most cases, on land owned by the Authority. Such loans are generally interest-bearing and are payable from cash flow from the property owned by each respective related party. Such loans are typically funded from FEMA, HOPE VI, CNI, and Capital fund grants and Section 901 Fungibility programs, representing a significant portion of the construction costs associated with the Authority-assisted component of the mixed income rental property. Because interest and principal on these loans are subordinated and are contingent on cash flow from the property, interest income recognition does not occur until payments are received or are reasonably expected to be received.

The Authority also earns developer and other fees associated with the development project. Developer fees are recorded at the time of the financial closing for the public and private funds for a particular phase of the development.

For those mortgage notes receivable where HANO or affiliates do not have an ownership interest, or a controlling interest in the project, HANO retains the legal rights as the lender, and will pursue collection, in accordance with the original terms of the notes, which provides for extended due dates of loan payments, usually 40 years or more. HANO has concluded that the primary value of these transactions to HANO are the rights received, whereby the owner/developer provides a set number of public housing units over the contract period, usually 40 years or more. Therefore, HANO amortizes these rights (loan balance) and previously recorded accrued interest on a straight line basis over the remaining life of the agreements. During the fiscal year ended September 30, 2021, the allowance for doubtful accounts for notes receivable was increased by \$13,077,219, of which \$6,308,561 is a direct write off of a portion of the Guste Homes III, LLC note receivable (see Note B-4 and Note B-14).

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

d. Notes receivable (continued)

The Authority reviews Notes Receivable and Contract Rights for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the asset are less than the carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. Management has determined that there were no impairment losses to be recognized during the year ended September 30, 2021.

Mortgage notes receivable - principal

HANO is required to fund a portion of capital in the form of loans usually in a third or fourth security position. HANO has agreed to annual subsidy support from the HUD Annual Contributions Contract (ACC), and has received a commitment from the owner/developer to maintain a set number of public housing units over the term of the agreement, generally 40 years or more. With respect to all of these projects, HANO owns the land and has executed a ground lease with the owner/developer. Additionally, after completion of the tax credit compliance period, HANO has a right of first refusal and/or a purchase option at fair value.

Mortgage notes receivable - interest

Due to the uncertainty created by the extended time period to repayment and the provisions on certain notes that limits payment to defined surplus cash or net cash flows, HANO has ceased accruing interest on all mortgage notes receivable, except pre-development loans of short maturity. Interest revenue will be recognized when received.

Notes receivable with discrete component units

HANO has notes receivable with component units. The component units have a December 31st year end. Due to the difference in fiscal year end, there may also be a difference in amounts reflected as a receivable by HANO as compared to the corresponding payable reflected by the component unit.

For those projects where HANO or affiliates have an ownership interest in the project, HANO amortizes the loan balances on the straight-line basis over the remaining life of the loans and removes amounts past due as they are deemed uncollectible.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

e. Investments in joint ventures

The Authority's blended component unit, CAHC, accounts for its ownership in Partnerships using the equity method. Under the equity method, the initial investment is recorded at cost, and then increased or decreased by the Authority's share of income or losses and decreased by distributions. These entities are considered to be related parties of the Authority (see Note A-1).

f. Capital assets

The Authority's policy is to capitalize assets with a value in excess of \$5,000 and a useful life in excess of two years. The Authority capitalizes the costs of site acquisition and improvement, structures, infrastructure, equipment and direct development costs meeting the capitalization policy. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at fair value on the date contributed. Depreciation commences on modernization and development additions in the year following completion, or in the fifth year if the program is 90% complete. HANO treats all computers as fixed assets regardless of value and depreciates over 3 years. When land, buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

Asset Category	Useful Life
Furniture	5 years
Vehicles	5 years
Equipment	10 years
Buildings and improvements	27.5 - 40 years

g. Prepaid items

Payments over \$5,000 made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items. The Authority's prepaid items consist of insurance, software, and other prepaid expenses in the amount of \$840,927.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

h. Deferred outflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources until then. The Authority's balance of deferred outflows of resources relates to funding of the accrued OPEB liability (see Note B-8).

i. Tenant security deposits

Tenant security deposits are deposits held by the Authority that are required of tenants before they are allowed to move into an Authority owned site. The Authority records this cash as restricted, with an offsetting liability, as these funds may be reimbursable to the tenant when they move out.

j. Accrued compensated absences

Compensated absences are those absences for which employees will be paid, such as annual vacation and sick leave. A liability for compensated absences for annual/vacation leave that is attributable to services already rendered and that is not contingent on a specific event, outside the control of HANO and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of HANO and its employees are accounted for in the period in which such services are rendered or in which such events take place.

k. Unearned revenues

Unearned revenues include amounts collected before revenue recognition criteria are met. The unearned items consist of developer fees received but not yet earned of \$5,395,212, prepaid rents of \$71,334 and prepaid ground leases of \$2,732,058. Of these amounts, \$5,219,203 of developer fees and \$2,655,384 of prepaid ground leases are presented as noncurrent liabilities.

l. Other Post-Employment Benefits ("OPEB") liability

Substantially all employees of the Authority participate in the Office of Group Benefits ("OGB") State of Louisiana Post-Retirement Benefit Plan (the "Plan"). For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB liability, OPEB expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (see Note B-8).

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

l. Other Post-Employment Benefits ("OPEB") liability (continued)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

m. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and thus, will not be recognized as an inflow of resources until then. The Authority's balance of deferred inflows of resources relates to funding of the OPEB liability (see Note B-8).

n. Eliminations

For financial reporting purposes, certain amounts are internal and are therefore eliminated in the accompanying financial statements. The following have been eliminated from the financial statements:

i.) Interprogram due to/from

In the normal course of operations, certain programs may pay for common costs or advance funds for operations that create interprogram receivables or payables. In addition, certain programs have operating and construction deficits and need to borrow funds from other programs. The interprogram receivables and payables net to zero and as of September 30, 2021, \$6,106,311 is eliminated for the presentation of the Authority as a whole.

ii.) Fee for service

The Authority's COCC internally charges fees to the AMPs and programs of the Authority. These charges may include management fees, bookkeeping fees, and asset management fees. For financial reporting purposes \$9,968,372 of fee for service charges have been eliminated for the year ended September 30, 2021.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows and net position (continued)

o. Net position

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity as of September 30, 2021, is classified into three components of net position:

i.) Net investment in capital assets

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii.) Restricted component of net position

This category consists of components of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$211,432,129 of restricted net position which consists of the following:

- \$206,335,256 of notes receivable and related interest that were loaned using HUD funds and therefore are restricted upon repayment by HUD guidelines (see Note B-4);
- \$4,697,506 of restricted escrows and reserves; and
- \$399,367 of unspent housing assistance payments.

iii.) Unrestricted component of net position

This category includes all of the remaining net position that does not meet the definition of the other two components. Certain amounts of unrestricted net position, even though categorized as unrestricted in accordance with generally accepted accounting standards, are still programmatically restricted based on the funding streams provided by HUD.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Budgets

Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

7. Income taxes

The Authority is a governmental entity and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been made in the financial statements. The Authority's component units are subject to the income tax provisions of Louisiana Statutes and the Internal Revenue Code.

The Authority's component units account for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

For the year ended September 30, 2021, the Authority's component units made no provision or liability for federal income taxes. The Authority's component units income tax filings are subject to audit by various taxing authorities. The open audit periods for these entities are 2017 through 2021.

8. Leasing activities

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the lease only for cause. In addition, a significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

10. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally are measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. Management has determined that long-lived assets were not impaired at September 30, 2021.

11. Annual contribution contracts

Annual Contribution Contracts (ACC) provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of HANO's financing and contribution status for the Annual Contribution Contracts is determined by HUD based upon financial reports submitted by HANO.

12. Impact of recently issued accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority's September 30, 2022 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES

1. Deposits and investments

As of September 30, 2021, the Authority's cash and cash equivalents consist of demand deposits of \$97,762,928. As of September 30, 2021, the Authority's investments consist of U.S. Treasuries with a fair value of \$2,061,233 and certificates of deposit in the amount of \$519,986.

In accordance with GASB Codification Sections C20, *Cash Deposits with Financial Institutions*, and I50, *Investments*, the Authority's exposure to risk is disclosed as follows:

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. The Authority's deposits are insured by the Federal Depository Insurance Corporation up to \$250,000, per financial institution, per depositor. As of September 30, 2021, none of the Authority's bank balance was exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the relative value of a security will decline due to a change in interest rates. The Authority's policy to limit its exposure to declines in fair value of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of September 30, 2021, the Authority mitigated their exposure to interest rate risk by primarily investing in certificates of deposit and following HUD regulations.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of September 30, 2021, the Authority mitigated their exposure to credit risk by primarily investing in certificates of deposit and following HUD regulations. The U.S. Treasuries held by the Authority are rated Aaa.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

1. Deposits and investments (continued)

Restricted cash, cash equivalents, and investments

Cash and cash equivalents were restricted for the following purposes at September 30, 2021:

Current:	
HCV HAP reserves	\$ 399,367
Other HAP reserves	186,288
Modernization and development	2,037,278
Tenant security deposits	213,289
Family self-sufficiency escrow	339,231
AMP prepaid ground leases	2,693,721
Emergency rental payment funds	5,655,346
Other reserves and escrows	<u>3,551,126</u>
Subtotal current	15,075,646
Noncurrent:	
Family self-sufficiency escrow	<u>504,036</u>
Total restricted cash and cash equivalents	<u><u>\$ 15,579,682</u></u>

At September 30, 2021, restricted investments of \$2,061,233 consist of funding that originated from the Community Development Block Grant program.

2. Receivables, net

As of September 30, 2021, receivables, net consist of:

Due from HUD	\$ 1,534,122
Fraud recovery	67,085
Tenant receivables	206,066
Due from other governments	4,317,140
Due from related parties	3,623,072
Developer fee receivable from related parties	6,111,319
Due from HCV landlords	12,934
Other receivables	<u>2,532,518</u>
Total receivables	18,404,256
Allowance for doubtful accounts - tenants	(136,686)
Allowance for doubtful accounts - fraud recovery	(67,085)
Allowance for doubtful accounts - HCV landlords	<u>(1,183)</u>
Total receivables, net	<u><u>\$ 18,199,302</u></u>

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

3. Capital assets

A summary of changes in capital assets is as follows:

	Balance at October 1, 2020	Transfers in/ Additions	Transfers out/ Reductions	Balance at September 30, 2021
Non-depreciable:				
Land and land improvements	\$ 50,343,995	\$ 21,840	\$ -	\$ 50,365,835
Infrastructure	79,667,751	-	(8,160,231)	71,507,520
Construction in progress	180,150	-	(180,150)	-
Total non-depreciable	130,191,896	21,840	(8,340,381)	121,873,355
Depreciated:				
Buildings and improvements	90,733,092	845,837	-	91,578,929
Equipment - administrative	7,466,803	124,670	-	7,591,473
Equipment - dwelling	160,769	-	-	160,769
Total depreciated	98,360,664	970,507	-	99,331,171
Total capital assets	228,552,560	992,347	(8,340,381)	221,204,526
Less accumulated depreciation				
Buildings and improvements	(24,928,296)	(2,984,053)	-	(27,912,349)
Equipment - administrative	(7,061,870)	(132,328)	-	(7,194,198)
Equipment - dwelling	(88,414)	(12,881)	-	(101,295)
Total accumulated depreciation	(32,078,580)	(3,129,262)	-	(35,207,842)
Capital assets, net	\$ 196,473,980	\$ (2,136,915)	\$ (8,340,381)	\$ 185,996,684

During the fiscal year, it was determined that the balance of infrastructure included \$8,160,231 of assets owned by a discretely presented component unit. This amount has been reflected as a prior period adjustment for the year ended September 30, 2021 (see Note B-15).

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

3. Capital assets (continued)

Discretely Presented Component Units

A summary of changes in capital assets for the Authority's discretely presented component units is as follows, for the fiscal year ending December 31, 2020:

	Balance at January 1, 2020	Transfers in/ Additions	Transfers out/ Reductions	Balance at December 31, 2020
Non-depreciable:				
Land and land improvements	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total non-depreciable	-	-	-	-
Depreciated:				
Buildings and improvements	85,858,292	113,830	-	85,972,122
Equipment	881,823	39,303	-	921,126
Land improvements	4,860,619	-	-	4,860,619
Total depreciated	91,600,734	153,133	-	91,753,867
Total capital assets	91,600,734	153,133	-	91,753,867
Total capital assets				
Less accumulated depreciation				
Buildings and improvements	(14,799,621)	(2,705,965)	-	(17,505,586)
Equipment - dwelling	(841,226)	(9,892)	-	(851,118)
Land improvements	(3,708,405)	(167,450)	-	(3,875,855)
Total accumulated depreciation	(19,349,252)	(2,883,307)	-	(22,232,559)
Capital assets, net	<u>\$ 72,251,482</u>	<u>\$ (2,730,174)</u>	<u>\$ -</u>	<u>\$ 69,521,308</u>

4. Notes, loans, and mortgages receivable

A summary of changes in notes, loans, and mortgage receivables and related interest accruals and allowance for doubtful accounts is presented on the following page:

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

Notes Receivable:	Beginning Balance October 1, 2020	Advances	Receipts	Gross Notes Receivable	Accrued Interest Receivable	Allowance for Doubtful Accounts	Total Balance September 30, 2021
BW Cooper I and IA (Marrero Commons - 1A)	\$ 22,863,911	\$ -	\$ -	\$ 22,863,911	\$ 23,743,555	\$ (45,650,900)	\$ 956,566
BW Cooper IB (Marrero Commons - 1B)	14,923,149	-	-	14,923,149	7,320,092	(11,112,541)	11,130,700
COCC Advances - unrestricted	450,000	-	-	450,000	-	-	450,000
Fischer I	1,750,359	-	-	1,750,359	1,644,712	(2,134,708)	1,260,363
Fischer III	19,813,954	-	-	19,813,954	7,948,244	(23,613,715)	4,148,483
Guste I	13,650,748	-	-	13,650,748	3,778,358	(7,062,520)	10,366,586
Guste III	33,130,685	-	-	33,130,685	-	-	33,130,685
FEMA Guste III	11,646,896	-	-	11,646,896	-	(6,308,561)	5,338,335
Homeownership (HOPE IV)	1,896,591	-	-	1,896,591	-	-	1,896,591
New Savoy Place Apartments	8,900,000	-	-	8,900,000	-	(5,776,419)	3,123,581
New Savoy Place Apartments II	4,890,000	-	-	4,890,000	5,611,141	(8,302,514)	2,198,627
St. Bernard I	26,735,708	-	(66,829)	26,668,879	8,782,569	(16,153,669)	19,297,779
St. Bernard IIA	4,778,715	-	(45,000)	4,733,715	-	(1,005,677)	3,728,038
St. Bernard IIB	4,706,080	-	(45,904)	4,660,176	-	(994,077)	3,666,099
St. Bernard III	316,087	-	-	316,087	-	(316,087)	-
Abundance Square	2,223,643	-	-	2,223,643	-	(1,182,349)	1,041,294
CJ Peete I	40,899,966	-	-	40,899,966	1,158,000	(17,650,881)	24,407,085
Iberville Phase I	8,843,948	-	-	8,843,948	2,690,284	(4,607,560)	6,926,672
Iberville Phase II	6,448,874	-	-	6,448,874	1,835,425	(3,143,969)	5,140,330
Iberville Phase III	8,866,073	-	-	8,866,073	2,985,839	(4,878,554)	6,973,358
Iberville Phase IV	16,394,752	-	-	16,394,752	1,666,802	(4,080,184)	13,981,370
Iberville Phase V	7,118,404	-	-	7,118,404	296,432	(1,135,313)	6,279,523
Iberville Phase VI	2,703,832	-	-	2,703,832	115,962	(606,086)	2,213,708
Iberville Phase VII	8,000,000	-	-	8,000,000	188,441	(965,494)	7,222,947
Lafitte I Redevelopment Blocks 1-3, LLC	6,727,905	-	-	6,727,905	1,393,243	(4,148,471)	3,972,677
Lafitte II Redevelopment Blocks 5-7, LLC	6,653,226	-	-	6,653,226	1,642,458	(5,032,298)	3,263,386
Treasure Village	1,124,091	-	-	1,124,091	1,633,952	(2,030,124)	727,919
St. Thomas LGD	20,602,535	-	-	20,602,535	4,378,265	(15,117,249)	9,863,551
St. Thomas LGD II	1,408,574	-	-	1,408,574	207,421	(637,758)	978,237
Magnolia Marketplace	892,920	-	-	892,920	163,711	(394,669)	661,962
City Square	4,539,000	1,591,243	-	6,130,243	-	-	6,130,243
	<u>\$ 313,900,626</u>	<u>\$ 1,591,243</u>	<u>\$ (157,733)</u>	<u>\$ 315,334,136</u>	<u>\$ 79,184,906</u>	<u>\$ (194,042,347)</u>	<u>\$ 200,476,695</u>

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

HUD has provided funding to the Authority for the development of the mixed finance properties owned by related parties of the Authority. As funds were received by the Authority from HUD, they were loaned to the respective related parties and the Authority's affiliates. When the notes, which originated through HUD grants, are paid back they will be considered restricted program income to be used for similar project developments in the future. As of September 30, 2021, \$200,026,695 of the notes, loans, and mortgages receivable is classified as restricted. Recording additional interest receivable ceased on October 1, 2008 for related party notes (see Note A-5-d).

BW Cooper IA

On June 16, 2011, HANO advanced funds for the BW Cooper development project, which consisted of a \$37,700,000 loan and a \$20,378,290 Bridge loan. On August 29, 2013, the BW Cooper project officially created two phases, Phase IA and Phase IB, with the maximum principal amount for the Phase IA loan being reduced from \$37,700,000 to \$19,911,678. The loan maturity for the Phase IA loan is May 1, 2061 and the interest rate is 5% per annum. As of September 30, 2021, the principal for these loans was \$22,863,911.

BW Cooper IB

As part of the split mentioned above, HANO advanced funds of \$15,318,480 for Phase IB of the BW Cooper development project. The loan maturity for this phase is September 1, 2068 and the interest rate is 5% per annum.

COCC Development Advances (Fischer I and Fischer III)

HANO has advanced funds related to Fischer I and Fischer III development project. As of September 30, 2021, the balance outstanding was \$100,000 and \$350,000 for Fischer I and Fischer III, respectively. The \$450,000 is classified as unrestricted on the Statement of Net Position.

Fischer I, LLC

On January 20, 2005, HANO entered into a program income loan construction mortgage note with Fischer I, LLC, a discrete component unit, in the original amount of \$196,300. The loan bears interest at the applicable federal rate. The note accrues interest at 4.76% per annum. All outstanding principal and accrued interest are due January 1, 2060.

On February 1, 2007, HANO made a term mortgage note of \$1,424,059 using Capital Funds with Fischer I, LLC. The loan bears interest at the applicable federal rate. All unpaid principal and interest is due on January 1, 2060. The note accrues interest at 4.72% per annum. Payments on the loan are paid from surplus cash.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

Fischer I, LLC (continued)

On November 1, 2006, HANO made a Supplementary loan agreement with Fischer I, LLC in the maximum original amount of \$130,000. The note was issued for the purpose of paying construction cost overruns incurred due to Hurricane Katrina. No interest will be charged on this note. Principal shall be payable in monthly installments from surplus cash. Full repayment of any outstanding principal will be due at maturity on November 1, 2061.

Fischer III, LLC

On January 20, 2005, HANO entered into a construction mortgage note receivable with Fischer III, LLC, a discrete component unit, in the original amount of \$14,710,628. Subsequently, the Authority provided \$1,694,093 of additional funds. On February 1, 2007, the original maturity date, the promissory note became a Term Mortgage note with a maturity date of January 31, 2060 and is secured by a Multiple Indebtedness Mortgage when the remaining equity is received. The current interest rate is 3% per annum.

On January 20, 2005, HANO entered into a program income loan construction mortgage note with Fischer III, LLC in the original amount of \$344,314. The note accrues interest at 0.5% per annum. All outstanding principal and accrued interest are due January 1, 2060.

On November 1, 2006, HANO made a Supplementary loan agreement with Fischer III, LLC in the maximum original amount of \$3,064,919. The note was issued for the purpose of paying construction cost overruns incurred due to Hurricane Katrina. No interest will be charged on this note. Principal shall be payable in monthly installments from surplus cash. Full repayment of any outstanding principal will be due at maturity on November 1, 2061.

Guste I, LLC

On January 20, 2005, HANO entered into a construction mortgage note with Guste I, LLC, a discrete component unit, in the original amount of \$10,634,312. On February 1, 2007, the original maturity date, the promissory note became a Term Mortgage note of \$11,470,249. The note accrues interest at 3% per annum. All outstanding principal and accrued interest are due at January 31, 2060.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

Guste I, LLC (continued)

On January 20, 2005, HANO entered into a program income loan construction mortgage note with Guste I, LLC in the original amount of \$248,999. The note accrues interest at 3% per annum. All outstanding principal and accrued interest are due at January 31, 2060.

On November 1, 2006, HANO has a Supplementary loan agreement with Guste I, LLC in the maximum original amount of \$2,939,498. The note was issued for the purpose of paying cost overruns incurred due to Hurricane Katrina. No interest will be charged on this note. Principal shall be payable in monthly installments from surplus cash. Full repayment of any outstanding principal will be due at maturity on November 1, 2061.

Guste Homes III, LLC and FEMA

On November 14, 2013, HANO advanced funds related to the Guste Homes III development project in the original amount of \$38,628,000. The interest rate is zero percent. In addition, HANO has advanced \$11,646,896 awarded under the FEMA grant related to the Guste Homes III development project as well as additional Authority reserves.

Homeownership Loans (C.J. Peete/Harmony Neighborhood Development)

On June 15, 2009, HANO entered into a \$4,703,598 Construction Mortgage Note with Harmony Neighborhood Development, formerly N.O.N.D.C, LLC, for the construction of 22 homeownership units at C.J. Peete. On September 25, 2013 the Construction Mortgage note was amended and restated to \$4,786,375. This note bears no interest and matures on various dates when the units are sold.

New Savoy Place Apartments

On June 5, 2008, HANO entered into a mortgage note with New Savoy Place Apartments, LP, for \$17,356,600. The note bears no interest. All outstanding principal is due June 1, 2048.

On February 1, 2010, HANO entered into a mortgage note with New Savoy Place Phase II, LP for \$9,156,128. The note accrues interest at 4.44% per annum. All outstanding principal and accrued interest are due at February 1, 2050.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

St. Bernard I, LLC (St. Bernard Rental I, LLC)

On December 8, 2008, HANO has a Development Loan Mortgage Note in the amount of \$15,478,475 for the construction of mixed income housing at St. Bernard Phase I. The construction mortgage loan matures on January 1, 2056 and has an interest rate of 3.50% per annum.

On December 1, 2008, HANO advanced funds in the amount of \$11,500,000 related to the St. Bernard I development project. The loan maturity is January 1, 2056 and is non-interest bearing.

New St. Bernard II

On June 1, 2010, HANO entered into a Development Loan Mortgage Note in the amount of \$4,930,147 for Phase IIA of the St. Bernard Redevelopment. The loan maturity date is June 1, 2065 and the interest rate is zero percent. Principal payments may be made from operating cash flow as defined in the Amended and Restated Operating Agreement. All unpaid principal is due at maturity.

On September 1, 2011, HANO entered into a Development Loan Mortgage Note in the amount of \$4,950,000 for Phase IIB of the St. Bernard Redevelopment. The loan maturity date is September 1, 2066 and the interest rate is zero percent. Principal payments may be made from operating cash flow as defined in the Amended and Restated Operating Agreement. All unpaid principal is due at maturity.

St. Bernard III (Solar Panels)

On August 1, 2012, HANO advanced funds in the amount of \$400,000 related to the St. Bernard III solar project. The loan maturity was August 1, 2019 and was non-interest bearing. As of September 30, 2021, a balance of \$316,087 remains to be collected.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

Abundance Square Associates

On October 28, 2002, HANO entered into a note with Abundance Square Associates, Limited Partnership in the maximum original amount of \$2,577,025. The note was issued to partially finance the construction of public housing, which will be owned and operated by the borrower. The promissory note is secured by a Multiple Indebtedness Leasehold Mortgage and Security Agreement and Assignment of Leases and Rents. The loan bears interest at the applicable federal rate. The interest rate on the note is 4.78%. All outstanding principal and accrued interest is due at December 31, 2043.

C.J. Peete I, LLC - (CJP Rental I, LLC)

On December 30, 2008, HANO entered into a Development Loan Mortgage Note (C.J. Peete I) in the amount of \$41,423,000 for the partial construction of a mixed income redevelopment at C.J. Peete. The loan maturity is December 31, 2053 and the interest rate is zero percent. Any payments due under this note shall be payable from permitted distributions from Net Cash Flow as stated in the Amended and Restated Operating Agreement as per the Maker.

Iberville Phase I

On December 20, 2013, HANO advanced funds totaling \$12,266,431 for the Iberville Phase I development project. The loan maturity is January 1, 2069 and the interest rate is 1% per annum.

Iberville Phase II

On December 20, 2013, HANO advanced funds totaling \$8,371,860 for the Iberville Phase II development project. The loan maturity is January 1, 2069 and the interest rate is 1% per annum.

Iberville Phase III

On December 18, 2014, HANO entered into an agreement to advance funds up to the total amount of \$13,671,241 for the Iberville Phase III development project. The loan maturity is January 1, 2070 and the interest rate is 2.5% per annum.

Iberville Phase IV

On November 19, 2015, HANO entered into an agreement to advance funds up to the total amount of \$20,116,687 for the Iberville Phase IV development project. The loan maturity is January 1, 2071 and the interest rate is 1% per annum.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

Iberville Phase V

On December 9, 2016, HANO entered into an agreement to advance funds up to the total amount of \$8,216,730 for the Iberville Phase V development project. The loan maturity is January 1, 2072 and the interest rate is 1% per annum.

Iberville Phase VI

On December 9, 2016, HANO entered into an agreement to advance funds up to the total amount of \$4,802,158 for the Iberville Phase VI development project. The loan maturity is January 1, 2072 and the interest rate is 1% per annum.

Iberville Phase VII

On December 14, 2017, HANO entered into an agreement to advance funds up to the total amount of \$9,232,257 for the Iberville Phase VII development project. The loan maturity is January 1, 2073 and the interest rate is 1% per annum.

Lafitte I Redevelopment Blocks 1-3, LLC

On August 26, 2009, HANO advanced funds totaling \$6,727,905 related to the Lafitte I development project. The loan maturity is March 31, 2059 and the interest rate is 1% per annum.

Lafitte II Redevelopment Blocks 5-7, LLC

On August 26, 2009, HANO advanced funds totaling \$6,896,395 related to the Lafitte II development project. The loan maturity is March 31, 2061 and the interest rate is 1% per annum.

Treasure Village Associates

On August 27, 2003, HANO entered into a note with Treasure Village Associates, Limited Partnership in the original amount of \$1,100,000. Subsequently, the Authority provided \$24,091 of additional funds. The note was issued to partially finance the construction of public housing, which will be owned and operated by the borrower. The Promissory Note is secured by Multiple Indebtedness Leasehold Mortgage and Security Agreement and Assignment of Leases and Rents. The interest rate on the note is 5%. All outstanding principal and accrued interest is due at December 31, 2053.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

4. Notes, loans, and mortgages receivable (continued)

St. Thomas HOPE VI - (LGD)

On October 1, 2003, HANO entered into a note with LGD Rental I, LLC (LGD) in the original amount of \$13,360,800. The note was issued to partially finance the rehabilitation and revitalization of HOPE VI apartment complexes. The Promissory Note is secured by a Third Leasehold Mortgage and Security Agreement. The note accrues interest at 1% per annum. Principal and accrued interest are payable from cash flow, as defined. All outstanding principal and accrued interest are due at October 1, 2043.

On October 1, 2003, HANO entered into a note with LGD Rental I, LLC in the original amount of \$10,519,620. The note was issued to partially finance the rehabilitation and revitalization of HOPE VI apartment complexes. The Promissory Note is secured by a Fourth Leasehold Mortgage and Security Agreement. The note accrues interest at 1% per annum. Principal and interest are payable from cash flow, as defined. All outstanding principal and accrued interest are due at October 1, 2043.

St. Thomas HOPE VI - (LGD II)

On December 12, 2007, HANO entered into a note with LGD Rental II, LLC (LGD II) in the original amount of \$1,881,000. The note was issued to partially finance the rehabilitation and revitalization of HOPE VI apartment complexes. The Promissory Note is secured by a HOPE VI Mortgage and Security Agreement. The note accrues interest at 1% per annum. Principal and interest are payable from cash flow, as defined. All outstanding principal and accrued interest is due at January 1, 2064.

Magnolia Marketplace

On December 23, 2013, HANO entered into a loan agreement in the amount of \$892,920 related to the Magnolia Marketplace. The loan maturity is December 31, 2043 and the interest rate is 1% per annum.

City Square 162

On January 13, 2021, HANO entered into a note agreement with WD Phase I, Limited Partnership in the original amount of \$6,130,143 for the City Square development project. The interest rate on the note is 1%. All outstanding principal and accrued interest is due at January 13, 2070.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

5. Ground leases

HANO entered into a number of long term ground leases as the lessor with entities not controlled by HANO. For three of these leases, a portion of the lease was prepaid at inception. The revenue from these leases was unearned when collected and is being earned over the life of these respective leases. During the year ended September 30, 2021, \$38,337 was recognized as other income. As of September 30, 2021, \$2,693,721 is the total remaining balance of the unearned portion of the prepaid ground leases, of which \$2,655,384 is included as a noncurrent liability on the accompanying statement of net position.

6. Other accrued liabilities

As of September 30, 2021, other accrued liabilities consist of:

Accrued salaries and benefits	\$	25,799
Accrued compensated absences - current		719,711
Accrued interest payable		24,362
Family self-sufficiency escrow - current		339,231
Accrued liabilities		3,434,450
Emergency rental payment liability		4,263,926
Other current liabilities		<u>313,955</u>
Total other accrued liabilities	\$	<u>9,121,434</u>

7. Noncurrent liabilities

A summary of changes in noncurrent liabilities is as follows:

	Payable at October 1, 2020	Additions	Reductions	Payable at September 30, 2021	Due within one year
Capital Fund Program Revenue					
Bonds - Series A of 2003	\$ 5,720,000	\$ -	\$ (1,340,000)	\$ 4,380,000	\$ 1,400,000
FSS Escrow	797,852	179,489	(134,074)	843,267	339,231
Compensated absences	1,366,957	541,268	(629,220)	1,279,005	719,711
Deferred developer fees	5,194,309	27,229	(2,335)	5,219,203	-
Prepaid ground leases	2,732,058	-	(38,337)	2,693,721	38,337
Accrued OPEB	10,183,981	1,395,254	(692,875)	10,886,360	-
Total	<u>\$ 25,995,157</u>	<u>\$ 2,143,240</u>	<u>\$ (2,836,841)</u>	<u>\$ 25,301,556</u>	<u>\$ 2,497,279</u>

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Capital Fund Program Revenue Bonds - Series A of 2003

Pursuant to a Trust Indenture between HANO, the Industrial Development Board of the City of New Orleans, Louisiana, Inc. and J.P. Morgan Trust Company, NA dated December 1, 2003, bonds in the amount of \$49,250,000 titled "Capital Fund Program Revenue Bonds Series A of 2003" have been issued. The proceeds of the bonds were used to finance loans to fund a portion of the construction and development costs of three affiliated entities: Guste I, LLC, Florida II-a, LLC and Fischer III, LLC. The portion of the bonds related to Florida II-a, LLC were redeemed during 2007 in the amount of \$21,700,000. The managing member of each of these affiliates is Lune d'or Enterprises, LLC, whose sole member is Crescent Affordable Housing Corporation. As discussed in Note A-1, HANO is the sole member of Crescent Affordable Housing Corporation.

The bonds bear interest at a rate of 4.45% and require interest payable each June 1st and December 1st. Principal payments of varying amounts are due annually beginning December 1, 2004, with a final maturity date of December 1, 2023.

HANO, with the approval of HUD, has pledged a portion of its Replacement Housing Factor funds (a component of its annual Capital Fund grants from HUD) as security for payment of principal and interest on the bonds.

Future principal payments as of September 30, are as follows:

	Principal	Interest
2022	\$ 1,400,000	\$ 163,760
2023	1,460,000	100,125
2024	1,520,000	33,820
	\$ 4,380,000	\$ 297,705

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Discretely Presented Component Units

A summary of changes in noncurrent liabilities for the Authority's discretely presented component units is as follows, for the fiscal year ending December 31, 2020:

	Payable at January 1, 2020	Additions	Reductions	Payable at December 31, 2020	Current Portion
Fischer I:					
Capital funds note	\$ 1,424,059	\$ -	\$ -	\$ 1,424,059	\$ -
Program income note	196,300	-	-	196,300	-
Supplemental loan	130,000	-	-	130,000	-
Affordable Housing loan	100,000	-	-	100,000	-
Fischer III:					
Mortgage note	14,710,628	-	-	14,710,628	-
Supplemental loan	3,064,919	-	-	3,064,919	-
Affordable Housing loan	350,000	-	-	350,000	-
Program income loan	344,314	-	-	344,314	-
Deferred financing fees, net	(153,056)	-	37,690	(115,366)	-
Guste I:					
Mortgage note	12,672,614	-	-	12,672,614	-
Supplemental loan	2,039,988	-	-	2,039,988	-
Construction loan	140,511	-	-	140,511	-
Debt issuance costs	(220,451)	-	69,660	(150,791)	-
Guste III:					
Mortgage note payable	52,455,653	-	-	52,455,653	-
Total	\$ 87,255,479	\$ -	\$ 107,350	\$ 87,362,829	\$ -

Fischer I

Capital Funds Note

During 2005, Fischer I, LLC entered into a Capital Funds Note with HANO to provide financing for the development of the Project. During 2007, there was an addition to the balance of this loan when HANO reimbursed JPMorgan Chase Bank for an outstanding construction loan on behalf of Fischer I, LLC. The loan bears interest at the long term applicable federal rate, which was 4.68% at the time the loan was funded, and is collateralized by the Project. All unpaid principal and interest is due on January 31, 2060, and payments on the loan are to be made from surplus cash.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Fischer I (continued)

Capital Funds Note (continued)

As of December 31, 2020, the balance of the HANO Capital Funds Note of \$1,424,059 is included in notes payable - related party. Interest incurred during the year ending December 31, 2020 was \$120,323. Accrued interest payable on the note for December 31, 2020 was \$1,267,276

Program Income Note

On January 20, 2005, Fischer I, LLC entered into a Program Income Construction Mortgage Note with HANO in the amount of \$196,300. The loan was obtained in connection with the financing of the acquisition, development, and construction of the Projects and bears interest annually at the long term applicable federal rate, which was 4.76% at the time the loan was funded. The loan is collateralized by the Project, and the entire amount of unpaid principal and interest is due and payable on January 31, 2060. Interest incurred during the year ending December 31, 2020 was \$18,723. Accrued interest payable on the note for December 31, 2020 was \$215,058.

Supplemental Loan

On November 1, 2006, Fischer I, LLC entered into a Supplemental Loan with HANO in the amount of \$130,000. The loan bears no interest and is collateralized by the Project. All unpaid principal is due on November 1, 2061, and payments on the loan are to be made from surplus cash. The current balance on the loan for December 31, 2020 was \$130,000.

Affordable Housing Loan

On November 16, 2005, Fischer I, LLC entered into an Affordable Housing Program Loan with HANO in the amount of \$100,000 to assist Fischer I, LLC in financing the Project. The loan bears no interest, and is collateralized by the Project. The loan matures fifteen years from completion of the Project, which occurred on May 27, 2006. The Affordable Housing Program Loan is payable from the remaining mortgage proceeds, capital contributions, and available cash flow from the Project. The current loan balance for December 31, 2020 was \$100,000.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Fischer III

Mortgage Note Payable

In December 2003, Fischer III, LLC entered into a financing agreement with HANO to use the proceeds from the issuance of Capital Fund Program Revenue Bonds for the construction and development of the project and payment of bond redemption. The principal amount of the note was \$13,634,195. In January 2005, Fischer III, LLC entered into a new financing agreement in the amount of \$14,710,628 with HANO. The loan bears interest at 3% with both the unpaid principal and interest due and payable on February 1, 2007. The due date was extended to December 31, 2011. Outstanding principal as of December 31, 2020 was \$14,710,628. Total interest expense for 2019 was \$441,319. Accrued interest payable on the note for December 31, 2020 was \$10,892,716.

Debt issuance costs, net of accumulated amortization of \$115,366 as of December 31, 2020 is related to the construction mortgage note and is being amortized using an imputed interest rate of 3.09%. Amortization of debt issuance costs of \$37,690 was charged to operations for the year ended December 31, 2020 and is included in interest expense - mortgage notes payable on the consolidated statement of activities.

The construction mortgage note will become permanent when the final equity payment is received from the Investor Member. HANO does not hold Fischer III, LLC in default.

Supplemental Loan

On November 1, 2006, a Supplemental Loan was obtained with HANO in the amount of \$3,064,919. The loan bears no interest and is collateralized by the project. All unpaid principal is due on November 1, 2061, and payments on the loan are to be made from surplus cash.

Affordable Housing Loan

On November 16, 2005, an Affordable Housing Program Loan was obtained from HANO, in the amount of \$350,000, to assist the Fischer III, LLC in financing the project. The loan bears no interest, is collateralized by the project, and is payable from the remaining mortgage proceeds, capital contributions, and available cash flows from the project. The loan will be maintained for 15 years from the date of project completion.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Fischer III (continued)

Program Income Loan

In January 2005, a Program Income Loan was obtained from HANO in the amount of \$344,314. The loan was obtained in connection with the financing of the acquisition, development, and construction of the project, is collateralized by the project, and accrues interest at 0.5%. The loan is due January 1, 2060 and payments are to be made from cash flow as defined by the Operating Agreement. Interest incurred during the year ended December 31, 2020 was \$1,721. Accrued interest payable as of December 31, 2020 was \$27,450.

Guste I

Mortgage Note Payable

In December 2003, Guste I, LLC entered into a financing agreement with HANO to use the proceeds from the issuance of Capital Fund Program Revenue Bonds for the construction and development of the Project and payment of bond redemption. The principal amount of the note was \$13,189,372. In January 2005, Guste I, LLC entered into a new financing agreement in the amount of \$10,643,312 with HANO. The loan bears interest at 3% with both the unpaid principal and interest due and payable on February 1, 2007. During 2014, Guste I, LLC converted the construction mortgage note into the permanent loan of \$8,698,042 plus capitalized interest of \$3,974,572. The new mortgage is for \$12,672,614 and accrues interest at 3%. Any principal and interest payments are subject to available cash flow. The entire amount of unpaid principal and interest is due January 31, 2060. Accrued interest at December 31, 2020 was \$2,348,862 and interest expense was \$380,178 for the year ended December 31, 2020.

Debt issuance costs, net of accumulated amortization of \$220,451 as of December 31, 2020 is related to the mortgage note payable and is being amortized using an imputed interest rate of 3.272%. Amortization of debt issuance costs of \$69,660 was charged to operations for the year ended December 31, 2020 and is included in interest expense - mortgage notes payable.

Supplemental Loan

In November 2006, a supplemental loan in the amount of \$2,939,498 was obtained from HANO. The supplemental loan does not bear interest. The entire amount of unpaid principal is due and payable on November 1, 2061. As of December 31, 2020, the balance of the loan is \$2,039,988.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Guste I (continued)

Construction Loan

In January 2005, a construction loan in the amount of \$248,999 was obtained from HANO. The construction loan accrues interest at 3% with both the unpaid principal and interest due on January 31, 2060. For the year ended December 31, 2020, interest incurred was \$4,215. Accrued interest payable as of December 31, 2020 was \$97,942.

Guste III

Mortgage Note

In November 2013, Guste Homes III, LLC obtained a non-interest bearing construction loan in the amount of \$38,628,000 from HANO. However, as of December 31, 2020, in addition to the full principal amount of \$38,628,000, Guste Homes III, LLC borrowed an additional \$13,827,653, for a total of \$52,455,653 which is included in long-term debt on the consolidated statement of financial position, to continue construction. The loan will convert to permanent financing upon completion of construction. The permanent loan will bear interest at a rate of .95% payable from cash flow. All outstanding principal and interest shall be due at maturity on May 31, 2066.

8. Accrued other post-employment benefits ("OPEB")

Plan description

The Authority meets the qualifications in the Louisiana Administrative Code 32:3.303 and participates in the Office of Group Benefits ("OGB") State of Louisiana Post-Retirement Benefit Plan. The Plan is an agent multiple-employer defined benefit post-employment benefit plan that does not accumulate assets in a trust that meets the criteria of paragraph 4 of GASB Statement 75 in which: a) contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable, b) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms, and c) OPEB plan assets are legally protected from creditors.

The plan provides medical, prescription drug and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement. The Authority subsidizes the cost of the Plan for its retirees based on the retiree's years of participation in the OGB Plan.

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits (“OPEB”) (continued)

Louisiana Revised Statute (LRS) 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. LRS 42:802, 42:821, and 42:851 provides the authority under which the obligations of the plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.

A summary of members participating in the plan at the fiscal year end of the plan, June 30, 2021, is as follows:

Retirees and beneficiaries currently receiving benefit payments	32
Retirees and beneficiaries entitled to benefits but not yet receiving them	0
Active plan members	<u>156</u>
Total plan membership	<u><u>188</u></u>

OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to six fully insured Medicare Advantage plans, which include three Vantage HMO plans and one plan each from Peoples Health, Humana, and HMO Louisiana. Retired employees who have both Medicare Part A and Part B are also eligible to participate in Individual Medicare Market Exchange products through the exchange broker via Benefits and receive \$200/\$300 health reimbursement arrangement (HRA) credits monthly.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits (“OPEB”) (continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents.

The plan does not issue a stand-alone financial report.

Funding policy

The OGB has not set up a trust to prefund benefits. Benefits are funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Total OPEB Liability

The total OPEB liability of \$10,866,360 is based on a July 1, 2020 actuarial valuation, rolled forward to a September 30, 2020 measurement date through use of a roll forward method. Liabilities are adjusted for the passage of time by adding normal costs minus benefit payments, all adjusted with interest. Since there is not a trust associated with the OPEB liability, the plan does not have a fiduciary net position to pay benefit payments expected to be paid within one year.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits (“OPEB”) (continued)

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.80%
Salary increases	3.0% to 12.8%, based upon the Louisiana State Employees’ Retirement System - regular members.
Discount rate municipal bond index rate	Current valuation: 2.66% based on the June 30, 2020 S&P 20-year municipal bond index rate.
Healthcare cost trend rates	Post-Medicare: 5.25% for 2020 - 2021, thereafter decreasing 0.25% per year through 2029, to an ultimate rate of 4.5% for 2029 and later Pre-Medicare: 6.75% grading down by 0.25% each year beginning in 2020-2021 through 2029, to an ultimate rate of 4.5%
Retirees’ share of benefit-related costs	Per capita costs for the self-insured plans administered by Blue Cross Blue Shield were based on prescription drug claims for retired participants for the period January 1, 2019 through December 31, 2020 and medical claims for retired participants for the period January 1, 2018 through December 31, 2019. Claims experience was trended to the valuation date. The last month of prescription claims experience was adjusted for incurred but not reported claims using completion factors based on prior year data. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2021 premiums adjusted to the valuation date using the trend assumptions above.
Actuarial cost method	Entry Age Normal, level percentage of pay.
Estimated Remaining Service Lives	4.8
Basis for Assumptions	The actuarial assumptions are the same assumptions used for the Louisiana State Employee Retirement System’s (LASERS) regular members.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits ("OPEB") (continued)

Mortality

Mortality assumptions are consistent with the LASERS pension plan assumptions.

<u>Groups</u>	<u>Description</u>
(1) Active	The RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
(2) Healthy Retiree Lives	The RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
(3) Disabled Retiree Lives	The RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

Participation Rate

Medical: The percentage of employees and their dependents who are eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement. This assumption is consistent with the prior valuation.

<u>Years of Service</u>	<u>Participation %</u>
Under 10 years	33%
10-14 years	60%
15-19 years	80%
20+ years	88%

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 52% rate. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits ("OPEB") (continued)

Changes in the Total OPEB Liability of OGB Benefit Plan:

Balance as of September 30, 2020	\$ 10,183,981
Change for the year:	
Service cost	535,925
Interest	291,153
Differences between expected and actual experience	(543,172)
Changes in assumptions and other inputs	568,176
Benefit payments	(149,703)
Net changes	702,379
Balance as of September 30, 2021	\$ 10,886,360

Changes in assumptions and other inputs:

The discount rate decreased from 2.79% in 2019, the prior valuation, to 2.66% in 2020, the current valuation.

Baseline per capita costs were adjusted to reflect 2020 claims and enrollment for prescription drug costs, and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed, but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, it is believed that this experience does not reflect what is expected in future years. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future Employee Group Waiver Plan (EGWP) savings was increased, based on an analysis of recent EGWP experience, which also reduced the Plan's liability.

Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates.

Demographic assumptions rely upon the assumptions in the June 30, 2020 actuarial valuation of LASERS. LASERS performed a recent experience study and adopted new assumptions for the June 30, 2020 valuation.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits (“OPEB”) (continued)

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current discount rate :

	1% Decrease 1.66%	Discount Rate 2.66%	1% Increase 3.66%
Total OPEB Liability	\$ 13,080,581	\$ 10,886,360	\$ 9,169,464

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The trend of the effects of price inflation and utilization on gross eligible medical and prescription drug charges are presented in the table below. The total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher for pre-65 participants and for post-65 participants are shown below:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Pre-65 Rates	5.75% decreasing to 3.5%	6.75% decreasing to 4.5%	7.75% decreasing to 5.5%
Post-65 Rates	4.25% decreasing to 3.5%	5.25% decreasing to 4.5%	6.25% decreasing to 5.5%
Total OPEB Liability	\$ 8,979,148	\$ 10,886,360	\$ 13,395,717

Retiree contribution trend: Same as medical trend.

OPEB Expense:

For the year ended September 30, 2021 the Authority recognized total OPEB expense for the OGB Plan of \$426,829.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

8. Accrued other post-employment benefits ("OPEB") (continued)

Deferred Inflows/Outflows of Resources Related to OPEB

At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB for the OGB Plan from the following resources:

<u>Deferred Outflows of Resources</u>	
Employer OPEB benefit payments made subsequent to the measurement date of the total OPEB liability	\$ 180,507
Changes in assumptions and other inputs	74,245
Total	<u>\$ 254,752</u>
<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$ 1,381,601
Changes in assumptions and other inputs	1,379,673
Total	<u>\$ 2,761,274</u>

Deferred outflows of resources for employer benefit payments made subsequent to the measurement date in the OGB plan in the amount of \$180,507 will be recognized as a reduction of total OPEB liability during the year ending September 30, 2022. Amounts reported as deferred inflows of resources related to the OPEB plan will be recognized as follows:

<u>Fiscal Year ending September 30:</u>	
2022	\$ 1,246,833
2023	917,174
2024	420,714
2025	81,844
2026	20,464
Total	<u>\$ 2,687,029</u>

9. Pension plan

HANO provides retirement benefits for all its full-time employees through a defined contribution plan entitled "Housing Authority of New Orleans Pension Plan" (the "Plan"). The Plan is administered by the Pension Plan Committee and was revised in November 2004. The Pension Plan Committee consists of employees of HANO. As a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings. The Board of Commissioners for HANO is authorized to establish and amend plan benefits. Employees are eligible to participate after one year of service.

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

9. Pension plan (continued)

HANO contributes 5% of the employee's base salary each month, while the employee contributes a mandatory ½ of 1% of his or her gross wages. HANO's contributions for each employee, and interest allocated to the employee's account, are fully vested after 3 years of service. Interest forfeited, either as a result of death or employees who leave employment prior to being vested, is returned to the related federal program for use toward eligible program activities.

During the year ending September 30, 2021, the Authority and the employees contributed \$425,988 and \$76,200, respectively, to the Plan. The Authority's Board may amend provisions of the plan. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the Authority has no fiduciary responsibility, and therefore, the net assets of the Plan are not included in the Authority's financial statements. For the year ended September 30, 2021, the Authority recognized pension expense of \$425,988, which includes no forfeitures.

10. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of the Authority's risk management program, HANO carries commercial insurance, for risks of loss regarding workers' compensation, employee health and general liability.

11. Commitments and contingencies

a. *Legal*

At September 30, 2021, HANO was a defendant to various lawsuits. Although HANO will vigorously defend itself in any legal and administrative proceeding, the outcome of any proceeding arising out of the conduct of HANO's business, including litigation with tenants, employment related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. As of September 30, 2021, management is not aware of any material threatened or pending action legal actions against the Authority.

b. *Grants and contracts*

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. As of the date of this report, management is not aware of any such examinations.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

11. Commitments and contingencies (continued)

c. Funds awarded

The Authority receives funding from HUD through various programs to help subsidize the cost of project repairs, improvements, other operating costs and certain debt service. Unspent funded awards as of September 30, 2021 amounted to \$30,507,873 for the Capital Fund Program.

12. Concentrations

For the year ended September 30, 2021, approximately 96% of revenues and 6% of receivables reflected in the Authority's basic financial statements are from HUD.

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes. In addition, any excess reserves may reduce future funding levels and possibly be subject to recapture.

13. Financial data schedule

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as non-operating such as depreciation expense, housing assistance payments and extraordinary maintenance expense. In addition, the schedule's format includes non-operating items as operating such as investment revenue, HUD capital grants revenue, gains and losses on the disposal of capital assets and interest expense. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

14. Subsequent events

Management has evaluated events through April 29, 2022, the date the financial statements were available to be issued, and aside from the items noted below, has determined that no additional material events have occurred that would require disclosure.

- The Authority owns and operates Fischer IV and Fischer IV-A, a housing community consisting of 103 mixed-income rental housing units. Subsequent to year end, HANO has confirmed that 101 of the 103 rental units require corrective work to the flooring and other interior/exterior repairs.
- Subsequent to year end, the Authority received a settlement of approximately \$5,400,000 from an ongoing litigation case involving the development of Guste Homes III, LLC. The amount received was recognized as a collection of an outstanding note receivable due from Guste Homes III, LLC, a discretely presented component unit of the Authority. The remainder of the note balance of \$6,308,561 was written off during the current fiscal year ended September 30, 2021 (see Note A-5-d).

15. Prior period adjustment

For the fiscal year ended September 30, 2021, the Statement of Revenues, Expenses and Changes in Net Position reflects a prior period adjustment decreasing beginning net position by \$3,621,231. The prior period adjustment consists of the following adjustments:

- Capital assets with a cost of \$8,160,231 relating to Guste Homes III, LLC were removed during the year (see Note B-3).
- Notes receivable reflect an increase of \$4,539,000 for costs relating to the City Square development that were erroneously expensed in the prior year (see Note B-4).

16. Condensed blended component unit information

Condensed component unit information for the Authority's blended component units as listed in Note A-1 is presented on the following pages.

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

16. Condensed blended component unit information (continued)

Condensed Statement of Net Position

	As of December 31, 2020					
ASSETS	CAHC	Lune d'Or	Place d' Genesis, LLC	Resident Loan Corp	New Orleans Works	Total Blended Component Units included in Primary Government
CURRENT ASSETS	\$ 3,391,090	\$ 100	\$ 25,353	\$ 31,239	\$ 110,149	\$ 3,557,931
CAPITAL ASSETS, NET	-	-	-	-	92,200	92,200
OTHER NONCURRENT ASSETS	651,342	-	-	-	-	651,342
Total assets	4,042,432	100	25,353	31,239	202,349	4,301,473
LIABILITIES						
CURRENT LIABILITIES	488,167	4,110	6,734	-	-	499,011
NET POSITION						
NET INVESTMENT IN CAPITAL ASSETS	-	-	-	-	92,200	92,200
UNRESTRICTED	3,554,265	(4,010)	18,619	31,239	110,149	3,710,262
Total net position	\$ 3,554,265	\$ (4,010)	\$ 18,619	\$ 31,239	\$ 202,349	\$ 3,802,462

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

16. Condensed blended component unit information (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

As of December 31, 2020

	CAHC	Lune d'Or	Place d' Genesis, LLC	Resident Loan Corp	New Orleans Works	Total Blended Component Units included in Primary Government
OPERATING REVENUES						
Operating revenues	\$ 20,519	\$ -	\$ -	\$ -	\$ -	\$ 20,519
OPERATING EXPENSES						
Other operating expenses	30,277	-	-	-	-	30,277
Total operating expenses	30,277	-	-	-	-	30,277
OPERATING LOSS	(9,758)	-	-	-	-	(9,758)
NONOPERATING REVENUES						
Interest income - unrestricted	1,805	-	-	-	-	1,805
Change in net position	(7,953)	-	-	-	-	(7,953)
Total net position - beginning	3,562,218	(4,010)	18,619	31,239	202,349	3,810,415
Total net position - ending	<u>\$ 3,554,265</u>	<u>\$ (4,010)</u>	<u>\$ 18,619</u>	<u>\$ 31,239</u>	<u>\$ 202,349</u>	<u>\$ 3,802,462</u>

Housing Authority of New Orleans
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

16. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	As of December 31, 2020					
	CAHC	Lune d'Or	Place d' Genesis, LLC	Resident Loan Corp	New Orleans Works	Total Blended Component Units included in Primary Government
NET CASH PROVIDED BY (USED IN):						
Operating activities	\$ 195,759	\$ -	\$ -	\$ -	\$ -	\$ 195,759
Investing activities	1,805	-	-	-	-	1,805
NET INCREASE IN CASH AND CASH EQUIVALENTS	197,564	-	-	-	-	197,564
Cash and cash equivalents at beginning of year	820,514	-	-	1,784	-	822,298
Cash and cash equivalents at end of year	\$ 1,018,078	\$ -	\$ -	\$ 1,784	\$ -	\$ 1,019,862

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

17. Condensed discrete component unit information

Condensed component unit information for the Authority's discrete component units as listed in Note A-1 is presented below.

Condensed Statement of Net Position

	As of December 31, 2020				Total Discrete Component Units included in Primary Government
	Fischer I, LLC	Fischer III, LLC	Guste I, LLC	Guste III Homes, LLC	
ASSETS					
CURRENT ASSETS	\$ 401,648	\$ 4,004,022	\$ 1,885,564	\$ 13,955,531	\$ 20,246,765
CAPITAL ASSETS, NET	2,298,100	12,729,371	8,701,831	45,792,006	69,521,308
OTHER NONCURRENT ASSETS	60	116,136	150,791	75,519	342,506
Total assets	<u>2,699,808</u>	<u>16,849,529</u>	<u>10,738,186</u>	<u>59,823,056</u>	<u>90,110,579</u>
LIABILITIES					
CURRENT LIABILITIES	1,803,331	13,941,486	4,309,777	2,067,091	22,121,685
NONCURRENT LIABILITIES	2,023,959	19,410,059	15,601,832	56,438,298	93,474,148
Total liabilities	<u>3,827,290</u>	<u>33,351,545</u>	<u>19,911,609</u>	<u>58,505,389</u>	<u>115,595,833</u>
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	2,563,634	14,268,842	9,846,401	60,926,854	87,605,731
RESTRICTED	71,279	411,867	651,258	216,285	1,350,689
UNRESTRICTED	(3,762,395)	(31,182,725)	(19,671,082)	(59,825,472)	(114,441,674)
Total net position	<u>\$ (1,127,482)</u>	<u>\$ (16,502,016)</u>	<u>\$ (9,173,423)</u>	<u>\$ 1,317,667</u>	<u>\$ (25,485,254)</u>

Housing Authority of New Orleans

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES (continued)

17. Condensed discrete component unit information (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	As of December 31, 2020				Total Discrete Component Units included in Primary Government
	Fischer I, LLC	Fischer III, LLC	Guste I, LLC	Guste III Homes, LLC	
OPERATING REVENUES					
Other government operating grants	\$ 72,188	\$ 401,668	\$ 117,784	\$ 353,912	\$ 945,552
Tenant revenue, net	78,978	386,093	432,796	1,063,762	1,961,629
Other operating revenue	1,340	1,384,018	140,141	1,946	1,527,445
Total operating revenues	152,506	2,171,779	690,721	1,419,620	4,434,626
OPERATING EXPENSES					
Other operating expenses	214,167	999,052	797,775	1,340,479	3,351,473
Depreciation	91,480	522,536	407,476	1,861,815	2,883,307
Total operating expenses	305,647	1,521,588	1,205,251	3,202,294	6,234,780
OPERATING INCOME (LOSS)	(153,141)	650,191	(514,530)	(1,782,674)	(1,800,154)
NONOPERATING REVENUES (EXPENSES)					
Interest income - unrestricted	525	4,302	558	254	5,639
Interest expense	(139,047)	(443,040)	(384,394)	-	(966,481)
Amortization	(133)	(38,464)	(69,660)	(6,866)	(115,123)
Total nonoperating revenues (expenses)	(138,655)	(477,202)	(453,496)	(6,612)	(1,075,965)
Change in net position	(291,796)	172,989	(968,026)	(1,789,286)	(2,876,119)
Total net position - beginning	(835,686)	(16,675,005)	(8,205,397)	3,106,953	(22,609,135)
Total net position - ending	\$ (1,127,482)	\$ (16,502,016)	\$ (9,173,423)	\$ 1,317,667	\$ (25,485,254)

REQUIRED SUPPLEMENTARY INFORMATION

Housing Authority of New Orleans

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS

For the year ended September 30, 2021

<u>Total OPEB Liability Change for the year</u>	2021	2020	2019
Service cost	\$ 535,925	\$ 848,220	\$ 869,416
Interest	291,153	380,308	413,446
Differences between expected and actual experience	(543,172)	(657,966)	(1,260,337)
Changes in assumptions and other inputs	568,176	(1,897,572)	(832,890)
Benefit payments	(149,703)	(88,672)	(159,043)
<i>Net changes</i>	<u>702,379</u>	<u>(1,415,682)</u>	<u>(969,408)</u>
Total OPEB liability - beginning	10,183,981	11,599,663	12,569,071
Total OPEB liability - ending	<u>\$ 10,886,360</u>	<u>\$ 10,183,981</u>	<u>\$ 11,599,663</u>
Covered payroll	<u>\$ 9,147,770</u>	<u>\$ 8,894,945</u>	<u>\$ 9,072,610</u>
Total OPEB liability as a percentage of covered-employee payroll	119%	114%	128%

Changes of assumptions and other inputs.

Year ended September 30, 2021 based on the July 1, 2020 actuarial valuation

The discount decreased from 2.79% to 2.66%. The baseline per capita costs were adjusted to reflect 2020 claims and enrollment for prescription drug costs; retiree contributions were updated based on 2021 premiums. The 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, this experience was considered, but not reflective of what can be expected in future years. The LASERS salary scale assumptions were updated to reflect the updated salary scale assumptions reported in the June 30, 2020 pension valuations. Medical and life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

Year ended September 30, 2020 based on the July 1, 2019 actuarial valuation

The discount rate decreased from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019. Baseline per capita costs were adjusted to reflect 2019 claims and enrollment; retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected. In addition, the estimate of future Employee Group Waiver Plan (EGWP) savings was increased, based on an analysis of recent EGWP experience. Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. Demographic assumptions in the June 30, 2019 actuarial valuation of the four State Retirement Systems were relied upon. The Louisiana State Employee Retirement System (LASERS), performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation.

Year ended September 30, 2019 based on the July 1, 2018 actuarial valuation

The discount rate decreased from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018. Baseline per capita costs were adjusted to reflect 2018 claims and enrollment, retiree contributions were updated based on 2019 premiums, and the impact of the High Cost Excise Tax was revisited reflecting updated plan premiums. The percentage of future retirees assumed to elect medical coverage was decreased by 4% to 6%, depending on years of service, based on recent plan experience. Demographic and mortality assumptions were updated based on recent experience studies reflected in the June 30, 2018 State of Louisiana pension valuations. Mortality assumptions were updated using projection scale MP-2018 based on information released by the Society of Actuaries in October 2018. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates are based on the S&P Municipal Bond 20-Year High Grade Rate Index.

No assets are accumulated in a trust to pay related benefits. Ten years of information is required to be presented; however, only 3 years of information is available. Additional years will be presented as information becomes available.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

Housing Authority of New Orleans

FINANCIAL DATA SCHEDULE

For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021																					
Line Item No.	Account Description	AMP 001806 Operating St. Thomas	AMP 002709 Operating Harmony Oaks	AMP 002709 Capital Harmony Oaks	AMP 002802 Operating C.J. Peete	AMP 003102 Operating Iberville	AMP 003103 Operating Bienville Basin 1	AMP 003103 Capital Bienville Basin 1	AMP 003104 Operating Bienville Basin 2	AMP 003104 Capital Bienville Basin 2	AMP 003105 Operating Bienville Basin 3	AMP 003105 Capital Bienville Basin 3	AMP 003106 Operating Bienville Basin 4	AMP 003106 Capital Bienville Basin 4	AMP 003107 Operating Bienville Basin 4	AMP 003107 Capital Bienville Basin 4	AMP 003108 Operating Bienville Basin 5	AMP 003108 Capital Bienville Basin 5	AMP 003109 Operating Bienville Basin 7	AMP 003109 Capital Bienville Basin 7	AMP 004107 Operating Florida Extension
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA Grants	-	961,232	923	-	-	211,430	4,280	95,494	2,274	113,953	2,936	168,330	4,239	55,552	2,384	62,459	1,722	61,659	2,554	-
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	978	2,311	-	8,929	486	345	-	150	-	321	-	268	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	16,115	42,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	978	963,543	923	25,044	43,276	211,775	4,280	95,644	2,274	114,274	2,936	168,598	4,239	55,552	2,384	62,459	1,722	61,659	2,554	-
91100	Administrative salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91200	Auditing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91300	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91600	Office Expenses	-	924	398	-	-	923	398	617	-	617	-	617	-	617	-	617	-	617	-	-
91700	Legal Expense	4,653	-	-	521	320	3,984	3,357	2,818	1,657	3,272	2,319	4,164	3,622	2,893	1,767	2,439	1,105	2,529	1,937	87
91800	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92000	Asset Management Fee	-	23,160	-	-	-	6,720	-	3,000	-	4,320	-	4,560	-	2,880	-	2,040	-	3,720	-	-
92100	Tenant services - salaries	-	-	-	-	23,511	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	-	27,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93100	Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94200	OMO - Materials and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report.

Housing Authority of New Orleans

FINANCIAL DATA SCHEDULE

For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021

Line Item No.	Account Description	AMP 001806 Operating St. Thomas	AMP 002709 Operating Harmony Oaks	AMP 002709 Capital Harmony Oaks	AMP 002802 Operating C.J. Peete	AMP 003102 Operating Iberville	AMP 003103 Operating Bienville Basin 1	AMP 003103 Capital Bienville Basin 1	AMP 003104 Operating Bienville Basin 2	AMP 003104 Capital Bienville Basin 2	AMP 003105 Operating Bienville Basin 3	AMP 003105 Capital Bienville Basin 3	AMP 003106 Operating Bienville Basin 4	AMP 003106 Capital Bienville Basin 4	AMP 003107 Operating Bienville Basin 4	AMP 003107 Capital Bienville Basin 4	AMP 003108 Operating Bienville Basin 5	AMP 003108 Capital Bienville Basin 5	AMP 003109 Operating Bienville Basin 7	AMP 003109 Capital Bienville Basin 7	AMP 004107 Operating Florida Extension
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	7,765	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96140	All other Insurance	-	-	-	-	783	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96200	Other General Expenses	-	893,099	-	-	-	190,077	-	85,863	-	102,452	-	151,398	-	49,977	-	56,171	-	55,452	-	-
96210	Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	599,771	917,516	-	29,868	-	227,941	-	155,570	-	254,038	-	361,362	-	147,455	-	86,030	-	165,485	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	604,424	1,834,699	398	30,389	60,093	429,645	3,755	247,868	1,657	364,699	2,319	522,101	3,622	203,822	1,767	147,297	1,105	227,803	1,937	87
97000	Excess Operating Revenue over Operating Expenses	(603,446)	(871,156)	525	(5,345)	(16,817)	(217,870)	525	(152,224)	617	(250,425)	617	(353,503)	617	(148,270)	617	(84,838)	617	(166,144)	617	(87)
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	604,424	1,834,699	398	30,389	60,093	429,645	3,755	247,868	1,657	364,699	2,319	522,101	3,622	203,822	1,767	147,297	1,105	227,803	1,937	87
10010	Operating transfers in	-	923	-	-	-	923	-	617	-	617	-	617	-	617	-	617	-	617	-	-
10020	Operating transfers out	-	-	(923)	-	-	-	(923)	-	(617)	-	(617)	-	(617)	-	(617)	-	(617)	-	(617)	-
10091	Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter-project excess cash transfer out	-	-	-	-	-	(186,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	923	(923)	-	-	(185,577)	(923)	617	(617)	617	(617)	617	(617)	617	(617)	617	(617)	617	(617)	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(603,446)	(870,233)	(398)	(5,345)	(16,817)	(403,447)	(398)	(151,607)	-	(249,808)	-	(352,886)	-	(147,653)	-	(84,221)	-	(165,527)	-	(87)
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	14,098,723	41,628,676	-	798,694	5,007,605	7,613,088	-	5,510,771	-	7,591,851	-	14,713,931	-	6,541,290	-	2,370,621	-	7,464,478	-	1,368,102
11040-010	To settle up historical interprogram balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-020	Write-off of Guste Homes III Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-070	To transfer properties from Amps to Business Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-080	CFP Hard Cost Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-090	Reclass CDBG to State/Local for NOERAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-100	To correct prior year Note Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Total Prior Period Adjustments and Equity transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	2,316	-	-	-	672	-	300	-	432	-	456	-	288	-	204	-	372	-	-
11210	Number of Unit Months Leased	-	2,284	-	-	-	629	-	298	-	412	-	425	-	278	-	197	-	323	-	-
11270	Excess Cash	27,599	233,046	-	(65)	15,122	605,700	-	382,437	-	350,734	-	850,073	-	332,816	-	239,534	-	330,973	-	22,238
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Housing Authority of New Orleans

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For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021		AMP 005106 Operating Lafitte Temp	AMP 005705 Operating Lafitte I	AMP 005705 Capital Lafitte I	AMP 005706 Operating Lafitte II	AMP 005706 Capital Lafitte II	AMP 005711 Operating Faubourg Lafitte Senior	AMP 005711 Capital Faubourg Lafitte Senior	AMP 005804 Operating Lafitte Demo	AMP 007303 Operating B.W. Cooper	AMP 007303 Capital B.W. Cooper	AMP 007501 Operating Marrero Commons	AMP 007501 Capital Marrero Commons	AMP 007502 Operating Marrero Commons 1B	AMP 007502 Capital Marrero Commons 1B	AMP 007801 Operating B.W. Cooper Extension	AMP 008707 Operating Columbia Parc	AMP 008707 Capital Columbia Parc	AMP 008708 Operating Columbia Parc IIA	AMP 008708 Capital Columbia Parc IIA	AMP 008709 Operating Columbia Parc IIB (St. Bernard IIB)	AMP 008709 Capital Columbia Parc IIB (St. Bernard IIB)	AMP 008710 Operating Heritage at Columbia Parc (SB III)
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA Grants	-	334,996	617	336,722	617	132,672	4,874	-	23,056	14,129	456,728	923	264,556	923	-	550,432	104,402	58,733	617	34,565	609	135,150
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	21,841	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	1,647	-	-	-	-	1,093	-	693	-	-	-	-	-	-	-	-	4,927
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	-	90,000	-	-	15,893	-	-	-	-	-	-	11,616	-	-	-	-	-	197,818
70000	Total Revenue	-	334,996	617	336,722	617	224,319	4,874	-	38,949	35,970	457,821	923	265,249	923	-	562,048	104,402	58,733	617	34,565	609	337,895
91100	Administrative salaries	-	-	-	-	-	-	-	-	-	413	-	-	-	-	-	-	388	-	-	-	-	-
91200	Auditing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91300	Management Fee	-	-	-	7,899	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	-	-	55	-	-	-	-	-	-	36	-	-	-	-	-
91600	Office Expenses	-	617	-	617	-	1,482	398	-	-	-	923	398	923	398	-	617	-	617	-	609	-	3,811
91700	Legal Expense	-	3,710	-	3,831	-	-	-	333	252	8,917	5,466	-	4,104	-	320	8,735	-	2,423	-	2,408	-	3,500
91800	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-	38	-	-	-	-	-	-	33	-	-	-	-	-
92000	Asset Management Fee	-	8,880	-	8,040	-	3,600	-	-	-	-	10,800	-	6,360	-	-	18,840	-	1,920	-	-	-	4,440
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93100	Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	-	-	-	14,102	-	-	-	-	-	-	-	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94200	OMO - Materials and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Housing Authority of New Orleans

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For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021		AMP 005106	AMP 005705	AMP 005705	AMP 005706	AMP 005706	AMP 005711	AMP 005711	AMP 005804	AMP 007303	AMP 007303	AMP 007501	AMP 007501	AMP 007502	AMP 007502	AMP 007801	AMP 008707	AMP 008707	AMP 008708	AMP 008708	AMP 008709	AMP 008709	AMP 008710
Line Item No.	Account Description	Lafitte Temp	Lafitte I	Capital	Operating	Capital	Operating	Capital	Operating	B.W. Cooper	B.W. Cooper	Marrero Commons	Marrero Commons	Marrero Commons 1B	Marrero Commons 1B	B.W. Cooper Extension	Columbia Parc	Columbia Parc	Columbia Parc IIA	Columbia Parc IIA	Columbia Parc IIB (St. Bernard IIB)	Columbia Parc IIB (St. Bernard IIB)	Heritage at Columbia Parc (SB III)
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	182,132	-	-	15,132	-	-	-	-	-	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	11,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	2	-	-	-	-	-
96140	All other Insurance	-	-	-	-	-	1,234	-	-	2,947	3	-	-	-	-	-	-	1	-	-	-	-	-
96200	Other General Expenses	-	317,949	-	319,611	-	4,505	3,619	-	4,700	433,512	-	-	251,095	-	-	522,429	103,325	55,739	-	32,811	-	8,253
96210	Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	229,399	-	324,630	-	-	-	-	-	942,759	-	-	329,852	-	-	600,585	-	89,639	-	179,640	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	-	560,555	-	664,628	-	204,778	4,017	333	32,433	14,131	1,393,460	398	592,334	398	320	1,151,206	103,785	150,338	-	215,468	-	20,004
97000	Excess Operating Revenue over Operating Expenses	-	(225,559)	617	(327,906)	617	19,541	857	(333)	6,516	21,839	(935,639)	525	(327,085)	525	(320)	(589,158)	617	(91,605)	617	(180,903)	609	317,891
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	307,382	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	307,382	560,555	-	664,628	-	204,778	4,017	333	32,433	14,131	1,393,460	398	592,334	398	320	1,151,206	103,785	150,338	-	215,468	-	20,004
10010	Operating transfers in	-	617	-	617	-	1,255	-	-	-	923	-	-	923	-	-	617	-	617	-	609	-	3,186
10020	Operating transfers out	-	-	(617)	-	(617)	-	(1,255)	-	-	-	(923)	-	(923)	-	-	(617)	-	(617)	-	(609)	-	-
10091	Inter-project excess cash transfer in	-	-	-	-	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	617	(617)	617	(617)	18,255	(1,255)	-	-	923	(923)	923	(923)	-	617	(617)	617	(617)	-	609	(609)	3,186
10000	Excess (deficiency) of total revenue over (under) total expenses	(307,382)	(224,942)	-	(327,289)	-	37,796	(398)	(333)	6,516	21,839	(934,716)	(398)	(326,162)	(398)	(320)	(588,541)	-	(90,988)	-	(180,294)	-	321,077
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	11,928,337	12,633,101	-	4,601,082	-	200,000	-	61,109	26,561,334	-	15,684,647	-	13,541,539	-	3,557,430	42,584,928	-	5,884,402	-	5,370,965	-	200,000
11040-010	To settle up historical interprogram balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-020	Write-off of Guste Homes III Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-070	To transfer properties from Amps to Business Activities	-	-	-	-	-	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)
11040-080	CFP Hard Cost Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-090	Reclass CDBG to State/Local for NOERAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-100	To correct prior year Note Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Total Prior Period Adjustments and Equity transfers	-	-	-	-	-	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	888	-	804	-	360	-	-	-	1,080	-	-	636	-	-	1,884	-	192	-	228	-	444
11210	Number of Unit Months Leased	-	836	-	748	-	357	-	-	-	1,017	-	-	619	-	-	1,833	-	187	-	215	-	439
11270	Excess Cash	91,611	54,819	-	41,956	-	20,333	-	60,748	(21,448)	-	894,887	-	72,583	-	248,665	359,032	-	65,668	-	27,767	-	319,410
11620	Building Purchases	-	-	-	-	-	-	-	-	21,841	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFPP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021		<i>f</i>																								
Line Item No.	Account Description	AMP 008710 Capital Heritage at Columbia Parc (SB III)	AMP 008808 Operating Saint Bernard Extension	AMP 014713 Operating Savoy	AMP 014713 Capital Savoy	AMP 014716 Operating Savoy II	AMP 014716 Capital Savoy II	AMP 014809 Operating Desire	AMP 015301 Operating Guste Homes High Rise	AMP 015301 Capital Guste Homes High Rise	AMP 015302 Operating Guste Homes Low Rise	AMP 015401 Operating Guste I	AMP 0015401 Capital Guste I	AMP 015402 Operating Guste II	AMP 015402 Capital Guste II	AMP 015403 Operating Guste III	AMP 015403 Capital Guste III	AMP 016603 Operating Fischer IV	AMP 016603 Capital Fischer IV	AMP 016604 Operating Fischer IVA	AMP 016604 Capital Fischer IVA	AMP 022804 Operating New Florida	AMP 022804 Capital New Florida			
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	1,113,590	-	-	-	-	58,748	-	-	-	-	-	-	-	-	42,993	194,023	-	
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	(15,673)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,433	20,351	-	
70500	Total Tenant Revenue	-	-	-	-	-	-	-	1,097,917	-	-	-	-	58,748	-	-	-	-	-	-	-	-	44,426	214,374	-	
70600	HUD PHA Grants	5,664	-	249,050	1,068	256,921	1,068	-	1,300,857	42,289	-	316,875	113,144	54,761	5,935	461,442	688,495	-	3,012,720	-	-	83,768	555,847	158,119	1,839,040	
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	446,858	-	-	596,438	-	8,582	-	60,751	-	15,628	-	-	-	-	-	2,080	
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	51,282	-	-	-	-	2,135	-	-	-	-	-	-	-	-	2,135	-	1,596	
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71500	Other revenue	-	-	-	-	-	-	-	65,049	-	-	20,511	-	74,941	-	42,814	-	1,239	-	-	-	-	-	-	136	
70000	Total Revenue	5,664	-	249,050	1,068	256,921	1,068	-	2,515,105	489,147	-	337,386	709,582	190,585	14,517	504,256	749,246	1,239	3,028,348	-	-	130,329	555,847	374,225	1,841,120	
91100	Administrative salaries	-	-	-	-	-	-	-	276,095	23,488	-	-	9,623	14,929	1,484	-	29,839	-	22,840	22,531	-	-	101,099	-	3,062	
91200	Auditing fees	-	-	-	-	-	-	-	37,275	-	-	-	-	-	-	-	-	-	-	-	-	-	5,069	-	18,082	
91300	Management Fee	-	-	-	-	-	-	-	110,726	-	-	16,181	-	4,780	-	25,577	-	-	1,162,652	-	-	8,612	213,821	34,169	694,919	
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,163	-	4,613	-	
91400	Advertising and Marketing	-	-	-	-	-	-	-	76	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	-	
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	16,827	4,301	-	-	625	1,627	1,739	-	4,754	-	4,351	7,048	-	-	-	-	17,908	477
91600	Office Expenses	398	-	923	398	923	398	-	54,658	432	432	1,626	1	11,534	15	1,626	28	38	428	12,049	398	-	13,117	-	401	
91700	Legal Expense	-	542	-	145	-	145	-	22,584	-	-	-	-	-	-	4,028	599,988	-	2,230	-	-	3,569	-	-	36,774	
91800	Travel	-	-	-	-	-	-	-	1,416	-	-	-	-	641	-	-	-	-	-	-	-	-	-	-	-	
91900	Other	-	-	-	-	-	-	-	185,821	1,904	-	3,360	746	8,525	223	68	2,576	-	1,964	5,535	-	-	-	-	12,600	266
92000	Asset Management Fee	-	-	5,160	-	5,520	-	-	46,200	-	-	8,040	-	1,920	-	-	-	-	-	-	-	-	1,920	-	6,240	
92100	Tenant services - salaries	-	-	-	-	-	-	2,319	144,665	-	-	-	-	7,801	-	-	-	-	-	-	-	-	15,935	-	32,679	
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,375	-	-	
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	2,331	-	4,760	-	
92400	Tenant Services - Other	-	-	-	-	-	-	85	2,663	-	-	-	-	-	-	-	-	-	-	-	-	131	-	393	-	
93100	Water	-	-	-	-	-	-	-	564,423	-	-	-	-	23,145	-	-	-	-	-	-	-	-	44,878	-	69,613	
93200	Electricity	-	-	-	-	-	-	-	421,927	-	-	-	-	238	-	-	-	-	-	-	-	-	4,371	-	7,487	
93300	Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	280	
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,172	-	14,794	-	
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	158,234	-	-	-	-	45,653	-	-	-	-	-	-	-	-	10,063	-	83,147	
94200	OMO - Materials and Other	-	-	-	-	-	-	-	224,250	-	-	-	-	24,535	-	-	-	-	-	-	-	-	11,686	-	28,366	
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	103,256	-	-	-	-	8,710	-	69,050	-	-	-	-	-	-	13,776	-	27,634	
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,282	-	25,376	-	

See independent auditor's report.

Housing Authority of New Orleans

FINANCIAL DATA SCHEDULE

For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021		AMP 025805 Operating	AMP 025805 Capital	AMP 058701 Operating	AMP 058701 Capital	AMP 062101 Operating	AMP 062101 Capital	AMP 067807 Operating	AMP 071601 Operating	AMP 071601 Capital	AMP 072602 Operating	AMP 72602 Capital	AMP 077712 Operating	AMP 077712 Capital	AMP 081702 Operating	AMP 081702 Capital	AMP 082703 Operating	AMP 082703 Capital	AMP 099103 Operating	AMP 099103 Capital	AMP 099104 Operating	
Line Item No.	Account Description	Scattered Sites Demo	Scattered Sites Demo	River Gardens Phase I (CS 1)	River Gardens Phase I (CS 1)	Fischer Senior Village	Fischer Senior Village	Florida Phase I	Fischer I	Fischer I	Fischer III	Fischer III	River Gardens CS II	River Gardens CS II	Abundance Square	Abundance Square	Treasure Village	Treasure Village	Downtown Scattered Sites	Downtown Scattered Sites	Uptown Scattered Sites	
70300	Net Tenant Rental Revenue	-	-	-	-	282,486	-	-	-	-	-	-	-	-	-	-	-	-	-	72,779	-	143,597
70400	Tenant Revenue - Other	-	-	-	-	397	-	-	-	-	-	-	-	-	-	-	-	-	-	2,952	-	8,035
70500	Total Tenant Revenue	-	-	-	-	282,883	-	-	-	-	-	-	-	-	-	-	-	-	-	75,731	-	151,632
70600	HUD PHA Grants	-	87,907	418,493	6,253	262,870	4,099,519	-	61,978	10,715	396,004	158,811	263,379	923	248,396	1,297	22,443	1,297	180,089	997,276	210,573	
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	918,035	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	13,312	-	-	-	-	-	-	-	-	-	-	-	-	-	3,864	-	5,325
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	132,313	-	89,999	-	-	-	-	-	-	-	-	-	-	-	12,127	-	3,708
70000	Total Revenue	-	87,907	418,493	6,253	691,378	4,099,519	89,999	61,978	10,715	396,004	1,076,846	263,379	923	248,396	1,297	22,443	1,297	271,811	997,276	371,238	
91100	Administrative salaries	28,999	-	-	-	93,490	5,575	-	-	5,834	2,117	13,534	-	-	-	-	-	-	-	50,684	236	65,794
91200	Auditing fees	-	-	-	-	34,746	-	-	780	-	6,528	-	-	-	-	-	-	-	-	10,052	-	14,038
91300	Management Fee	-	-	33,620	-	65,450	1,985,614	-	1,892	-	15,029	-	16,869	-	-	-	-	-	-	18,446	387,551	25,947
91310	Book-Keeping Fee	-	-	-	-	8,835	-	-	690	-	5,483	-	-	-	-	-	-	-	-	2,490	-	3,503
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	4,048	-	-	-	73,519	1,210	-	-	1,326	-	3,151	-	-	-	-	-	-	-	12,522	45	14,253
91600	Office Expenses	4,234	-	923	398	25,206	409	-	1,759	11	1,900	27	923	398	923	398	923	398	9,704	398	11,112	
91700	Legal Expense	3,552	87,907	6,162	5,330	3,196	-	186	-	-	-	-	6,374	-	-	374	-	-	-	374	-	-
91800	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	17,350	-	-	-	-	476	-	5	497	4,684	1,149	-	-	-	-	-	-	-	7,186	19	8,119
92000	Asset Management Fee	-	-	14,640	-	12,000	-	-	960	-	8,040	-	7,200	-	4,200	-	360	-	-	3,480	-	4,800
92100	Tenant services - salaries	1,151	-	-	-	106,035	-	-	-	-	-	-	-	-	-	-	-	-	-	18,285	-	25,195
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,190
92300	Employee benefit contributions - tenant services	54	-	-	-	13,487	-	-	-	-	-	-	-	-	-	-	-	-	-	2,973	-	3,145
92400	Tenant Services - Other	-	-	-	-	2,578	-	-	-	-	-	-	-	-	-	-	-	-	-	218	-	306
93100	Water	3,139	-	-	-	86,968	-	-	-	-	-	-	-	-	-	-	-	-	-	56,697	-	64,550
93200	Electricity	3,437	-	-	-	42,170	-	-	-	-	-	-	-	-	-	-	-	-	-	9,445	-	8,701
93300	Gas	-	-	-	-	1,542	-	-	-	-	-	-	-	-	-	-	-	-	-	235	-	265
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	400	-	-	-	-	-	-	-	-	-	-	-	-	-	9,501	-	7,765
94100	Ordinary Maintenance and Operations - Labor	16,571	-	-	-	81,279	-	-	-	-	44,378	-	-	-	-	-	-	-	-	75,865	-	72,196
94200	OMO - Materials and Other	11,195	-	-	-	45,709	-	-	-	-	3,838	-	-	-	-	-	-	-	-	32,352	-	23,666
94300	Ordinary Maintenance and Operations - Contract Costs	79,731	-	-	-	170,442	-	-	4,670	-	53,467	-	-	-	-	-	-	-	-	13,808	-	34,360
94500	Employee Benefit Contributions - Ordinary Maintenance	10,756	-	-	-	19,381	-	-	-	-	6,434	-	-	-	-	-	-	-	-	24,830	-	24,450

See independent auditor's report.

Housing Authority of New Orleans

FINANCIAL DATA SCHEDULE

For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021

Line Item No.	Account Description	CAHC	NOW	Resident	Place D Genesis	Luna D Or	Total Blended Component Units	Elimination	Total Primary Government	Fischer I	Fischer III	Guste I	Guste III	Total Discretely Presented Component Units	Total
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	3,827,287	81,727	413,403	430,183	1,061,403	1,986,716	5,814,003
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	60,893	2,989	14,431	2,613	2,359	22,392	83,285
70500	Total Tenant Revenue	-	-	-	-	-	-	-	3,888,180	84,716	427,834	432,796	1,063,762	2,009,108	5,897,288
70600	HUD PHA Grants	-	-	-	-	-	-	-	219,630,436	-	-	-	-	-	219,630,436
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	2,134,825	-	-	-	-	-	2,134,825
70710	Management Fee	-	-	-	-	-	-	(8,116,359)	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	(247,200)	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	(1,604,813)	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	(9,968,372)	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	72,188	401,668	117,784	353,912	945,552	945,552
71100	Investment Income - Unrestricted	1,805	-	-	-	-	1,805	-	164,130	525	4,302	558	254	5,639	169,769
71400	Fraud recovery	-	-	-	-	-	-	-	5,315	-	-	-	-	-	5,315
71500	Other revenue	20,519	-	-	-	-	20,519	-	4,191,670	1,340	1,384,018	140,141	1,946	1,527,445	5,719,115
70000	Total Revenue	22,324	-	-	-	-	22,324	(9,968,372)	230,014,556	158,769	2,217,822	691,279	1,419,874	4,487,744	234,502,300
91100	Administrative salaries	-	-	-	-	-	-	-	6,659,605	15,867	134,233	14,216	22,000	186,316	6,845,921
91200	Auditing fees	30,000	-	-	-	-	30,000	-	216,975	9,700	9,700	10,050	9,700	39,150	256,125
91300	Management Fee	-	-	-	-	-	-	(8,116,359)	-	-	-	-	-	-	-
91310	Book-Keeping Fee	-	-	-	-	-	-	(1,604,813)	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	25,848	-	-	884	609	1,493	27,341
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	1,695,459	-	9,808	232	203	10,243	1,705,702
91600	Office Expenses	-	-	-	-	-	-	-	1,282,377	2,089	9,730	43,491	28,917	84,227	1,366,604
91700	Legal Expense	570	-	-	-	-	570	-	1,313,104	-	19,427	4,772	4,409	26,608	1,341,712
91800	Travel	-	-	-	-	-	-	-	8,762	-	-	1,208	227	1,435	10,197
91900	Other	155	-	-	-	-	155	-	1,437,914	3,200	14,686	8,177	26,596	52,659	1,490,573
92000	Asset Management Fee	-	-	-	-	-	-	(247,200)	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	2,393,310	2,992	17,526	102,620	27,626	150,764	2,544,074
92200	Relocation Costs	-	-	-	-	-	-	-	174,607	-	-	-	-	-	174,607
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	678,835	109	584	807	205	1,705	680,540
92400	Tenant Services - Other	(448)	-	-	-	-	(448)	-	1,208,430	26	104	14	400	544	1,208,974
93100	Water	-	-	-	-	-	-	-	1,081,769	48,065	179,175	123,414	288,158	638,812	1,720,581
93200	Electricity	-	-	-	-	-	-	-	713,297	765	4,270	11,217	53,768	70,020	783,317
93300	Gas	-	-	-	-	-	-	-	11,779	-	-	-	-	-	11,779
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	3,528	-	-	-	-	-	3,528
93800	Other utilities expense	-	-	-	-	-	-	-	57,088	-	-	33,416	46,163	79,579	136,667
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	919,960	6,092	49,938	49,867	61,058	166,955	1,086,915
94200	OMO - Materials and Other	-	-	-	-	-	-	-	570,096	8,153	32,308	30,974	29,526	100,961	671,057
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	1,893,515	41,692	129,900	97,890	94,946	364,428	2,257,943
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	225,799	1,827	15,280	4,624	6,004	27,735	253,534

See independent auditor's report.

Housing Authority of New Orleans

FINANCIAL DATA SCHEDULE

For the year ended September 30, 2021

PHA: LA001 FYE: 09/30/2021

Line Item No.	Account Description	CAHC	NOW	Resident	Place D Genesis	Luna D Or	Total Blended Component Units	Elimination	Total Primary Government	Fischer I	Fischer III	Guste I	Guste III	Total Discretely Presented Component Units	Total
95100	Protective Services - labor	-	-	-	-	-	-	-	964,511	-	69,486	-	-	69,486	1,033,997
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	238,041	10,159	-	81,606	292,230	383,995	622,036
95300	Protective Services - Other	-	-	-	-	-	-	-	33,861	75	489	-	-	564	34,425
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	180,938	482	3,773	-	1,670	5,925	186,663
96110	Property Insurance	-	-	-	-	-	-	-	854,160	34,696	179,826	103,585	188,854	506,961	1,361,121
96120	Liability Insurance	-	-	-	-	-	-	-	136,522	3,834	19,936	14,180	8,084	46,034	182,556
96130	Workmen's Compensation	-	-	-	-	-	-	-	229,422	46	288	3,438	6,961	10,733	240,155
96140	All other Insurance	-	-	-	-	-	-	-	489,947	8,803	49,646	18,498	7,449	84,396	574,343
96200	Other General Expenses	-	-	-	-	-	-	-	8,723,101	4,195	42,188	31,707	129,716	207,806	8,930,907
96210	Compensated Absences	-	-	-	-	-	-	-	541,268	5,915	6,751	6,888	5,000	24,554	565,822
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	5,385	-	-	-	5,385	5,385
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	153,771	5,738	41,741	-	-	47,479	201,250
96600	Bad Debt - Other	-	-	-	-	-	-	-	13,077,219	-	-	-	-	-	13,077,219
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	673,061	139,047	443,040	384,394	-	966,481	1,639,542
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	133	38,464	69,660	6,866	115,123	115,123
96900	Total Operating Expenses	30,277	-	-	-	-	30,277	(9,968,372)	48,867,879	359,085	1,522,297	1,251,829	1,347,345	4,480,556	53,348,435
97000	Excess Operating Revenue over Operating Expenses	(7,953)	-	-	-	-	(7,953)	-	181,146,677	(200,316)	695,525	(560,550)	72,529	7,188	181,153,865
97300	Housing Assistance Payments	-	-	-	-	-	-	-	177,180,288	-	-	-	-	-	177,180,288
97350	HAP Portability - In	-	-	-	-	-	-	-	612,294	-	-	-	-	-	612,294
97400	Depreciation Expense	-	-	-	-	-	-	-	3,129,262	91,480	522,536	407,476	1,861,815	2,883,307	6,012,569
90000	Total Expenses	30,277	-	-	-	-	30,277	(9,968,372)	229,789,723	450,565	2,044,833	1,659,305	3,209,160	7,363,863	237,153,586
10010	Operating transfers in	-	-	-	-	-	-	(8,646,974)	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	8,646,974	-	-	-	-	-	-	-
10091	Inter-project excess cash transfer in	-	-	-	-	-	-	-	186,500	-	-	-	-	-	186,500
10092	Inter-project excess cash transfer out	-	-	-	-	-	-	-	(186,500)	-	-	-	-	-	(186,500)
10100	Total other financing sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(7,953)	-	-	-	-	(7,953)	-	224,833	(291,796)	172,989	(968,026)	(1,789,286)	(2,876,119)	(2,651,286)
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	1,340,000	-	-	-	-	-	1,340,000
11030	Beginning Equity	3,562,218	202,349	31,239	18,619	(4,010)	3,810,415	-	469,091,533	(835,686)	(16,675,005)	(8,205,397)	3,106,953	(22,609,135)	446,482,398
11040-010	To settle up historical interprogram balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-020	Write-off of Guste Homes III Buildings	-	-	-	-	-	-	-	(8,160,231)	-	-	-	-	-	(8,160,231)
11040-070	To transfer properties from Amps to Business Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-080	CFP Hard Cost Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-090	Reclass CDBG to State/Local for NOERAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-100	To correct prior year Note Receivable	-	-	-	-	-	-	-	4,539,000	-	-	-	-	-	4,539,000
11040	Total Prior Period Adjustments and Equity transfers	-	-	-	-	-	-	-	(3,621,231)	-	-	-	-	-	(3,621,231)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	10,892,666	-	-	-	-	-	10,892,666
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	399,367	-	-	-	-	-	399,367
11190	Unit Months Available	-	-	-	-	-	-	-	244,132	-	-	-	-	-	244,132
11210	Number of Unit Months Leased	-	-	-	-	-	-	-	233,831	-	-	-	-	-	233,831
11270	Excess Cash	-	-	-	-	-	-	-	20,628,072	-	-	-	-	-	20,628,072
11620	Building Purchases	-	-	-	-	-	-	-	794,825	-	-	-	-	-	794,825
13510	CFPP Debt Service Payments	-	-	-	-	-	-	-	1,777,948	-	-	-	-	-	1,777,948

See independent auditor's report.

Housing Authority of New Orleans

SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

For the year ended September 30, 2021

PROGRAM	CFP-2017	CFP-2018	CFP-2019	CFP-2020	CFP-2021	TOTAL
BUDGET	\$ 12,968,213	\$ 17,979,571	\$ 18,412,644	\$ 9,896,011	\$ 8,671,020	\$ 67,927,459
ADVANCES						
Cash receipts - prior years	\$ 12,015,472	\$ 7,137,595	\$ 152,495	\$ -	\$ -	\$ 19,305,562
Cash receipts - current year	952,741	6,372,216	8,815,103	1,257,617	-	17,397,677
Cumulative as of September 30, 2021	12,968,213	13,509,811	8,967,598	1,257,617	-	36,703,239
COSTS						
Prior years	12,318,990	8,420,289	152,495	-	-	20,891,774
Current year	649,223	5,780,830	8,840,142	1,257,617	-	16,527,812
Cumulative as of September 30, 2021	12,968,213	14,201,119	8,992,637	1,257,617	-	37,419,586
RECEIVABLE DUE FROM HUD	\$ -	\$ 691,308	\$ 25,039	\$ -	\$ -	\$ 716,347
SOFT COSTS						
Prior years	\$ 10,399,656	\$ 6,624,481	\$ 25,225	\$ -	\$ -	\$ 17,049,362
Current year	649,223	5,000,593	7,485,554	1,257,617	-	14,392,987
Cumulative as of September 30, 2021	11,048,879	11,625,074	7,510,779	1,257,617	-	31,442,349
HARD COSTS						
Prior years	315,098	196,308	-	-	-	511,406
Current year	-	780,237	14,588	-	-	794,825
Cumulative as of September 30, 2021	315,098	976,545	14,588	-	-	1,306,231
OTHER COSTS (LOANS)						
Prior years	1,604,236	1,599,500	127,270	-	-	3,331,006
Current year	-	-	1,340,000	-	-	1,340,000
Cumulative as of September 30, 2021	1,604,236	1,599,500	1,467,270	-	-	4,671,006
CUMULATIVE HARD AND SOFT COSTS	\$ 12,968,213	\$ 14,201,119	\$ 8,992,637	\$ 1,257,617	\$ -	\$ 37,419,586

See independent auditor's report.

Housing Authority of New Orleans

SCHEDULE OF CARES ACT COSTS AND ADVANCES

For the year ended September 30, 2021

PROGRAM	14.HCC
BUDGET	<u>\$ 3,013,538</u>
ADVANCES	
Cash receipts - prior years	\$ -
Cash receipts - current year	<u>3,013,538</u>
Cumulative as of September 30, 2021	<u>3,013,538</u>
COSTS	
Prior years	-
Current year	<u>3,013,538</u>
Cumulative as of September 30, 2021	<u>3,013,538</u>
UNSPENT ADVANCES	<u>\$ -</u>

See independent auditor's report.

Housing Authority of New Orleans

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended September 30, 2021

Agency Head Name: Evette Hester
Executive Director of the Housing Authority of New Orleans

Purpose	Amount
Salary	\$ 229,736
Benefits-insurance	\$ 15,597
Benefits-retirement	\$ -
Benefits-deferred comp	\$ 22,974
Car allowance	\$ -
Vehicle provided by government	\$ -
Per diem	\$ -
Reimbursements	\$ -
Travel	\$ -
Registration fees	\$ 8,883
Conference travel	\$ -
Continuing professional education fees	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -

See independent auditor's report.

SINGLE AUDIT SECTION

Housing Authority of New Orleans

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number		Federal Expenditures
FEDERAL AWARDS			
<u>Direct from the U.S. Department of Housing and Urban Development ("HUD"):</u>			
Public and Indian Housing	14.850		\$ 9,102,120
Section 8 Project-Based Cluster:			
Single Room Occupancy	14.249		796,495
Resident Opportunity and Supportive Services	14.870		526,736
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	\$ 190,048,811	
COVID-19 - Housing Choice Voucher Program	14.871	3,013,538	
Emergency Housing Vouchers	14.871	508,328	
Mainstream Vouchers	14.879	<u>778,108</u>	
Subtotal Housing Voucher Cluster			194,348,785
Public Housing Capital Fund Program	14.872		16,527,812
Shelter Plus Care	14.238		<u>463,313</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 221,765,261</u></u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of New Orleans, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program ("HCV"), CFDA No. 14.871, to be an expenditure for the purposes of this schedule. Therefore the amount in this schedule is the total amount received directly from HUD and not the total expenditures paid by the Authority.

NOTE B - INDIRECT COST RATE

The Authority did not elect to use the 10-percent de minimis indirect cost rate.

NOTE C - SUB-RECIPIENTS

During the year ended September 30, 2021, the Authority had no sub-recipients.

NOTE D - NONCASH ASSISTANCE AND OTHER

The Authority did not receive any noncash assistance, federal loans, or federally funded insurance during the year ended September 30, 2021.

See independent auditor's report.



**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**

Board of Commissioners
Housing Authority of New Orleans
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of New Orleans (the "Authority"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 29, 2022 .

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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.

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

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1200
Orlando, FL 32801
407-841-8841

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over compliance. Accordingly, this communication is not suitable for any other purpose.

April 29, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



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

Board of Commissioners
Housing Authority of New Orleans
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of New Orleans' (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

bermanhopkins.com

MELBOURNE

8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO

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Orlando, FL 32801
407-841-8841

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

April 29, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Housing Authority of the City of New Orleans
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **None Reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weakness identified? **No**

Significant deficiency identified? **None Reported**

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

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

The programs tested as major programs are as follows:

Housing Voucher Cluster

Section 8 Housing Choice Voucher Program - CFDA No. 14.871

COVID-19 - Housing Choice Voucher Program - CFDA No. 14.871

Emergency Housing Voucher - CFDA 14.871

Mainstream Vouchers - CFDA No. 14.879

The threshold for distinguishing types A and B programs was **\$3,000,000**

Did the auditee qualify as a low-risk auditee? **Yes**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

D. PRIOR YEAR AUDIT FINDINGS

None.