

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**Accountant's Compilation Report**

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

Management is responsible for the accompanying financial statements of the **Ninth Ward Housing Development Corporation** (a nonprofit organization) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

**Supplementary Information**

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**  
New Orleans, Louisiana  
December 16, 2022

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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ASSETS

Cash and cash equivalents (NOTES 2 and 4)	\$	195,015
Accounts receivable		47,107
Grant receivable (NOTES 2 )		89,020
Rent receivable		1,982
Deposits		1,034
Buildings, net of accumulated depreciation of \$89,380 (NOTES 2 and 8)		<u>1,483,324</u>
Total assets	\$	<u><u>1,817,482</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$	653
Rental deposits		8,463
Retainage payable		<u>36,379</u>
Total liabilities		<u>45,495</u>
Net Assets (NOTE 2):		
Without Donor Restrictions		1,771,987
With Donor Restrictions		<u>-</u>
Total net assets		<u>1,771,987</u>
Total liabilities and net assets	\$	<u><u>1,817,482</u></u>

The accompanying notes are an integral part of these financial statements

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contracts (NOTE 2)	\$ 124,427	\$ -	\$ 124,427
Rental income	85,415	-	85,415
FEMA income-admin	1,633	-	1,633
Interest income	241	-	241
Total revenue and support	211,716	-	211,716
Expenses:			
Program services	88,912	-	88,912
Support services	32,079	-	32,079
Total expenses	120,991	-	120,991
Changes in net assets	90,725	-	90,725
Net Assets:			
Beginning of the year	1,681,262	-	1,681,262
End of year	\$ 1,771,987	\$ -	\$ 1,771,987

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

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	Program Services	Support Services	Total Expenses
Insurance	\$ 17,375	\$ -	\$ 17,375
Depreciation	37,023	-	37,023
Occupancy	-	13,808	13,808
Repair and maintenance	8,317	-	8,317
Supplies	665	-	665
Accounting	-	18,000	18,000
Contracted services	1,178	-	1,178
Telephone	1,523	-	1,523
Property manager	13,910	-	13,910
Bank fees	-	271	271
Miscellaneous	2,051	-	2,051
Property maintenance	6,870	-	6,870
	<hr/>	<hr/>	<hr/>
Total functional expenses	<u>\$ 88,912</u>	<u>\$ 32,079</u>	<u>\$ 120,991</u>

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

**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Cash Flows From Operating Activities**

Change in net assets	\$ 90,725
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	37,023
Increase in receivables	(35,107)
Decrease in grants receivable	(19,697)
Increase in rent deposits	2,201
	<hr/>
Net cash provided by operating activities	<u>75,145</u>

**Cash Flows From Investing Activities**

Construction of buildings	<u>(410,361)</u>
Net cash used in investing activities	<u>(410,361)</u>
Net decrease in cash and cash equivalents	(335,216)
Cash and cash equivalents - July 1, 2021	<u>530,231</u>
Cash and cash equivalents - June 30, 2022	<u><u>\$ 195,015</u></u>

The accompanying notes are an integral part of these financial statements

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

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NOTE 1 - ORGANIZATION:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

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

Basis of Presentation

For the year ended June 30, 2022, **Ninth Ward Housing Development Corporation** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 31, 2017 and requires the use of the retrospective transition method. **Ninth Ward Housing Development Corporation** adopted this standard for the year ended June 30, 2020 and its implementation is reflected in the financial statements.

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



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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis of Presentation, Continued

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

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

At June 30, 2022, **Ninth Ward Housing Development Corporation** did not have any net assets with donor restrictions.

Cash and Cash Equivalents

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

Property, Plant, and Equipment

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

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Functional Allocation of Expenses

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

Allowance for Losses

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

Support and Revenues

Revenues received under federal grant programs are recognized when earned.

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

Fair Value

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

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Use of Estimates

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

NOTE 3 - INCOME TAXES:

**Ninth Ward Housing Development Corporation** is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **Ninth Ward Housing Development Corporation's** tax status be challenged in the future, the 2019, 2020 and 2021 tax years are open for examination by the IRS.

NOTE 4 - CONCENTRATION OF CREDIT RISKS AND UNCERTAINTIES:

**Ninth Ward Housing Development Corporation** has deposit cash balances in three financial institutions. Interest-bearing and non-interest-bearing deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor and per insured depository institution for each account ownership category. At June 30, 2021, **Ninth Ward Housing Development Corporation's** did not have any uninsured cash balances.

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

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NOTE 5 - COMMITMENTS AND CONTINGENCIES:

Participation in Grant Programs

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

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

Operating Leases

**Ninth Ward Housing Development Corporation** leases administrative office space under the terms of a non-cancellable lease. The term of the lease is one year. The lease began on October 1, 2021 and ends on September 30, 2022. Future minimum lease payments under the terms of the operating lease as of June 30, 2022 were:

**2714 Canal Street**  
Year Ending June 30, 2022:

2022	<u>\$ 3,102</u>
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**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**

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NOTE 6 - **FAIR VALUE MEASUREMENTS OF  
FINANCIAL ASSETS AND LIABILITIES:**

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

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

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

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

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NOTE 6 - **FAIR VALUE MEASUREMENTS OF  
FINANCIAL ASSETS AND LIABILITIES, Continued:**

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

The carrying value and the estimated fair values of **Ninth Ward Housing Development Corporation's** financial instruments at June 30, 2022 are as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 195,015	\$ 195,015
Accounts receivable	47,107	47,107
Grants receivable	89,020	89,020
Rent receivable	1,982	1,982
Deposit	1,034	1,034
Retainage payable	36,379	36,379
Rent deposits	8,463	8,463
Accounts payable	653	653

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

**NOTE 7 - PROPERTY, PLANT AND EQUIPMENT:**

	<u>Balance at</u> <u>07/01/21</u>	<u>Additions</u> <u>(Reductions)</u>	<u>Balance at</u> <u>6/30/22</u>
Buildings	\$1,110,700	\$ -0-	\$ 1,110,700
Construction in progress	51,644	410,360	462,004
Accumulated depreciation	<u>(52,357)</u>	<u>(37,023)</u>	<u>(89,380)</u>
Net property, plant, and equipment	<u>\$1,109,987</u>	<u>\$ 373,337</u>	<u>\$ 1,483,324</u>

Amortization/depreciation expense for the year ended June 30, 2022 totaled \$37,023.

**NOTE 8 - LIQUIDITY AND AVAILABILITY:**

The following reflects **Ninth Ward Housing Development Corporation's** financial assets as of June 30, 2022 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2022. As of June 30, 2022, there were no donor-imposed restrictions.

Cash and cash equivalents	\$ 195,015
Accounts receivable	47,107
Grant receivable	89,020
Rent receivable	1,982
Deposit	<u>1,034</u>
Total financial assets at year end	334,158
Less: Amounts not available to meet general expenses within one year:	
Deposits	<u>(1,034)</u>
Financial assets available to meet general expenses within one year	<u>\$ 333,124</u>

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

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**NOTE 9 - SUBSEQUENT EVENTS:**

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **Ninth Ward Housing Development Corporation** has evaluated subsequent events and the reason for selecting that date. Management evaluated subsequent events from July 1, 2022 to August 8, 2022, the date the financial statements were available to be issued and determined that the following events occurred that require disclosure:

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



**NINTH WARD HOUSING DEVELOPMENT CORPORATION**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD OR**  
**CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Agency Head Name/Title:** Claude Stewart, CEO

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	399
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

**NINTH WARD HOUSING DEVELOPMENT CORPORATION  
PRIOR YEAR FINDING**

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2021-001 - Untimely Submission of Audit Report

Criteria

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year. If the due date falls on a Saturday, Sunday, or federal Holiday, the reporting package is due the next business day.

Conditions

The June 30, 2021 report was not submitted within the prescribed time frame.

Recommendation

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

Current Status

Resolved.