Fischer I, LLC

Financial Statements and Supplemental Information

December 31, 2020 and 2019

TABLE OF CONTENTS

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of
Fischer I, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Fischer I, LLC (the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments 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 opinion.

bermanhopkins.com

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

ORLANDO
255 South Orange Avenue, #1545
Orlando, FL 32801
407-841-8841

TITUSVILLE
917 South Washington Avenue
Titusville, FL 32780
321-267-2190

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2021 on our consideration of the Company'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 Company'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 Company's internal control over financial reporting and compliance.

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

March 1, 2021
Melbourne, Florida

FISCHER I, LLC

BALANCE SHEETS

December 31,

		2020		2019
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents - unrestricted	$	230,800	$	267,452
Cash and cash equivalents - restricted		158,643		153,161
Tenant accounts receivable, net		910		2,496
Prepaid expenses		11,236		11,110
Other assets		50		50
Tax credit monitoring fees, net		60		133
Total current assets		401,699		434,402
NONCURRENT ASSETS				
Tax credit monitoring fees, net		-		60
Investment in rental property, net		2,298,100		2,381,572
Total noncurrent assets		2,298,100		2,381,632
Total assets	$	2,699,799	$	2,816,034
LIABILITIES AND MEMBERS' DEFICIT				
CURRENT LIABILITIES				
Accounts payable	$	11,095	$	15,175
Property management fee payable		15,050		8,540
Asset management fee payable		3,301		3,301
Developer fees payable		173,600		173,600
Accrued interest payable to the Authority		1,482,334		1,343,288
Tenant security deposits		3,650		4,550
Tenant prepaid rent		1,976		515
Due to related parties		285,927		251,798
Other current liabilities		-		595
Total current liabilities		1,976,933		1,801,362
NONCURRENT LIABILITIES				
Notes payable to the Authority		1,850,359		1,850,359
Total liabilities		3,827,292		3,651,721
MEMBERS' DEFICIT				
Managing member deficit		(222)		(193)
Investor member deficit		(1,127,271)		(835,494)
Total members' deficit		(1,127,493)		(835,687)
Total liabilities and members' deficit	$	2,699,799	$	2,816,034

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

FISCHER I, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31,

	2020	2019
OPERATING REVENUES		
Rental income, net	$ 71,990	$ 75,588
Rental subsidy	111,415	106,561
Vacancies and concessions	(29,214)	(27,388)
Total tenant revenue, net	154,191	154,761
Other income	3,544	3,839
Total operating revenues	157,735	158,600
OPERATING EXPENSES		
Repairs and maintenance	57,763	41,461
Utilities	49,317	32,066
Insurance	47,378	39,763
Salaries	17,998	7,119
General and administrative	17,187	11,421
Protective services	11,606	-
Management fees	9,291	15,761
Bad debt expense	5,738	4,216
Tenant services	3,128	67
Total operating expenses	219,406	151,874
NET OPERATING INCOME (LOSS)	(61,671)	6,726
OTHER INCOME (EXPENSES)		
Interest income	525	754
Depreciation	(91,481)	(91,351)
Amortization	(133)	(133)
Interest expense	(139,046)	(132,816)
Total other income (expenses)	(230,135)	(223,546)
NET LOSS	$ (291,806)	$ (216,820)

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

FISCHER I, LLC

STATEMENTS OF MEMBERS' DEFICIT

For the years ended December 31,

	Managing Member	Special Member	Investor Member	Total Members' Deficit
Members' deficit, January 1, 2019	$ (171)	$ -	$ (618,696)	$ (618,867)
Net loss	(22)	-	(216,798)	(216,820)
Members' deficit, December 31, 2019	(193)	-	(835,494)	(835,687)
Net loss	(29)	-	(291,777)	(291,806)
Members' deficit, December 31, 2020	$ (222)	$ -	$ (1,127,271)	$ (1,127,493)

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

FISCHER I, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (291,806)	$ (216,820)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	91,481	91,351
Amortization - tax credit monitoring fees	133	133
(Increase) decrease in assets:		
Tenant accounts receivable, net	1,586	(2,496)
Prepaid expenses	(126)	(7,734)
Increase (decrease) in liabilities:		
Accounts payable	(4,080)	5,546
Property management fee payable	6,510	6,755
Asset management fee payable	-	2,468
Due to related parties	34,129	8,023
Accrued interest payable	139,046	132,816
Tenant security deposits	(900)	(800)
Tenant prepaid rent	1,461	223
Other current liabilities	(595)	-
Net cash provided by (used in) operating activities	(23,161)	19,465
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for capital improvements	(8,009)	(642)
Net increase (decrease) in cash	(31,170)	18,823
Cash and cash equivalents at beginning of year	420,613	401,790
Cash and cash equivalents at end of year	$ 389,443	$ 420,613
RECONCILIATION TO BALANCE SHEET:		
Cash and cash equivalents - unrestricted	$ 230,800	$ 267,452
Cash and cash equivalents - restricted	158,643	153,161
	$ 389,443	$ 420,613

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of operations

Fischer I, LLC (the Company), a Louisiana limited liability company, was formed in March 2004 to construct, develop and operate a 20-unit apartment project, known as Fischer I Apartments (the Apartment) in New Orleans, Louisiana. The Apartment is rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code ("Section 42").

The managing member is Lune d'Or Enterprises, LLC (the "Managing Member"). The limited members (the "Limited Members") are MMA Special Limited Partner, Inc. (the "Special Member") and MMA Fischer I, LLC (the "Investor Member").

Profits, losses and tax credits are allocated in accordance with the Amended and Restated Operating Agreement, dated January 1, 2005 (the "Operating Agreement"). Profits and losses from operations and low-income housing tax credits in any one year are allocated 99.99% to the Investor Member and 0.01% to the Managing Member.

Each building of the Apartment has qualified for and been allocated low-income housing tax credits pursuant to Section 42 which regulates the use of the Apartment to occupant eligibility and unit gross rent, among other requirements. The total low-income housing credits generated from the State of Louisiana was $2,551,600 and is available for use by the members pro rata over a ten-year period. Each building of the Apartment must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. The Compliance period ends December 2021.

The Company will operate until December 31, 2102 or until its earlier dissolution or termination.

The Company is a component unit of the Housing Authority of New Orleans (the "Authority" or "HANO") under the requirements of Governmental Accounting Standards Board Codification of *Governmental Accounting and Financial Reporting Standards*, Section 2100, *Defining the Financial Reporting Entity*. The Company is presented as a discretely presented component unit of HANO as there is a financial benefit/burden relationship with HANO.

2. Accounting method

The financial statements have been prepared on the accrual basis of accounting. Accordingly, income is recognized as earned and expenses as incurred, regardless of the timing of payments.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

4. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Tenant accounts receivables and bad debts

Management individually reviews all accounts receivable periodically and assesses the portions, if any, of the balance that will not be collected. Tenant accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management based on prior experience with similar accounts. The allowance for uncollectible accounts as of December 31, 2020 and 2019, was $2,590 and $275, respectively.

6. Tax credit monitoring fees and amortization

Tax credit monitoring fees of $2,000 are being amortized using the straight-line method over the fifteen-year tax credit compliance period. Accumulated amortization at December 31, 2020 and 2019 is $1,940 and $1,807, respectively. Remaining amortization expense for 2021 is $60.

7. Investment in rental property

Property and equipment is recorded at cost. Expenditures for maintenance and repairs are charged to expenses as incurred while major renewals and betterments are capitalized. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Investment in rental property (continued)

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Investment in rental property, net, is comprised of the following as of December 31:

	2020	2019	Useful Lives
Buildings and improvements	$ 3,654,063	$ 3,654,063	40 years
Land improvements	261,845	261,845	20 years
Furniture and equipment	76,128	67,267	10 years
	3,992,036	3,983,175	
Less accumulated depreciation	(1,693,936)	(1,601,603)	
	$ 2,298,100	$ 2,381,572	

8. Impairment of long-lived assets

The Company reviews its Investment in rental property 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 property are less than its carrying amount, management compares the carrying amount of the property 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. In the current year, management determined there was no loss on impairment related to its long-lived assets.

9. Rental income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the property are considered operating leases.

10. Income taxes

The Company is not a taxpaying entity for federal or state income tax purposes since taxable income or loss passes through to, and is reportable by, the members individually. Therefore, no provision or liability for income taxes has been included in the financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Income taxes (continued)

The Company accounts for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 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. In evaluating the Company's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

The Company's income tax filings are subject to audit by various taxing authorities. The Company is no longer subject to income tax examinations by tax authorities for years before 2017.

11. Economic concentrations

The Company operates one property located in New Orleans, Louisiana. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

NOTE B - CASH AND CASH EQUIVALENTS

The Company maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. As of December 31, 2020, none of the bank balance was in excess of FDIC insurance and collateral. The Company has not experienced any losses in such accounts.

Restricted cash and cash equivalents consist of the following at December 31,

	2020	2019
Replacement reserve	$ 71,279	$ 65,023
ACC subsidy reserve	33,802	33,751
Operating reserve	49,912	49,837
Tenant security deposits	3,650	4,550
	$ 158,643	$ 153,161

NOTE B - CASH AND CASH EQUIVALENTS

1. Replacement reserve

Pursuant to the Operating Agreement, the Managing Member shall establish a reserve account for capital replacements, increasing annually by the Consumer Price Index commencing on the completion date. Monthly funding for the replacement reserve for the years ended December 31, 2020 and 2019 were $543 and $519, respectively. The activity in the replacement reserve for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
Balance, January 1,	$ 65,023	$ 70,251
Deposits	6,526	6,324
Withdrawals	(270)	(11,552)
Balance, December 31,	$ 71,279	$ 65,023

2. ACC subsidy reserve

Pursuant to the Operating Agreement, the Company shall establish a reserve account equal to $33,627 as set forth in the Regulatory and Operating Agreement between the Company and HANO. Funds in the ACC Subsidy Reserve may be used to pay operating expenses subject to approval and consent of the Investor Member.

3. Operating reserve

Pursuant to the Operating Agreement, the Managing Member is required to establish an operating reserve in a separate reserve account to fund operating expenses, to the extent required, subject to any requisite approvals and to the consent of the Investor Member.

NOTE C - OPERATING DEFICIT GUARANTY

Pursuant to the Operating Agreement, the Managing Member has guaranteed to fund, without limitation, all operating deficits, as defined. Amounts so furnished to fund operating expenses incurred prior to the Development Obligation Date shall be deemed Special Capital Contributions and amounts furnished on or after the Development Obligation Date shall constitute Operating Expense Loans, as defined. Any such Operating Expense Loans shall not bear interest and are repayable only as provided for in the Operating Agreement. As of December 31, 2020 and 2019, there were no guaranty amounts due or payable.

NOTE D - RELATED PARTY TRANSACTIONS

1. Operating subsidy from HANO

The Company has entered into an Amended and Restated Regulatory and Operating Agreement (the "Agreement") with HANO that provides for an operating subsidy amount for annual operations. Pursuant to the Agreement, the eight units at the Apartment are to be operated as Public Housing Units and subject to all regulations therein. During 2020 and 2019, the Company received an rental subsidy from HANO in the amount of $72,188 and $60,076, respectively.

2. Voucher subsidy from HANO

The Company is eligible to house tenants receiving Housing Choice Voucher rental assistance subsidy through vouchers issued by HANO. During 2020 and 2019, the Company received voucher subsidy from HANO in the amount of $39,227 and $46,485, respectively, and is included in rental subsidy on the statement of operations.

3. Asset management fee

Pursuant to the Operating Agreement, an annual cumulative asset management fee in the amount of $2,500 per annum to the investor member is incurred. To the extent that it is not paid in full in any fiscal year, it shall accrue and be payable in the future. During 2020 and 2019, fees of $5,915 and $9,006, respectively, were charged to operations. As of December 31, 2020 and 2019, $3,301 remains payable.

4. Developer agreement

The Company entered into a development agreement with Crescent Affordable Housing Corporation ("CAHC"), an affiliate of the Managing Member. The agreement provides for a development fee and overhead in the amount of $279,026 for services in connection with the development of the Apartment and supervision of the construction. Payments of the development fee are to be made from designated proceeds or from development advances, as defined in the Operating Agreement and the Development Services Agreement, respectively. The balance of this developer fee payable as of December 31, 2020 and 2019 is $173,600.

5. Operating expenses

The Company owes CAHC for property insurance and other operating expenses paid by CAHC on behalf of the Company. As of December 31, 2020 and 2019, the balance owed to CAHC is $136,164, and is included in due to related parties in the accompanying balance sheets.

NOTE D - RELATED PARTY TRANSACTIONS (continued)

6. Due to HANO

As of December 31, 2020 and 2019, the Company owed HANO for advances related to miscellaneous costs associated with the construction and operation of the Project. Related party payables bear no interest, are collateralized by the Project, and are payable from remaining capital contributions and available cash flows from the Project. The amount due to HANO as of December 31, 2020 and 2019 is $107,611 and is included in due to related parties in the accompanying balance sheets.

NOTE E - NOTES PAYABLE TO RELATED PARTY

Notes payable consists of the following at December 31,

	2020	2019
Capital funds note payable	$ 1,424,059	$ 1,424,059
Program income note payable	196,300	196,300
Supplemental loan	130,000	130,000
Affordable Housing Program loan	100,000	100,000
	$ 1,850,359	$ 1,850,359

1. Capital funds note

During 2005, the Company 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 the Company. 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. As of December 31, 2020 the balances of the HANO Capital Funds Note are included in notes and accrued interest payable in the accompanying balance sheets. The note payable balance was $1,424,059 for both years. Interest incurred during the years ending December 31, 2020 and 2019 was $120,323 and $114,944, respectively. Accrued interest payable on the note as of December 31, 2020 and 2019 is $1,267,276 and $1,146,953, respectively.

2. Program income note

On January 20, 2005, the Company 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 years ended December 31, 2020 and 2019 is $18,723 and $17,872, respectively.

NOTE E - NOTES PAYABLE TO RELATED PARTY (continued)

2. Program income note (continued)

Accrued interest payable on the note as of December 31, 2020 and 2019 is $215,058 and $196,335, respectively. The current balance on the note as of December 31, 2020 and 2019 is $196,300.

3. Supplemental loan

On November 1, 2006, the Company 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 as of December 31, 2020 and 2019 is $130,000.

4. Affordable housing program loan

On November 16, 2005, the Company entered into an Affordable Housing Program Loan with HANO in the amount of $100,000 to assist the Company 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 remaining mortgage proceeds, capital contributions, and available cash flow from the Project. The current balance on the loan as of December 31, 2020 and 2019 is $100,000.

NOTE F - MEMBERS' CAPITAL

Capital contributions totaling $2,079,000, including a downward adjuster of $46, are due from the Investor Member when certain milestones are achieved as disclosed in the Operating Agreement. As of December 31, 2020 and 2019, the Investor Member had funded $2,078,954. The above contributions are subject to adjustment as defined in the Operating Agreement. The Managing Member is required to make contributions of $100 and the Special Member is required to make contributions of $10.

NOTE G - MANAGEMENT AGREEMENT

Effective October 2015, the Apartment is now managed by HANO, an affiliate of the Managing Member. As of December 31, 2020 and 2019, $6,510 and $6,755, respectively, was charged to operations and $15,050 and $8,540, respectively, remains payable.

NOTE H - GROUND LEASE

The Company entered into a Ground Lease Regulatory Agreement (the "Ground Lease") with HANO. The Company is bound by the responsibilities and obligations of the Ground Lease. Under the Ground Lease, annual rent of $10 is due and payable for each lease year in advance on the first day of each lease year. The lease term ends at the latest to occur of (1) the expiration of the minimum period during which the Public Housing Units are required by law to be operated as public housing, (2) 40 years from the date the Apartment becomes available for occupancy, and (3) 89 years. The Ground Lease has provisions to extend it beyond those noted above, but in no event will the Ground Lease extend beyond 95 years.

NOTE I - COMMITMENTS AND CONTINGENCIES

1. Legal

The Company may be party to various pending or threatened legal actions in the normal course of operations. As of the date of this report, management is not aware of any material threatened or pending legal actions against the Company.

2. Tax credits

The Apartment's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

3. COVID-19 pandemic

The Company, like most businesses, has had its operational activities impacted by the COVID-19 pandemic to conform with current guidelines. As of the date of this report, the overall impact and duration is uncertain.

NOTE J - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 1, 2021 the date which the financial statements were available to be issued, and noted no issues to be disclosed.

SUPPLEMENTAL INFORMATION

FISCHER I, LLC

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

December 31, 2020

Agency Head Name: Evette Hester

Executive Director and Chief Administrative Officer of the Housing Authority of New Orleans

Purpose	Amount
Salary	None
Benefits-insurance	None
Benefits-retirement	None
Benefits-deferred comp	None
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	None
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special meals	None

Fischer I, LLC provides no compensation, benefits, or other payments to the Executive Director and Chief Administrative Officer of the Housing Authority of New Orleans ("HANO"). HANO is the governmental unit that controls Fischer I, LLC. All compensation, benefits, and other payments to HANO's Executive Director are included in the financial statements of HANO.

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

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

To the Members of
Fischer I, LLC

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 Fischer I, LLC (the "Company"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements, and have issued our report thereon dated March 1, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company'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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company'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, #1545
Orlando, FL 32801
407-841-8841

TITUSVILLE
917 South Washington Avenue
Titusville, FL 32780
321-267-2190

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company'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 financial statement. 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 Company'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 Company's internal control over compliance. Accordingly, this communication is not suitable for any other purpose.

March 1, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP