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# Louisiana Housing Finance Agency



## Internal Audit

Collette Mathis, Audit Director

October 6, 2010

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## **M E M O R A N D U M**

**To:** Chairman Joseph Scontrino, III  
Commissioner Allison Jones  
Commissioner John Kennedy  
Commissioner Jerome Boykin, Sr.  
Commissioner Neal Miller

**From:** Collette Mathis, Audit Director

**Date:** October 6, 2010

**Re:** Audit Committee

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There will be an Audit Committee meeting, Wednesday, October 13, 2010 at 11:30 a.m., at Louisiana Housing Finance Agency, Committee Room 2, located at 2415 Quail Drive, Baton Rouge, LA.

There will be a presentation and discussion of the fiscal year ended June 30, 2010 external audit results by Duplantier, Hrapmann, Hogan and Maher. A copy of the audit reports have been posted to LHFA's Board of Commissioners website.

If you have any questions or concerns, please contact us.

Attachments

October 6, 2010

## **INTERNAL AUDIT COMMITTEE MEETING**

Notice is hereby given of a regular meeting of the Audit Committee to be held on **Wednesday, October 13, 2010 at 11:30A.M.**, Louisiana Housing Finance Agency, **Committee Room 2**, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

### **PRELIMINARY AGENDA**

1. Call to order, roll call and introduction of guests
2. Approval of the Minutes of the October 14, 2009 Audit Committee Meeting
3. Presentation and Discussion of External Audit results for fiscal year ended June 30, 2010
  - Duplantier, Hrapmann, Hogan & Maher
4. Recommendation of Resolution to Full Board to accept the General Fund and Bond Program Audit Results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan & Maher
5. Other Business
6. Adjournment

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Milton J. Bailey, LHFA President

If you require special services, please contact Barry Brooks at (225) 763-8773  
or via email [bbrooks@lhfa.state.la.us](mailto:bbrooks@lhfa.state.la.us)

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

**Louisiana Finance Agency  
Audit Committee Meeting Minutes  
Wednesday, October 14, 2009  
2415 Quail Drive  
Committee Room 2  
Baton Rouge, LA 70808  
11:00 AM**

**Commissioners Present**

Joseph Scontrino, III  
Elesnia Young  
Neal Miller  
Mayson Foster

**Commissioners Absent**

Allison Jones  
John Kennedy  
Jerome Boykin, Sr.

**Staff Present**

Konchetta Bringier  
Dione Milton  
Collette Mathis  
Jason St. Romain  
Rene' Landry  
Kip Anderson  
Nicole Mack  
Jatis Harrington

**Others Present**

Bill Stamm, DHHM  
Nancy Borland, DHHM  
Terri Kitto, DHHM  
Heather McCardle, DHHM

**1. Call to order, roll call and introduction of guests.**

Commissioner Scontrino called the meeting to order at 11:07 AM and asked for roll call. A quorum was established.

**2. Approval of the minutes of the July 8, 2009 Audit Committee Meeting.**

*On a motion by Commissioner Foster and seconded by Commissioner Young, the minutes of the July 8, 2009 Audit Committee Meeting were approved.*

**3. Presentation and Discussion of External Audit Results for Fiscal Year Ended June 30, 2009.**

Bill Stamm with Duplantier, Hrapmann, Hogan & Maher (DHHM) presented the external audit results for Louisiana Housing Finance Agency's June 30, 2009 audit. Mr. Stamm gave an overview of the audit, discussed the audit opinions and the Audit Results handout.

Mr. Stamm explained there were three reports issued on the General Fund side of the audit; Financials Statements, Internal Controls and Compliance. An unqualified opinion was issued on all of the reports; there were no findings, instances of non-compliance or material weaknesses noted.

Mr. Stamm discussed the results of the MRB Program audit. This was the first year DHHM performed an audit of the MRB Program. He informed the Committee that a qualified opinion was issued on the financials. A qualified opinion has been issued for the past several years because the Agency has not adopted GASB 31, which requires mortgage receivables to be recorded at fair value. The Agency records them at amortized cost.

Mr. Stamm discussed the graphs that were included in the Presentation of Audit Results. These graphs covered significant parts of the audit. They were related to Investments and Mortgage Loans, Bonds Payable, Net Assets, Home Program Mortgage Loans, General Fund Operating Revenues, General Fund Operating Expenses, Interest Expense Compared to Interest Income and Combined Revenues.

Mr. Stamm thanked Rene' Landry and his staff for their cooperation during the audit. There were no questions relating to the information presented.

**4. Approval of and recommendation to Full Board to accept the General Fund and Bond Program audit results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan and Maher.**

*On a motion by Commissioner Foster and a second by Commissioner Young, the Committee accepted the results of the audit results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan and Maher.*

Audit Committee Meeting Minutes

October 14, 2009

Page 2

**5. Other Business.**

Rene' Landry informed the committee that an electronic copy of the report is available on the Louisiana Legislative Auditor's website. He also discussed the Operating Actuals and Budget for Fiscal Year 2009. This report is an unaudited schedule that is prepared internally which shows the budget variances for the Agency's operating accounts. He also referred the committee to the notes on the report which explained the variances and he noted that the Agency was in budget for the entire 2009 year.

Mr. Landry explained that the report is generated on a monthly basis and is distributed to management. Mr. Scontrino asked if he can receive a copy as well. Mr. Landry agreed to send him a copy.

**6. Adjournment.** The meeting was adjourned at 11:28 AM.

## **LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

### **RESOLUTION**

A resolution is hereby approved to accept the General Fund and Bond Programs audit results of the Louisiana Housing Finance Agency (“Agency”) made by Duplantier, Hrapmann, Hogan, and Maher. The General Fund report entitled “Schedule of Findings and Questioned Costs for the Year Ended June 30, 2010,” is attached, indicating there were no findings. Additionally, there were no findings for the Bond Programs audits.

WHEREAS, the Agency, as a component unit of the State of Louisiana must have performed an annual General Fund audit, and per regulatory requirements Bond Programs audits; and

WHEREAS, Duplantier, Hrapmann, Hogan, and Maher, the firm which audited the Agency, has submitted its audit results in a report entitled “Schedule of Findings and Questioned Costs for the Year Ended June 30, 2010,” which is hereto attached as Attachment A, and additionally submits that there were no findings for the Bond Programs audits.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (“Board”), acting as the governing authority of said Agency, that:

SECTION 1. The Agency shall accept the results of the audits as contained in the report entitled “Schedule of Findings and Questioned Costs,” which is hereto attached as Attachment A, as well as the full audited financial statements, which have been submitted to the Louisiana Legislative Auditor’s office.

SECTION 2. The Agency staff and counsel are authorized and directed to prepare such documents as necessary, consistent with the provisions of this resolution.

SECTION 3. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13<sup>th</sup> day of October, 2010.

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Chairman

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Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on October 13, 2010 accepting the General Fund and Bond Programs audit results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan, and Maher.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 13th day of October, 2010.

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Secretary

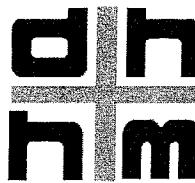
LOUISIANA HOUSING FINANCE AGENCY  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.568	Low-Income Energy Assistance Program
14.228	Community Development Block Grant
81.042	Weatherization Assistance Program
14.258	Tax Credit Assistance Program

B. **Findings – Financial Statement Audit – None**

C. **Findings and Questioned Costs – Major Federal Award Programs – None**



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

MICHAEL J. O'ROURKE, C.P.A.  
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August 27, 2010

To the Board of Commissioners  
Louisiana Housing Finance Agency  
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Housing Finance Agency for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2009. Professional standards also require that we communicate to you the following information related to our audit.

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Louisiana Housing Finance Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2010. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

1. Accumulated depreciation and related useful life of capital assets
2. Allowance for loan loss
3. Accruals

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940

247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833

[www.dhhmcpa.com](http://www.dhhmcpa.com)

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures corrected by management are listed on the attached document.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 27, 2010.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Commissioners  
Louisiana Housing Finance Agency

-3-

August 27, 2010

This information is intended solely for the use of the Board of Commissioners and management of the Louisiana Housing Finance Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

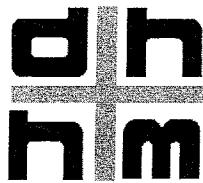


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William G. Stamm, CPA  
Partner

WGS/ct

Account	Description	Debit	Credit
Market value investment adjustment			
1049-000	FMV - GASB 31 YE ADJUSTMENT	1,630,458.29	
4049-000	FMV - Unrealized P&L - INVESTMENTS		1,630,458.29
<b>Total</b>		<b>1,630,458.29</b>	<b>1,630,458.29</b>
To defer TCAP income received in FY 2009, but not spent until FY 2010			
4310-334-160-001	Federal Drawdown - TCAP - HUD - MF	1,000,000.00	
2150-000-334-000	Deferred Revenue - TCAP		1,000,000.00
<b>Total</b>		<b>1,000,000.00</b>	<b>1,000,000.00</b>
To record Village de Jardin (formerly Gaslight) & Willowbrook activity.			
1000-000-140-502	Cash - BKONE - HUD DISP.	227,492.00	
1280-000-180-075	Other Assets - HUD Disposition	159,745.00	
1380-000	Fixed Assets - HUD Disposition	51,712,082.00	
6980-000-180-203	HUD Disposition - NI - WILLOWBROOK	510,622.00	
1300-000-180-203	HUD Disposition Properties - WILLOWBROOK		32,551,626.00
1300-000-180-204	HUD Disposition Properties - GASLIGHT		7,149,751.00
2000-000-180-075	A/P - RSTRD - HUD Disposition		11,381.00
2000-000-180-077	A/P - HUD Disp - Tenant Security Deposits		131,493.00
6980-000-180-204	HUD Disposition - NI - Villa de Jardin		12,765,690.00
<b>Total</b>		<b>52,609,941.00</b>	<b>52,609,941.00</b>
To correct beginning balances for VdJ & WB accounts.			
1300-000-180-203	HUD Disposition Properties - WILLOWBROOK	32,944,496.00	
1300-000-180-204	HUD Disposition Properties - GASLIGHT	7,111,083.00	
1380-000	Fixed Assets - HUD Disposition	80,377.00	
2000-000-180-075	A/P - RSTRD - HUD Disposition	14,068.00	
2000-000-180-077	A/P - HUD Disp - Tenant Security Deposits	96,694.00	
1000-000-140-502	Cash - BKONE - HUD DISP.		84,432.00
1280-000-180-075	Other Assets - HUD Disposition		106,707.00
1380-000	Fixed Assets - HUD Disposition		40,055,579.00
<b>Total</b>		<b>40,246,718.00</b>	<b>40,246,718.00</b>
To adjust reserve for loan losses			
1130-000-160-001	Reserve for Bad Debt - HOME - MF/RH	8,364,755.97	
1130-000-170-001	Reserve for Bad Debt - HOME - Single Family	50,350.00	
6961-000-160-003	Conditionally Forgiven Expense - Multi-Family Loans	89,633.09	
6962-000-160-332	Conditionally Forgiven Expense - TCAP Exchange Loans	6,889,494.00	
1130-000	Reserve for Bad Debt - 202 Elderly Projects		72,153.79
1130-000-160-002	Reserve for Bad Debt - DISASTER - MF/RH		34,553.59
1130-000-160-003	Reserve for Bad Debt - HOME MF Conditional		89,633.09
1130-000-160-332	Reserve for Bad Debt - TCAP Exchange		6,889,494.00
1130-000-160-334	Reserve for Bad Debt - TCAP		932,617.70
1130-000-160-375	Reserve for Bad Debt - NSP		101,728.77
6960-000-160-001	Bad Debt Expense - Multi-Family Loans		7,223,702.12
6960-000-170-001	Bad Debt Expense - Single Family Loans		50,350.00
<b>Total</b>		<b>15,394,233.06</b>	<b>15,394,233.06</b>



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August 27, 2010

To the Board of Commissioners  
Louisiana Housing Finance Agency

We have audited the combined financial statements of the Louisiana Housing Finance Agency for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our performance contract dated May 15, 2009. Professional standards also require that we communicate to you the following information related to our audit.

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Louisiana Housing Finance Agency are described in Note 1 to the combined financial statements. Except as described below, we noted no significant accounting policies we consider inappropriate.

As described in Note 1, management has accounted for mortgage-backed securities in the Mortgage Revenue Bond Program at amortized cost less principal collections. Accretion of discounts and premiums related to the purchase is recognized into income over the life of the certificates using the interest method. Remaining discounts and premiums are recognized as expenses when the bonds are fully redeemed. The policy of carrying these securities at amortized cost is not in accordance with GASB Statement No. 31, which requires the securities to be recorded at their fair value. This treatment of revenue, expense and asset valuation is considered to be a departure from accounting principles generally accepted in the United States of America.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2010. All significant transactions have been recognized in the combined financial statements in the proper period.

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

1. Management's estimate of the future debt obligation. This estimate is based on a percentage of bonds outstanding that corresponds to the percentage of the original maturity or sinking fund amount divided by the original bond issue amount. We evaluated the key factors and assumptions used to develop the future debt obligation in determining that it is reasonable in relation to the combined financial statements taken as a whole.
2. Management's estimate of the amortization of deferred financing costs. This estimate is based on the principle of matching expenses to the period in which they occurred. Since the costs of bond issuance can be significant and apply to the bond issue as a whole, generally accepted accounting principles require that these costs be amortized over the life of the bond. Management further estimates a portion of these costs allocable to calls and amortizes those costs proportionately. We evaluated the key factors and assumptions used to develop the amortization of deferred financing costs in determining that it is reasonable in relation to the combined financial statements taken as a whole.
3. Management's estimate of the amortization of discounts, premiums and deferred gains and losses on refunded bonds. This estimate is based on the principle of matching expenses to the period in which they occurred. Since discounts, premiums and deferred gains and losses on refundings apply to the bond issue as a whole, generally accepted accounting principles require that these amounts be amortized over the life of the bond. Management further estimates a portion of these amounts allocable to calls and amortizes those amounts proportionately. We evaluated the key factors and assumptions used to develop the amortization of discounts, premiums and deferred gains and losses on refunded bonds in determining that it is reasonable in relation to the combined financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the combined financial statements was:

1. The disclosure of future debt obligations in Note 5 to the combined financial statements. The Agency regularly redeems outstanding bonds prior to maturity as permitted by the Trust Indentures. These calls are made based on a number of economic factors, none of which can be accurately estimated in the long-term. Historically a significant portion of the bonds have been called for early redemption, however, there is no accurate predictor to determine the rate that will occur in the future. Because outstanding bonds may be called prior to maturity, future debt and interest payments may not occur as estimated.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedules list adjustments detected as a result of audit procedures. As stated in our report dated August 27, 2010, we noted a departure from generally accepted accounting principles as they apply to fair value measurement of mortgage securities under GASB Statement No. 31. With the exception of this departure, management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 27, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Commissioners  
Louisiana Housing Finance Agency

-4-

August 27, 2010

This information is intended solely for the use of the Board of Commissioners and management of Louisiana Housing Finance Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

*William G. Starn*

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William G. Starn, CPA  
Partner

WGS/ckr  
Enclosures

8/27/2010  
12:16 PM

Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4030.00 - Belmont TB**  
Workpaper: **4030.04 - Belmont AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>4033.01</b>		
To correct mortgage loan receivable balance.				
1101	Mortgage Loan Purchased		545,148.35	
1210	Accum Amortiz-Def Fin Costs		17,963.00	
1200	Deferred Financing Costs			528,977.44
4500	Other Income			18,648.91
5140	Amort Expense of Def COI			15,485.00
<b>Total</b>			<b><u>563,111.35</u></b>	<b><u>563,111.35</u></b>

8/27/2010  
12:16 PM

Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4110.00 - Lapalco TB**  
Workpaper: **4110.04 - Lapalco AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>4113.01</b>		
To correct Mortgage Loan Receivable entry that was made backwards.				
1101	Mortgage Loan Purchased		334,924.48	
4501	Other Project Income			167,462.24
5060	Project Cost			167,462.24
<b>Total</b>			<b><u>334,924.48</u></b>	<b><u>334,924.48</u></b>

9/3/2010  
10:39 AM

Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4330.00 - Louisiana Chateau TB**  
Workpaper: **4330.04 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To accrue interest income and interest expense on the \$8,500,000 series C bond issue and related mortgage loan.				
1060	Accrued interest receivable		566,666.67	
5040	Interest Expense		566,666.67	
2040	Accrued Interest Payable			566,666.67
4043	Mortgage Interest Income			566,666.67
<b>Total</b>			<b>1,133,333.34</b>	<b>1,133,333.34</b>

8/27/2010  
12:16 PM

Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4220.00 - Ridgefield TB**  
Workpaper: **4220.04 - Ridgefield AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>4229.01</b>		
	To write off Other Asset that were not correctly recorded at the inception of the program.			
5060	Project Costs		1,482,451.00	
1250	Other Assets			1,482,451.00
<b>Total</b>			<b>1,482,451.00</b>	<b>1,482,451.00</b>
<b>Adjusting Journal Entries JE # 2</b>		<b>4229.01</b>		
	To write off Accounts Payable balance that should have been recorded as equity contribution.			
2000	Accounts Payable		100,000.00	
5060	Project Costs			100,000.00
<b>Total</b>			<b>100,000.00</b>	<b>100,000.00</b>

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Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4230.00 - Spanish Arms TB**  
Workpaper: **4230.04 - Spanish Arms AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To write off A/P balance that should have recorded as equity contribution in prior years.				
2000	Accounts Payable		250,000.00	
4500	Other Income			250,000.00
<b>Total</b>			<b>250,000.00</b>	<b>250,000.00</b>

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Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **4260.00 - Walmsley TB**  
Workpaper: **4260.04 - Walmsley AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To correct beginning equity balance.				
5060	Project Costs		806.70	
3000	Retained Earnings			806.70
<b>Total</b>			<b>806.70</b>	<b>806.70</b>

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Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **5050.00 - 1997A TB**  
Workpaper: **5050.04 - 1997A AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 2</b>				
	To reclassify expense for reimbursement of HOME funds to the GF.			
5199	Reimbursement of HOME Funds		1,482,909.00	
5200-5	Residual Equity Interfund Transfers			1,482,909.00
<b>Total</b>			<b>1,482,909.00</b>	<b>1,482,909.00</b>

8/27/2010  
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Client: **55649 - Louisiana Housing Finance Agency Bond Program**  
Engagement: **2010.06.A - LA Housing Finance Agency Bond Program**  
Period Ending: **6/30/2010**  
Trial Balance: **5150.00 - 2000B/C TB**  
Workpaper: **5150.04 - 2000B AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 2</b>				
To reclassify HOME reimbursement expense.				
5199	Reimbursement of HOME Funds		1,986,400.19	
5200-5	Residual Equity Interfund Cash Transfers			1,986,400.19
<b>Total</b>			<b><u>1,986,400.19</u></b>	<b><u>1,986,400.19</u></b>

# Louisiana Housing Finance Agency

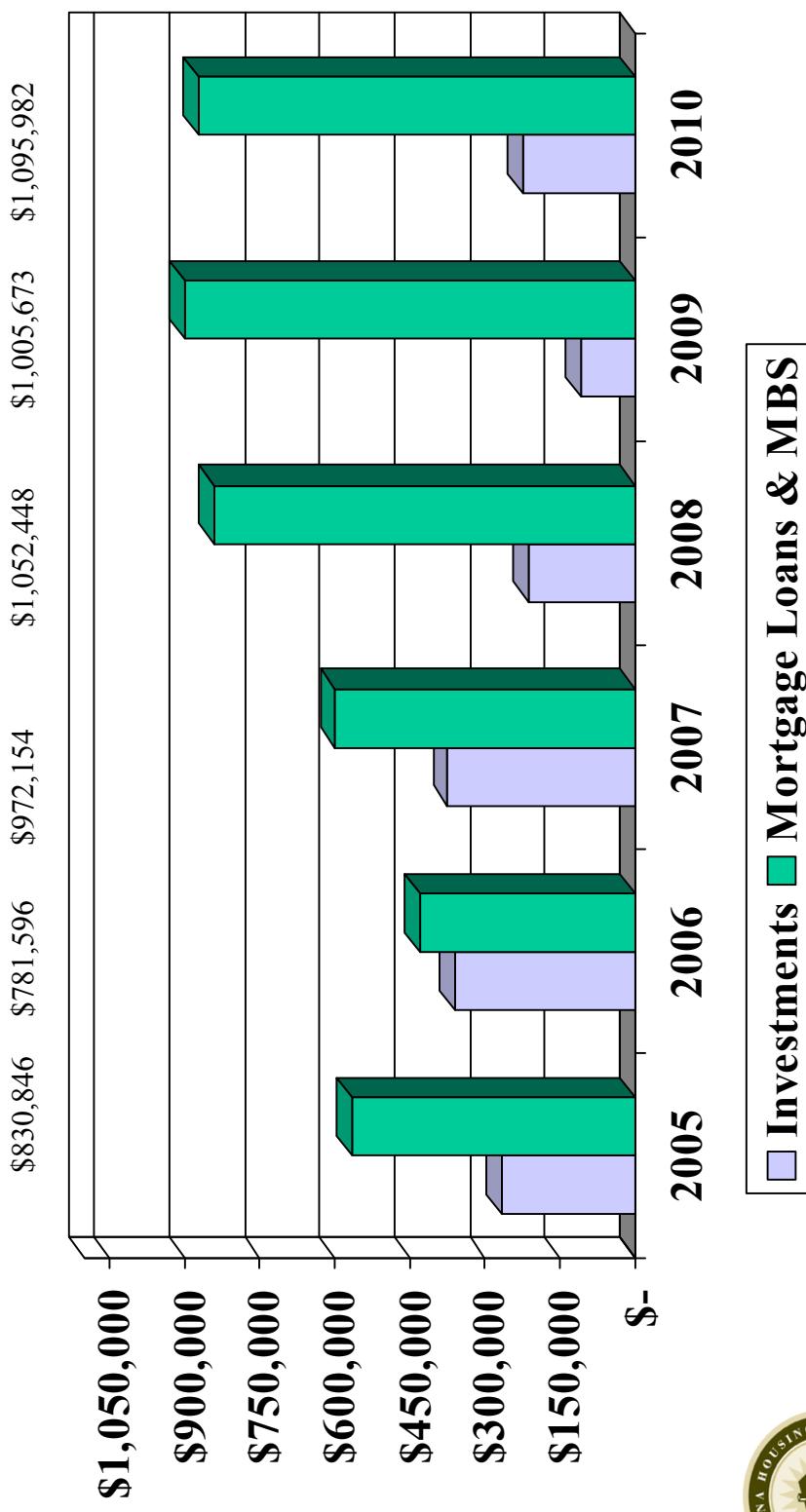
Presentation of Audit Results  
2010 Audit

Fiscal Years Ended June 30



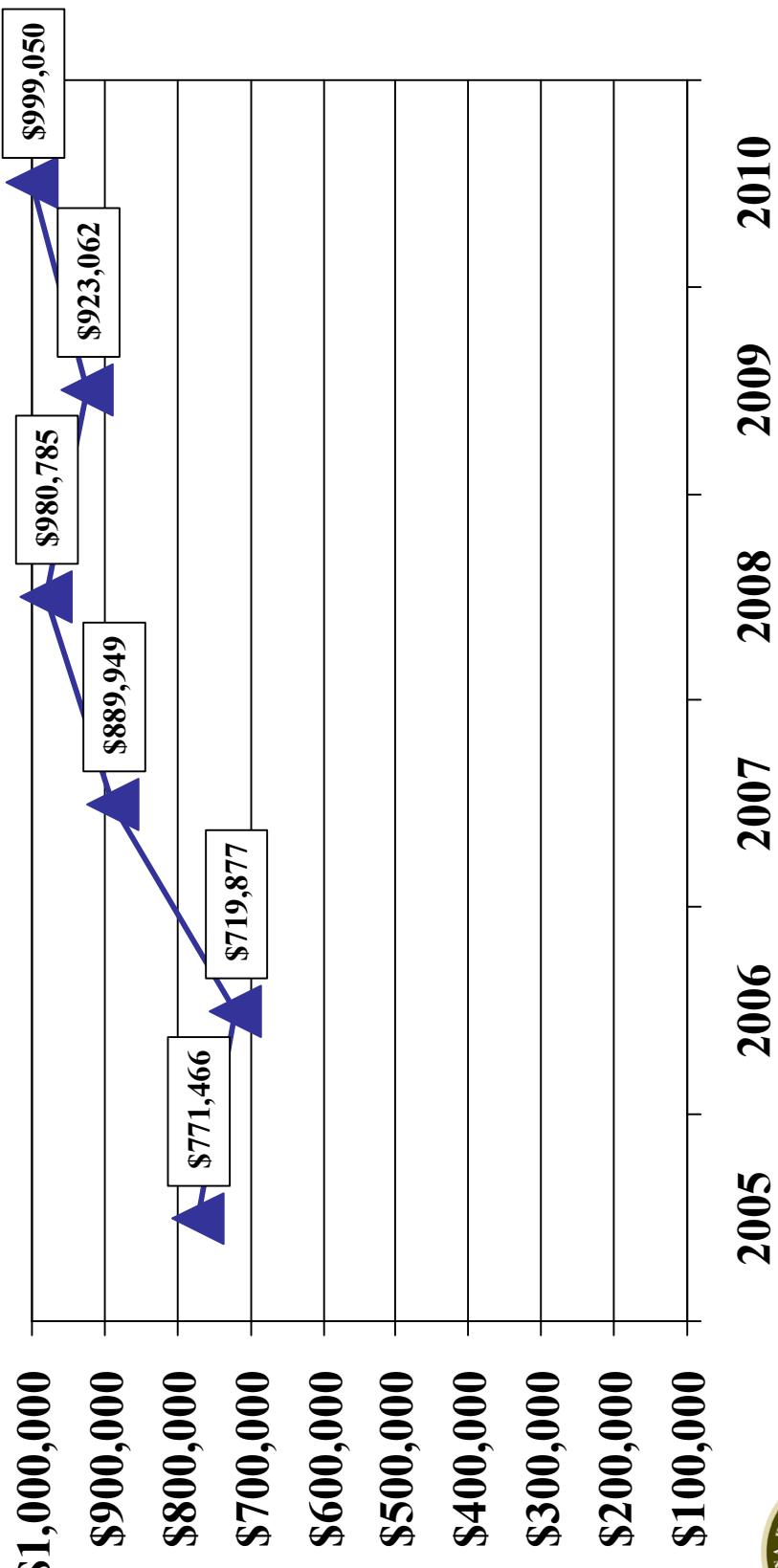
# Investments, Mortgage Loans & Mortgage Backed Securities

(Excluding HOME Program Loans)  
(in thousands)



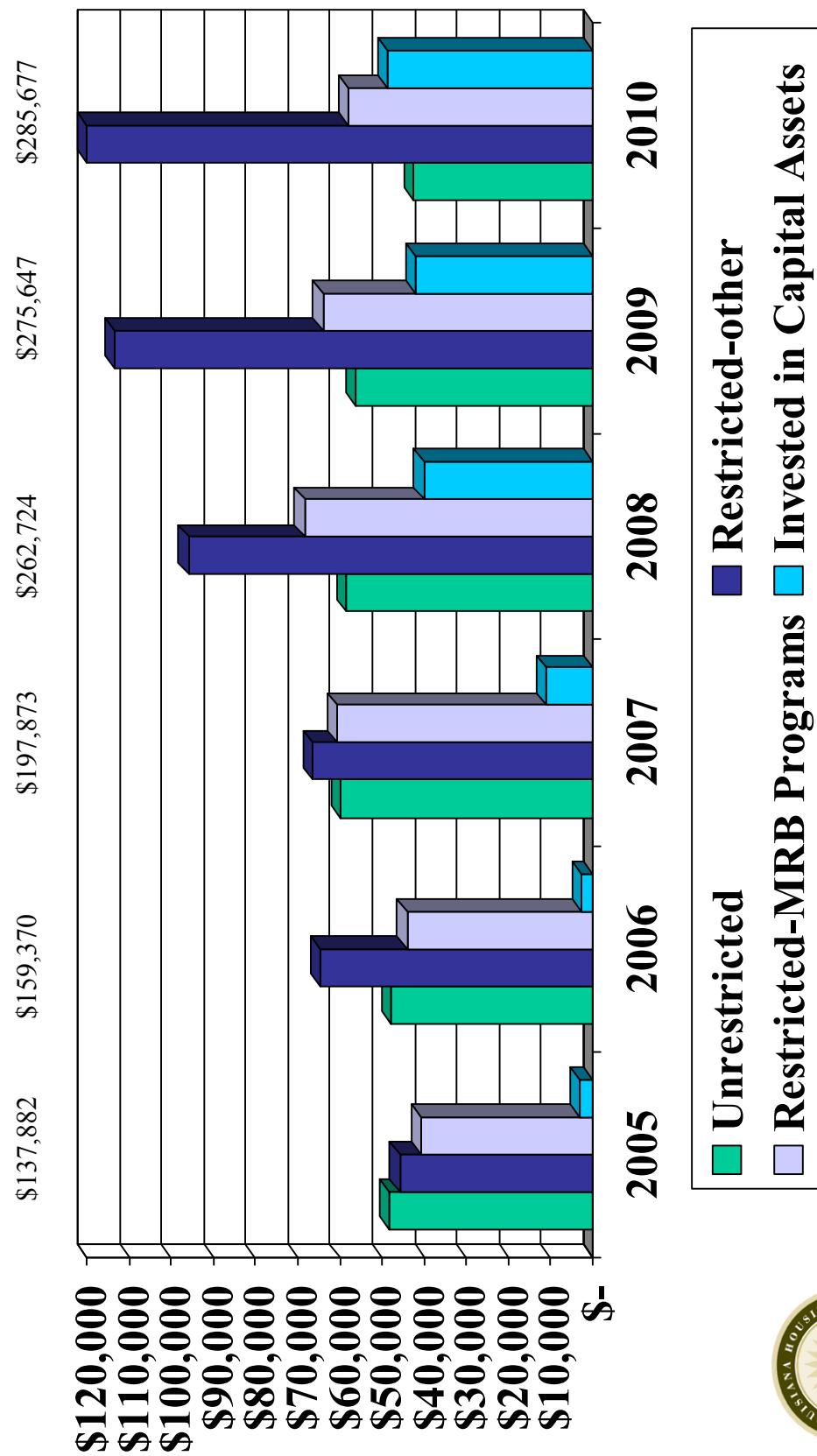
# Bonds Payable

(in thousands)

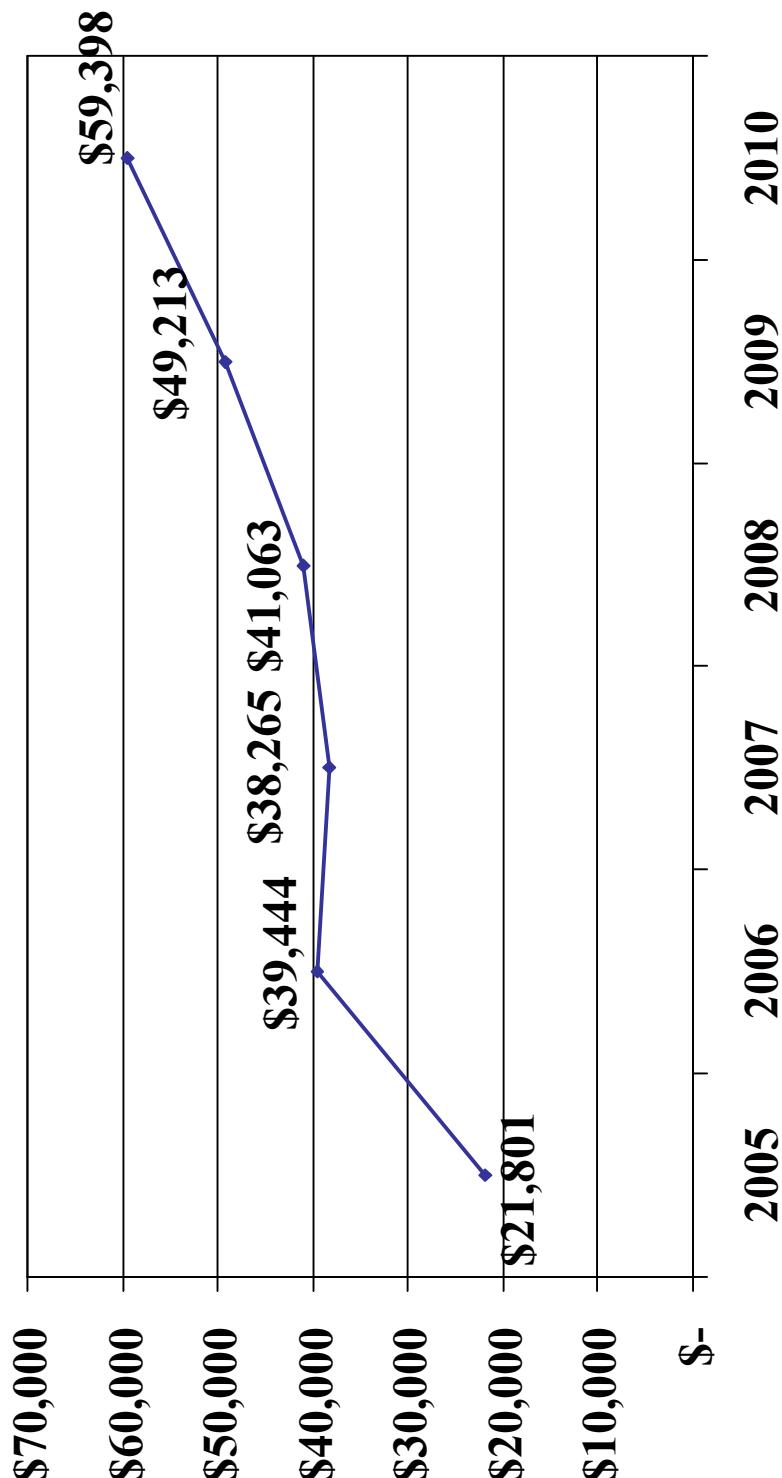


# Net Assets

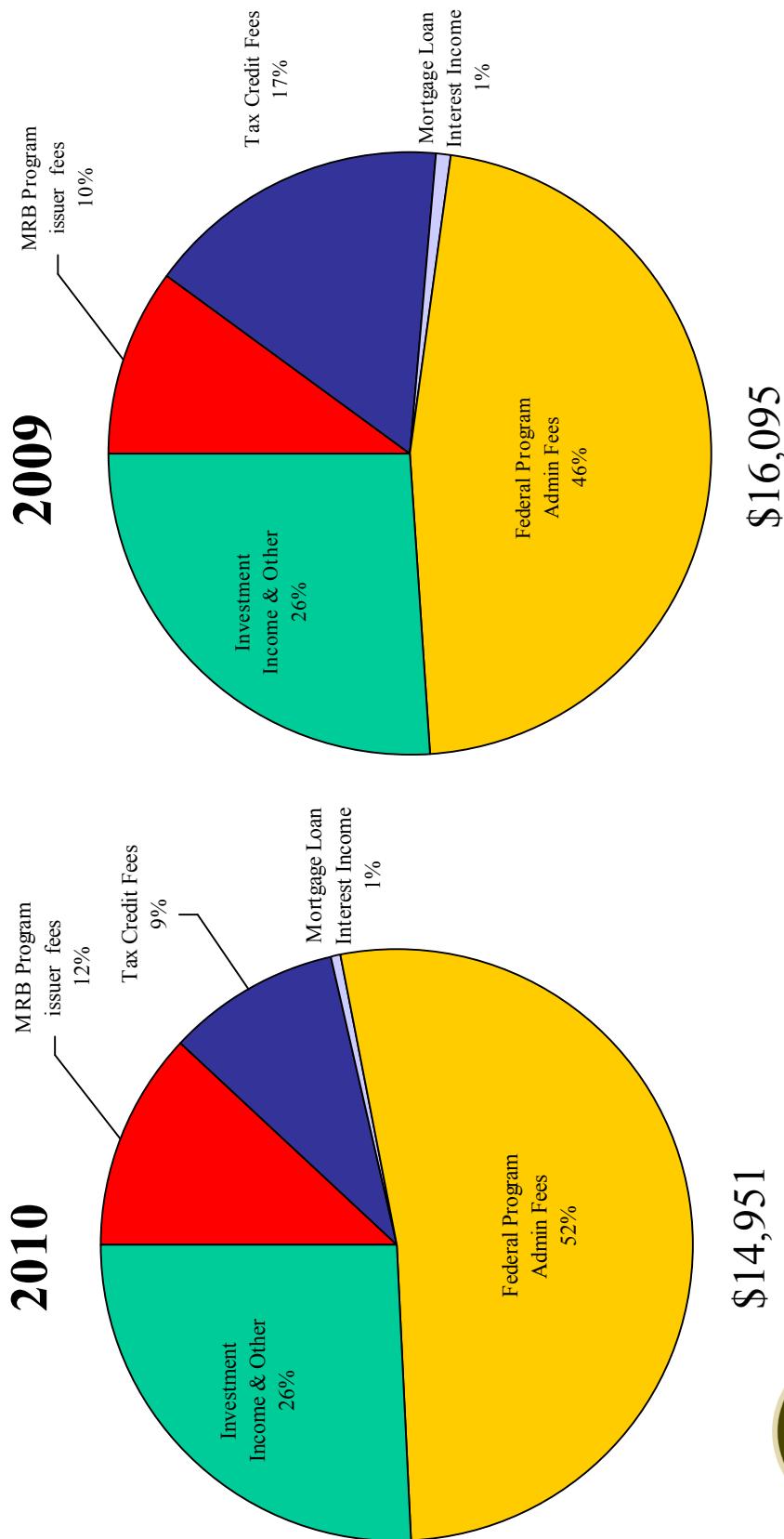
(in thousands)



# HOME Program Mortgage Loans (in thousands)



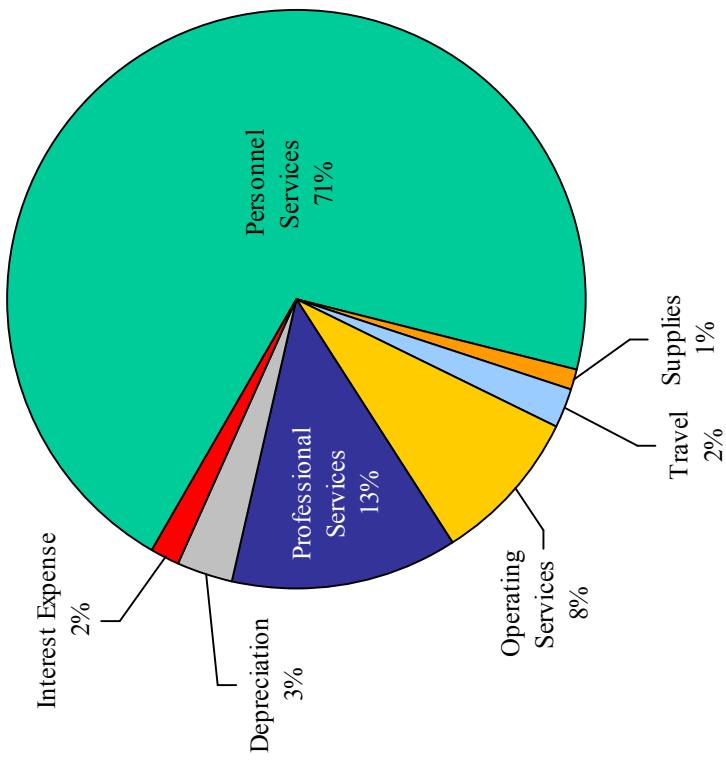
# General Fund Operating Revenues (in thousands)



# General Fund Operating Expenses

(in thousands)

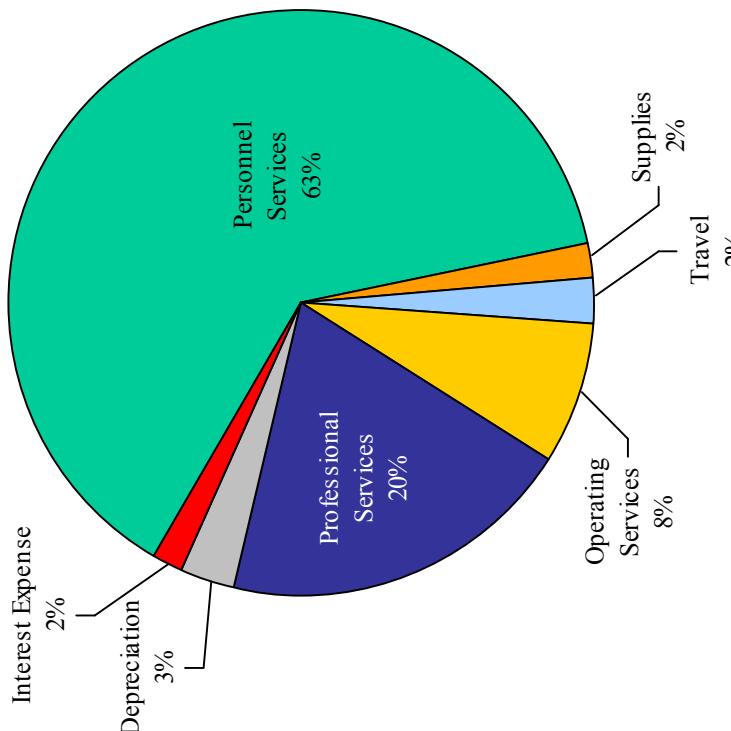
2010



\$13,795



2009

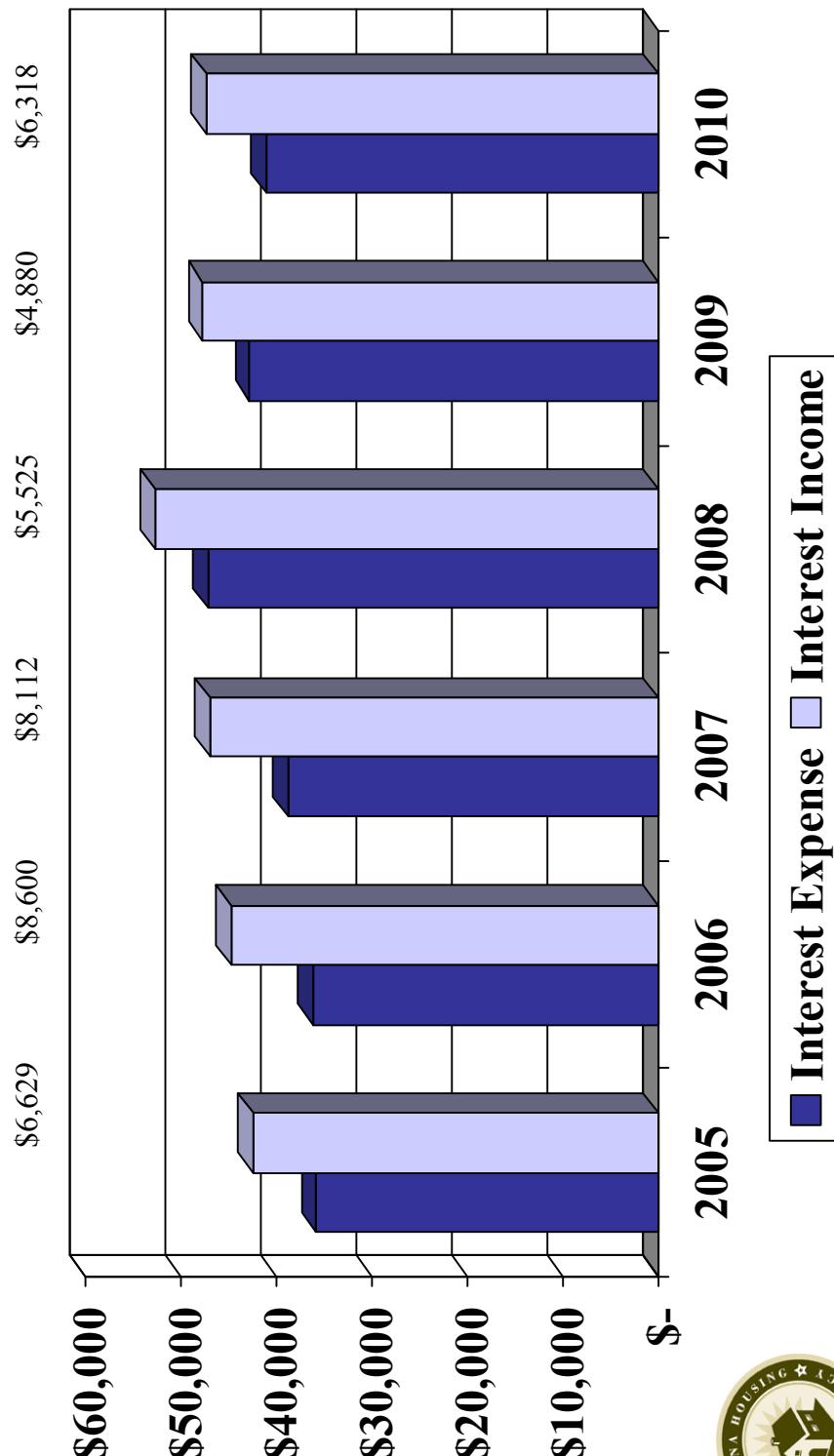


\$14,927

# Interest Expense Compared to Interest Income

(Mortgage Revenue Bond and Section 202 Programs)

(in thousands)



# Combined Revenues (excluding Non-Operating Revenues)

(in thousands)

