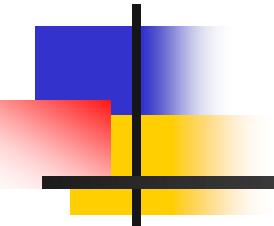




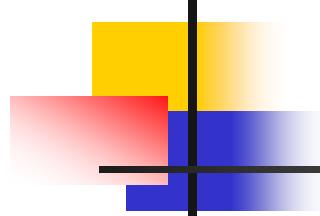
Louisiana Housing Corporation



Presentation of the Results of the
June 30, 2020
Financial Statement and Compliance Audit

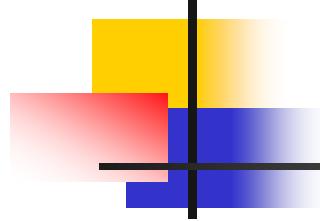


Duplantier
Hrapmann
Hogan &
Maher, LLP



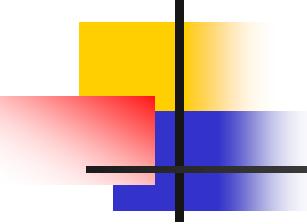
Management's Responsibilities

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Establishment and maintenance of adequate records and effective internal controls and safeguarding of assets
- Appropriate selection and use of accounting policies



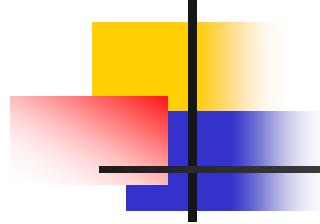
Auditor's Responsibilities

- To provide reasonable, but not absolute assurance of detecting material misstatements in the financial statements
- To gain an understanding of the internal control policies and procedures to design an effective and efficient audit approach
- To evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management
- To evaluate the overall presentation of the financial statements
- To evaluate identified control deficiencies
- To determine whether those deficiencies, individually or in combination, are significant deficiencies or material weaknesses



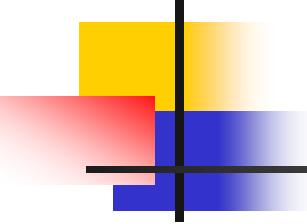
Summary of Audit Results (Combined)

Report on the financial statements	Unmodified Opinion
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	One Significant Deficiency No Material Weaknesses
Compliance with Laws and Regulations	No material non-compliance



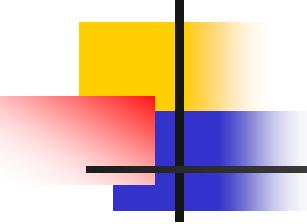
Planned Scope and Timing of the Audit

- We performed the audits according to the planned scope and timing as noted in our contract for professional services executed jointly with the Louisiana Legislative Auditor and Louisiana Housing Corporation on April 9, 2020.



Significant Accounting Policies and Procedures (Disclosed in Note 1)

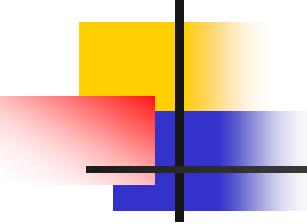
- GASB 34 – “Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments”
- GASB 40 – “Deposit and Investment Risk Disclosures”
- GASB 65 – “Items Previously Reported as Assets and Liabilities”
- GASB 68 – “Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement 27”
- GASB 71 – “Pension Transition for Contributions Subsequent to the Measurement Date – an amendment of GASB Stmt No. 68”
- GASB 72 – “Fair Value Measurement and Application”
- GASB 75 – “Accounting and Financial Reporting for Post Employment Benefits Other than Pensions”



Significant Accounting Estimates and Judgments (Combined)

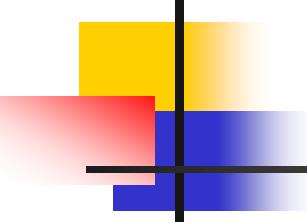
We evaluated the key factors and assumptions used by management in making accounting estimates and judgments significant to the financial statements.

- Fair value of investments
- Loan receivables
- Reserve for loan losses
- Payables – deferred income
- Compensated absences liability
- Net pension liability
- Other post employment benefits payable



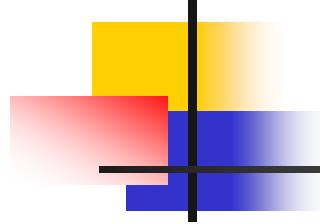
Other items

- No uncorrected misstatements
- No difficulties encountered in performing the audit
- No disagreements with management
- We obtained management representation letters which were all properly dated
- No noted consultations with other independent accountants



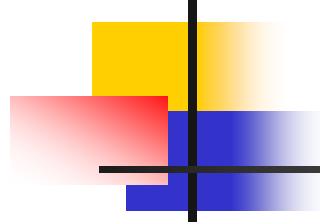
Required Supplementary Information (Combined)

- Required supplementary information; limited procedures performed:
 1. Management's Discussion and Analysis
 2. Schedule of Corporation's Proportionate Share of Collective Total OPEB Liability
 3. Schedule of Corporation's Proportionate Share of Net Pension Liability
 4. Schedule of Corporation's Pension Contributions
 5. Notes to Required Supplementary Information



Other Supplementary Information (Combined)

- Other supplementary information; fairly stated in relation to the financial statements:
 1. Schedule of Per Diem Paid to Board Members
 2. Combining Statement of Net Position
 3. Combining Statement of Revenues, Expenses, and Changes in Net Position
 4. Combining Statement of Cash Flows
 5. Mortgage Revenue Bond Programs Combining Statements of Net Position
 6. Mortgage Revenue Bond Combining Statements of Revenues, Expenses, and Changes in Net Position
 7. Mortgage Revenue Bond Combining Statements of Cash Flows



Findings

Significant Deficiency disclosed in accordance with *Government Auditing Standards*

- LHC General Fund - General Ledger – Loan receivables which were paid off or no longer collectible were not properly reflected on the general ledger and corresponding loan receivable schedules. In addition, reconciliations of various accounts and subledgers were not completed timely and reviewed by management.

Noncompliance with laws, regulations and grant agreements direct and material to financial statements

- None

We have no management letter for the year ended June 30, 2020.

Combined Statement of Net Position (in thousands)

	June 30, 2020				June 30, 2019 Combined Total	
	Mortgage Revenue Bond Programs		Combined Total			
	General Fund	Eliminations				
ASSETS:						
Unrestricted assets						
Cash & cash equivalents	2,559	-	-	2,559	2,755	
Investments	6,345	-	-	6,345	6,625	
Receivables & other	11,409	-	(85)	11,324	6,017	
Capital assets	66,188	-	-	66,188	68,656	
Restricted assets						
Cash & cash equivalents	27,333	51,241	-	78,574	113,902	
Investments	25,592	16,969	-	42,561	43,971	
Mortgage loans & mortgage backed securities:						
Single Family (net of allowance)	1,255	230,818	-	232,073	225,948	
Multifamily (net of allowance)	192,773	292,808	-	485,581	420,765	
Accrued interest/other	67,107	8,841	-	75,948	71,911	
Capital assets	10,449	-	-	10,449	10,937	
TOTAL ASSETS	411,010	600,677	(85)	1,011,602	971,487	
DEFERRED OUTFLOWS OF RESOURCES	7,095	94	-	7,189	6,569	
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 418,105	\$ 600,771	\$ (85)	\$ 1,018,791	\$ 978,056	

Combined Statement of Net Position - Continued (in thousands)

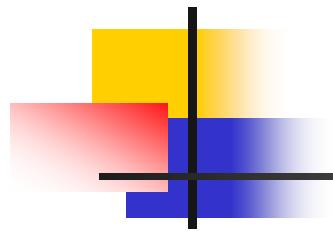
	June 30, 2020				June 30, 2019 Combined Total	
	Mortgage Revenue Bond Programs		Combined Total			
	General Fund	Eliminations				
LIABILITIES:						
Accounts payable	6,585	318	-	6,903	2,811	
Interest payable	-	9,472	-	9,472	8,891	
Short-term debt	8,256	-	-	8,256	-	
Amounts held in escrow	1,196	14,915	-	16,111	41,972	
Bonds/Debentures payable	835	478,550	-	479,385	465,719	
Compensated absences	1,326	-	-	1,326	1,207	
Due to other govt/funds	2,468	85	(85)	2,468	2,469	
Net pension liability	28,348	-	-	28,348	26,735	
OPEB liability	10,994	-	-	10,994	11,020	
TOTAL LIABILITIES	60,008	503,340	(85)	563,263	560,824	
DEFERRED INFLOWS OF RESOURCES	6,939	547	-	7,486	6,661	
NET POSITION:						
Net investment in capital assets	66,188	-	-	66,188	68,656	
Restricted	314,029	96,884	-	410,913	369,584	
Unrestricted	(29,059)	-	-	(29,059)	(27,669)	
TOTAL NET POSITION	351,158	96,884	-	448,042	410,571	
TOTAL LIABILITIES/DEFERRED INFLOWS & NET POSITION	\$ 418,105	\$ 600,771	\$ (85)	\$ 1,018,791	\$ 978,056	

Combined Statement of Revenues, Expenses and Changes in Net Position (in thousands)

	June 30, 2020				June 30, 2019	
			Mortgage Revenue			Combined Totals
	General Fund	Bond Programs	Eliminations	Combined Total		
OPERATING REVENUES:						
Program fees	\$ 4,210	\$ -	\$ (938)	\$ 3,272	\$ 1,913	
Federal program admin fees	7,717	-	-	7,717	7,931	
Federal project delivery fees	2,495	-	-	2,495	2,515	
Interest/dividend income	897	21,933	-	22,830	21,794	
Gain/loss on mortgage securities	83	6,969	-	7,052	3,393	
Single family fees & other	977	632	-	1,609	8,268	
TOTAL OPERATING REVENUES	16,379	29,534	(938)	44,975	45,814	
OPERATING EXPENSES:						
Personnel	15,319	-	-	15,319	11,998	
Supplies	302	-	-	302	475	
Travel	156	-	-	156	261	
Operating services	1,549	-	-	1,549	1,510	
Professional services	2,447	-	-	2,447	2,476	
Interest expense	-	17,307	-	17,307	15,376	
G&A	-	1,147	(938)	209	2,494	
Depreciation	273	-	-	273	277	
TOTAL OPERATING EXPENSES	20,046	18,454	(938)	37,562	34,867	
OPERATING INCOME (LOSS)	(3,667)	11,080	-	7,413	10,947	

Combined Statement of Revenues, Expenses and Changes in Net Position - Continued (in thousands)

	June 30, 2020				June 30, 2019 Combined Total
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	
NON-OPERATING REVENUES/ (EXPENSES)					
Amortization of gain on refunding	34	-	-	34	59
Federal grants drawn	213,334	-	-	213,334	201,447
Federal grants disbursed	(186,497)	-	-	(186,497)	(175,181)
Interest expense	(22)	-	-	(22)	(482)
Net loss from rental property restricted/unrestricted	(1,678)	-	-	(1,678)	(1,063)
Provision for loan loss	(1,386)	-	-	(1,386)	2,692
Program income	1	-	-	1	1
Restricted investment income	5,633	-	-	5,633	4,577
Investment income - Workforce Initiative	102	-	-	102	108
TOTAL NON OPERATING REV/(EXP)	29,521	-	-	29,521	32,158
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	25,854	11,080	-	36,934	43,105
TRANSFERS (TO) FROM	3,850	(3,850)	-	-	-
NET CONTRIBUTIONS FROM TO THIRD PARTIES	-	537	-	537	-
CHANGE IN NET POSITION	\$ 29,704	\$ 7,767	\$ -	\$ 37,471	\$ 43,105



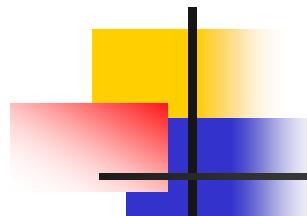
Combined Statement of Revenues, Expenses and Changes in Net Position - Continued (in thousands)

	June 30, 2020			June 30, 2019 Combined Total	
	Mortgage Revenue				
	General Fund	Bond Programs	Combined Total		
Change in Net Position	29,704	7,767	37,471	43,105	
NET POSITION - Beg of Year	321,454	89,117	410,571	367,466	
NET POSITION - End of year	\$ 351,158	\$ 96,884	\$ 448,042	\$ 410,571	

Combined Statement of Cash Flows

(in thousands)

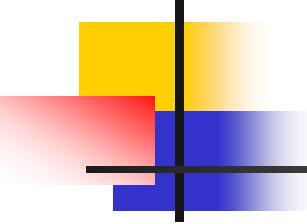
	June 30, 2020			June 30, 2019	
	Mortgage Revenue		June 30, 2019		
	General Fund	Bond Programs			
Net cash provided by (used in) operations	\$ (2,151)	\$ (38,273)	\$ (40,424)	\$ (39,063)	
Net cash provided by (used in) noncapital financing activities	7,550	(15,052)	(7,502)	54,612	
Net cash provided by (used in) investing activities	(10,652)	15,034	4,382	(10,207)	
Net cash provided by (used in) capital financing activities	8,020	-	8,020	(146)	
Net increase (decrease) in cash and cash equivalents	\$ 2,767	\$ (38,291)	\$ (35,524)	\$ 5,196	
Cash and cash equivalents - Beginning of year	27,125	89,532	116,657	111,461	
Cash and cash equivalents - End of year	\$ 29,892	\$ 51,241	\$ 81,133	\$ 116,657	



Single Audit

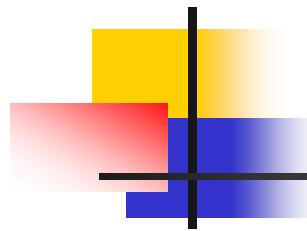
Schedule of Expenditures of Federal Awards (in thousands)

	June 30, 2020
Received Directly from the Federal Government:	
U.S. Department of Housing and Urban Development	\$ 153,638
U.S. Department of Homeland Security	4,557
U.S. Department of Health and Human Services	41,251
U.S. Department of Energy	1,387
Total Received Directly from the Federal Government	200,833
Passed through the State of Louisiana:	
LA Office of Community Development - CDBG Disaster Funds	20,168
LA Office of Community Development - CDBG NRPP	512
Administrative	3,027
Total Passed through the State of Louisiana	23,707
Total Expenditures of Federal Awards	\$ 224,540



Single Audit Programs Tested as Major Programs (in thousands)

	June 30, 2020
Major Programs:	
Continuum of Care	\$ 12,638
Low Income Housing Energy Assistance Program	41,251
Total Expenditures for Major Programs	\$ 53,889



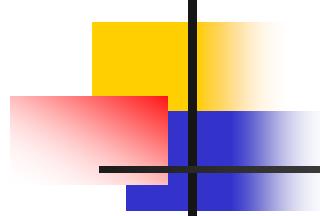
Single Audit Results

LHC General Fund and

Louisiana Housing Authority

Auditor's Responsibilities Under Uniform Guidance:

- To report on internal control over compliance related to major programs and report on compliance with laws, regulations, contracts and award agreements.
- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls.
- Plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with terms and conditions of federal awards applicable to major programs. e significant deficiency and instance of noncompliance noted.



Single Audit Results

LHC General Fund and

Louisiana Housing Authority

(Continued)

Results – Louisiana Housing Corporation (General Fund):

- Type of auditor's opinion: Unmodified
- One significant deficiency disclosed in accordance with *Uniform Guidance*

Monitoring of Matching Requirement (Continuum of Care) – The Corporation's records did not include verification of the eligibility and value of the cash match as provided by Medicaid in partnership with the Louisiana Department of Health.

- No deficiencies that are considered to be material weaknesses.
- No instances of material noncompliance noted.

Results – Louisiana Housing Authority:

- Type of auditor's opinion: Unmodified
- One significant deficiency disclosed in accordance with *Uniform Guidance*

A number of accounts were not properly reconciled to the general ledger to ensure accurate general ledger and financial statements.

- No deficiencies that are considered to be material weaknesses.
- No instances of material noncompliance noted.

Rental Properties



Summary of Audit Results (Rental Properties)

	Mid City Gardens	Willowbrook	Village de Jardin
Report on basic financial statements	Unmodified	Unmodified	Unmodified
Report on Internal Control over Financial Reporting and on Compliance Matters	No Significant Deficiencies or Material Weaknesses	No Significant Deficiencies or Material Weaknesses	No Significant Deficiencies or Material Weaknesses
Compliance with Laws and Regulations	No material non compliance	No material non compliance	No material non compliance

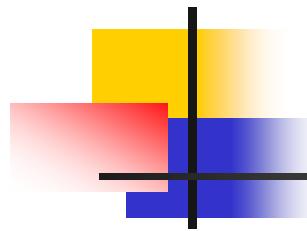
Rental Properties

Condensed Statements of Net Position

June 30, 2020

(in thousands)

	Mid City Gardens	Willowbrook	Village Je Jardin
Current Assets	\$ 14	\$ 2,025	\$ 749
Security Deposits	14	127	59
Capital Assets	10,449	20,362	39,539
Total Assets	10,477	22,514	40,347
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	10,477	22,514	40,347
Current Liabilities	31	161	38
Security Deposits	14	127	59
Total Liabilities	45	288	97
Deferred Inflows of Resources	6	23	16
Net Position	10,426	22,203	40,234
Total Liabilities, Deferred Inflows and Net Position	10,477	22,514	40,347



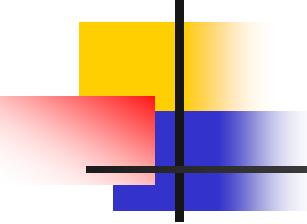
Rental Properties

Condensed Statements of Revenues, Expenses and Changes in Net Position

June 30, 2020

(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Operating Revenues	\$ 459	\$ 3,570	\$ 1,975
Operating Expenses	1,142	3,776	2,764
Operating Income (Loss)	(683)	(206)	(789)
Non-Operating Revenue	-	-	-
Change in Net Position	(683)	(206)	(789)
Net Position - Beginning of Year	10,985	23,251	41,389
Contributions from Owner	124	115	144
Distributions to Owner	-	(957)	(510)
Net Position - End of Year	\$ 10,426	\$ 22,203	\$ 40,234



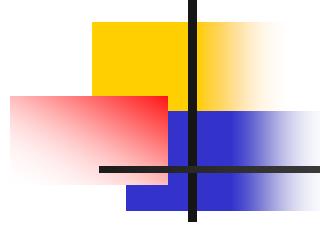
Rental Properties

Condensed Statements of Cash Flows

June 30, 2020

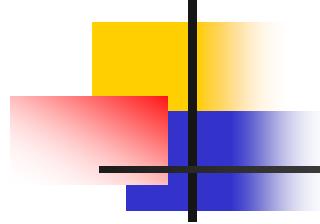
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Cash received from Operating Activities	\$ 451	\$ 3,536	\$ 1,973
Cash paid for Operating Activities	(622)	(2,589)	(1,551)
Net Cash Provided (Used) by Operating Activities	(171)	947	422
Net Cash Provided (Used) by Investing Activities	-	-	-
Cash Provided (Used) by Non-Capital Financing Activities	124	(842)	(366)
Cash flows used by Capital Financing Activities	-	(39)	-
Net Change in Cash and Cash Equivalents	(47)	66	56
Cash and Cash Equivalents - Beginning of Year	55	1,937	687
Cash and Cash Equivalents - End of Year	\$ 8	\$ 2,003	\$ 743



Rental Properties
Distributions to Owners
For the six years ended June 30, 2020
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2020 Distributions to Owners	\$ -	\$ 957	\$ 510
2019 Distributions to Owners	-	1,563	576
2018 Distributions to Owners	-	1,381	549
2017 Distributions to Owners	-	1,440	652
2016 Distributions to Owners	-	1,296	657
2015 Distributions to Owners	142	1,680	666



Rental Properties
Contributions From Owners
For the six years ended June 30, 2020
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2020 Contributions from Owners	\$ 124	\$ 115	\$ 144
2019 Contributions from Owners	165	101	126
2018 Contributions from Owners	228	102	113
2017 Contributions from Owners	36	98	109
2016 Contributions from Owners	34	95	105
2015 Contributions from Owners	35	98	109