

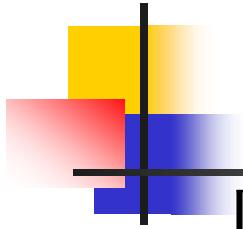


Louisiana Housing Corporation

Presentation of the Results of the
June 30, 2024
Financial Statement and Compliance Audit

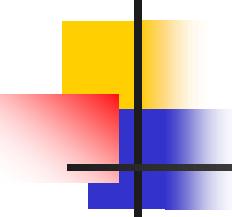


Duplantier
Hrapmann
Hogan &
Maher, LLP



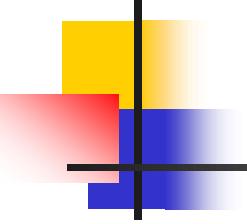
Summary of Audit Results

	LHC	LHA
Report on the financial statements <ul style="list-style-type: none">• Statement of Net Position• Statement of Revenues, Expenses and Changes in Net Position• Statement of Cash Flows• Notes to the Financial Statements	Unmodified Opinion	Unmodified Opinion
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	No Significant Deficiencies Reported; No Material Weaknesses	Two Significant Deficiencies Reported; No Material Weaknesses
Compliance with Laws and Regulations	No material non-compliance	No material non-compliance



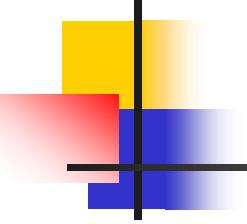
Management's Responsibilities

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation and maintenance of effective internal controls, adequate records and safeguarding of assets
- Appropriate selection and use of accounting policies
- Evaluation as to whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern



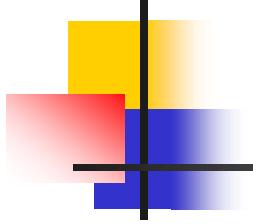
Auditor's Responsibility

- To provide reasonable, but not absolute assurance of detecting material misstatements in the financial statements (reasonable assurance is a high level of assurance but it is not absolute assurance and therefore will not guarantee and audit will always detect a material misstatement)
- To exercise professional judgment and maintain professional skepticism
- To identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error
- 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 conclude whether, in our judgment, there are conditions or events that raise substantial doubt about the Corporation's ability to continue as a going concern
- 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



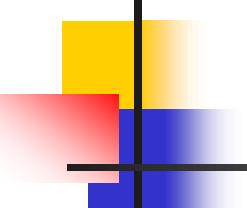
Planned Scope and Timing of the Audit

We performed the audits according to the planned scope and timing as noted in our audit contract dated April 10, 2023.



Significant Accounting Policies and Procedures (Disclosed in Note 1)

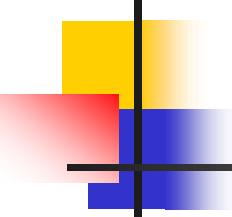
- GASB 34 – “Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments”
- GASB 40 – “Deposit and Investment Risk Disclosures”
- GASB 65 – “Items Previously Reported as Assets and Liabilities”
- GASB 68 – “Accounting and Financial Reporting for Pension Plans – 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”
- GASB 91 - “Conduit Debt Obligations”



Significant Accounting Estimates and Judgments

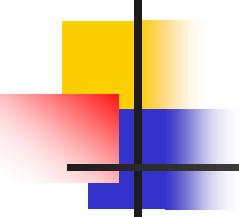
We evaluated the key factors and assumptions used by management in making accounting estimates and judgments significant to the financial statements.

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



Additional items to communicate with the Board of Directors

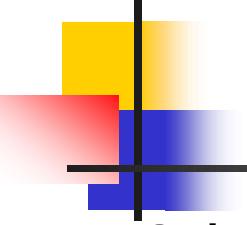
- No uncorrected misstatements
- No difficulties encountered in performing the audit
- No disagreements with management
- We obtained management representation letters which were all properly dated
- No noted consultations with other independent accountants



Required Supplementary Information

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

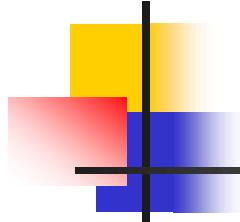


Other Supplementary Information

- Other supplementary information; fairly stated in relation to the financial statements:

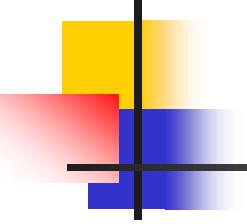
Schedule of Per Diem Paid to Board Members

Annual Fiscal Report



Management Letter

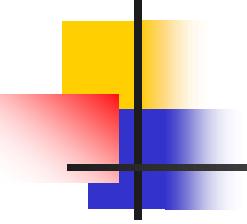
We have no management letter for the year ended June 30, 2024.



Statement of Net Position

June 30, 2024 and 2023

	2024	2023
ASSETS:		
Unrestricted assets		
Cash & cash equivalents	3,629,936	7,612,021
Investments	5,972,428	7,088,358
Receivables	10,320,871	7,871,757
Capital assets	56,327,326	58,745,393
Other assets	772,396	751,671
Restricted assets		
Cash & cash equivalents	25,562,934	31,097,358
Investments	6,648,770	8,783,820
Mortgage loans & mortgage backed securities	420,743,293	361,166,160
Accrued loan interest	82,660,911	77,388,628
Capital assets	8,552,483	9,026,812
TOTAL ASSETS	<u>621,191,348</u>	<u>569,531,978</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,225,395</u>	<u>10,075,579</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 627,416,743</u>	<u>\$ 579,607,557</u>



Statement of Net Position - Continued

June 30, 2024 and 2023

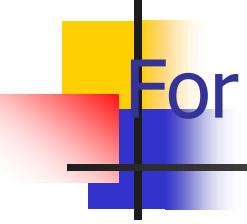
	2024	2023
LIABILITIES:		
Accounts payable	4,056,260	5,680,669
Amounts held in escrow	1,003,533	1,141,976
Compensated absences	1,963,308	1,581,648
Due to other governments	3,000,000	3,468,493
Net pension liability	28,996,432	33,165,041
OPEB liability	9,862,098	9,426,890
TOTAL LIABILITIES	<u>48,881,631</u>	<u>54,464,717</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,991,657</u>	<u>7,957,128</u>
NET POSITION:		
Net investment in capital assets	56,327,326	58,745,393
Restricted	543,164,858	486,320,802
Unrestricted	(27,948,729)	(27,880,483)
TOTAL NET POSITION	<u>571,543,455</u>	<u>517,185,712</u>
TOTAL LIABILITIES/DEFERRED INFLOWS & NET POSITION	<u>\$ 627,416,743</u>	<u>\$ 579,607,557</u>

Statement of Revenues, Expenses and

Changes in Net Position

For The Years Ended June 30, 2024 and 2023

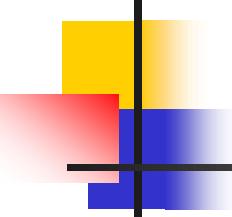
	2024	2023
OPERATING REVENUES:		
MRB program fees	\$ 1,964,361	\$ 1,590,343
Low income housing tax credit program fees	3,829,509	3,763,609
Federal program administrative fees	10,171,817	9,408,165
Federal project delivery fees	5,250,177	1,195,990
State project delivery fees	170,315	157,616
Mortgage loan interest	34,312	154,508
Investment income	1,069,022	808,222
Unrealized gain (loss)	127,816	(65,081)
Single family turnkey program fees	187,911	180,952
Other income	399,928	252,415
TOTAL OPERATING REVENUES	<u>23,205,168</u>	<u>17,446,739</u>
OPERATING EXPENSES:		
Personnel	17,811,819	15,569,073
Supplies	930,588	597,348
Travel	389,157	382,682
Operating services	1,942,267	1,746,154
Professional services	5,210,379	3,708,182
Depreciation	405,278	315,575
TOTAL OPERATING EXPENSES	<u>26,689,488</u>	<u>22,319,014</u>
OPERATING (LOSS)	<u>(3,484,320)</u>	<u>(4,872,275)</u>



Statement of Revenues, Expenses and Changes in Net Position - Continued

For The Years Ended June 30, 2024 and 2023

	2024	2023
NON-OPERATING REVENUES/ (EXPENSES)		
Grant funds drawn	321,348,907	333,964,108
Grant funds disbursed	(254,844,099)	(261,856,947)
Interest expense	(13,566)	(7,819)
Net loss from rental property restricted/unrestricted	(2,802,697)	(2,767,810)
Provision for loan loss	(13,327,832)	(13,249,271)
Program income	38,400	7,698
Restricted mortgage loan interest	5,669,825	3,403,314
Investment Income	438,463	202,956
Legislative Acts Pension Contribution Income	1,631,183	-
TOTAL NON OPERATING REVENUES/(EXPENSES)	58,138,584	59,696,229
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	54,654,264	54,823,954
Transfers from MRB Programs	(296,521)	568,055
CHANGE IN NET POSITION	\$ 54,357,743	\$ 55,392,009

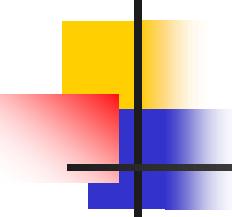


LHA – Significant Deficiency (23-01)

The Louisiana Housing Authority does not maintain a proper general ledger system. The absence of a formalized general ledger limits the Authority's ability to accurately track financial transactions, prepare reliable financial statements, and ensure appropriate internal controls over financial reporting. This increases the risk of errors, misstatements, and potential non-compliance with accounting standards and regulatory requirements. We recommend that management implement a robust general ledger system to enhance transparency, accountability, and financial accuracy.

Management's Response:

The Authority will provide transaction listings for its programs. These transaction listings will provide detailed general ledger entries. The general ledger entries and balances will be reconciled monthly to the Authority's budget program files and reviewed by a manager. Management anticipates resolution of this by the end of 2024 with Melissa Mayers, accounting manager, responsible for providing the detailed general ledger.

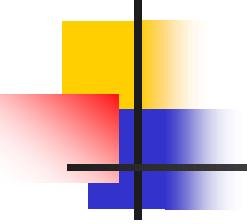


LHA – Significant Deficiency (23-02)

The Louisiana Housing Authority's reconciled bank (restricted and unrestricted) accounts agreed to cash reported in the general ledger. However, each reconciled bank balance did not agree to their respective general ledger cash accounts. Each reconciled bank balance should agree to the amount reported on the general ledger. We recommend the Authority include processes to ensure the reconciled bank balances for both the restricted and unrestricted cash accounts agree to the amount reported on the general ledger.

Management's Response:

The Authority will create separate general ledger accounts to track the cash transactions of each program separately. In addition, the Authority will clearly distinguish the unrestricted administrative revenue and interest income from the restricted funds. These accounts combined will be reconciled with the bank account monthly. Management anticipates the resolution of this finding by the end of 2024 with Melissa Mayers, Accounting Manager, responsible for ensuring compliance.



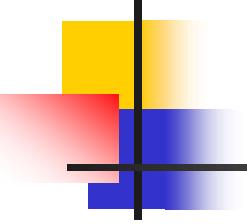
Single Audit Results LHC General Fund and Louisiana Housing Authority

Results – Louisiana Housing Corporation:

- Type of auditor's opinion: Unmodified
- No significant deficiencies disclosed in accordance with Uniform Guidance
- 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
- Two significant deficiencies disclosed in accordance with Uniform Guidance
 - 1) Cash – Cash accounts do not agree to the amount reported on the general ledger.
 - 2) General Ledger – The entity does not maintain a proper general ledger system.
- No deficiencies that are considered to be material weaknesses.
- No instances of material noncompliance noted.



Single Audit Responsibility

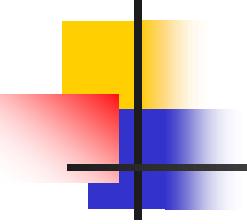
Auditor's Responsibilities Under Uniform Guidance:

- Identify and assess the risk of a material noncompliance and design and perform audit procedures responsive to those risks
- 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.
- To obtain an understanding on internal control's relevant to the audit in order to design audit procedures
- To test and report on internal control over compliance
- Exercise professional judgment and maintain professional skepticism

Single Audit

Schedule of Expenditures of Federal Awards

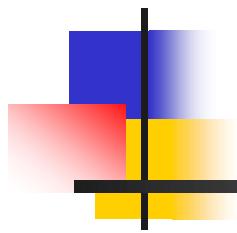
	June 30, 2024
Received Directly from the Federal Government:	
U.S. Department of Housing and Urban Development	\$ 188,016,792
U.S. Department of Agriculture	47,594
U.S. Department of Health and Human Services	89,126,483
U.S. Department of Energy	1,797,309
Total Received Directly from the Federal Government	278,988,178
Passed through the State of Louisiana:	
U.S. Department of Health and Human Services through LA Department of Health and Hospitals - Mental Health Block Grant	157,376
U.S. Department of the Treasury through City of New Orleans - Emergency Rental Assistance Program (ERAP COVID-19)	2,026,673
U.S. Department of Homeland Security through LA GOHSEP - Disaster Grants (FEMA COVID-19)	308,078
U.S. Department of Housing and Urban Development through LA OCD (CDBG)	55,085,651
Total Passed through the State of Louisiana	57,577,778
Total Expenditures of Federal Awards	\$ 336,565,956

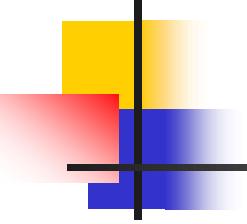


Single Audit Programs Tested as Major Programs

	June 30, 2024
Major Programs:	
Section 8 Housing Assistance Payments Program	\$ 125,121,885
Section 8 Housing Choice Vouchers	16,356,100
National Housing Trust Fund	5,100,685
Total Expenditures for Major Programs	\$ 146,578,670

Rental Properties





Summary of Audit Results

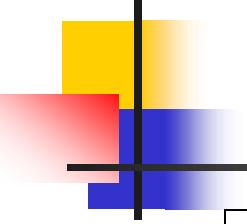
	Mid City Gardens	Willowbrook	Village de Jardin
Report on basic financial statements	Unmodified	Unmodified	Unmodified
Report on Internal Control over Financial Reporting and on Compliance Matters	No Significant Deficiencies or Material Weaknesses	No Significant Deficiencies or Material Weaknesses	No Significant 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, 2024

	Mid City Gardens	Willowbrook	Village Je Jardin
Current Assets	\$ 47,963	\$ 2,074,825	\$ 1,025,062
Security and Utility Deposits	12,517	141,934	56,950
Capital Assets, net	8,552,483	15,718,538	34,557,546
Total Assets	8,612,963	17,935,297	35,639,558
Deferred Outflows of Resources	6,044	42,135	28,921
Total Assets and Deferred Outflows	8,619,007	17,977,432	35,668,479
Current Liabilities	44,295	248,155	109,506
Security Deposits	12,184	141,338	60,085
Total Liabilities	56,479	389,493	169,591
Deferred Inflows of Resources	3,296	19,455	23,174
Net Position	8,559,232	17,568,484	34,475,714
Total Liabilities, Deferred Inflows and Net Position	\$ 8,619,007	\$ 17,977,432	\$ 34,668,479

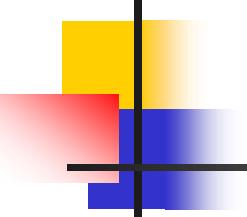


Rental Properties

Condensed Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2024

	Mid City Gardens	Willowbrook	Village de Jardin
Operating Revenues	\$ 504,287	\$ 3,764,018	\$ 2,170,299
Operating Expenses	580,851	3,566,956	2,070,221
Operating Income (Loss) before depreciation and bad debt	(76,564)	197,062	100,078
Depreciation	474,329	1,160,717	1,245,316
Bad Debt	39,506	86,536	2,242
Non-Operating Revenue - Ins Proceeds	-	195,349	-
Non-Operating Expenses - Fire Damage	-	(117,367)	-
Change in Net Position	(590,399)	(972,209)	(1,147,480)
Net Position - Beginning of Year	8,974,604	18,690,108	36,570,974
Contributions from LHC - Cash	73,594	-	-
Contributions from LHC - Insurance	68,474	233,006	242,075
Contributions from LHC - Security	32,959	-	-
Distributions to LHC	-	(382,421)	(189,855)
Net Contribution / Distribution	175,027	(149,415)	52,220
Net Position - End of Year	\$ 8,559,232	\$ 17,568,484	\$ 35,475,714

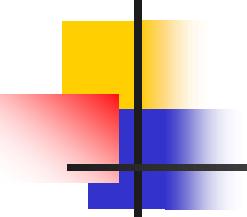


Rental Properties

Condensed Statements of Cash Flows

June 30, 2024

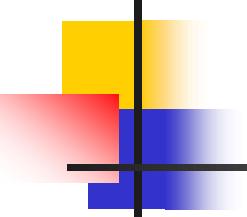
	Mid City Gardens	Willowbrook	Village de Jardin
Cash received from Operating Activities	\$ 453,843	\$ 3,654,322	\$ 2,184,335
Cash paid for Operating Activities	(516,693)	(3,187,019)	(1,844,921)
Net Cash Provided (Used) by Operating Activities	(62,850)	467,303	339,414
Net Cash Provided (Used) by Investing Activities	-	-	-
Cash Provided (Used) by Non-Capital Financing Activities	73,593	(412,932)	(189,855)
Cash flows used by Capital Financing Activities	-	-	-
Net Change in Cash and Cash Equivalents	10,743	54,371	149,559
Cash and Cash Equivalents - Beginning of Year	11,968	1,884,128	866,350
Cash and Cash Equivalents - End of Year	\$ 22,711	\$ 1,938,499	\$ 1,015,909



Rental Properties Distributions to LHC

For the ten years ended June 30, 2024 (in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2024 Distributions to LHC	-	382	190
2023 Distributions to LHC	-	691	212
2022 Distributions to LHC	-	377	471
2021 Distributions to LHC	-	684	515
2020 Distributions to LHC	-	957	510
2019 Distributions to LHC	-	1,563	576
2018 Distributions to LHC	-	1,381	549
2017 Distributions to LHC	-	1,440	652
2016 Distributions to LHC	-	1,296	657
2015 Distributions to LHC	142	1,680	666
Total	142	10,069	4,808



Rental Properties Contributions From LHC For the ten years ended June 30, 2024 (in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2024 Contributions from LHC	175	233	242
2023 Contributions from LHC	61	206	214
2022 Contributions from LHC	44	149	155
2021 Contributions from LHC	89	137	142
2020 Contributions from LHC	124	115	144
2019 Contributions from LHC	165	101	126
2018 Contributions from LHC	228	102	113
2017 Contributions from LHC	36	98	109
2016 Contributions from LHC	34	95	105
2015 Contributions from LHC	35	98	109
Total	816	1,101	1,217