

LOUISIANA HOUSING CORPORATION

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2025

LOUISIANA HOUSING CORPORATION

SINGLE AUDIT REPORT

INDEX TO REPORT

FOR THE YEAR ENDED JUNE 30, 2025

	<u>PAGE</u>
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 <i>GOVERNMENT AUDITING STANDARDS</i>	1 - 2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE.....	3 - 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	7 - 9
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	10 - 12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13 - 15
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS.....	16



Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA
Jason C. Montegut, CPA
J. Michael Flynn, III CPA

Metairie
3510 N. Causeway Blvd.
Suite 500
Metairie, LA 70002
Phone: (504) 586-8866
Fax: (504) 525-5888

Covington
220 Park Place
Suite 101
Covington, LA 70433
Phone: (985) 892-8776
Fax: (985) 892-0952

Houma
1340 W. Tunnel Blvd.,
Suite 412
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Slidell
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

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

November 26, 2025

The Board of Directors
Louisiana Housing Corporation
State of Louisiana
Baton Rouge, Louisiana

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 the Louisiana Housing Corporation, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Louisiana Housing Corporation's financial statements, and have issued our report thereon dated November 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana Housing Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Housing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Housing Corporation's internal control.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 25-01 and 25-02 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Housing Corporation'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 statements. 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*.

Louisiana Housing Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Louisiana Housing Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Louisiana Housing Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Chapman, Hogan and Parker, LLP
Metairie, Louisiana



Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA
Jason C. Montegut, CPA
J. Michael Flynn, III CPA

Metairie

3510 N. Causeway Blvd.
Suite 500
Metairie, LA 70002
Phone: (504) 586-8866
Fax: (504) 525-5888

Covington

220 Park Place
Suite 101
Covington, LA 70433
Phone: (985) 892-8776
Fax: (985) 892-0952

Houma

1340 W. Tunnel Blvd.,
Suite 412
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Slidell

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

November 26, 2025

The Board of Directors
Louisiana Housing Corporation
State of Louisiana
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Louisiana Housing Corporation's, compliance with the types of compliance requirements identified as subject to audit in the U. S. Office of Management and Budget's (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Louisiana Housing Corporation's major federal programs for the year ended June 30, 2025. The Louisiana Housing Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Louisiana Housing Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*,

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Louisiana Housing Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Louisiana Housing Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Louisiana Housing Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Louisiana Housing Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Louisiana Housing Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Louisiana Housing Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Louisiana Housing Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Housing Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 25-02 to be material weaknesses.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Louisiana Housing Corporation's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Louisiana Housing Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Louisiana Housing Corporation as of and for the year ended June 30, 2025, and have issued our report thereon dated October 21, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Duplantier, Chapman, Hogan and Parker, LLP

Metairie, Louisiana

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal</u> <u>Agency /</u> <u>Pass-through</u> <u>grantor</u>	<u>Assistance</u> <u>Listing</u> <u>No.</u>	<u>Name of Grant Program</u>	<u>Federal Grant</u> <u>Contract #</u>	<u>Total Awards</u> <u>Expended</u>
U.S. Department of Housing and Urban Development				
Received directly from the federal government				
HUD	14.195	Section 8 Housing Assistance Payments Program (HAP)		
		Section 8	LA800CC0001	\$ 130,503,428
		Administrative expenses		4,418,785
		Total Section 8 Housing Assistance Payments Program		<u>134,922,213</u>
HUD	14.239	HOME Investment Partnerships Program (HOME)		
		HOME (Includes \$12,957,658 of loans)	None	12,957,658
		Administrative expenses		2,557,416
		Total HOME Investment Partnerships Program		<u>15,515,074</u>
HUD	14.188	Housing Finance Agency Risk Sharing Program (Amount of outstanding loan guarantees)	None	<u>103,750</u>
HUD	14.231	Emergency Solutions Grant Program (ESG)		
		ESG 2022 Funds	E-22-DC-22-0001	1,479,339
		ESG 2023 Funds	E-23-DC-22-0001	838,530
		Administrative expenses		107,369
		Total Emergency Solutions Grant Program		<u>2,425,238</u>
HUD	14.267	Continuum of Care Program	LA0001L6H091502	13,770,228
		Administrative expenses		820,792
		Total Continuum of Care Program		<u>14,591,020</u>
HUD	14.871	Section 8 Housing Choice Vouchers (HCV)		
		HCV	LA903VO0031	18,488,402
		Administrative expenses		1,386,090
		Total Section 8 Housing Choice Vouchers		<u>19,874,492</u>
HUD	14.326	Section 811 Project Rental Assistance Program (PRA)		
		PRA	LA48RDD1201	894,657
		Administrative expenses		141,137
		Total Section 811 Project Rental Assistance Program		<u>1,035,794</u>
HUD	14.169	Housing Counseling Assistance Program (HCA)		
		HCA	HC220841002	366,400
		Administrative expenses		87,655
		Total Housing Counseling Assistance Program		<u>454,055</u>

(Continued)

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Agency / Pass-through <u>grantor</u>	Assistance Listing <u>No.</u>	<u>Name of Grant Program</u>	Federal Grant <u>Contract #</u>	Total Awards <u>Expended</u>
HUD	14.275	National Housing Trust Fund (NHTF)		
		NHTF 2025 (Includes \$149,606 of loans)		\$ 149,606
		NHTF 2026 (Includes \$5,744,930 of loans)		5,744,930
		NHTF 2027 (Includes \$4,277,219 of loans)		4,277,219
		NHTF 2028 (Includes \$103,402 of loans)		103,402
		Administrative expenses		138,992
		Total National Housing Trust Fund		<u>10,414,149</u>
HUD	14.888	Lead Hazard		
		2022 Funds		\$ 305,897
		Administrative expenses		53,184
		Total Lead Hazard		<u>359,081</u>
		Total received directly from the U.S. Department of Housing and Urban Development		<u>199,694,866</u>
Passed through the State of Louisiana Office of Community Development				
HUD	14.228	Community Development Block Grants		
		Disaster Funds (Includes \$196,891,770 of loan B-06-DG-22-0001)		215,554,183
		Administrative expenses		6,923,636
		Total Community Development Block Grants		<u>222,477,819</u>
		Total passed through the State of Louisiana		<u>222,477,819</u>
		Total U.S. Department of Housing and Urban Development		<u>422,172,685</u>
U.S. Department of Health and Human Services				
Received directly from the federal government				
DHHS	93.568	Low-Income Home Energy Assistance Program (LIHEAP)		
		LIHEAP 2023	G-2301LALIEA	\$ 4,054,186
		LIHEAP 2023 - CAA - COVID-19	CAA Covid 19	1,222,003
		LIHEAP 2024	G-2401LALIEA	28,323,861
		LIHEAP 2025		28,348,535
		Administrative expenses		796,066
		Refunds received (net)		(4,541)
		Refunds received 2020	Covid 19	(1,200)
		Refunds received 2021	ARP	(2,560)
		Total Low-Income Home Energy Assistance Program		<u>62,736,350</u>

(Continued)

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal</u> <u>Agency /</u> <u>Pass-through</u> <u>grantor</u>	<u>Assistance</u> <u>Listing</u> <u>No.</u>	<u>Name of Grant Program</u>	<u>Federal Grant</u> <u>Contract #</u>	<u>Total Awards</u> <u>Expended</u>
DHHS	93.499	Low-Income Household Water Assistance Program (LIHWAP)		
		LIHWAP 2021-CAA-COVID-19 (Refunded)	2101LALWC6	(19,219)
		LIHWAP 2021-ARP-COVID-19 (Refunded)	2101LALWC5	(2,832)
		Total Low-Income Household Water Assistance Program		<u>(22,051)</u>
Total U.S. Department of Health and Human Services				<u>62,714,299</u>
U.S. Department of Energy				
Received directly from the federal government				
DOE	81.042	Weatherization Assistance for Low-Income Persons (WAP)		
		WAP 2022	DE-EE0007923	374,646
		WAP 2024	DE-EE0007923	441,483
		WAP 2025	DE-EE0007923	1,592,712
		Administrative expenses		72,490
		Total Weatherization Assistance for Low-Income Persons		<u>2,481,331</u>
Total U.S. Department of Energy				<u>2,481,331</u>
U.S. Department of the Treasury				
Passed through the State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)				
DOT	21.023	Emergency Rental Assistance Program (ERAP)		
		ERAP 2021 (Includes \$7,453,269 of loans)		7,453,269
		ERAP 2021 - COVID-19		1,992,431
		Total Emergency Rental Assistance Program		<u>9,445,700</u>
Total U.S. Department of the Treasury				<u>9,445,700</u>
Total Expenditures of Federal Awards				<u>\$ 496,814,015</u>

Note:

Refunds, adjustments, or credits to previously awarded amounts are reported as negative on the current year schedule of expenditures of federal awards

See accompanying notes to Schedule of Expenditures of Federal Awards

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Louisiana Housing Corporation under programs of the federal government for the year ended June 30, 2025. The information presented in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Louisiana Housing Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Louisiana Housing Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE:

The Louisiana Housing Corporation elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Provided</u>
Emergency Solutions Grant Program	14.231	\$ 2,317,869
Continuum of Care Program	14.267	13,770,228
Low-Income Home Energy Assistance Program	93.568	61,948,585
Weatherization Assistance for Low-Income Persons	81.042	2,408,841
Emergency Rental Assistance Program	21.023	<u>1,992,431</u>
		<u>\$ 82,437,954</u>

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

5. RECONCILIATION TO THE FINANCIAL STATEMENTS:

Per financial statements:

Grant funds disbursed (non-operating)	\$ 256,210,452
Less: State grant funds disbursed (non-operating)	(3,361,643)
Add: Mortgage loans issued (capitalized)	227,577,854
Add: HUD Risk Sharing Mortgage Loans	103,750
Add: Administrative costs within operating expenses	<u>16,283,602</u>
Total per schedule of expenditures of federal awards	\$ <u>496,814,015</u>

6. PROGRAM INCOME:

In accordance with terms of the loans funded under the HOME Program, program income generated during the fiscal year ended June 30, 2025, totaled \$915,548. The income was comprised of mortgage loan collections of principal and interest. Program income used during the fiscal year ended June 30, 2025, totaled \$3,589,744. That amount was used to reduce the amount of federal funds that would have been drawn to fund various single family and multifamily projects. The expenditure of the program income is included in the accompanying schedule of expenditures of federal awards.

7. COOPERATIVE ENDEAVOR AGREEMENT:

LRS 33:9022 defines “cooperative endeavor” as any form of economic development assistance between and among the State, its local governmental subdivisions, political corporations, public benefit corporations, the United States government, or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The Corporation has entered into a cooperative endeavor agreement with the State of Louisiana Office of Community Development (OCD), Disaster Recovery Program, implementing a Community Development Block Grant. The Office of Community Development (OCD) expenditures totaled \$222,477,819 during the fiscal year ended June 30, 2025 and are properly included on the accompanying Schedule of Expenditures of Federal Awards.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

8. FEDERAL LOAN PROGRAMS:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>June 30, 2025 Balance</u>
HOME Investment Partnerships Program	14.239	\$ 185,078,152
Community Development Block Program	14.228	462,176,379
National Housing Trust Fund	14.275	26,608,533
Emergency Rental Assistance Program	21.023	8,716,020
Tax Credit Assistance Program – ARRA	14.258	65,237,556
Neighborhood Stabilization Program	14.228	7,175,797
Housing Finance Agency Risk Sharing Program	14.188	<u>207,500</u>
		<u>\$ 755,199,937</u>

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Louisiana Housing Corporation, for the year ended June 30, 2025 was unmodified.
2. Internal Control over financial reporting:

Material weaknesses: Yes.
Significant deficiencies: None reported.
3. Compliance and Other Matters

Noncompliance material to financial statements: No

FEDERAL AWARDS:

1. Internal Control over major programs:

Material weaknesses: Yes.
Significant deficiencies: None reported.

Type of auditor's report issued on compliance for the major federal award programs: unmodified.

Any audit findings disclosed that are required to be reported
in accordance with Uniform Guidance, Title 2 U.S. Code of
Federal Regulations (CFR) section 200.516(a):

X Yes ___ No

Identification of major programs:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Expended</u>
HOME Investment Partnership	14.239	\$ 15,515,074
Community Development Block Grants	14.228	222,477,819
Weatherization Assistance for Low-Income Persons	81.042	2,481,331
		<u>\$ 240,474,224</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? X Yes ___ No

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

Internal Controls – Significant deficiency with material weakness:

25-01 General Ledger

During the audit, we noted the Corporation incorrectly accounted for transfers from the Single Family Bond Program to the General Fund for down payment assistance. The incorrect posting resulted in a current year understatement of loan receivables in the amount of \$6,594,927 in the General Fund; and an overstatement of administrative fees in the amount of \$6,594,927 in the Single Family Bond Program. Additionally, the incorrect accounting required a beginning net position adjustment for the General Fund in the amount of \$15,397,688.

The funds received by the General Fund were for single family down payment assistance by the General Fund paid in advance of receiving bond proceeds. The General fund recorded the funds received as a decrease in loans receivable for single family down payment assistance instead of a transfer of funds. The funds paid by the Single-Family Bond Program were recorded as an administrative expense instead of a transfer of funds to the General Fund. Payment of advances and repayments of advances should be reported as transfers for both the General Fund and the Single-Family Bond Fund.

We recommend the Corporation review its procedures to ensure the transfer of funds are properly recorded between the General Fund and the Single-Family Bond Program.

Management's Response:

This issue has been resolved. The net position between loan receivables and administrative fees has been adjusted. Moving forward, the Corporation's Chief Financial Officer will ensure these transactions are properly recorded between the General Fund and the Single Family Bond Program.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS: (Continued)

Internal Controls – Significant deficiency with material weakness: (Continued)

25-02

During the audit we noted the Corporation lacked adequate internal controls and had insufficient staffing over the financial and accounting processes. This resulted in errors, mispostings, untimely reconciliations, and a lack of understanding of the nature and accounting treatment of certain transactions. Effective internal controls over financial reporting require the Corporation to maintain staff with the skill and experience to ensure transactions are recorded accurately, and financial accounts are reconciled timely and accurately. Without proper internal controls there is an increased risk that errors and omissions could occur and remain undetected. This condition could lead to inaccurate financial reporting and potential noncompliance with applicable laws and regulations.

We recommend that the Corporation strengthen its internal control environment by evaluating staffing levels, providing training to existing staff, and developing and implementing policies and procedures to ensure timely reconciliations, accurate transaction recording, and ongoing management review.

Management's Response:

The Corporation hired a new Chief Financial Officer on September 29, 2025, and a review of staffing, procedures, and training has started. The accounting division is currently operating at two-thirds of its full staffing due to retirements and other personnel actions. The Chief Financial Officer is presently assessing its staffing needs and working to fill priority open positions. Due to evolving operational demands and budgetary considerations, a definitive timeframe to hire staff has not been established; however, we hope to be fully staffed within the next fiscal year.

Internal Controls – Significant deficiency: None reported

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Internal Controls – Significant deficiency with material weakness:

See finding 25-02 reported in accordance with *Government Auditing Standards*

Internal Controls – Significant deficiency: None reported

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

Internal Controls – Significant deficiency with material weakness: No

Internal Controls – Significant deficiency: None reported

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Internal Controls – Significant deficiency with material weakness: No

Internal Controls – Significant deficiency: None reported