



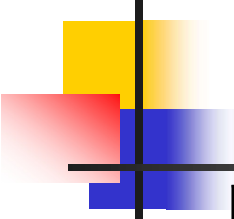
Louisiana Housing Corporation

Presentation of the Results of the
June 30, 2025
Financial Statement and Compliance Audit

DHBM
certified public
accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

Summary Results of Financial Audit



	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	Two Significant Deficiencies with Material Weakness Reported	No Significant Deficiencies Reported; No Material Weaknesses
Compliance with Laws and Regulations	No material non-compliance	One 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 originally dated April 10, 2023, with final amendment dated October 16, 2025.



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”
- GASB 101 – “Compensated Absences”



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.
- We encountered challenges primarily attributable to significant staff turnover and limited personnel resources within the finance and accounting department. These circumstances affected the timeliness and completeness of information provided for audit purposes. The impact was further detailed in finding 25-02.
- 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 the Corporation's Proportionate Share of Collective Total OPEB Liability
3. Schedule of the Corporation's Proportionate Share of Net Pension Liability
4. Schedule of the Corporation's Pension Contributions
5. Notes to Required Supplementary Information



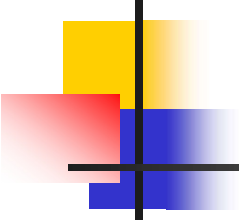
Other Supplementary Information

- 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 Revenue, Expenses and Changes in Net Position
 4. Combining Statement of Cash Flows
 5. Annual Fiscal Report



Management Letter

We have no management letter for the year ended June 30, 2025.



Statement of Net Position

June 30, 2025

	<u>2025</u>
ASSETS:	
Unrestricted assets	
Cash & cash equivalents	\$ 10,577,822
Investments	1,191,698
Receivables	29,557,064
Capital assets	53,473,945
Other assets	460,624
Restricted assets	
Cash & cash equivalents	85,675,170
Investments	5,322,949
Mortgage loans & mortgage backed securities	1,260,572,009
Accrued loan interest	90,117,178
Capital assets	8,089,819
TOTAL ASSETS	<u>1,545,038,278</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>5,790,177</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 <u><u>\$ 1,550,828,455</u></u>

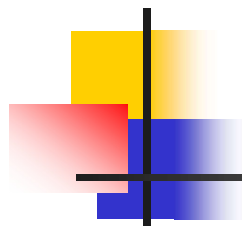


Statement of Net Position - Continued

June 30, 2025

	<u>2025</u>
LIABILITIES:	
Accounts payable	\$ 9,016,689
Amounts held in escrow	973,922
Compensated absences	2,441,745
Due to other governments	1,000,000
Net pension liability	23,789,275
OPEB liability	11,640,890
Bonds payable	<u>671,238,327</u>
TOTAL LIABILITIES	720,100,848
DEFERRED INFLOWS OF RESOURCES	<u>8,997,395</u>
NET POSITION:	
Net investment in capital assets	53,473,945
Restricted	774,624,836
Unrestricted	<u>(6,368,569)</u>
TOTAL NET POSITION	821,730,212
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	<u>\$ 1,550,828,455</u>

Statement of Revenues, Expenses and Changes in Net Position For The Year Ended June 30, 2025



	2025
OPERATING REVENUES:	
MRB program fees	\$ 2,169,222
Low income housing tax credit program fees	3,035,280
Federal program administrative fees	9,026,522
Federal project delivery fees	7,257,081
State project delivery fees	122,316
Mortgage loan interest income	18,432
Investment interest and dividend income	34,771,571
Gain (loss) on investments & mort. backed securities	7,917,492
Single family turnkey program fees	147,839
Other income	389,277
TOTAL OPERATING REVENUES	64,855,032
OPERATING EXPENSES:	
Personnel services	14,657,729
Supplies	888,460
Travel	253,010
Operating services	1,749,929
Professional services	6,152,911
Interest expense	26,331,816
General and administrative	3,855,619
Deprecation	424,046
TOTAL OPERATING EXPENSES	54,313,520
OPERATING INCOME	10,541,512

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Statement of Revenues, Expenses and Changes in Net Position - Continued For The Year Ended June 30, 2025

	<u>2025</u>
NON-OPERATING REVENUES/ (EXPENSES)	
Grant funds drawn	\$ 481,033,665
Grant funds disbursed	(256,210,452)
Net loss from rental property restricted/unrestricted	(1,919,344)
Provision for loan loss	(41,730,264)
Restricted mortgage loan interest	6,146,073
Investment Income	521,236
Legislative Acts Pension Contribution Income	131,768
TOTAL NON OPERATING REVENUES/(EXPENSES)	<u>187,972,682</u>
CHANGE IN NET POSITION	<u>\$ 198,514,194</u>

LHC

Significant Deficiency with a Material Weakness (25-01)

The Louisiana Housing 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.

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.



LHC

Significant Deficiency with a Material Weakness (25-02)

The Louisiana Housing Corporation lacked adequate internal controls and had insufficient staffing over the financial and accounting processes; resulting 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.

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.



LHA

Noncompliance (2024-01)

The audit for the fiscal year ended December 31, 2024 was not submitted to the Louisiana Legislative Auditor within nine months after year end as required by the audit contract with the Louisiana Legislative Auditor.

Management's Response:

The Authority concurs with this finding. Steps will be taken to ensure future audit reports are submitted on time.

LHA

Significant Deficiency (2024-02)

The Authority did not submit the HUD filings timely, in accordance with 2 CFR §200.328(b)(1). Recipients of federal awards must submit performance, financial, and program reports by the due dates prescribed by the awarding agency. The Authority's failure to submit required reports on time may hinder HUD's ability to perform timely oversight. Delays could adversely affect the Authority's designation status or potentially impact eligibility for certain incentives or future funding opportunities.

Management's Response:

The Authority has developed a Compliance Reporting Schedule listing all required HUD submissions, their due dates, and the responsible staff. Calendar reminders and verification checkpoints have been implemented to ensure timely submissions. In addition, the Authority will conduct quarterly internal audits to confirm adherence to HUD reporting requirements. Management anticipates full corrective action by December 2025.



LHA

Significant Deficiency (2024-03)

The Louisiana Housing Authority did not submit their audit report to the Federal Audit Clearinghouse within nine months subsequent to the Authority's fiscal year end.

Management's Response:

The Authority has developed a Compliance Reporting Schedule listing all required federal reporting submissions, their due dates, and the responsible staff. Calendar reminders and verification checkpoints have been implemented to ensure timely submissions. In addition, the Authority will conduct quarterly internal audits to confirm adherence to HUD reporting requirements. Management anticipates full corrective action by December 2025.



Single Audit Results Louisiana Housing Corporation

Results – Louisiana Housing Corporation:

- Type of auditor's opinion: Unmodified
- No significant deficiencies disclosed in accordance with Uniform Guidance
- One significant deficiency that is considered to be a material weakness.
 - 1) Internal Controls – The entity lacked adequate internal controls and insufficient staffing over the financial and accounting processes.
- No instances of material noncompliance noted.



Single Audit Results Louisiana Housing Authority

Results – Louisiana Housing Authority:

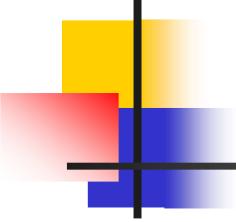
- Type of auditor's opinion: Unmodified
- Significant deficiencies disclosed in accordance with Uniform Guidance and instances of noncompliance:
 - 1) Untimely Submission of HUD filings – The Financial Data Schedule (FDS) was submitted subsequent to the required HUD submission deadline.
 - 2) Untimely Submission of single audit package to the Federal Audit Clearinghouse - The Authority did not submit their audit to the Federal Audit Clearinghouse within nine months subsequent to the Authority's year end.
- No deficiencies that are considered to be material weaknesses.



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 over compliance 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

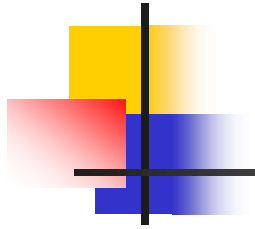


Single Audit

Schedule of Expenditures of Federal Awards

For the year ending June 30, 2025

	Federal Award Expenditures
Received Directly from the Federal Government:	
U.S. Department of Housing and Urban Development	\$ 199,694,866
U.S. Department of Health and Human Services	62,714,299
U.S. Department of Energy	2,481,331
Total Received Directly from the Federal Government	264,890,496
Passed through the State of Louisiana:	
U.S. Department of the Treasury through City of New Orleans - Emergency Rental Assistance Program (ERAP COVID-19)	9,445,700
U.S. Department of Housing and Urban Development through LA OCD (CDBG)	222,477,819
Total Passed through the State of Louisiana	231,923,519
Total Expenditures of Federal Awards	\$ 496,814,015



Single Audit

Programs Tested as Major Programs

For the year ending June 30, 2025

	Federal Award Expenditures
Major Programs:	
HOME Investment Partnership	\$ 15,515,074
Community Development Block Grants	222,477,819
Weatherization Assistance for Low-Income Persons	2,481,331
Total Expenditures for Major Programs	\$ 240,474,224

Rental Properties





Louisiana Housing
Corporation



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, 2025

	Mid City Gardens	Willowbrook	Village Je Jardin
Current Assets	\$ 62,203	\$ 1,427,766	\$ 896,786
Security and Utility Deposits	11,817	144,534	58,450
Capital Assets, net	8,089,819	14,563,467	33,312,229
Total Assets	8,163,839	16,135,767	34,267,465
Deferred Outflows of Resources	6,336	42,237	30,237
Total Assets and Deferred Outflows	8,170,175	16,178,004	34,297,702
Current Liabilities	31,860	107,109	86,068
Security Deposits	11,479	146,343	61,585
Total Liabilities	43,339	253,452	147,653
Deferred Inflows of Resources	3,157	14,083	23,491
Net Position	8,123,679	15,910,469	34,126,558
Total Liabilities, Deferred Inflows and Net Position	\$ 8,170,175	\$ 16,178,004	\$ 34,297,702

Rental Properties
Condensed Statements of Revenues, Expenses
and Changes in Net Position
For the year ended June 30, 2025

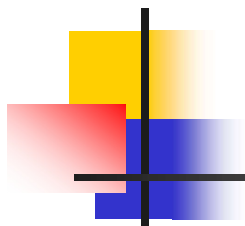
	Mid City Gardens	Willowbrook	Village de Jardin
Operating Revenues	\$ 528,173	\$ 3,894,251	\$ 2,262,309
Operating Expenses	(592,065)	(3,224,158)	(2,048,077)
Operating Income (Loss) before depreciation and bad debt	(63,892)	670,093	214,232
Depreciation	(484,957)	(1,155,071)	(1,245,316)
Bad Debt	(24,383)	(106,066)	(8,013)
Non-Operating Revenue - Ins Proceeds	-	428,477	-
Non-Operating Expenses - Ins Claims	-	(144,449)	-
Change in Net Position	(573,232)	(307,016)	(1,039,097)
Net Position - Beginning of Year	8,559,232	17,568,484	35,475,714
Contributions from LHC - Cash	-	-	-
Contributions from LHC - Insurance	81,651	277,846	288,661
Contributions from LHC - Security	56,028	-	-
Distributions to LHC	-	(1,628,845)	(598,720)
Net Contribution / Distribution	137,679	(1,350,999)	(310,059)
Net Position - End of Year	\$ 8,123,679	\$ 15,910,469	\$ 34,126,558

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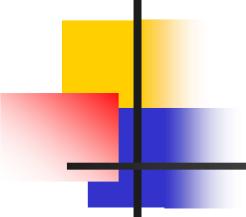
Rental Properties

Condensed Statements of Cash Flows

June 30, 2025



	Mid City Gardens	Willowbrook	Village de Jardin
Cash received from Operating Activities	\$ 502,168	\$ 3,905,451	\$ 2,248,654
Cash paid for Operating Activities	(467,113)	(3,087,460)	(1,784,169)
Net Cash Provided (Used) by Operating Activities	35,055	817,991	464,485
Net Cash Provided (Used) by Investing Activities	(22,293)	-	-
Cash Provided (Used) by Non-Capital Financing Activities	-	(1,344,817)	(598,720)
Cash flows used by Capital Financing Activities	-	-	-
Net Change in Cash and Cash Equivalents	12,762	(526,826)	(134,235)
Cash and Cash Equivalents - Beginning of Year	22,711	1,938,499	1,015,909
Cash and Cash Equivalents - End of Year	\$ 35,473	\$ 1,411,673	\$ 881,674

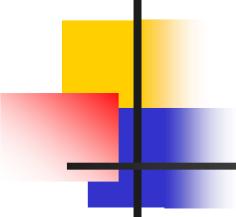


Rental Properties

Distributions to LHC

For the ten years ended June 30, 2025
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2025 Distributions to LHC	-	1,629	599
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
Total	-	10,400	4,931



Rental Properties

Contributions From LHC

For the ten years ended June 30, 2025
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2025 Contributions from LHC	138	278	289
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
Total	1,094	1,514	1,639