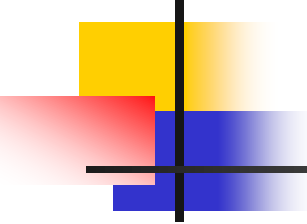
A decorative graphic on the left side of the slide consists of overlapping blue, red, and yellow squares with a black crosshair.

Louisiana Housing Corporation

Presentation of the Results of the
June 30, 2021
Financial Statement and Compliance Audit

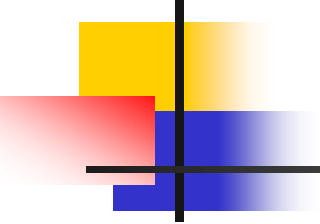


Duplantier
Hrapmann
Hogan &
Maher, LLP



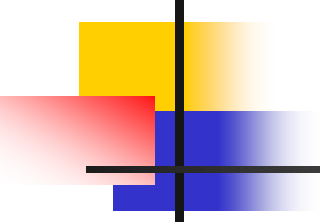
Management's Responsibilities

- 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



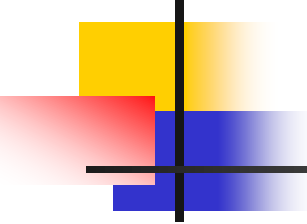
Auditor's Responsibilities

- 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



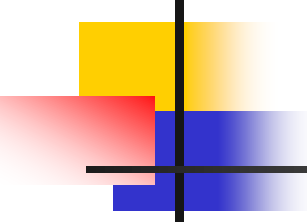
Summary of Audit Results (Combined)

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



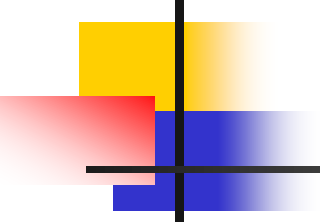
Planned Scope and Timing of the Audit

- We performed the audits according to the planned scope and timing as noted in our required communication to the board dated July 14, 2021.



Significant Accounting Policies and Procedures (Disclosed in Note 1)

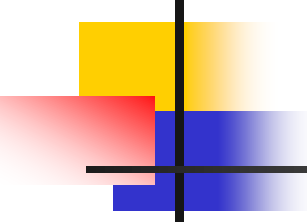
- GASB 34 – “Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments”
- GASB 40 – “Deposit and Investment Risk Disclosures”
- GASB 65 – “Items Previously Reported as Assets and Liabilities”
- GASB 68 – “Accounting and Financial Reporting for Pension Plans –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

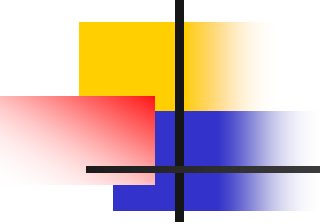
We evaluated the key factors and assumptions used by management in making accounting estimates and judgments significant to the financial statements.

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



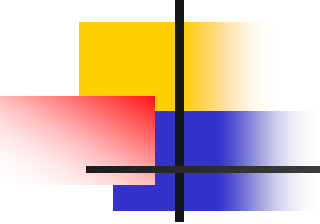
Other items

- 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



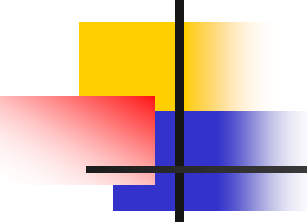
Required Supplementary Information (Combined)

- 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 – Accruals – Current year expenses incorrectly remained in the prepaid account at year-end. In addition, a receivable was not recorded for additional COVID-19 pandemic related disbursements, paid near year-end and expected to be reimbursed from grant funds. Additionally, prior year accounts receivable and accounts payable amounts were not properly adjusted during the fiscal year ended June 30, 2021. All amounts have been corrected on the audited financial statements for the fiscal year ended June 30, 2021.

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, 2021.

Combined Statement of Net Position (in thousands)

	June 30, 2021				June 30, 2020
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	Combined Total
ASSETS:					
Unrestricted assets					
Cash & cash equivalents	6,600	-	-	6,600	2,559
Investments	2,657	-	-	2,657	6,345
Receivables & other	12,037	-	(43)	11,994	11,324
Capital assets	63,536	-	-	63,536	66,188
Restricted assets					
Cash & cash equivalents	28,349	80,955	-	109,304	78,574
Investments	13,302	58,621	-	71,923	42,561
Mortgage loans & mortgage backed securities:					
Single Family (net of allowance)	3,852	225,622	-	229,474	232,073
Multifamily (net of allowance)	227,120	408,805	-	635,925	485,581
Accrued interest/other	71,354	10,558	-	81,912	75,948
Capital assets	9,974	-	-	9,974	10,449
TOTAL ASSETS	438,781	784,561	(43)	1,223,299	1,011,602
DEFERRED OUTFLOWS OF RESOURCES	11,004	-	-	11,004	7,189
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 449,785	\$ 784,561	\$ (43)	\$ 1,234,303	\$ 1,018,791

Combined Statement of Net Position - Continued (in thousands)

	June 30, 2021				June 30, 2020
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	Combined Total
LIABILITIES:					
Accounts payable	5,196	429	-	5,625	6,903
Interest payable	-	10,602	-	10,602	9,472
Short-term debt	-	-	-	-	8,256
Amounts held in escrow	1,119	17,395	-	18,514	16,111
Bonds payable	765	663,492	-	664,257	479,385
Compensated absences	1,389	-	-	1,389	1,326
Due to other govt/funds	2,468	43	(43)	2,468	2,468
Net pension liability	34,645	-	-	34,645	28,348
OPEB liability	11,319	-	-	11,319	10,994
TOTAL LIABILITIES	56,901	691,961	(43)	748,819	563,263
DEFERRED INFLOWS OF RESOURCES	6,971	493	-	7,464	7,486
NET POSITION:					
Net investment in capital assets	63,536	-	-	63,536	66,188
Restricted	351,906	92,107	-	444,013	410,913
Unrestricted	(29,529)	-	-	(29,529)	(29,059)
TOTAL NET POSITION	385,913	92,107	-	478,020	448,042
TOTAL LIABILITIES/DEFERRED INFLOWS & NET POSITION	\$ 449,785	\$ 784,561	\$ (43)	\$ 1,234,303	\$ 1,018,791

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

	June 30, 2021				June 30, 2020 Combined Totals
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	
OPERATING REVENUES:					
Program fees	\$ 4,897	\$ -	\$ (815)	\$ 4,082	\$ 3,272
Federal program admin fees	10,369	-	-	10,369	7,717
Federal project delivery fees	2,384	-	-	2,384	2,495
Interest/dividend income	774	21,376	-	22,150	22,830
Gain (loss) on mortgage securities	(160)	(1,671)	-	(1,831)	7,052
Single family fees & other	1,019	283	-	1,302	1,609
TOTAL OPERATING REVENUES	19,283	19,988	(815)	38,456	44,975
OPERATING EXPENSES:					
Personnel	17,022	-	-	17,022	15,319
Supplies	425	-	-	425	302
Travel	105	-	-	105	156
Operating services	2,590	-	-	2,590	1,549
Professional services	3,383	-	-	3,383	2,447
Interest expense	-	17,115	-	17,115	17,307
G&A	-	2,145	(815)	1,330	209
Deprecation	264	-	-	264	273
TOTAL OPERATING EXPENSES	23,789	19,260	(815)	42,234	37,562
OPERATING INCOME (LOSS)	(4,506)	728	-	(3,778)	7,413

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

	June 30, 2021				June 30, 2020
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	Combined Total
NON-OPERATING REVENUES/ (EXPENSES)					
Amortization of gain on refunding	32	-	-	32	34
Federal grants drawn	298,970	-	-	298,970	213,334
Federal grants disbursed	(261,286)	-	-	(261,286)	(186,497)
Interest expense	(22)	-	-	(22)	(22)
Net loss from rental property restricted/unrestricted	(1,906)	-	-	(1,906)	(1,678)
Provision for loan loss	(2,448)	-	-	(2,448)	(1,386)
Program income	107	-	-	107	1
Restricted investment income	5,026	-	-	5,026	5,633
Investment gain (loss) - Workforce Initiative	(59)	-	-	(59)	102
TOTAL NON OPERATING REV/(EXP)	38,414	-	-	38,414	29,521
INCOME BEFORE TRANSFERS AND CONTRIBUTION:	33,908	728	-	34,636	36,934
TRANSFERS (TO) FROM	847	(847)	-	-	-
NET CONTRIBUTIONS FROM (TO) THIRD PARTIES	-	(4,658)	-	(4,658)	537
CHANGE IN NET POSITION	\$ 34,755	\$ (4,777)	\$ -	\$ 29,978	\$ 37,471

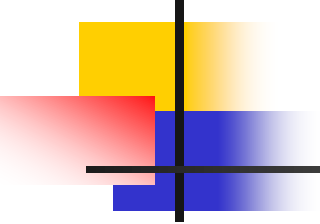
Combined Statement of Revenues, Expenses and Changes in Net Position - Continued (in thousands)

	June 30, 2021			June 30, 2020
	General Fund	Mortgage Revenue Bond Programs	Combined Total	Combined Total
Change in Net Position	34,755	(4,777)	29,978	37,471
NET POSITION - Beg of Year	351,158	96,884	448,042	410,571
NET POSITION - End of year	<u>\$ 385,913</u>	<u>\$ 92,107</u>	<u>\$ 478,020</u>	<u>\$ 448,042</u>

Combined Statement of Cash Flows

(in thousands)

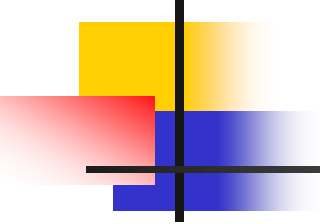
	June 30, 2021			June 30, 2020
	General Fund	Mortgage Revenue Bond Programs	Combined Total	Combined Total
Net cash provided by (used in) operations	\$ (2,665)	\$ (111,223)	\$ (113,888)	\$ (40,424)
Net cash provided by (used in) noncapital financing activities	577	182,589	183,166	(7,502)
Net cash provided by (used in) investing activities	15,488	(41,652)	(26,164)	4,382
Net cash provided by (used in) capital financing activities	(8,343)	-	(8,343)	8,020
Net increase (decrease) in cash and cash equivalents	\$ 5,057	\$ 29,714	\$ 34,771	\$ (35,524)
Cash and cash equivalents - Beginning of year	29,892	51,241	81,133	116,657
Cash and cash equivalents - End of year	\$ 34,949	\$ 80,955	\$ 115,904	\$ 81,133



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.



Single Audit Results LHC General Fund and Louisiana Housing Authority (Continued)

Results – Louisiana Housing Corporation (General Fund):

- 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
- No significant deficiencies disclosed in accordance with *Uniform Guidance*
- No deficiencies that are considered to be material weaknesses.
- No instances of material noncompliance noted.

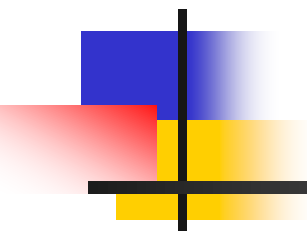
Single Audit

Schedule of Expenditures of Federal Awards (in thousands)

	June 30, 2021
Received Directly from the Federal Government:	
U.S. Department of Housing and Urban Development	\$ 161,242
U.S. Department of Health and Human Services	75,195
U.S. Department of Energy	1,656
Total Received Directly from the Federal Government	238,093
Passed through the State of Louisiana:	
U.S. Treasury through LA GOHSEP - Emergency Rental Assistance Program (ERAP)	7,262
U.S. Department of Homeland Security through LA GOHSEP - Disaster Grants (FEMA)	33,961
U.S. Department of Housing and Urban Development through LA OCD (CDBG)	36,182
Total Passed through the State of Louisiana	77,405
Total Expenditures of Federal Awards	\$ 315,498

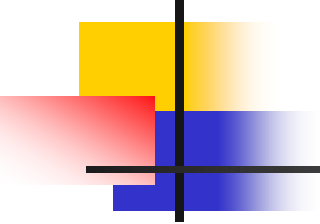
Single Audit
Programs Tested as Major Programs
(in thousands)

	June 30, 2021
Major Programs:	
Emergency Solutions Grant Program	\$ 8,661
Section 8 Housing Choice Vouchers	14,177
National Housing Trust Fund	3,565
Disaster Grants - Public Assistance	33,961
Weatherization Assistance for Low-Income Persons	1,656
Emergency Rental Assistance Program	7,262
Total Expenditures for Major Programs	\$ 69,282



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, 2021

(in thousands)

	Mid City Gardens	Willowbrook	Village Je Jardin
Current Assets	\$ 59	\$ 2,098	\$ 800
Security Deposits	14	127	59
Capital Assets	9,974	19,201	38,293
Total Assets	10,047	21,426	39,152
Deferred Outflows of Resources	-	4	3
Total Assets and Deferred Outflows	10,047	21,430	39,155
Current Liabilities	22	101	91
Security Deposits	14	127	59
Total Liabilities	36	228	150
Deferred Inflows of Resources	8	31	5
Net Position	10,003	21,171	39,000
Total Liabilities, Deferred Inflows and Net Position	10,047	21,430	39,155

Rental Properties

Condensed Statements of Revenues, Expenses and Changes in Net Position

June 30, 2021

(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Operating Revenues	\$ 507	\$ 3,715	\$ 2,003
Operating Expenses	1,022	4,203	2,864
Operating Income (Loss)	(515)	(488)	(861)
Non-Operating Revenue	3	4	-
Change in Net Position	(512)	(484)	(861)
Net Position - Beginning of Year	10,426	22,202	40,234
Contributions from Owner	89	137	142
Distributions to Owner	-	(684)	(515)
Net Position - End of Year	\$ 10,003	\$ 21,171	\$ 39,000

Rental Properties

Condensed Statements of Cash Flows

June 30, 2021

(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Cash received from Operating Activities	\$ 468	\$ 3,540	\$ 1,973
Cash paid for Operating Activities	(540)	(3,091)	(1,577)
Net Cash Provided (Used) by Operating Activities	(72)	449	396
Net Cash Provided (Used) by Investing Activities	3	-	-
Cash Provided (Used) by Non-Capital Financing Activities	89	(543)	(372)
Cash flows used by Capital Financing Activities	-	-	-
Net Change in Cash and Cash Equivalents	20	(94)	24
Cash and Cash Equivalents - Beginning of Year	8	2,004	743
Cash and Cash Equivalents - End of Year	\$ 28	\$ 1,910	\$ 767

Rental Properties
Distributions to Owners
For the seven years ended June 30, 2021
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2021 Distributions to Owners	\$ -	\$ 684	\$ 515
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 seven years ended June 30, 2021
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2021 Contributions from Owners	\$ 89	\$ 137	\$ 142
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