



Louisiana Housing Corporation

Presentation of the Results of the
June 30, 2022
Financial Statement and Compliance Audit



Duplantier
Hrapmann
Hogan &
Maher, LLP

Summary of Audit Results (Combined)

<p>Report on the financial statements</p> <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 Financial Statements 	Unmodified Opinion
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	<p>No Significant Deficiencies reported</p> <p>No Material Weaknesses reported</p>
Compliance with Laws and Regulations	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 Coalition'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 required communication to the board dated July 21, 2022.



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



Management Letter

We have no management letter for the year ended June 30, 2022.

Combined Statement of Net Position (in thousands)

	June 30, 2022				June 30, 2021
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	Combined Total
ASSETS:					
Unrestricted assets					
Cash & cash equivalents	9,367	-	-	9,367	6,600
Investments	4,390	-	-	4,390	2,657
Receivables & other	7,265	-	(60)	7,205	11,994
Capital assets	61,032	-	-	61,032	63,536
Restricted assets					
Cash & cash equivalents	31,890	70,138	-	102,028	109,304
Investments	10,615	72,124	-	82,739	71,923
Mortgage loans & mortgage backed securities:					
Single Family (net of allowance)	6,820	239,328	-	246,148	229,474
Multifamily (net of allowance)	295,649	470,322	-	765,971	635,925
Accrued interest/other	74,453	890	-	75,343	81,912
Capital assets	9,500	-	-	9,500	9,974
TOTAL ASSETS	510,981	852,802	(60)	1,363,723	1,223,299
DEFERRED OUTFLOWS OF RESOURCES	6,648	-	-	6,648	11,004
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 517,629	\$ 852,802	\$ (60)	\$ 1,370,371	\$ 1,234,303

Combined Statement of Net Position - Continued (in thousands)

	June 30, 2022				June 30, 2021 Combined Total
	General Fund	Mortgage Revenue Bond Programs	Eliminations	Combined Total	
LIABILITIES:					
Accounts payable	4,024	544	-	4,568	5,625
Interest payable	-	957	-	957	10,602
Amounts held in escrow	1,304	18,863	-	20,167	18,514
Bonds payable	-	764,159	-	764,159	664,257
Compensated absences	1,619	-	-	1,619	1,389
Due to other govt/funds	2,468	60	(60)	2,468	2,468
Net pension liability	22,189	-	-	22,189	34,645
OPEB liability	13,339	-	-	13,339	11,319
TOTAL LIABILITIES	44,943	784,583	(60)	829,466	748,819
DEFERRED INFLOWS OF RESOURCES	10,892	349	-	11,241	7,464
NET POSITION:					
Net investment in capital assets	61,032	-	-	61,032	63,536
Restricted	427,623	67,870	-	495,493	444,013
Unrestricted	(26,861)	-	-	(26,861)	(29,529)
TOTAL NET POSITION	461,794	67,870	-	529,664	478,020
TOTAL LIABILITIES/ DEFERRED INFLOWS & NET POSITION	\$ 517,629	\$ 852,802	\$ (60)	\$ 1,370,371	\$ 1,234,303

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

	June 30, 2022			June 30, 2021 Combined Totals	
	General Fund	Mortgage Revenue Bond Programs	Eliminations		Combined Total
OPERATING REVENUES:					
Program fees	\$ 5,724	\$ -	\$ (885)	\$ 4,839	\$ 4,082
Federal program admin fees	8,882	-	-	8,882	10,369
Federal project delivery fees	1,461	-	-	1,461	2,384
Interest/dividend income	705	23,155	-	23,860	22,150
Gain (loss) on mortgage securities	(192)	(24,916)	-	(25,108)	(1,831)
Single family fees & other	496	359	-	855	1,302
TOTAL OPERATING REVENUES	17,076	(1,402)	(885)	14,789	38,456
OPERATING EXPENSES:					
Personnel	13,362	-	-	13,362	17,022
Supplies	446	-	-	446	425
Travel	217	-	-	217	105
Operating services	1,530	-	-	1,530	2,590
Professional services	2,991	-	-	2,991	3,383
Interest expense	-	18,737	-	18,737	17,115
G&A	-	4,862	(885)	3,977	1,330
Deprecation	276	-	-	276	264
TOTAL OPERATING EXPENSES	18,822	23,599	(885)	41,536	42,234
OPERATING INCOME (LOSS)	(1,746)	(25,001)	-	(26,747)	(3,778)

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

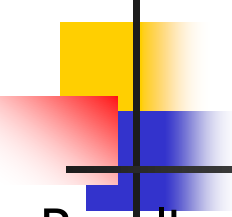
	June 30, 2022			June 30, 2021 Combined Total	
	General Fund	Mortgage Revenue Bond Programs	Eliminations		Combined Total
NON-OPERATING REVENUES/ (EXPENSES)					
Amortization of gain on refunding	161	-	-	161	32
Grant funds drawn	356,932	-	-	356,932	298,970
Grant funds disbursed	(256,842)	-	-	(256,842)	(261,286)
Interest expense	(39)	-	-	(39)	(22)
Net loss from rental property restricted/unrestricted	(2,193)	-	-	(2,193)	(1,906)
Provision for loan loss	(25,021)	-	-	(25,021)	(2,448)
Program income	9	-	-	9	107
Restricted investment income	3,613	-	-	3,613	5,026
Investment gain (loss) - Workforce Initiative	(15)	-	-	(15)	(59)
TOTAL NON OPERATING REV/(EXP)	76,605	-	-	76,605	38,414
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	74,859	(25,001)	-	49,858	34,636
TRANSFERS (TO) FROM	1,022	(1,022)	-	-	-
NET CONTRIBUTIONS FROM (TO) THIRD PARTIES	-	1,786	-	1,786	(4,658)
CHANGE IN NET POSITION	\$ 75,881	\$ (24,237)	\$ -	\$ 51,644	\$ 29,978

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

	June 30, 2022			June 30, 2021 Combined Total
	General Fund	Mortgage Revenue Bond Programs	Combined Total	
Change in Net Position	75,881	(24,237)	51,644	29,978
NET POSITION - Beg of Year	385,913	92,107	478,020	448,042
NET POSITION - End of year	\$ 461,794	\$ 67,870	\$ 529,664	\$ 478,020

Combined Statement of Cash Flows (in thousands)

	June 30, 2022			June 30, 2021 Combined Total
	General Fund	Mortgage Revenue Bond Programs	Combined Total	
Net cash provided by (used in) operations	\$ 2,684	\$ (100,210)	\$ (97,526)	\$ (113,888)
Net cash provided by (used in) noncapital financing activities	3,175	103,225	106,400	183,166
Net cash provided by (used in) investing activities	650	(13,832)	(13,182)	(26,164)
Net cash provided by (used in) capital financing activities	(201)	-	(201)	(8,343)
Net increase (decrease) in cash and cash equivalents	\$ 6,308	\$ (10,817)	\$ (4,509)	\$ 34,771
Cash and cash equivalents - Beginning of year	34,949	80,955	115,904	81,133
Cash and cash equivalents - End of year	\$ 41,257	\$ 70,138	\$ 111,395	\$ 115,904



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

Results – Louisiana Housing Corporation (General Fund):

- Type of auditor's opinion: Unmodified
- One significant deficiency disclosed in accordance with Uniform Guidance Eligibility (HOME Investment Partnerships Program) – The Corporation's records did not properly document verification of income eligibility for recipients of tenant based rental assistance.
- 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 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 (in thousands)

	June 30, 2022
Received Directly from the Federal Government:	
U.S. Department of Housing and Urban Development	\$ 160,034
U.S. Department of Health and Human Services	89,140
U.S. Department of Energy	1,879
Total Received Directly from the Federal Government	251,053
Passed through the State of Louisiana:	
U.S. Treasury through LA GOHSEP - Emergency Rental Assistance Program (ERAP)	7,944
U.S. Department of Homeland Security through LA GOHSEP - Disaster Grants (FEMA)	13,154
U.S. Department of Housing and Urban Development through LA OCD (CDBG)	93,439
Total Passed through the State of Louisiana	114,537
Total Expenditures of Federal Awards	\$ 365,590



Single Audit Programs Tested as Major Programs (in thousands)

	June 30, 2022
Major Programs:	
Section 8 Housing Assistance Payments (HAP)	\$ 108,147
Community Development Block Grants	93,439
HOME Investment Partnerships Program (HOME)	7,687
Total Expenditures for Major Programs	\$ 209,273

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, 2022

(in thousands)

	Mid City Gardens	Willowbrook	Village Je Jardin
Current Assets	\$ 44	\$ 2,126	\$ 915
Security Deposits	14	135	58
Capital Assets, net	9,500	18,040	37,048
Total Assets	9,558	20,301	38,021
Deferred Outflows of Resources	2	49	30
Total Assets and Deferred Outflows	9,560	20,350	38,051
Current Liabilities	15	183	63
Security Deposits	13	134	58
Total Liabilities	28	317	121
Deferred Inflows of Resources	9	53	7
Net Position	9,523	19,980	37,923
Total Liabilities, Deferred Inflows and Net Position	9,560	20,350	38,051

Rental Properties
Condensed Statements of Revenues, Expenses
and Changes in Net Position
June 30, 2022
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Operating Revenues	\$ 503	\$ 3,652	\$ 1,978
Operating Expenses	1,027	4,309	2,814
Operating Income (Loss)	(524)	(657)	(836)
Non-Operating Revenue	-	2	83
Non-Operating Expenses	-	(308)	(9)
Change in Net Position	(524)	(963)	(762)
Net Position - Beginning of Year	10,003	21,171	39,001
Contributions from Owner	44	149	155
Distributions to Owner	-	(377)	(471)
Net Position - End of Year	\$ 9,523	\$ 19,980	\$ 37,923



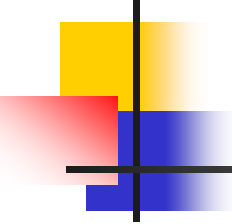
Rental Properties

Condensed Statements of Cash Flows

June 30, 2022

(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
Cash received from Operating Activities	\$ 512	\$ 3,466	\$ 2,000
Cash paid for Operating Activities	(550)	(2,790)	(1,619)
Net Cash Provided (Used) by Operating Activities	(38)	676	381
Net Cash Provided (Used) by Investing Activities	-	-	-
Cash Provided (Used) by Non-Capital Financing Activities	44	(227)	(316)
Cash flows used by Capital Financing Activities	-	(307)	74
Net Change in Cash and Cash Equivalents	6	142	139
Cash and Cash Equivalents - Beginning of Year	28	1,910	767
Cash and Cash Equivalents - End of Year	\$ 34	\$ 2,052	\$ 906

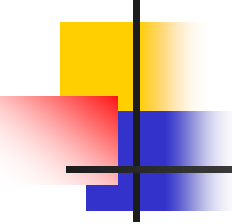


Rental Properties

Distributions to Owners

For the eight years ended June 30, 2022
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2022 Distributions to Owners	-	377	471
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 eight years ended June 30, 2022
(in thousands)

	Mid City Gardens	Willowbrook	Village de Jardin
2022 Contributions from Owners	44	149	155
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