FINANCIAL REPORT

LOUISIANA HOUSING AUTHORITY

DECEMBER 31, 2021 AND 2020

LOUISIANA HOUSING AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

September 14, 2022

Louisiana Housing Authority
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Louisiana Housing Authority (the Authority) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Louisiana Housing Authority's basic financial statements as listed in the index to report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Louisiana Housing Authority as of December 31, 2021 and 2020, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Housing Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the index to the report, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule presented as other supplementary information is not a required part of the basic financial statements, but is supplementary information required by U.S. Department of Housing and Urban Development. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements of Louisiana Housing Authority, a department of Louisiana Housing Corporation, includes only the activities of Louisiana Housing Authority's Section 8 Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher federal programs and is not intended to present fairly the financial position, results of operations, or cash flows of the Louisiana Housing Corporation in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2022 on our consideration of the Louisiana Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of Louisiana Housing Authority's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Housing Authority's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

Introduction

As management of the Louisiana Housing Authority (the "Authority"), we offer readers of the Authority's financial statements, the management's discussion and analysis ("MD&A"). This section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and identify individual program issues or concerns for the years ending December 31, 2021 and 2020.

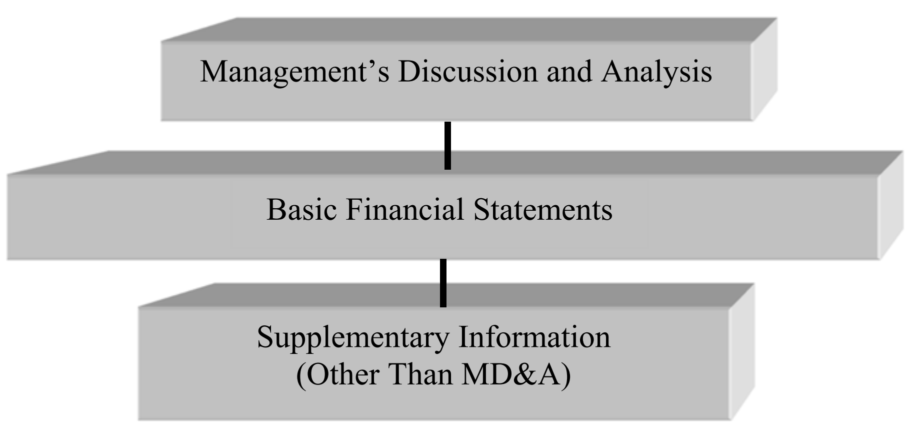
As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes, required supplementary information and the other supplementary information that is provided in addition to the MD&A.

Financial Highlights

- The primary source of funding for the Authority is subsidies and grants from the U.S. Department of Housing and Urban Development ("HUD"). The Authority reported $14,813,492 and $13,449,480 in HUD operating grants for the years ending December 31, 2021 and 2020, respectively.
- The Authority's liabilities and deferred inflow of resources exceeded its assets and deferred outflow of resources at the close of fiscal year 2021 by $1,274,771.
- The Authority's operating revenues increased by $1,362,099, total expenses increased $942,058 and net position increased by $837,134.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by the Governmental Accounting Standards Board.



These financial statements consist of two sections - Management's Discussion and Analysis (this section and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

The Authority has two federally funded programs that are reported as a proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

Statements of Net Position

The statements of net position present information on all of the Authority’s assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statements of Revenue, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present information which shows how the Authority's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statements of Cash Flows

The statements of cash flows present information showing how the Authority’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by *Government Accounting Standards*.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the Entity

The condensed statements of net position consisted of the following:

Condensed Statements of Net Position
December 31, 2021, 2020 and 2019

	2021	2020	2019
Assets:			
Current assets	$ 1,187,882	$ 797,101	$ 812,552
Total Assets	1,187,882	797,101	812,552
Deferred outflow of resources	497,905	426,690	347,683
Total Assets and Deferred Outflows	$ 1,685,787	$ 1,223,791	$ 1,160,235
Liabilities:			
Current liabilities	$ 204,020	$ 18,972	$ 194,965
Non-current liabilities	2,144,917	2,297,049	3,015,447
Total Liabilities	2,348,937	2,316,021	3,210,412
Deferred inflow of resources	611,620	711,586	170,732
Net Position:			
Restricted	485,928	234,658	497,311
Unrestricted	(1,760,698)	(2,038,474)	(2,718,220)
Total Net Position, (deficit)	(1,274,770)	(1,803,816)	(2,220,909)
Total Liabilities, Deferred Inflows & Net Position	$ 1,685,787	$ 1,223,791	$ 1,160,235

2021
Total assets increased by $390,780 from the previous year due to an increase in cash held at year end.

Total liabilities increased by $32,916 from the previous year due to decrease in net pension liability, an increase in net OPEB liability and an increase in accounts payable.

2020
Total assets decreased by $15,451 from the previous year due to a decrease in cash held at year end.

Total liabilities decreased by $894,391 from the previous year due to decrease in net pension liability and net OPEB liability

Financial Analysis of the Entity (Continued)

Restricted net position is not available for spending as a result of grant requirements and consist of cash restricted for housing assistance. Conversely, unrestricted net position does not have any limitations on how these amounts may be spent.

The condensed statements of revenues, expenses, and changes in net position consisted of the following:

Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ending December 31, 2021, 2020 and 2019

	2021	2020	2019
Revenues:			
HUD operating grants	$ 14,813,492	$ 12,991,456	$ 13,698,377
Disaster grants	-	458,024	-
Other	79	1,992	9,369
Total Revenues	14,813,571	13,451,472	13,707,746
Expenses:			
Housing assistance payments	12,956,762	12,180,549	12,275,778
Salaries and benefits	749,405	555,412	490,762
Other operating expenses	578,358	298,418	615,580
Total Expenses	14,284,525	13,034,379	13,382,120
Change in net position	529,046	417,093	325,626
Net position, beginning of year	(1,803,816)	(2,220,909)	(2,546,535)
Net position, end of year (deficit)	$ (1,274,770)	$ (1,803,816)	$ (2,220,909)

2021

The Authority's revenues increased by $1,362,099 from the previous year due to the increase in funding from U.S. Department of Housing and Urban Development.

2020

The Authority's revenues decreased by $256,274 from the previous year due to the decrease in funding from U.S. Department of Housing and Urban Development

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, is $-0- at December 31, 2021 and 2020 and consist of computers, networking equipment, furniture, and fixtures. The Authority had no additions or dispositions in the current year.

Economic Factors and Next Year's Operations and Rates

Housing Choice Voucher program revenues and expenses for 2022 are expected to approximate levels from 2021.

Federal appropriations directly affect the levels of revenues and expense of the Authority, and are subject to Congressional approvals.

Contacting the Louisiana Housing Authority's Management

This financial report is designed to provide a general overview of the Authority's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carlos Dickerson, Chief Financial Officer, 2415 Quail Drive, Baton Rouge, Louisiana 70808.

LOUISIANA HOUSING AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
Current assets:		
Cash - unrestricted	$ 423,826	$ 468,639
Cash - restricted	600,009	234,658
Due from HUD	51,058	1,400
Due from LHC	92,404	92,404
Prepaid expenses	20,585	-
Total current assets	1,187,882	797,101
Non-current assets:		
Capital assets	93,619	93,619
Accumulated depreciation	(93,619)	(93,619)
Total non-current assets	-	-
Total assets	1,187,882	797,101
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to pensions	310,288	327,373
Deferred outflows of resources related to OPEB	187,617	99,317
Total deferred outflows of resources	497,905	426,690
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,685,787	$ 1,223,791
LIABILITIES:		
Current liabilities:		
Accounts payable	$ 165,139	$ 1,400
Net OPEB liability due within one year	10,965	7,616
Accrued payroll	18,245	4,101
Compensated absences	9,671	5,855
Total current liabilities	204,020	18,972
Non-current liabilities:		
Net pension liability	1,413,235	1,712,318
Net OPEB liability	676,881	551,553
Compensated absences	54,801	33,178
Total non-current liabilities	2,144,917	2,297,049
Total Liabilities	2,348,937	2,316,021
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to pensions	329,572	341,115
Deferred inflows of resources related to OPEB	282,048	370,471
Total deferred inflows of resources	611,620	711,586
NET POSITION:		
Restricted	485,928	234,658
Unrestricted	(1,760,698)	(2,038,474)
Total net position (deficit)	(1,274,770)	(1,803,816)
TOTAL LIABILITES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,685,787	$ 1,223,791

See accompanying notes to financial statements.

LOUISIANA HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF AND FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES:		
HUD operating grants	$ 14,813,492	$ 12,991,456
Disaster grants	-	458,024
Other	79	1,992
Total operating revenues	14,813,571	13,451,472
OPERATING EXPENSES:		
Housing assistance payments	12,956,762	12,180,549
Salaries and employee benefits	749,405	555,412
General and administrative	555,526	275,827
Legal and professional	20,354	13,965
Travel	2,478	8,626
Total operating expenses	14,284,525	13,034,379
Change in net position	529,046	417,093
Net position (deficit), beginning of year	(1,803,816)	(2,220,909)
NET POSITION (DEFICIT), END OF YEAR	$ (1,274,770)	$ (1,803,816)

See accompanying notes to financial statements.

LOUISIANA HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Federal subsidies and grants	$ 14,763,835	$ 13,453,374
Other receipts	79	1,992
Payments for housing assistance	(12,844,080)	(12,341,140)
Payments to employees	(709,822)	(439,688)
Payments to vendors	(889,474)	(778,499)
Net cash provided (used) by operating activities	320,538	(103,961)
Net increase (decrease) in cash	320,538	(103,961)
Cash, beginning of year	703,297	807,258
CASH, END OF YEAR	$ 1,023,835	$ 703,297
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net position	$ 529,046	$ 417,093
Adjustments to reconcile change in net position to net cash used by operating activities:		
Changes in assets and liabilities:		
Due from HUD	(49,658)	3,894
Due from LHC	-	(92,404)
Prepaid expenses	(20,585)	-
Deferred outflows - pensions	17,085	(71,223)
Deferred outflows - OPEB	(88,300)	(7,784)
Accounts payable	163,739	(2,773)
Due to LHC	-	(160,591)
Accrued payroll	14,144	(9,285)
Compensated absences	25,439	(109)
Deferred inflows - pensions	(11,543)	337,664
Deferred inflows - OPEB	(88,423)	199,862
Net pension liability	(299,083)	(458,425)
Net OPEB liability	128,677	(259,880)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 320,538	$ (103,961)

See accompanying notes to financial statements.

NATURE OF OPERATIONS:

Under the Supplemental Appropriations Act of 2008, P.L. 110-252 (the "Act"), the State of Louisiana has been provided $20 million under the federal, project-based voucher program for the provision of 3,000 units of permanent supportive housing. The Act provides that the State or its designee may act in all respects as a public housing agency. The Louisiana Housing Authority (the "Authority") is the public housing agency designated by the State of Louisiana.

The Housing Choice Voucher Program provides safe, decent, and sanitary housing in the private market for very low-income families, the elderly, and the disabled. The Mainstream Voucher Program enables families for whom the head, spouse or co-head is a person with disabilities to lease affordable private housing of their choice. Housing Choice and Mainstream vouchers are administered locally by public housing agencies ("PHA"). The Emergency Housing Voucher program (EHV) is a housing voucher program that assist individuals and families who are homeless, at risk of homelessness, fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking, were recently homeless or have a high risk of housing instability. The PHAs receive federal funds from the U.S. Department of Housing and Urban Development ("HUD") to administer the voucher programs. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Reporting Entity

The Governmental Accounting Standards Board ("GASB") established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Authority is fiscally independent of the State of Louisiana, the Authority is not a component unit of the State. The Authority is a department under the Louisiana Housing Corporation. The federal program is also included in the financial statements of the Louisiana Housing Authority whose activities are not reported in these financial statements. The financial statements include only the activity of the Housing Choice Voucher Program, the Mainstream Voucher Program and the Emergency Housing Voucher Program (all funds and activities that are within the oversight responsibility of the Authority).

Financial Statement Presentation

The GASB has been established to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Statement Presentation (Continued)

For financial reporting purposes, the Authority is treated as a special-purpose government engaged only in business-type activities. All activities of the Authority are accounted for within a single proprietary (enterprise) fund to report on its financial position, results of operations, and cash flows. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, regardless of the measurement focus applied. The transactions of the Authority are accounted for using the accrual basis of accounting and on a flow of economic resources measurement focus where the aim is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Accordingly, revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Net Position

The statement of net position reports net position as the difference between all other elements in a statement of net position and is displayed in the three following components:

- Net investment in capital assets - consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use the restricted resources first, then unrestricted resources as needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For financial statement purposes, cash includes demand deposits. Cash - restricted consists of cash from the U.S. Department of Housing and Urban Development to be used for payments to program recipients.

Deferred Outflow and Inflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category; deferred amounts related to pensions and deferred amounts related to other postemployment benefits.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category; deferred amounts related to pensions, and deferred amounts related to other postemployment benefits.

Accounts Receivable

Accounts receivable are stated as the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Based on past payment history, management believes that all receivables are collectible within the next fiscal year.

Prepaid Expenses

Prepaid expenses consist of licenses and maintenance fees.

Capital Assets

The Authority's capital assets are stated at cost less accumulated depreciation and are depreciated using the straight-line method over the estimated useful life of five years. All

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets (Continued)

capital assets with a value greater than $5,000 and a useful life of over one year are capitalized. Expenses for repairs and maintenance are charged to operating expense as incurred.

Grant Revenues

The Authority's sole source of funding is from three grants awarded by the U.S. Department of Housing and Urban Development. The Authority receives funding based on a cost reimbursement basis, incremental funding contracts, and lump sum cash deposits.

Compensated Absences

The Authority's employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The liability for unused annual leave at December 31, 2021 and 2020 was $64,472 and $39,033 respectively.

2. DEPOSITS:

For reporting purposes, deposits with financial institutions include demand deposits. Deposits in bank accounts are stated at cost, which approximates market. Under Louisiana State Law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

The deposits of the Authority consisted of the following at December 31, 2021 and 2020:

	2021	2020
Cash - book balances	$ 1,023,835	$ 703,297
Cash - bank balances	$ 1,040,235	$ 711,833
Insurance and Collateral:		
Federal depository instruments	$ 250,000	$ 250,000
Pledged securities	790,235	461,833
Total insurance and collateral	$ 1,040,235	$ 711,833

2. DEPOSITS: (Continued)

Custodial Risk

Custodial risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. At December 31, 2021 and 2020, the Authority's bank balances of $1,040,235 and $711,833, respectively, were insured by FDIC insurance or pledge collateral held by the Federal Reserve Bank in joint custody. The Authority does not have a custodial risk policy.

3. CAPITAL ASSETS:

The Authority's capital assets consisted of the following at December 31, 2021:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Computers and equipment	$ 48,589	$ -	$ -	$ 48,589
Furniture and fixtures	45,030	-	-	45,030
Accumulated depreciation	(93,619)	-	-	(93,619)
	$ -	$ -	$ -	$ -

The Authority's capital assets consist of the following at December 31, 2020:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Computers and equipment	$ 48,589	$ -	$ -	$ 48,589
Furniture and fixtures	45,030	-	-	45,030
Accumulated depreciation	(93,619)	-	-	(93,619)
	$ -	$ -	$ -	$ -

Depreciation expense for the years ended December 31, 2021 and 2020 was $-0-.

4. NON-CURRENT LIABILITIES:

The Authority's non-current liabilities consisted of the following at December 31, 2021:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021	Amounts Due Within One Year
Net pension liability	$ 1,712,318	$ -	$ 299,083	$ 1,413,235	$ -
Net OPEB liability	559,169	128,677	-	687,846	10,965
Compensated absences	39,033	25,439	-	64,472	9,671
Total non-current liabilities	$ 2,310,520	$ 154,116	$ 299,083	$ 2,165,553	$ 20,636

4. NON-CURRENT LIABILITIES: (Continued)

The Authority's non-current liabilities consisted of the following at December 31, 2020:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Amounts Due Within One Year
Net pension liability	$ 2,170,743	$ -	$ 458,425	$ 1,712,318	$ -
Net OPEB liability	822,377	-	263,208	559,169	7,616
Compensated absences	39,142	-	109	39,033	5,855
Total non-current liabilities	$ 3,032,262	$ -	$ 721,742	$ 2,310,520	$ 13,471

5. CONCENTRATIONS:

The Authority receives all of its operating revenues from the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from HUD falls below contract levels, the Authority's operating results could be adversely affected. Revenue from HUD was $14,813,492 and $13,449,480 for the years ended December 31, 2021 and 2020, respectively.

6. RETIREMENT BENEFITS:

Plan Description

Substantially all of the employees of the Authority are members of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer, defined benefit pension plan. LASERS is a statewide public employee retirement system (PERS) for the benefit of state employees which is administered and controlled by a separate board of trustees.

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The following is a brief description of the Plan and its benefits. Participants should refer to the appropriate statutes for more complete information.

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third-party provider with oversight from LASERS Board of Trustees.

Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member's working lifetime. ORP balances are held by the provider in each participant's name. These balances are included in LASERS total investments on the Statement of Fiduciary Net Position. The ORP was closed to new members on December 7, 2007. However, members in the ORP as of December 31, 2007 were granted the option by Act 718 of the 2012 Louisiana Regular Legislative Session to regain membership in the defined benefit plan.

6. RETIREMENT BENEFITS: (Continued)

Benefits Provided

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants-at-arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

6. RETIREMENT BENEFITS: (Continued)

Benefits Provided (Continued)

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after 5 years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked.

For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider.

The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

6. RETIREMENT BENEFITS: (Continued)

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member′s compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members' final average compensation.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

6. RETIREMENT BENEFITS: (Continued)

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all class members, regardless of their plan membership. The employer contribution rates for the years ended December 31, 2021 was 40.10% of payroll for the first half of the year and 39.50% of payroll for the second half of the year. The employer contribution rates for the fiscal year ended December 31, 2020 was 40.70% of payroll for the first half of the year and 40.10% of payroll for the second half of the year. The Authority's contributions to LASERS for the years ending December 31, 2021 and 2020 were $212,892 and $179,431, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Authority reported a liability for LASERS of $1,413,235 and $1,712,318 respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2021 and 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of those dates. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021 and 2020, the Authority's proportion 0.02568% and 0.02070%, respectively. This reflects an increase of .00497% from its proportion measured as of June 30, 2020.

For the years ended December 31, 2021 and 2020, the Authority recognized pension expense of $99,078 and $99,230, respectively.

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,396	$ -
Change in assumptions	34,616	-
Net difference between projected and actual earnings on pension plan investments	-	329,572
Change in proportion and differences between employer contributions and proportionate share of contributions	153,943	-
Employer contributions subsequent to the measurement date	120,333	-
Total	$ 310,288	$ 329,572

6. RETIREMENT BENEFITS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 16,444
Changes of assumptions	5,479	-
Net difference between projected and actual earnings on pension plan investments	250,308	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	324,671
Employer contributions subsequent to the measurement date	71,586	-
Total	$ 327,373	$ 341,115

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date in the amount of $120,333 will be recognized as a reduction of the net pension liability during the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense (benefit) are as follows:

Year Ended December 31	Amount
2022	$ 132,762
2023	(50,785)
2024	(74,876)
2025	(146,718)
Total	$ (139,617)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation dates	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal
Expected remaining service lives	2 years for 2021 and 2020
Investment rate of return	7.40% and 7.55% per annum for 2021 and 2020, respectively

6. RETIREMENT BENEFITS: (Continued)

Actuarial Assumptions (Continued)

Inflation rate	2.30% annum for 2021 and 2020
Period of experience study	2014 – 2018
Mortality Rates	Non-disabled members: Based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuity Tables projected on a gully generational basis by Mortality Improvement scale MP-2018. Disabled members: Based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirements	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of LASERS's members.
Salary increases	Salary increases for 2021 and 2020 were projected based on a 2014-2018 experience study of the LASERS's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by LASERS and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% for 2021 and 2020 and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rates of return are 7.61% for 2021 and 8.25% for 2020.

6. RETIREMENT BENEFITS: (Continued)

Actuarial Assumptions (Continued)

Best estimates of geometric real rates of return for each major asset class included in LASERS target asset allocation as of June 30, 2021 and 2020, are summarized in the following table:

	June 30, 2021		June 30, 2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)
Cash	1%	-0.29%	0%	-0.59%
Domestic equity	31%	4.09%	23%	4.79%
International equity	23%	5.12%	32%	5.83%
Domestic fixed income	3%	0.49%	6%	1.76%
International fixed income	18%	3.94%	10%	3.98%
Alternative investments	24%	6.93%	22%	6.69%
Risk Parity	0%	0.00%	7%	4.20%
Total	100%		100%	

The discount rate used to measure the total pension liability was 7.40% and 7.55% for June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statues and approved by the pension plan. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following presents the Authority's proportionate share of the net pension liability using the discount rate, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

6. RETIREMENT BENEFITS: (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates (Continued)

	1.00% Decrease 6.40%	Current Rate 7.40%	1.00% Increase 8.40%
2021	$ 1,915,123	$ 1,413,235	$ 986,596

	1.00% Decrease 6.55%	Current Rate 7.55%	1.00% Increase 8.55%
2020	$ 2,104,172	$ 1,712,318	$ 1,379,786

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued 2021 and 2020 Comprehensive Annual Financial Reports for LASERS at www.lasersonline.org or on the Louisiana Legislative Auditor's website at www.lla.la.gov.

Payables to the Pension Plan

As of December 31, 2021 and 2020, the Authority had no payables recorded for outstanding contributions due to LASERS.

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Authority. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Authority. At December 31, 2021 and 2020, 23 and 19 retirees were receiving postemployment benefits, respectively.

Plan Description

Employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The state administers the plan through the Office of Group Benefits (OGB). LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Benefits Provided

The OPEB Plan provides benefits such as; death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment. The OPEB plan does not provide termination benefits or termination payments for sick leave.

Contributions

The contribution requirements of plan members and the Authority are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and Authority contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving postemployment benefits. The retirees contribute to the cost of their postemployment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Employer contributions to the OPEB Plan from the Corporation were $10,965 and $7,616 for the years ended December 31, 2021 and 2020, respectively.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

OGB Participation	Retiree Share	State Share
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The employer pays 50% of the individual retiree’s premium. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

At December 31, 2021 and 2020, the Authority reported a liability of $687,846 and $559,169, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of July 1, 2021 and 2020, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the total OPEB liability was based on a projection of the Authority's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. As of July 1, 2021 and 2020, the Authority's proportion was .00637% and .006749%, respectively.

For the years ended December 31, 2021 and 2020, the Authority recognized OPEB (benefit) expense of $(48,046) and $(67,802), respectively. As of December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 61,806	$ 259,820
Differences between employer contributions and proportionate share of contributions	108,232	17,566
Differences between expected and actual experience	6,614	4,662
Employer contributions subsequent to the measurement date	10,965	-
Total	$ 187,617	$ 282,048

December 31, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 18,150	$ 102,058
Differences between employer contributions and proportionate share of contributions	57,313	265,718
Differences between expected and actual experience	16,238	2,695
Employer contributions subsequent to the measurement date	7,616	-
Total	$ 99,317	$ 370,471

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB (Continued)

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of $10,965 will be recognized as a reduction of the collective total OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended December 31		Amount
2022	$	(82,103)
2023		(82,103)
2024		(74,955)
2025		133,765
Total	$	(105,396)

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 and July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% and 2.80% for 2021 and 2020, respectively
Salary Increases	Consistent with the pension valuation assumptions
Investment Rate of Return	2.18%, based on the June 30, 2021 S&P 20-Year Municipal Bond Index Rate. 2.66%, based on June 30, 2020 S&P 20-Year Municipal Bond Index Rate
Healthcare Cost Trend	7.00% - 4.50% for 2021 and 6.75% - 4.50% for 2020
Mortality Rates	For active lives: RP2014 Blue Collar Employee Table adjusted by 0.987 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018, for 2021 and 2020. For healthy retiree lives: The RP-2014 Blue Collar Healthy Annuitant Table adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018 for 2021.

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Actuarial Assumptions (Continued)

Mortality Rates (Continued) For disabled retiree lives: RP2000 Disabled Tables adjusted by 1.009 for Males and 1.043 for Females, not projected with Mortality Improvement for 2021 and 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was decreased to 2.18% in the July 1, 2021 valuation from 2.66% as of July 1, 2020.

Sensitivity of the Authority's Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the collective total OPEB liability, as well as what the Authority's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	Sensitivity to change in discount rate		
	1.0% Decrease (1.18%)	Current Discount Rate (2.18%)	1.0% Increase (3.18%)
December 31, 2021			
Authority's proportionate share of the collective total OPEB liability	$ 831,756	$ 687,846	$ 576,620

	1.0% Decrease (1.66%)	Current Discount Rate (2.66%)	1.0% Increase (3.66%)
December 31, 2020			
Authority's proportionate share of the collective total OPEB liability	$ 674,911	$ 559,169	$ 469,365

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Sensitivity of the Authority's Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Authority's proportionate share of the collective total OPEB liability, as well as what the Authority's proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1.00% Decrease	Current Trend Rate	1.00% Increase
December 31, 2021			
Authority's proportionate share of the collective total OPEB liability	$ 569,155	$ 687,846	$ 844,443

	1.00% Decrease	Current Trend Rate	1.00% Increase
December 31, 2020			
Authority's proportionate share of the collective total OPEB liability	$ 462,840	$ 559,169	$ 685,864

Payables to the OPEB Plan

As of December 31, 2021 and 2020, the Authority reported no payables outstanding to the OPEB plan for the years ended.

8. NET POSITION – DEFICIT BALANCE:

The Authority has a deficit of $1,274,7710 and $1,803,816 in unrestricted net position as of December 31, 2021 and 2020, respectively. This is primarily due to the reporting of the net pension liability in accordance with GASB 68 in addition to recording of the net OPEB liability in accordance with GASB 75 which required the Authority to record it’s proportionate share of the net pension liability and net OPEB liability. The net pension liability of $1,413,235 and $1,712,318 as of December 31, 2021 and 2020, respectively is reported in the statement of net position. The net OPEB liability of $687,846 and $559,169 as of December 31, 2021 and 2020, respectively is reported in the statement of net position. Management is currently evaluating the deficit in unrestricted position in order to develop a plan to increase the Authority’s profits.

9. SUBSEQUENT EVENTS:

Management of the Corporation has evaluated all subsequent events through September 14, 2022, the date the financial statements were available to be issued. No additional disclosures are considered necessary.

10. RECLASSIFICATIONS:

Certain December 31, 2020 amounts have been reclassified in order to conform to the December 31, 2021 financial statement presentation. The reclassifications had no effect on the net position or revenues, expenses and changes in fund net position.

LOUISIANA HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF COLLECTIVE TOTAL OPEB LIABILITY
FOR THE FIVE YEARS ENDED DECEMBER 31, 2021

Fiscal Year *	Authority's Proportion of the Collective Total OPEB Liability	Authority's Proportionate Share of the Collective Total OPEB Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Collective Total OPEB Liability as a % of its Covered Payroll
2021	0.00637%	$ 687,846	$ 527,538	130%
2020	0.00674%	$ 559,169	$ 386,995	130%
2019	0.01065%	$ 822,377	$ 562,196	146%
2018	0.00966%	$ 803,080	$ 457,005	176%
2017	0.00966%	$ 818,209	$ 485,929	168%

*The amounts presented for each fiscal year were determined as of June 30th of the year noted.

This schedule is intended to show information for 10 years. Additional years will be presented

LOUISIANA HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED DECEMBER 31, 2021

Fiscal Year *	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2021	0.02568%	$ 1,413,235	$ 527,538	267.89%	58.0%
2020	0.02070%	$ 1,712,318	$ 386,995	397.94%	62.9%
2019	0.05456%	$ 2,170,743	$ 562,196	386.12%	64.3%
2018	0.02416%	$ 2,047,591	$ 457,005	448.05%	62.5%
2017	0.02626%	$ 1,848,677	$ 485,929	380.44%	57.7%
2016	0.02468%	$ 1,937,860	$ 434,314	446.19%	62.7%
2015	0.02884%	$ 1,960,914	$ 518,809	377.96%	65.0%
2014	0.02995%	$ 1,872,461	$ 672,509	278.43%	65.0%

*The amounts presented for each fiscal year were determined as of June 30th of the year noted.

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
FOR THE EIGHT YEARS ENDED DECEMBER 31, 2021

Fiscal Year*	Contractually Required Contibution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Payroll	Contributions as a Percentage of Covered-Payroll
2021	$ 225,554	$ 221,892	$ 3,662	$ 571,024	38.9%
2020	$ 176,421	$ 179,431	$ (3,010)	$ 430,294	41.7%
2019	$ 173,958	$ 177,016	$ (3,058)	$ 458,992	38.6%
2018	$ 180,907	$ 166,849	$ 14,058	$ 477,328	35.0%
2017	$ 165,998	$ 137,551	$ 28,447	$ 446,232	30.8%
2016	$ 132,069	$ 133,489	$ (1,420)	$ 355,024	37.6%
2015	$ 158,180	$ 167,159	$ (8,979)	$ 427,513	39.1%
2014	$ 126,534	$ 158,067	$ (31,533)	$ 404,263	39.1%

*The amounts presented were determined as of the end of the calendar year.

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

1. Schedule of the Authority's Proportionate Share of the Collective Total Other Postemployment Benefit Liability in the State of Louisiana Postemployment Benefits Plan:

This schedule reflects the participation of the Authority's employees in the State of Louisiana Post-employment Benefits Plan and its proportionate share of the collective total other post-employment liability, and the proportionate share of the collective total other post-employment benefits liability as a percentage of its covered payroll. The employers' collective total other post-employment benefit liability is the liability of the Authority's employees for benefits provided through the State of Louisiana Post-employment Benefits Plan. Covered payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior fiscal year ended.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

2. Schedule of the Authority's Proportionate Share of the Net Pension Liability in the Louisiana State Employees' Retirement System:

This schedule reflects the participation of the Authority's employees in Louisiana State Employees' Retirement System and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered payroll, and the plan fiduciary net position as a percentage of the total pension liability. The employers' net pension liability is the liability of the Authority's employees for benefits provided through Louisiana State Employees' Retirement System. Covered payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior year ended.

3. Schedule of the Authority's Pension Contributions:

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered payroll, is presented in this schedule. The amounts presented in the schedule were determined as of the end of each fiscal year.

4. Changes in Benefit Terms:

Pension Plan

During the reporting period 2017, a Cost of Living Adjustment (COLA) was granted by LASERS of 1.5%.

Act 37 of 2021 provided a monthly benefit increase to LASERS retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than $1,450, and have not participated in DROP or IBO.

4. Changes in Benefit Terms (Continued):

OPEB Plan

There were no changes in benefit terms for the State of Louisiana OPEB Plan for any of the years presented.

5. Changes in Assumptions:

Pension Plan

Louisiana State Employees' Retirement System (LASERS)

Valuation Date	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Salary Increases	Mortality Rate - Active & Retired Members	Termination, disability, and retirement assumptions
June 30, 2021	7.40%	2.30%	2 Years	2.6% - 13.8%	Mortality rates based on the RP-2014 mortality tables for non-disabled members and RP-2000 for disabled members	Projected on a 5 year (2014-2018) experience study
June 30, 2020	7.55%	2.30%	2 Years	2.6% - 13.8%	Mortality rates based on the RP-2014 mortality tables for non-disabled members and RP-2000 for disabled members	Projected on a 5 year (2014-2018) experience study
June 30, 2019	7.60%	2.50%	2 Years	2.8% - 14.0%	Mortality rates based on the RP-2014 mortality tables for non-disabled members and RP-2000 for disabled members	Projected on a 5 year (2014-2018) experience study
June 30, 2018	7.65%	2.75%	3 Years	2.8% - 14.3%	Mortality rates based on the RP-2000 mortality tables for non-disabled members and disabled members	Projected on a 5 year (2009-2013) experience study
June 30, 2017	7.70%	2.75%	3 Years	2.8% - 14.3%	Mortality rates based on the RP-2000 mortality tables for non-disabled members and disabled members	Projected on a 5 year (2009-2013) experience study
June 30, 2016	7.75%	3.00%	3 Years	3.0% - 14.5%	Mortality rates based on the RP-2000 mortality tables for non-disabled members and disabled members	Projected on a 5 year (2009-2013) experience study
June 30, 2015	7.75%	3.00%	3 Years	3.0% - 14.5%	Mortality rates based on the RP-2000 mortality tables for non-disabled members and disabled members	Projected on a 5 year (2009-2013) experience study
June 30, 2014	7.75%	3.00%	3 Years	3.0% - 14.5%	Mortality rates based on the RP-2000 mortality tables for non-disabled members and disabled members	Projected on a 5 year (2009-2013) experience study

6. Changes in Assumptions: (Continued)

OPEB Plan

The discount rate changed from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018, for the State of Louisiana OPEB Plan.

Other changes in assumptions as of July 1, 2018 were as follows:

1. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums.

2. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018.

The discount rate changed from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019, for the State of Louisiana OPEB Plan.

Other changes in assumptions as of July 1, 2019 were as follows:

1. Baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan's liability.

2. Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates, which reduced the Plan's liability.

3. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the Plan's liability.

4. Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience study.

The discount rate changed from 2.79% as of July 1, 2019 to 2.66% as of July 1, 2020, for the State of Louisiana OPEB Plan.

6. Changes in Assumptions: (Continued)

OPEB Plan (Continued)

Other changes in assumptions as of July 1, 2020 were as follows:

1. Baseline per capita costs were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan's liability.

2. Economic assumptions were updated to reflect the updated salary scale assumptions adopted by LASERS and TRSL. This slightly increased the Plan's liability.

3. Several demographic assumptions were updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

    a. Medical participation rates were decreased, decreasing the Plan's liability.

    b. The life participation rate was decreased from 52% to 36%, decreasing the Plan's liability.

    c. The age difference between future retirees and their spouses was updated, increasing the Plan's liability.

    d. The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 was updated, increasing the Plan's liability.

    e. Medical plan election percentages were updated which contributed to a decrease in the Plan's liability associated with updating baseline per capita costs (PCCs) and premiums.

The discount rate changed from 2.66% as of July 1, 2020 to 2.18% as of July 1, 2021, for the State of Louisiana OPEB Plan.

Other changes in assumptions as of July 1, 2021 were as follows:

1. Baseline per capita costs (PCCs) were updated to reflect 2021 claims and enrollment.

2. Medical plan election percentages were updated based on the coverage election of recent retirees.

3. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

4. Inflation rate changed from 2.80% as of July 1, 2020 to 2.40% as of July 1, 2021.

LOUISIANA HOUSING AUTHORITY - LA903
BATON ROUGE, LOUISIANA
OTHER SUPPLEMENTARY INFORMATION
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2021

Entity Wide Balance Sheet Summary

		CFDA 14.871 Housing Choice Vouchers	CFDA 14.879 Mainstream Voucher	CFDA 14.EHV Emergency Housing Voucher	Total
111	Cash - Unrestricted	$ 80,909	$ 70,020	$ 272,897	$ 423,826
113	Cash - Other Restricted	119,875	30,224	449,910	600,009
100	Total Cash	200,784	100,244	722,807	1,023,835
121	Accounts Receivable	131,733	11,729	-	143,462
120	Total Receivables, Net of Allowances for Doubtful Accounts	131,733	11,729	-	143,462
142	Prepaid Expenses and Other Assets	20,585	-	-	20,585
150	Total Current Assets	353,102	111,973	722,807	1,187,882
164	Furniture, Equipment and Machinery - Administration	93,619	-	-	93,619
166	Accumulated Depreciation	(93,619)	-	-	(93,619)
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-
180	Total Non-Current Assets	-	-	-	-
200	Deferred Outflow of Resources	497,905	-	-	497,905
290	Total Assets and Deferred Outflow of Resources	851,007	111,973	722,807	1,685,787
312	Accounts Payable <= 90 Days	147,899	11,729	5,511	165,139
321	Accrued Wage/Payroll Taxes Payable	16,733	142	1,370	18,245
322	Accrued Compensated Absences - Current Portion	9,238	433	-	9,671
310	Total Current Liabilities	173,870	12,304	6,881	193,055
354	Accrued Compensated Absences - Non-Current	52,349	2,452	-	54,801
357	Accrued Pension and OPEB Liabilities	2,101,081	-	-	2,101,081
350	Total Non-Current Liabilities	2,153,430	2,452	-	2,155,882
300	Total Liabilities	2,327,300	14,756	6,881	2,348,937
400	Deferred Inflow of Resources	611,620	-	-	611,620
508	Net Investment in Capital Assets	-	-	-	-
511	Restricted Net Position	11,305	30,224	444,399	485,928
512	Unrestricted Net Position - Admininstration	-	-	-	-
512	Unrestricted Net Position	(2,099,218)	66,993	271,527	(1,760,698)
513	Total Equity - Net Assets / Position	(2,087,913)	97,217	715,926	(1,274,770)
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	851,007	111,973	722,807	1,685,787

See independent auditor's report.

LOUISIANA HOUSING AUTHORITY - LA903
BATON ROUGE, LOUISIANA
OTHER SUPPLEMENTARY INFORMATION
FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary

		CFDA 14.871 Housing Choice	CFDA 14.879 Mainstream Voucher	CFDA 14.EHV Emergency Housing Voucher	Total
70600	HUD PHA Operating Grants	13,130,886	808,470	874,136	$ 14,813,492
71100	Investment Income - Unrestricted	79	-	-	79
70000	Total Revenue	13,130,965	808,470	874,136	14,813,571
91100	Administrative Salaries	536,623	15,518	53,382	605,523
91200	Auditing Fees	20,354	-	-	20,354
91500	Employee Benefit Contributions - Administrative	116,486	5,568	21,828	143,882
91700	Legal Expense	-	-	-	-
91800	Travel	2,478	-	-	2,478
91900	Other	527,674	10,853	16,999	555,526
91000	Total Operating - Administrative	1,203,615	31,939	92,209	1,327,763
96900	Total Operating Expenses	1,203,615	31,939	92,209	1,327,763
97000	Excess of Operating Revenue Over Operating Expenses	11,927,350	776,531	781,927	13,485,808
97300	Housing Assistance Payments	11,982,699	908,062	66,001	12,956,762
90000	Total Expenses	13,186,314	940,001	158,210	14,284,525
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(55,349)	(131,531)	715,926	529,046
11030	Beginning Equity	(2,008,177)	204,361	-	(1,803,816)
11040	Prior Period Adjustment, Equity Transfer	(24,387)	24,387		-
11170	Administrative Fee Equity	(2,099,218)	66,993	271,527	(1,760,698)
11180	Housing Assistance Payments Equity	11,305	30,224	444,399	485,928
11190	Unit Months Available	18,900	2,280	864	22,044
11210	Number of Unit Months Leased	16,928	1,237	88	18,253

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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*

September 14, 2022

Executive Director
Louisiana Housing Authority
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 business-type activities of the Louisiana Housing Authority (the "Authority"), as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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*.

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, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

September 14, 2022

Executive Director
Louisiana Housing Authority
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Louisiana Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority'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 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 December 31, 2021

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*, 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 Authority 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 Authority'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 Authority'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 Authority'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 Authority'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 Authority'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 Authority'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 Authority'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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

LOUISIANA HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Program Title	Assitance Listing Number	Expenditures
U.S. Department of Housing and Urban Development:		
Received directly from the federal government		
Section 8 Housing Choice Vouchers	14.871	$ 13,186,314
Mainstream Vouchers	14.879	940,001
Emergency Housing Voucher	14.EHV	158,210
Total Expenditures of Federal Award		$ 14,284,525

See accompany notes to schedule of expenditures of federal awards

REPORTING ENTITY:

The accompanying Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Louisiana Housing Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 of the notes to financial statements.

BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net positions, or cash flows of the Authority.

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.

INDIRECT COST RATE:

The Authority elected not to use the 10% de minimis indirect cost rate allowed by under the *Uniform Guidance.*

PROGRAM COSTS:

The amounts presented as federal expenditures represent only the federal portion of the actual program costs. Actual program costs, including the Authority's portion, may be more than is shown on the schedule.

LOUISIANA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

a. Type of auditor's report issued:	Unmodified		
b. Internal control over financial reporting:			
Material weaknesses identified	_______ yes	✓	no
Significant deficiencies identified that are not considered to be material weaknesses	_______ yes	✓	no
c. Noncompliance material to financial statements noted	_______ yes	✓	no

Federal Awards

a. Type of auditor's report issued on compliance for major programs:	Unmodified		
b. Internal control over major programs:			
Material weaknesses identified	_______ yes	✓	no
Significant deficiencies identified that are not considered to be material weaknesses	_______ yes	✓	no
c. Any audit findings disclosed that are required to be reported by Title 2 *U.S. Code of Federal Regulations* Part 200	_______ yes	✓	no

d. Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Voucher Program

e. Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000		
f. Auditee qualified as low-risk	✓ yes	_______	no

B. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS UNDER *THE UNIFORM GUIDANCE*

None noted.

C. SUMMARY OF PRIOR YEAR FINDINGS

None noted.