FINANCIAL REPORT

LOUISIANA HOUSING CORPORATION

SINGLE FAMILY MORTGAGE REVENUE BONDS
HOME OWNERSHIP PROGRAM

JUNE 30, 2024

LOUISIANA HOUSING CORPORATION

SINGLE FAMILY MORTGAGE REVENUE BONDS
HOME OWNERSHIP PROGRAM

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INDEPENDENT AUDITOR'S REPORT

October 30, 2024

To the Board of Directors
Louisiana Housing Corporation
Baton Rouge, Louisiana

Qualified Opinion

We have audited the accompanying financial statements of the Louisiana Housing Corporation Single Family Mortgage Revenue Bonds Home Ownership Program (LHC Single Family Program) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the LHC Single Family Program's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the LHC Single Family Program as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

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 LHC Single Family Program 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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

Management has elected not to include the statement of cash flows required by generally accepted accounting principles in the United States of America.

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 LHC Single Family Program'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 LHC Single Family Program'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 LHC Single Family Program'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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, these financial statements are intended to present the financial position and change in financial position of the business-type activities attributable to the Louisiana Housing Corporation's Single Family Mortgage Revenue Bonds Home Ownership Program. They do not purport to, and do not, present fairly the financial position of the Louisiana Housing Corporation's General Fund as of June 30, 2024, the changes in financial position, or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of LHC Single Family Program'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 that 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 on the effectiveness of LHC Single Family Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

LOUISIANA HOUSING CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS
HOME OWNERSHIP PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2024
(In Thousands)

RESTRICTED ASSETS:	
Cash and cash equivalents	$ 105,946
Mortgage-backed securities	480,920
Accrued interest receivable	1,995
Due from other funds	6
TOTAL RESTRICTED ASSETS	$ 588,867
LIABILITIES:	
Accrued interest payable	$ 1,939
Bonds payable	549,540
Due to other funds	173
Total Liabilities	551,652
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to debt refunding	222
NET POSITION - RESTRICTED:	
Net position - restricted for single family home ownership program	36,993
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 588,867

See accompanying notes

LOUISIANA HOUSING CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS
HOME OWNERSHIP PROGRAM
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
JUNE 30, 2024
(In Thousands)

REVENUES:	
Interest and dividend income	$ 22,869
Loss on mortgage-backed securities	(2,897)
Total revenues	19,972
EXPENSES:	
Interest expense	15,884
General and administrative	11,734
Total expenses	27,618
NET LOSS	(7,646)
NET POSITION - beginning of year	44,639
NET POSITION - end of year	$ 36,993

See accompanying notes

ORGANIZATION:

Louisiana Housing Corporation (LHC) is an instrumentality of the State of Louisiana established July 1, 2011, pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended. The enabling legislation grants LHC the authority to promulgate rules, regulations, or other procedures for the coordination of all state-administered housing programs. The powers of the LHC are vested in a Board of Directors which is empowered to contract with outside parties to conduct the operations of programs it initiates.

The LHC Single Family Mortgage Revenue Bonds Home Ownership Program (LHC Single Family Program) is authorized, for the furtherance of public purposes, to issue mortgage revenue bonds in order to provide funds to promote the development of adequate and affordable residential housing and other economic development for the benefit of the state. These mortgage revenue bonds are limited obligations of LHC (the issuer) and do not constitute a debt, liability, or moral obligation of the state or any political subdivision thereof. The mortgage revenue bonds are issued as conduit or asset backed financing and are payable solely from income, revenues, and receipts derived from the mortgage loans and other investments held under and pursuant to the trust indentures and therefore pledged. LHC has no taxing power. LHC's general fund receives issuer fees in connection with its Single Family Mortgage Revenue Bond Home Ownership Program.

The LHC Single Family Program utilizes mortgage lenders to originate and service mortgage and construction loans acquired under the Home Ownership Program. The LHC Single Family Program also utilizes various financial institutions to serve as trustees for each of its programs. The trustees administer the assets of the LHC Single Family Bond Program held under trusts pursuant to the trust indentures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity:

The financial statements include the Louisiana Housing Corporation's Single Family Mortgage Revenue Bonds Home Ownership Program (LHC Single Family Program). These bond programs are established under the trust indentures to account for the proceeds from the issuance of the single family mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans purchased with bond proceeds. The single family mortgage revenue bond programs promote residential home ownership for low income and moderate-income persons through the funding of low-interest mortgage loans and down-payment assistance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation:

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting:

The LHC Single Family Program is considered a proprietary fund and is presented as a business-type activity. Proprietary fund types use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. All assets and liabilities associated with the operations of the LHC Single Family Bond Program are included in the statement of net position.

Mortgage-Backed Securities:

Mortgage loans initiated through the LHC Single Family Program have been pooled and packaged into mortgage-backed securities which were then purchased by the single family programs. The mortgage-backed securities consist of Government National Mortgage Association (GNMA) certificates, Federal National Mortgage Association (FNMA) certificates, Federal Home Loan Bank (FHLB) certificates, and Federal Home Loan Mortgage LHC Single Family Program (FHLMC) certificates. The certificates are carried at fair market value.

Deferred Inflows of Resources:

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 periods and will not be recognized as an inflow of resources (revenue) until that time. Accounting for gains and losses that result from debt refunding are deferred and amortized over the life of the new debt or the retired debt, whichever is the shorter period. The deferred refunding amounts are classified as deferred inflows. Amortized gains on bonds refunded are reported as deferred inflows of resources.

Bond Issuance Costs:

Bond issuance costs, including underwriters' discounts on bonds sold, are expensed in the period incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Interfund Activity:

During the course of operations, numerous transactions occur between the LHC General Fund and the LHC Single Family Program. These receivables and payables are classified as "due to other funds" or "due to other funds".

Revenues and Expenses:

Revenues consist of interest and dividend income and investment gain (loss) from cash equivalents and mortgage-backed securities. Expenses consist of bond interest and general administrative costs incurred.

Restricted Net Position:

In the statement of net position, the difference between assets, liabilities, and deferred inflows is recorded as net position. LHC Single Family Bond Program's net position is considered restricted by external sources.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and 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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS:

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, the LHC Single Family Program may deposit funds within a fiscal agent bank authorized to conduct business in the State of Louisiana. The LHC Single Family Program may purchase time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana. The LHC Single Family Program may also invest in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state-chartered credit unions.

Under Louisiana Revised Statutes, the LHC Single Family Program may invest in obligations of the U.S. Treasury, obligations of U.S. Agencies which are guaranteed by the U.S. government or U.S. government agencies, repurchase agreements, certificates of deposit as mentioned above, investment grade commercial paper, investment grade corporate notes and bonds, and other investments as required by the terms of bond trust indentures.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Cash and Cash Equivalents:

Cash and cash equivalents (book balances) as of June 30, 2024, consist of money market funds in the amount of $105,946 (in thousands). The money market funds have a rating of AAAm by Standard and Poor's index.

Money market accounts are subject to custodial credit risk; that is, in the event of a bank failure, the funds may not be returned. Money market accounts are invested in short-term money market instruments comprised of U. S. Government and United States Treasury which are backed by the full faith and credit of the United States Government.

Investments:

Loans acquired under the LHC Single Family Program are pooled and packaged into GNMA, GNMA I, GNMA II, FNMA, FNMA Pass-Thru I, FHLB, or FHLMC securities. The GNMA and GNMA II securities are guaranteed by the full faith and credit of the U.S. Government while the FNMA, FNMA Pass-Thru 1, FHLB, and FHLMC securities are limited obligations of the U.S. Government. These securities have interest rates of 1.60% - 7.65%. The underlying loans backing the securities must be conventional mortgage loans or FHA insured, VA guaranteed or RD guaranteed.

LHC Single Family Bonds categorizes the fair value of investments based on the hierarchy established by generally accepted accounting principles. Recurring fair value measurements of investments at June 30, 2024 were as follows:

	(in thousands)			
	Fair Value	Level 1	Level 2	Level 3
Mortgage Backed Securities	$ 480,920	$ -	$480,920	$ -

Level 2: Mortgage-backed securities and collateralized mortgage obligations are valued using quoted prices for identical securities in markets that are not active and are classified as Level 2 in the fair value hierarchy.

There were no investments classified in Level 1 or 3 of the fair value hierarchy as of June 30, 2024.

Credit Risk: Credit Risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the LHC Single Family Program's policy to limit its investments to those issued a top rating by Nationally Recognized Statistical Ratings Organizations. As of June 30, 2024, all of the investments were rated AA, AA- or AA+ by Standard & Poor's.

3. MORTGAGE-BACKED SECURITIES:

Interest Rate Risk: Interest rate risk is defined as the risk that changes in interest rates, in the general market, will adversely affect the fair value of an investment. The LHC Single Family Program does not have an interest rate risk policy.

The fair value of the mortgage-backed securities by contractual maturity as of June 30, 2024, is shown below. Expected maturities as listed in the following table will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

		(in thousands) Maturities			
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	> 10 Years
FHLMC	$ 30,065	$ -	$ -	$ -	$ 30,065
FHMC	2,364	-	-	-	2,364
FNMA	41,353	2	9	400	40,942
FNMA PASS-THRU I	11,418	-	-	-	11,418
GNMA	362,944	-	51	3,157	359,736
GNMA II	32,776	-	-	-	32,776
	$ 480,920	$ 2	$ 60	$ 3,557	$ 477,301

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the value of investments or collateral securities that are in the possession of an outside party will not be able to be recovered. The LHC Single Family Program does not have a custodial credit risk policy. The investments are held by the custodian bank as an agent for LHC, in the LHC's name, and are thereby not exposed to custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of investments in a single issuer. The LHC Single Family Program does not have a concentration of credit risk policy. As of June 30, 2024, there were no investments that represented more than 5% of total investments.

4. LONG-TERM LIABILITIES:

As authorized by the initial enabling legislation, the LHC Single Family Program issues revenue bonds to assist in the financing of housing needs in the State of Louisiana. The bonds

4. LONG-TERM LIABILITIES: (Continued)

are limited obligations of the LHC, payable only from the income, revenues, and receipts derived from the mortgage loans and other investments held under and pursuant to the trust indentures and therefore pledged. The issuance of debt for the financing of projects by the LHC Single Family Program is subject to the approval of the Louisiana State Bond Commission. Bonds are issued under various bond resolutions adopted by the LHC Single Family Program to provide financing for qualified single family projects. LHC publicly offered private placement single-family bonds which are considered conduit debt obligations. The bonds are secured by several forms of credit enhancement, including FNMA and FHLMC credit enhancement agreements, FHA-insured mortgage loans, GNMA-guaranteed certificates, and letters of credit from financial institutions including collateralized, insured, and uncollateralized and uninsured arrangements.

The assets generated with the proceeds of each series of bonds issued are pledged as collateral for the payment of principal and interest on bond and note indebtedness of only that program. The ability of the programs to meet the debt service requirements on the bonds is dependent upon the ability of the mortgagors in such programs to generate sufficient funds to meet their respective mortgage repayments.

The following table is a list of outstanding single family mortgage revenue bonds at June 30, 2024:

	(in thousands)					
	Beginning Balance	Additions	(Reductions)	Amortization	Ending Balance	Amounts Due Within One Year (Net of Amortization)
Series 2015 A						
Refunding bonds dated August 27, 2015; due December 1, 2038, bearing interest at 3.05%	$ 9,941	$ -	$ (1,492)	$ -	$ 8,449	$ -
Series 2016 A						
Refunding bonds dated August 1, 2016; due December 1, 2038, bearing interest at 2.10%	3,468	-	(923)	-	2,545	-
Series 2017 A						
Refunding bonds dated June 1, 2017; due November 1, 2038, bearing interest at 2.87%	6,664	-	(1,411)	-	5,253	335

4. LONG-TERM LIABILITIES: (Continued)

	(in thousands)					
	Beginning Balance	Additions	(Reductions)	Amortization	Ending Balance	Amounts Due Within One Year (Net of Amortization)
Series 2018 A						
Dated October 1, 2018, term bonds due from December 1, 2033, to June 1, 2049, bearing interest at 3.60% to 4.50%; serial bonds due from December 1, 2023, to December 1, 2029, bearing interest at 2.40% to 3.30%; and refunding bonds due June 1, 2040, bearing interest at 3.70%	$ 13,968	$ -	$ (1,247)	$ (30)	$ 12,691	$ 407
Series 2019 A						
Dated March 1, 2019, term bonds due from June 1, 2039, to December 1, 2049, bearing interest at 3.65% to 4.5%; serial bonds due from December 1, 2023, to June 1, 2026, bearing interest at 2.05% to 2.35%; refunding term bonds due June 1, 2034, bearing interest at 3.35%; and refunding serial bonds due from June 1, 2026, to December 1, 2030, bearing interest at 2.35% to 3.00%	35,378	-	(2,430)	(166)	32,782	828
Series 2020 AB						
Dated July 1, 2020, term bonds due from December 1, 2035, to December 1, 2050, bearing interest at 2.10% to 3.5%; serial bonds due from December 1, 2023, to December 1, 2032, bearing interest at 0.75% to 2.05%; and refunding term bonds due March 1, 2041, bearing interest at 2.05%	24,826	-	(1,860)	(52)	22,914	811

4. LONG-TERM LIABILITIES: (Continued)

	(in thousands)					
	Beginning Balance	Additions	(Reductions)	Amortization	Ending Balance	Amounts Due Within One Year (Net of Amortization)
Series 2021 AB						
Dated March 1, 2021, term bonds due from June 1, 2036, to December 1, 2051, bearing interest at 2.05% to 3.0%; serial bonds due from December 1, 2023, to December 1, 2033, bearing interest at 0.30% to 2.0%; and refunding term bonds due September 1, 2041, bearing interest at 1.55%	$ 42,333	$ -	$ (2,708)	$ (122)	$ 39,503	$ 1,417
Series 2021 CD						
Series 2021C dated November 30, 2021, refunding bonds due December 1, 2041, bearing interest at 2.125%. Series 2021D dated December 14, 2021, term bonds due from December 1, 2036, to June 1, 2052, bearing interest at 2.10% to 3.25%; and serial bonds due from December 1, 2023, to December 1, 2033, bearing interest at 0.45% to 2.05%.	67,558	-	(3,770)	(222)	63,566	1,743
Series 2022 A						
Dated July 5, 2022, term bonds due from December 1, 2037, to December 1, 2052, bearing interest at 3.85% to 5.00%; serial bonds due from December 1, 2023, to December 1, 2034, bearing interest at 1.90% to 3.75%	65,596	-	(3,140)	(212)	62,244	1,334

4. LONG-TERM LIABILITIES: (Continued)

	(in thousands)					
	Beginning Balance	Additions	(Reductions)	Amortization	Ending Balance	Amounts Due Within One Year (Net of Amortization)
Series 2022 BC Dated Decemebr 22, 2022, term bonds due from December 1, 2037, to December 1, 2053, bearing interest at 4.25% to 6.0%; serial bonds due from June 1, 2024, to December 1, 2034, bearing interest at 3.55% to 5.05%	$ 41,654	$ -	$ (900)	$ (100)	$ 40,654	$ 696
Series 2023 AB Dated June 14, 2023, term bonds due from December 1, 2038, to June 1, 2054, bearing interest at 4.400% to 5.750%; and serial bonds due from December 1, 2024, to December 1, 2035, bearing interest at 3.800% to 5.208%.	62,046	-	(480)	(89)	61,477	871
Series 2023 CD Dated September 13, 2023, term bonds due from December 1, 2038, to December 1, 2053, bearing interest at 4.45% to 6.25%; serial bonds due from June 1, 2024, to December 1, 2035, bearing interest at 3.45% to 5.766%	-	82,064	(145)	(73)	81,846	1,129
Series 2024 AB Dated April 18, 2024, term bonds due from December 1, 2039, to June 1, 2055, bearing interest at 4.00% to 5.90%; serial bonds due from December 1, 2025, to December 1, 2036, bearing interest at 3.75% to 5.30%	-	115,695	-	(79)	115,616	151
Total	$ 373,432	$ 197,759	$ (20,506)	$ (1,145)	$ 549,540	$ 9,722

4. LONG-TERM LIABILITIES: (Continued)

Debt Service:

The minimum debt service payments over the life of the Single Family Mortgage Revenue Bond Programs are scheduled to occur as follows. Future interest payments for variable interest rate bonds were calculated using the rate of interest in effect at the end of the fiscal year.

Year Ending June 30,	Principal (in thousands)	Interest (in thousands)	Total (in thousands)
2025	$ 9,722	$ 22,927	$ 32,649
2026	11,671	22,636	34,307
2027	12,116	22,258	34,374
2028	12,600	21,852	34,452
2029	12,930	21,421	34,351
2030-2034	71,907	99,758	171,665
2035-2039	96,370	85,141	181,511
2040-2044	95,287	65,716	161,003
2045-2049	116,300	42,848	159,148
2050-2054	108,368	14,371	122,739
2055-2059	2,269	74	2,343
	$ 549,540	$ 419,002	$ 968,542

Debt Refunding:

On August 31, 2016, LHC issued $24.8 million of Single Family Mortgage Revenue Refunding Bonds, Series 2016A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2006D and advance refunding the Series 2007A bonds. The interest rate on the Series 2016A bond is 2.10%, whereas the interest rates on the Series 2006D and 2007A bonds ranged from 3.50% to 6.15%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of $6 thousand through the maturity of the bonds on December 1, 2038. The refunding resulted in an economic gain of $1.1 million (the difference between the present value of the Series 2006D and 2007A cash flows and the Series 2016A cash flows).

On April 27, 2017, LHC issued $27.1 million of Single Family Mortgage Revenue Refunding Bonds, Series 2017A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2007B and 2007C bonds. The interest rate on the Series 2017A bond is 2.875%, whereas the interest rates on the Series 2007B and 2007C bonds ranged from 3.60% to 6.00%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of $9.6 million through the maturity of the bonds on November 1, 2038. The refunding resulted in an economic gain of $8.1 million (the difference between the present value of the Series 2007B and 2007C cash flows and the Series 2017A cash flows).

4. LONG-TERM LIABILITIES: (Continued)

Debt Refunding: (Continued)

On October 15, 2018, LHC issued $11.2 million of Single Family Mortgage Revenue Refunding Bonds, Series 2018A-2 for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2008A and 2008B. The interest rate on the Series 2018A-2 bond is 3.7%, whereas the interest rates on the Series 2008A and 2008B bonds ranged from 4.25% to 6.30%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of approximately $4.7 million through the maturity of the bonds on June1, 2040. The refunding resulted in an economic gain of approximately $4.2 million (the difference between the present value of the Series 2008A and 2008B cash flows and the Series 2018A-2 cash flows).

On June 1, 2019, LHC issued $6.6 million of Single Family Mortgage Revenue Refunding Bonds, Series 2019A-2 for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2009A-2. The interest rate on the Series 2019A-2 bond ranged from 2.35% to 3.35%, whereas the interest rates on the Series 2009A bonds ranged from 3.9% to 5.125%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of approximately $2.5 million through the maturity of the bonds on June 1, 2034. The refunding resulted in an economic gain of approximately $2 million (the difference between the present value of the Series 2009A-2 cash flows and the Series 2019A-2 cash flows).

On July 30, 2020, LHC issued $17.9 million of Single Family Mortgage Revenue Refunding Bonds, Series 2020A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2010A. The interest rate on the Series 2020A bond is 2.05%, whereas the interest rates on the Series 2010A bonds ranged from 3.01% to 4.75%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of approximately $1.8 million through the maturity of the bonds on March 1, 2041. The refunding resulted in an economic gain of approximately $1.5 million (the difference between the present value of the Series 2010A cash flows and the Series 2020A cash flows).

On March 30, 2021, LHC issued $7.5 million of Single Family Mortgage Revenue Refunding Bonds, Series 2021A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2011A and 2013A. The interest rate on the Series 2021A bond is 1.55%, whereas the interest rates on the Series 2011A and 2013A bonds ranged from 2.35% to 2.77%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of approximately $1.8 million through the maturity of the bonds on September 1, 2041. The refunding resulted in an economic gain of approximately $1.1 million (the difference between the present value of the Series 2011A and 2013A cash flows and the Series 2021A cash flows).

4. LONG-TERM LIABILITIES: (Continued)

Debt Refunding: (Continued)

On November 30, 2021, LHC issued $7.7 million of Single Family Mortgage Revenue Refunding Bonds, Series 2021C for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2012A. The interest rate on the Series 2021C bond is 2.125%, whereas the interest rate on the Series 2012A bond was 2.75%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of approximately $563 thousand through the maturity of the bonds on December 1, 2041. The refunding resulted in an economic gain of approximately $590 thousand (the difference between the present value of the Series 2012A cash flows and the Series 2021C cash flows).

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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*

October 30, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Housing Corporation Single Family Mortgage Revenue Bond Home Ownership Program (LHC Single Family Program), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the LHC Single Family Program's financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LHC Single Family Program'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LHC Single Family Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the LHC Single Family Program'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 LHC Single Family Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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 LHC Single Family Program'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 LHC Single Family Program'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

LOUISIANA HOUSING CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS
HOME OWNERSHIP PROGRAM
SCHEDULE OF FINDINGS
JUNE 30, 2024

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements for the year ended June 30, 2024, was qualified.

2. Internal control over financial reporting:

    Material weaknesses: none noted

    Significant deficiencies: none noted

3. Compliance and Other Matters:

    Noncompliance material to financial statements: none noted

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

Significant Deficiencies in Internal Control:

None Noted

Compliance with Laws and Regulations:

None noted