DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

DECEMBER 31, 2025

DENHAM SPRINGS, LOUISIANA

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HANNIS T. BOURGEOIS
CPAs + BUSINESS ADVISORS
1254 DEL ESTES AVE., SUITE 1101
DENHAM SPRINGS, LA 70726
TEL. 225.928.4770 | WWW.HTBCPA.COM
PROUDLY SERVING LOUISIANA SINCE 1924

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Denham Springs/Livingston Housing and
Mortgage Finance Authority

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Denham Springs/Livingston Housing and Mortgage Finance Authority (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Authority's programs presented in the accompanying financial statements as of and for the year ended December 31, 2025, as listed in the table of contents as schedules 1 through 3.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities as well as each of the programs of the Denham Springs/Livingston Housing and Mortgage Finance Authority as of December 31, 2025, and the respective changes in its financial position and cash flows thereof for the year 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (*GAS*),* 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 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

The Authority's 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; this includes 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 opinion. 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 GAAS and GAS 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 GAAS and GAS, 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.

Report on Summarized Comparative Information

We have previously audited the Authority's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 8 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of the 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 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 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 the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 22, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis of Denham Springs / Livingston Housing & Mortgage Finance Authority’s (the “Authority”) financial performance presents a narrative overview and analysis of the Authority’s financial activities for the year ended December 31, 2025. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the Authority’s financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- During 2025, conventional market mortgage loan interest rates remained stable but high due to the previous increases in the short-term rates by the Federal Reserve. High mortgage loan rates generally slow the pace of prepayments caused by refinancing the first mortgages. Prepayments from mortgage loans (as the underlying collateral for the Mortgage Backed Securities) are used to retire bonds prior to their maturity. Fewer assets result in lower mortgage related interest income and fewer bonds results in lower bond interest expense.

- Total Assets for 2025 increased by $248,672 as compared to an increase of $148,406 for 2024 primarily due to an increase in interest income on Investments and an increase in the Net Unrealized Gain.

- Total Liabilities for 2025 decreased $14,807 as compared to $40,432 for 2024 primarily due to the $17,143 reduction in Bonds Payable - Net.

- The Authority’s assets exceeded its liabilities at the close of fiscal year 2025 by $5,632,415, as compared to $5,368,936 for 2024, which represents a $263,479 increase from 2024.

- The Authority’s gross revenue for 2025 (exclusive of the “Net Realized and Unrealized Gains / Losses on Investments”) increased $5,238 from $207,222 in 2024 to $212,460 in 2025 due primarily to the increase of interest earned on investments which includes the Mortgage-Backed Securities (the “MBS’s”) held as collateral for the 2007 bond issue.

- There was a $263,479 positive change in net position for 2025 as compared to a $188,838 positive change for 2024. Net income was $138,929 in 2024 as compared to $138,284 in 2025 (excluding the effect of unrealized gains and losses and the changes in the fair value of investments), a decrease of $645.

OVERVIEW OF THE FINANCIAL STATEMENTS

These basic financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and the supplemental information.

Basic Financial Statements

The basic financial statements include information on a combined basis for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements include the Balance Sheet; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The Balance Sheet presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Schedule of Assets, Liabilities and Net Position by Program is on page 20.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed because of the 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. The Schedule of Revenues, Expenses and Changes in Net Position by Program is on page 21.

The Statement of Cash Flows presents information showing how the Authority's cash changed because of the current year's operations. The cash flow statement is prepared using the direct method and includes the reconciliation of net income (loss) to net cash provided by (used in) operating activities (indirect method) as required by Statement No. 34 of the Governmental Accounting Standards Board. The Schedule of Cash Flow by Program is on pages 22 and 23.

FINANCIAL ANALYSIS OF THE AUTHORITY

Denham Springs/Livingston Housing
and Mortgage Finance Authority
Statement of Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024	Change from Prior Year
Cash and Cash Equivalents	$ 701,301	$ 635,063	$ 66,238
Certificates of Deposit	2,052,174	2,398,539	(346,365)
Municipal Government Obligations	2,711,671	2,257,275	454,396
GNMA Securities	199,917	212,131	(12,214)
FFCB Securities	83,371	-	83,371
FHLMC Securities	69,716	71,211	(1,495)
Accrued Interest Receivable	36,810	32,069	4,741
Total Assets	$ 5,854,960	$ 5,606,288	$ 248,672
Accounts Payable	$ 2,500	$ -	$ 2,500
Accrued Interest Payable	1,094	1,094	-
Unearned Servicing Release Fees	2,079	2,243	(164)
Bonds Payable - Net	216,872	234,015	(17,143)
Total Liabilities	222,545	237,352	(14,807)
Net Position:			
Restricted for Debt Service	75,147	85,297	(10,150)
Unrestricted	5,557,268	5,283,639	273,629
Total Net Position	5,632,415	5,368,936	263,479
Total Liabilities and Net Position	$ 5,854,960	$ 5,606,288	$ 248,672

Restricted net position represents the net position that is not available for general use due to the terms of the various bond trust indentures under which assets are held and pledged as security for the bonds of the Authority's Mortgage Revenue Bond Programs. Conversely, unrestricted net position is assets for which there are no such limitations.

Net position of the Authority increased by $263,479 from December 31, 2024, to December 31, 2025. Without considering the Net Realized or Unrealized Gains / (Losses) on Investments, the Authority experienced a gain of $138,284 in 2025 which is a decrease of $645 compared to the gain of $138,929 in 2024.

Denham Springs/Livingston Housing
and Mortgage Finance Authority
Condensed Statement of Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024	Increase
Revenues	$ 337,655	$ 257,131	$ 80,524
Expenses - Operating	74,176	68,293	5,883
Change in Net Position	$ 263,479	$ 188,838	$ 74,641

Revenue

The Authority's revenues increased by $80,524 primarily due to the change in Net Realized and Unrealized Gains (Losses) on Investments.

Total Operating Expenses increased $5,883 in 2025 over 2024 primarily because of an increase in Administration Fees of $5,060.

The Authority's total revenues exclusive of "Net Realized and Unrealized Gains (Losses) on Investments" increased by $5,238 from 2024 to 2025 due primarily to an increase of interest earned on investments.

Debt

The Authority had $216,872 in bonds outstanding at the end of 2025, compared to $234,015 at the end of 2024, as shown in the table below – a decrease of $17,143:

	2025	2024	Increase (Decrease)
Mortgage Revenue Bonds	$ 216,872	$ 234,015	$ (17,143)

The decreased debt level resulted from the $17,143 in retirement of bonds (either by maturity or early redemption) in the 2007 program from payments and prepayments of mortgage related assets.

The bond rating for the 2007 bond issue continues to carry the Aaa rating for the debt of its Mortgage Revenue Bonds. None of the Authority's programs contain any sub-prime loans.

The Authority had accounts payable and accrued interest payable of $5,673 outstanding at 2025 year-end compared with $3,337 at the 2024 year-end. The increase of $2,336 is primarily due to an increase in Accounts Payable of $2,500.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority's appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- The potential for conventional mortgage loan interest rates remaining high but stable due to the Federal Reserve's stated intention to pause short-term interest rate changes could cause early mortgage loans payoffs (as a result of property sales and mortgage loans refinancing) to continue to stay low. If mortgage rates rise because of higher short-term interest rates, the rate of mortgage loan refinancing's and home sales could result in a decrease in the rate of bonds being prepaid. Home sales and property values remained stable to increasing in Livingston Parish during 2025 but are expected to slow if the Federal Reserve pursues short-term increases and the potential for economic inflation.

CONTACTING THE DENHAM SPRINGS / LIVINGSTON HOUSING & MORTGAGE FINANCE AUTHORITY MANAGEMENT

This Financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Authority's customers and creditors with a general overview of the Denham Springs / Livingston Housing & Mortgage Finance Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Stacy Jones
Chairman
P. O. Box 2281
Denham Springs, LA 70727-2281
225-665-5406

DENHAM SPRINGS/LIVINGSTON HOUSING AND
MORTGAGE FINANCE AUTHORITY

BALANCE SHEET

AS OF DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 701,301	$ 635,063
Certificates of Deposit	2,052,174	2,398,539
Municipal Government Obligations	2,711,671	2,257,275
GNMA Securities	199,917	212,131
FFCB Securities	83,371	-
FHLMC Securities	69,716	71,211
Accrued Interest Receivable	36,810	32,069
Total Assets	$ 5,854,960	$ 5,606,288
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts Payable	$ 2,500	$ -
Accrued Interest Payable	1,094	1,094
Unearned Servicing Release Fees	2,079	2,243
Bonds Payable - Net	216,872	234,015
Total Liabilities	222,545	237,352
Net Position:		
Restricted for Debt Service	75,147	85,297
Unrestricted	5,557,268	5,283,639
Total Net Position	5,632,415	5,368,936
Total Liabilities and Net Position	$ 5,854,960	$ 5,606,288

The accompanying notes are an integral part of this statement.

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
Operating Revenues:		
Interest Earned on Investments	$ 212,296	$ 206,838
Commitment Fee Income	164	384
Net Realized and Unrealized Gains (Losses) on Investments	125,195	49,909
Total Operating Revenues	337,655	257,131
Operating Expenses:		
Interest	11,182	9,746
Grants	30,000	30,000
Administrative Fees	12,631	7,571
Operating Expenses	4,112	2,976
Professional Fees	16,251	18,000
Total Operating Expenses	74,176	68,293
Change in Net Position	263,479	188,838
Net Position - Beginning of Year	5,368,936	5,180,098
Net Position - End of Year	$ 5,632,415	$ 5,368,936

The accompanying notes are an integral part of this statement.

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
Cash Flows From Operating Activities:		
Cash Receipts for:		
Investment Income on Investments and Commitment Fees	$ 208,457	$ 208,976
Cash Payments for:		
Interest on Debt	(10,862)	(12,445)
Other Operating Expenses	(60,494)	(58,547)
Net Cash Provided by Operating Activities	137,101	137,984
Cash Flows From Investing Activities:		
Purchase of Investments and Certificates of Deposits	(1,187,061)	(470,000)
Proceeds from Maturities, Sales and Paydowns of Investments	1,133,825	703,534
Net Cash Provided by (Used in) Investing Activities	(53,236)	233,534
Cash Flows From Noncapital Financing Activities:		
Bond Redemptions	(17,463)	(37,348)
Servicing Release Fees	(164)	(384)
Net Cash Used in Noncapital Financing Activities	(17,627)	(37,732)
Net Increase in Cash and Cash Equivalents	66,238	333,786
Cash and Cash Equivalents at Beginning of Year	635,063	301,277
Cash and Cash Equivalents at End of Year	$ 701,301	$ 635,063

(CONTINUED)

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
Cash Flows From Operating Activities:		
Change in Net Position	$ 263,479	$ 188,838
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
Net Amortization of Investment Discount (Premium)	738	1,062
Net Amortization of Bond Discount (Premium)	320	(2,699)
Net Realized and Unrealized (Gains) Losses on Investments	(125,195)	(49,909)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accrued Interest Receivable	(4,741)	692
Increase (Decrease) in Accounts Payable	2,500	-
Net Cash Provided by Operating Activities	$ 137,101	$ 137,984

The accompanying notes are an integral part of this statement.

(1) Summary of Significant Accounting Policies

(A) Organization of Authority -

The Denham Springs/Livingston Housing and Mortgage Finance Authority (the "Authority") is a public trust created pursuant to provisions of the Louisiana Revised Statutes of 1950, as amended, by a Trust Indenture dated February 12, 1979. The Authority's primary purpose is to provide means of financing the cost of residential home ownership, development and rehabilitation which will provide decent, safe and sanitary housing for low and moderate income residents of Livingston Parish at prices they can afford, through the Authority's purchase of mortgage loans made to such persons by certain mortgage lenders.

In April 2007, the Authority issued $14,375,000 of Series 2007 (Go Zone) Single Family Mortgage Revenue Bonds to purchase GNMA, FNMA and/or FHLMC securities backed by and based on the mortgage loans made by certain mortgage lending institutions made in the eligible loan area to finance owner-occupied single family residential immovable property located in Livingston Parish to be owned and occupied by low and moderate income families or persons residing in the eligible loan area. The lending institutions assembled these loans into pools in order to permit GNMA, FNMA, and/or FHLMC securities to be issued and therefore to be purchased by the Authority with proceeds of the Series 2007 Bonds.

The Authority is managed by a Board of Trustees appointed by the City Council of Denham Springs. The Authority's Board of Trustees is empowered under the bond trust indenture and the bond program agreement to contract with outside parties to conduct the day-to-day operations of the Authority and the programs it initiates. Under its original single family mortgage purchase bond program, the Authority utilized area financial institutions to originate and service the mortgage loans acquired. Regions Trust has been designated as the Trustee of the 2007 program and has the fiduciary responsibility for the custody and investment of funds. Regions Trust has been designated as the custodian of the residual fund, while Raymond James manages investment of the funds.

Although located within the boundaries of the City of Denham Springs, the City does not significantly influence the operations of the Authority nor is the Authority held accountable to the City of Denham Springs for fiscal matters.

The bonds issued by the Authority are general obligations of the Authority and are not obligations of the State of Louisiana or any other political subdivision thereof.

Based on criteria outlined in Statement No. 61 of the Governmental Accounting Standards Board, the Denham Springs/Livingston Housing and Mortgage Finance Authority is considered a related party to the City of Denham Springs.

(B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation -

Measurement Focus - The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards. These statements established standards for external financial reporting for all state and local governmental entities which includes a balance sheet, a statement of revenues, expenses and changes in net position and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. The Authority has no governmental or fiduciary funds.

Basis of Accounting - The Authority uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

The accounts of the Authority are organized on the basis of individual programs. The programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financial or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities.

The Authority follows the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 1989 FASB and AICPA Pronouncements.*

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 and such differences may be material.

Investments

Investments are recorded at fair value. Fluctuations in the fair value of investments are recorded as gains (losses) in the Statements of Revenues, Expenses and Changes in Net Position.

Statements of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and all highly liquid debt instruments with maturities of three months or less when purchased.

Summary Financial Information for 2024

The financial statements include certain prior year summarized information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

(2) Bonds Payable -

The net proceeds obtained from the 2007 Series bond issue were used to establish funds authorized by the Bond Trust Indenture to purchase or fund eligible mortgage loans, secured by first mortgage liens on single family owner-occupied residences, or to purchase GNMA, FNMA, and/or FHLMC mortgage-backed securities from qualified mortgage lenders. The Bond Trust Indenture provided that bond principal and interest are secured by pledges of all mortgage loans and mortgage-backed securities acquired, all revenues and collections with respect to such loans and securities and all funds established by the Indenture, together with all of the proceeds generated therefrom.

The outstanding bonds payable at December 31, 2025 consist of the following:

2007 Series (Go Zone) Single Family Mortgage Revenue Bonds Maturing Serially through November 1, 2040, with Interest at 5.00% Payable Monthly	$ 207,852
Add: Unamortized Bond Premium	9,020
Total 2007 Series	$ 216,872

A schedule of Changes in Long-Term Debt for the year 2025 is as follows:

	2007 Series
Balances at January 1, 2025	$ 234,015
Deletions:	
Cash Payments	(17,463)
Amortization of Premium	320
Balances at December 31, 2025	$ 216,872

Debt Service requirements to maturity, including interest requirements, are as follows:

2026	$ 116,496
2027	55,443
2028	26,386
2029	12,558
2030	5,976
2031-2035	5,295
2036 - Thereafter	129
Total Bond Principal and Interest	222,283
Less: Portion Representing Interest	(14,431)
Total Principal Outstanding at December 31, 2025	$ 207,852

Computation of annual principal redemptions for Series 2007 is determined by applying the 0% PSA Prepayment Model. The PSA Prepayment Model was developed by the Public Securities Association and is based on various assumptions. Actual principal redemptions may vary.

(3) Cash and Investments -

The Authority's programs maintain deposits at the Trustee bank. The balances of these deposits at December 31, 2025, were either completely covered by FDIC insurance or were invested in U.S. treasury money market funds. The Authority also has funds, classified as "Cash and Cash Equivalents" on the Balance Sheet, which represent interests in money market mutual funds.

The Authority's investments at December 31, 2025 are recorded at market value as summarized below:

	Amortized Cost	Fair Value	Unrealized Gains (Losses)
Certificates of Deposit	$ 2,080,000	$ 2,052,174	$ (27,826)
Municipal Government Obligations	$ 3,010,661	$ 2,711,671	$ (298,990)
FFCB Securities	$ 84,509	$ 83,371	$ (1,138)
GNMA Mortgage Backed Loan Pool	$ 204,824	$ 199,917	$ (4,907)
FHLMC Mortgage Backed Securities	$ 70,798	$ 69,716	$ (1,082)

Included in the caption "Net Realized and Unrealized Gains (Losses)" on the Individual and Combined Statements of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2025 are as follows:

Realized Gains	$ 8,290
Realized (Losses)	(3,280)
Net Change in Unrealized Gains (Losses)	120,185
Total Net Realized and Unrealized Gains (Losses) at December 31, 2025	$ 125,195

As of December 31, 2025, the Authority's investments had the following maturities:

			Investment Maturities (in Years)			
Investment Type	Amortized Cost	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Certificates of Deposit	$2,080,000	$2,052,174	$ 643,624	$1,330,090	$ 78,460	$ -
Municipal Government Obligations	3,010,661	2,711,671	69,693	946,087	1,561,340	134,551
U.S. Agencies	360,131	353,004	-	27,330	83,371	242,303
Total	$5,450,792	$5,116,849	$ 713,317	$2,303,507	$1,723,171	$ 376,854

Interest Rate Risk. Investments of the Authority's various bond programs are limited to those authorized in the various bond indentures. The Authority's investment policy does not specifically define limits for investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. However, as a means of limiting its exposure to fair value changes arising from fluctuations in interest rates, the Authority does attempt to ladder the maturities of its investments. The Authority typically buys and holds its investments until maturity or until called. Investments of the residual fund are managed by Raymond James in accordance with the Authority's investment policies.

Credit Risk. The Authority's investments in U.S. Agencies and Municipal Government Obligations carry the explicit guarantee of the U.S. government and the municipal governments.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2025, none of the Authority's bank balance of $2,781,301 was exposed to custodial credit risk because it was either completely covered by FDIC insurance or was invested in U.S. treasury money market funds and held in trust.

Concentration of Credit Risk. The Authority places no limit on the amount the Authority may invest in any one issuer. More than 5% of the Authority's investments are in Brokered Certificates of Deposits, GNMAs, FHLMCs, and Municipal Government Obligations.

Fair Value of Financial Instruments. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Brokered Certificates of Deposit	$ 2,052,174	$ -	$ -	$ 2,052,174
U.S. Agency Securities	-	83,371		83,371
Mortgage-Backed Securities	-	269,633	-	269,633
Municipal Government Obligations	-	2,711,671	-	2,711,671
	$ 2,052,174	$ 3,064,675	$ -	$ 5,116,849

(4) Compensation Paid Board Members -

Brent Dugas	$ 75
Gerald Hughes	175
Kayla Lockhart-Devall	50
Bill Waldrop	100
Stacy Jones, Chairman	175
	$ 575

(5) Schedule of Compensation, Benefits, and Other Payments to Chairman of the Board of Directors -

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Stacy Jones, Chairman of the Board of Directors, who was the acting agency head for the year ended December 31, 2025:

Per Diem	$ 175
Benefit Insurance	-
Travel Reimbursements	-
Conferences	-
Meals	-
Total Compensation	$ 175

(6) Subsequent Events -

Management has evaluated subsequent events and transactions for potential recognition or disclosures in the financial statements through June 22, 2026, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

Schedule 1

SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM

AS OF DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024)

	2007 Series	Residual Fund	Totals 2025	Totals 2024
ASSETS				
Cash and Cash Equivalents	$ 54,091	$ 647,210	$ 701,301	$ 635,063
Certificates of Deposit	-	2,052,174	2,052,174	2,398,539
Municipal Government Obligations	-	2,711,671	2,711,671	2,257,275
GNMA Securities	170,362	29,555	199,917	212,131
FFCB Securities	-	83,371	83,371	-
FHLMC Securities	69,716	-	69,716	71,211
Accrued Interest Receivable	1,023	35,787	36,810	32,069
Total Assets	$ 295,192	$ 5,559,768	$ 5,854,960	$ 5,606,288
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts Payable	$ -	$ 2,500	$ 2,500	$ -
Accrued Interest Payable	1,094	-	1,094	1,094
Unearned Servicing Release Fees	2,079	-	2,079	2,243
Bonds Payable - Net	216,872	-	216,872	234,015
Total Liabilities	220,045	2,500	222,545	237,352
Net Position:				
Restricted for Debt Service	75,147	-	75,147	85,297
Unrestricted	-	5,557,268	5,557,268	5,283,639
Total Net Position	75,147	5,557,268	5,632,415	5,368,936
Total Liabilities and Net Position	$ 295,192	$ 5,559,768	$ 5,854,960	$ 5,606,288

The accompanying notes are an integral part of this statement.

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

Schedule 2

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2007 Series	Residual Fund	Totals 2025	Totals 2024
Operating Revenues:				
Interest Earned on Investments	$ 14,529	$ 197,767	$ 212,296	$ 206,838
Commitment Fee Income	164	-	164	384
Net Realized and Unrealized Gains (Losses) on Investments	8,290	116,905	125,195	49,909
Total Operating Revenues	22,983	314,672	337,655	257,131
Operating Expenses:				
Interest	11,182	-	11,182	9,746
Grants	-	30,000	30,000	30,000
Administrative Fees	5,700	6,931	12,631	7,571
Operating Expenses	-	4,112	4,112	2,976
Professional Fees	16,251	-	16,251	18,000
Total Operating Expenses	33,133	41,043	74,176	68,293
Change in Net Position	(10,150)	273,629	263,479	188,838
Net Position - Beginning of Year	85,297	5,283,639	5,368,936	5,180,098
Net Position - End of Year	$ 75,147	$ 5,557,268	$ 5,632,415	$ 5,368,936

The accompanying notes are an integral part of this statement.

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

Schedule 3

SCHEDULE OF CASH FLOWS BY PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2007 Series	Residual Fund	Totals 2025	Totals 2024
Cash Receipts for:				
Investment Income on Investments and Commitment Fees	$ 15,492	$ 192,965	$ 208,457	$ 208,976
Cash Payments for:				
Interest on Debt	(10,862)	-	(10,862)	(12,445)
Other Operating Expenses	(21,951)	(38,543)	(60,494)	(58,547)
Net Cash Provided by (Used in) Operating Activities	(17,321)	154,422	137,101	137,984
Cash Flows From Investing Activities:				
Purchase of Investments and Certificates of Deposits	-	(1,187,061)	(1,187,061)	(470,000)
Proceeds from Maturities, Sales and Paydowns of Investments	14,036	1,119,789	1,133,825	703,534
Net Cash Provided by (Used in) Investing Activities	14,036	(67,272)	(53,236)	233,534
Cash Flows From Noncapital Financing Activities:				
Bond Redemptions	(17,463)	-	(17,463)	(37,348)
Servicing Release Fees	(164)	-	(164)	(384)
Net Cash Used in Noncapital Financing Activities	(17,627)	-	(17,627)	(37,732)
Net Increase (Decrease) in Cash and Cash Equivalents	(20,912)	87,150	66,238	333,786
Cash and Cash Equivalents at Beginning of Year	75,003	560,060	635,063	301,277
Cash and Cash Equivalents at End of Year	$ 54,091	$ 647,210	$ 701,301	$ 635,063

(CONTINUED)

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

Schedule 3
(Continued)

SCHEDULE OF CASH FLOWS BY PROGRAM (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2007 Series	Residual Fund	Totals 2025	Totals 2024
Cash Flows From Operating Activities:				
Change in Net Position	$ (10,150)	$ 273,629	$ 263,479	$ 188,838
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:				
Net Amortization of Investment Discount (Premium)	738	-	738	1,062
Net Amortization of Bond Discount (Premium)	320	-	320	(2,699)
Net Realized and Unrealized (Gains) Losses on Investments	(8,290)	(116,905)	(125,195)	(49,909)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accrued Interest Receivable	61	(4,802)	(4,741)	692
Increase (Decrease) in Accounts Payable	-	2,500	2,500	-
Net Cash Provided by (Used in) Operating Activities	$ (17,321)	$ 154,422	$ 137,101	$ 137,984

The accompanying notes are an integral part of this statement.

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*

HANNIS T. BOURGEOIS
CPAs + BUSINESS ADVISORS
1254 DEL ESTES AVE., SUITE 1101
DENHAM SPRINGS, LA 70726
TEL. 225.928.4770 | WWW.HTBCPA.COM
PROUDLY SERVING LOUISIANA SINCE 1924

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Denham Springs/Livingston Housing and
Mortgage Finance Authority

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 (*Government Auditing Standards*), the financial statements of the business-type activities of the Denham Springs/Livingston Housing and Mortgage Finance Authority (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 22, 2026.

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 a 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 statement. 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 22, 2026

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

DECEMBER 31, 2025

A. Summary

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?		Yes	x	No
• Significant deficiencies identified?		Yes	x	None Reported
Noncompliance material to financial statements noted?		Yes	x	No

B. Internal Control Over Financial Reporting

None

C. Compliance and Others Matters

None

DENHAM SPRINGS/LIVINGSTON HOUSING AND MORTGAGE FINANCE AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

DECEMBER 31, 2025

A. Internal Control Over Financial Reporting

None

B. Compliance and Others Matters

None