Louisiana Housing Finance Agency

Internal Audit

Collette Mathis, Audit Director

October 7, 2009

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M E M O R A N D U M

To: Commissioner Joseph Scontrino - Chairman
Commissioner Allison Jones
Commissioner John N. Kennedy
Commissioner Jerome Boykin
Commissioner Neal Miller

From: Collette Mathis, Audit Director

Date: October 7, 2009

Re: Audit Committee

There will be an Audit Committee meeting, Wednesday, October 14, 2009 at 11:00 a.m., at Louisiana Housing Finance Agency, Committee Room 2, located at 2415 Quail Drive, Baton Rouge, LA.

There will be a presentation and discussion of the fiscal year ended June 30, 2009 external audit results by Duplantier, Hrapmann, Hogan & Maher.

If you have any questions or concerns, please contact us.

October 7, 2009

INTERNAL AUDIT COMMITTEE

Notice is hereby given of a regular meeting of the Audit Committee to be held on **Wednesday, October 14, 2009 at 11:00 A.M.,** Louisiana Housing Finance Agency, **Committee Room 2**, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

Final Agenda

1. Call to order, roll call and introduction of guests

2. Approval of the Minutes of the July 8, 2009 Audit Committee Meeting

3. Presentation and Discussion of External Audit Results for Fiscal Year Ended June 30, 2009
    - Duplantier, Hrapmann, Hogan & Maher

4. Approval of and recommendation to Full Board to accept the General Fund and Bond Program audit results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan, and Maher

5. Other Business

6. Adjournment

____

Milton J. Bailey, President

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

Louisiana Finance Agency
Audit Committee Meeting Minutes
Wednesday, July 8, 2009
2415 Quail Drive
Committee Room 1
Baton Rouge, LA 70808
11:30 AM

Commissioners Present

Joey Scontrino
Mayson Foster
Micheal Airhart

Commissioners Absent

Allison Jones
John Kennedy
Jerome Boykin, Sr.

Staff Present

Konchetta Bringier
Dione Milton
Collette Mathis
Jason St. Romain
Rene' Landry

Others Present

Bill Stamm, DHHM
Nancy Borland, DHHM
Terri Kitto, DHHM
Heather McCardle, DHHM

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1. Call to order, roll call and introduction of guests.
Commissioner Scontrino called the meeting to order at 11:30 AM and asked for roll call. A quorum was established.

2. Approval of the minutes.

On a motion by Commissioner Foster and seconded by Commissioner Airhart, the minutes of the April 8, 2009 Audit Committee Meeting were approved.

3. Approval of and recommendation to Full Board for adoption of the completed Louisiana Audit Compliance Questionnaire for Audit Engagements of Governmental Entities.
Commissioner Scontrino informed the Committee that he has reviewed the questionnaire and asked Rene Landry to give an overview of the questionnaire. Mr. Landry explained the questionnaire is required by the Louisiana Legislative Auditors and it is a standard questionnaire submitted to management prior to the commencement of the audit engagement. He noted, Management answers the questions, reviews its, and signs it. It is then submitted to the board for approval. Thereafter, it is submitted to the Auditors.

On a motion by Commissioner Airhart and a second by Commissioner Foster, the Committee accepted the completed Louisiana Audit Compliance Questionnaire for Audit Engagements of Governmental Entities.

4. Audit of Fiscal Year Ended 06/30/09 Financial Statements Entrance Conference: Duplantier, Hrapmann, Hogan & Maher, CPA.
Commissioner Scontrino turned the meeting over to Bill Stamm with DHHM for the Audit Entrance Conference. Mr. Stamm directed the Committee to a handout that was passed out at the beginning of the meeting. Mr. Stamm discussed the audit deadlines; the draft report is due to HUD on August 28, 2009 and the report is due to the Louisianan Legislative Auditor's office on August 31, 2009.

Mr. Stamm also discussed the auditor's responsibility, management's responsibility, internal control communications and current year audit inquiries. Rene Landry informed the Committee that the final report will be presented during the October 14, 2009 Audit Committee Meeting.

5. Other Business. There was no further business to come before the Committee.

6. Adjournment. The meeting was adjourned at 11:55 AM.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by ________________ and seconded by ___________________ :

RESOLUTION

A resolution is hereby approved to accept the General Fund and Bond Programs audit results of the Louisiana Housing Finance Agency ("Agency") made by Duplantier, Hrapmann, Hogan, and Maher. The General Fund report entitled "Schedule of Findings and Questioned Costs for the Year Ended June 30, 2009," is attached, indicating there were no findings. Additionally, there were no findings for the Bond Programs audits.

WHEREAS, the Agency, as a component unit of the State of Louisiana must have performed an annual General Fund audit, and per regulatory requirements Bond Programs audits; and

WHEREAS, Duplantier, Hrapmann, Hogan, and Maher, the firm which audited the Agency, has submitted its audit results in a report entitled "Schedule of Findings and Questioned Costs for the Year Ended June 30, 2009," which is hereto attached as Attachment A, and additionally submits that there were no findings for the Bond Programs audits.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency ("Board"), acting as the governing authority of said Agency, that:

SECTION 1. The Agency shall accept the results of the audits as contained in the report entitled "Schedule of Findings and Questioned Costs," which is hereto attached as Attachment A, as well as the full audited financial statements, which have been submitted to the Louisiana Legislative Auditor's office.

SECTION 2. The Agency staff and counsel are authorized and directed to prepare such documents as necessary, consistent with the provisions of this resolution.

SECTION 3. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 14th day of October, 2009.

Chairman	Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on October 14, 2009 accepting the General Fund and Bond Programs audit results of the Louisiana Housing Finance Agency made by Duplantier, Hrapmann, Hogan, and Maher.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 14th day of October, 2009.

____

Secretary

ATTACHMENT A

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Identification of major programs:

CFDA Numbers	Name of Federal Program
14.195	Section 8
81.042	Weatherization Assistance Program
93.667	Social Services Block Grant

B. **Findings – Financial Statement Audit** – None

C. **Findings and Questioned Costs – Major Federal Award Programs** – None

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(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

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September 1, 2009

To the Board of Commissioners
Louisiana Housing Finance Agency

We have audited the combined financial statements of the Louisiana Housing Finance Agency for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our performance contract dated May 15, 2009 and signed by both parties on May 22, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Louisiana Housing Finance Agency are described in Note 1 to the combined financial statements. Except as described below, we noted no significant accounting policies we consider inappropriate.

> As described in Note 1, management has accounted for Mortgage Securities at amortized cost less principal collections. Accretion of discounts and premiums related to the purchase is recognized into income over the life of the certificates using the interest method. Remaining discounts and premiums are recognized as expenses when the bonds are fully redeemed. The policy of carrying these securities at amortized cost is not in accordance with GASB Statement No. 31, which requires the securities to be recorded at their fair value. This treatment of revenue, expense and asset valuation is considered to be a departure from accounting principles generally accepted in the United States of America.

No new accounting policies were adopted and the application of existing policies was not changed during 2009. All significant transactions have been recognized in the combined financial statements in the proper period.

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Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

1. Management's estimate of the future debt obligation. This estimate is based on a percentage of bonds outstanding that corresponds to the percentage of the original maturity or sinking fund amount divided by the original bond issue amount. We evaluated the key factors and assumptions used to develop the future debt obligation in determining that it is reasonable in relation to the combined financial statements taken as a whole.

2. Management's estimate of the amortization of deferred financing costs. This estimate is based on the principle of matching expenses to the period in which they occurred. Since the costs of bond issuance can be significant and apply to the bond issue as a whole, generally accepted accounting principles require that these costs be amortized over the life of the bond. Management further estimates a portion of these costs allocable to calls and amortizes those costs proportionately. We evaluated the key factors and assumptions used to develop the amortization of deferred financing costs in determining that it is reasonable in relation to the combined financial statements taken as a whole.

3. Management's estimate of the amortization of discounts, premiums and deferred gains and losses on refundings. This estimate is based on the principle of matching expenses to the period in which they occurred. Since discounts, premiums and deferred gains and losses on refundings apply to the bond issue as a whole, generally accepted accounting principles require that these amounts be amortized over the life of the bond. Management further estimates a portion of these amounts allocable to calls and amortizes those amounts proportionately. We evaluated the key factors and assumptions used to develop the amortization of discounts, premiums and deferred gains and losses on refundings in determining that it is reasonable in relation to the combined financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the combined financial statements was:

1. The disclosure of future debt obligations in Note 5 to the combined financial statements. The Agency regularly redeems outstanding bonds prior to maturity as permitted by the Trust Indentures. These calls are made based on a number of economic factors, none of which can be accurately estimated in the long-term. Historically a significant portion of the bonds have been called for early redemption, however, there is no accurate predictor to determine the rate that will occur in the future. Because outstanding bonds may be called prior to maturity, future debt and interest payments may not occur as estimated.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. As stated in our report dated September 1, 2009, we noted a departure from generally accepted accounting principles as they apply to fair value measurement of mortgage securities under GASB Statement No. 31. With the exception of this departure, management has corrected all such misstatements. The following material misstatement detected as a result of audit procedures was corrected by management:

> The Agency purchased $11 million of its 2006 HOME Funded Tax Credit Projects Multifamily Mortgage Revenue Bonds. These bonds were not redeemed and are still considered outstanding by the Trustee. The Agency had originally written off the liability but after further review, it was determined this was the incorrect treatment of the obligation. We proposed an entry to restore the liability and record an asset for the bonds owned by the Agency. Management concurred and recorded this entry.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 1, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Commissioners and management of Louisiana Housing Finance Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William G. Stamm

William G. Stamm, CPA
Partner

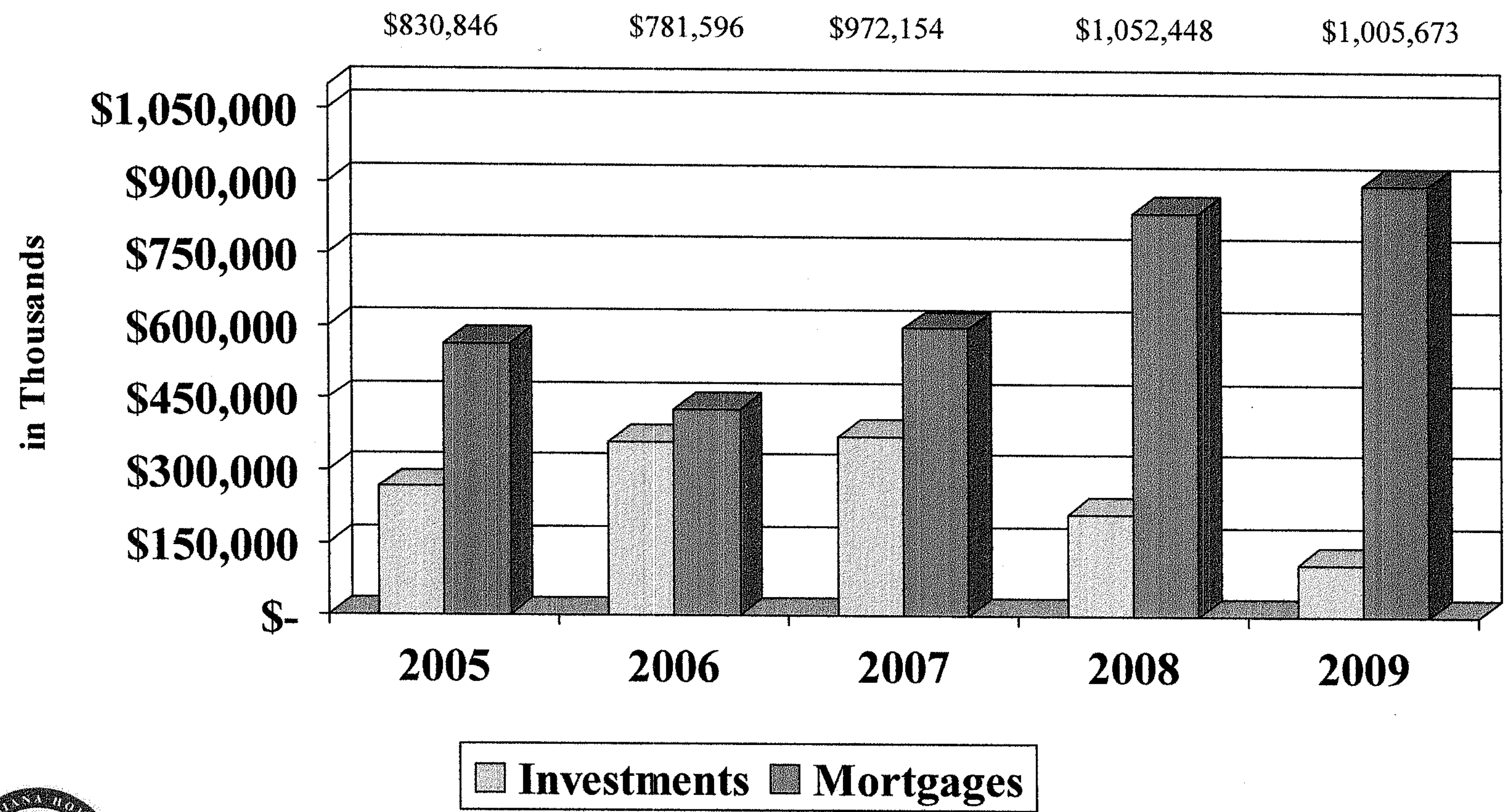
WGS/ckr

Louisiana Housing Finance Agency

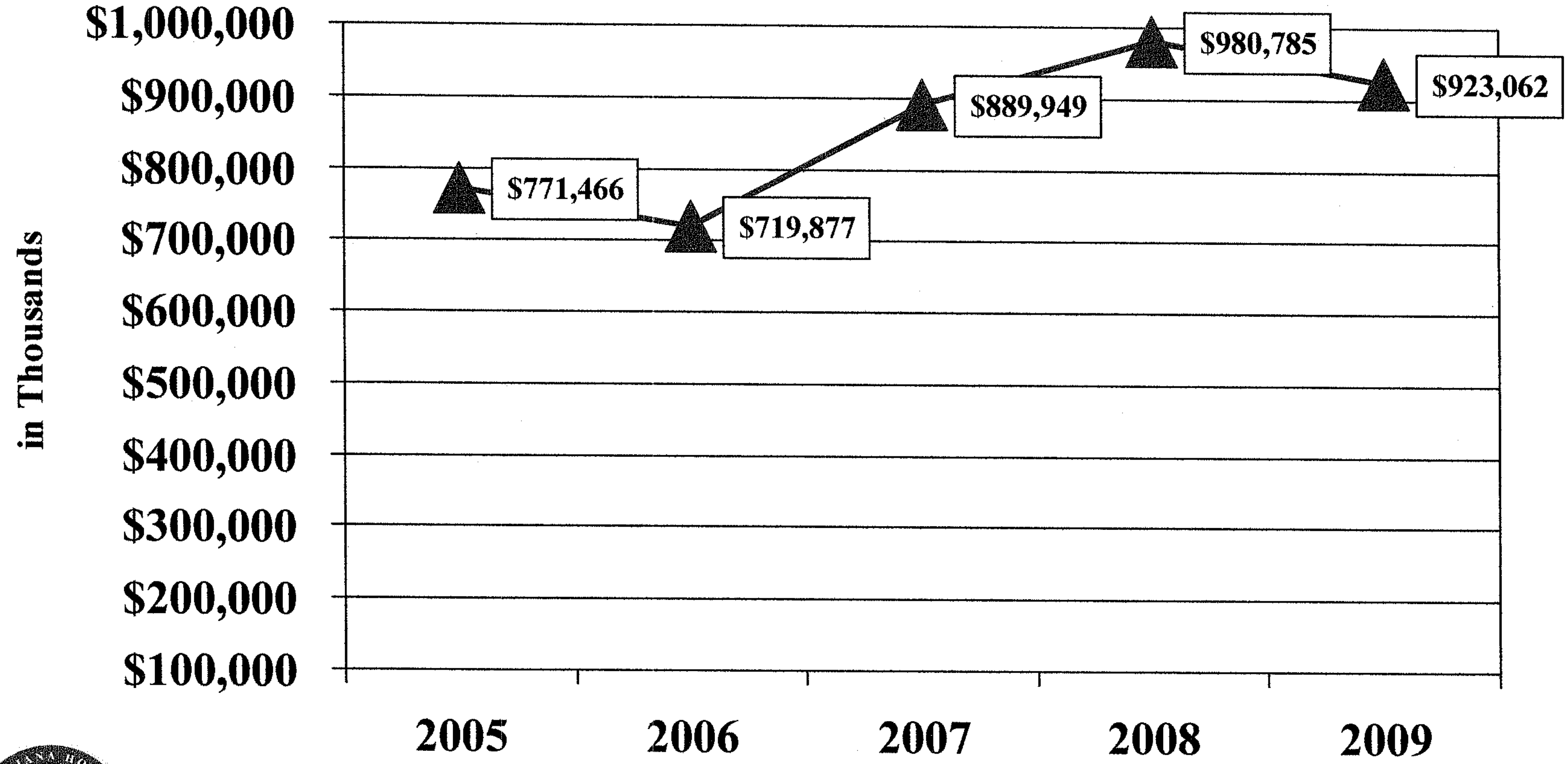
Presentation of Audit Results
2009 Audit

Investments and Mortgage Loans

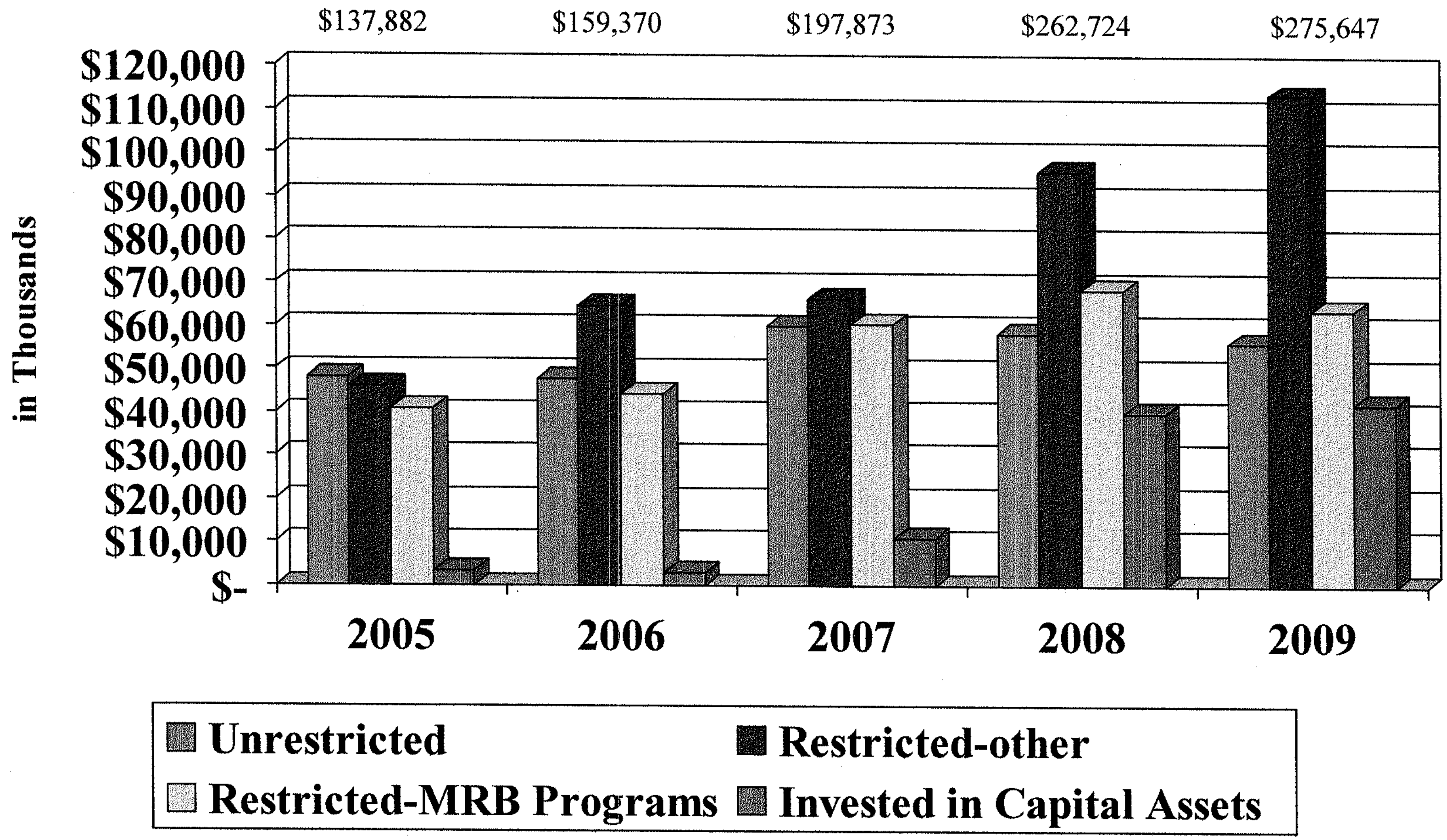
(Excluding HOME Program Loans)



Bonds Payable

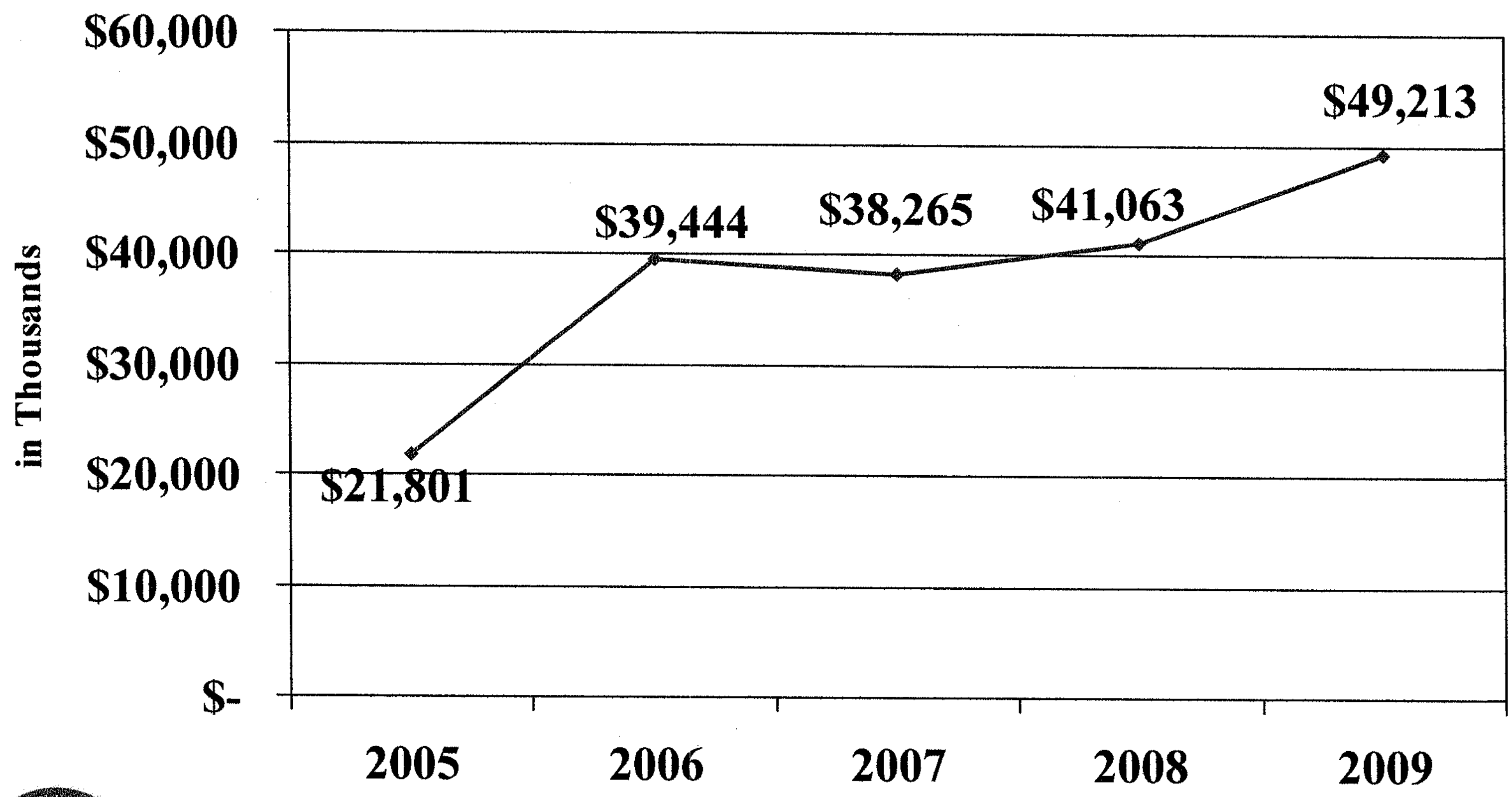


Net Assets



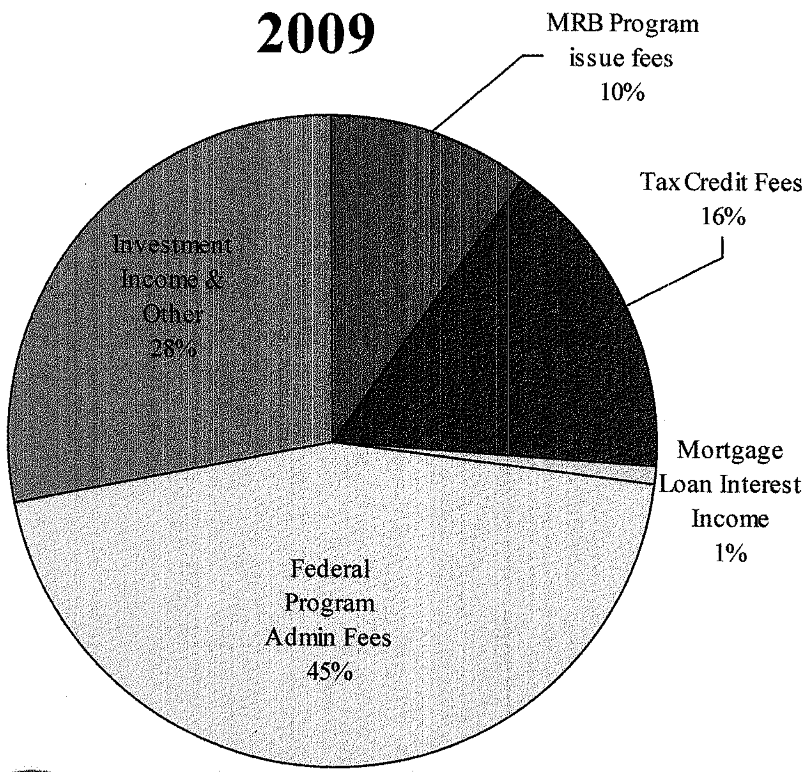
$137,882
$159,370
$197,873
$262,724
$275,647
in Thousands
$120,000
$110,000
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
2005
2006
2007
2008
2009
Unrestricted
Restricted-other
Restricted-MRB Programs
Invested in Capital Assets

HOME Program Mortgage Loans



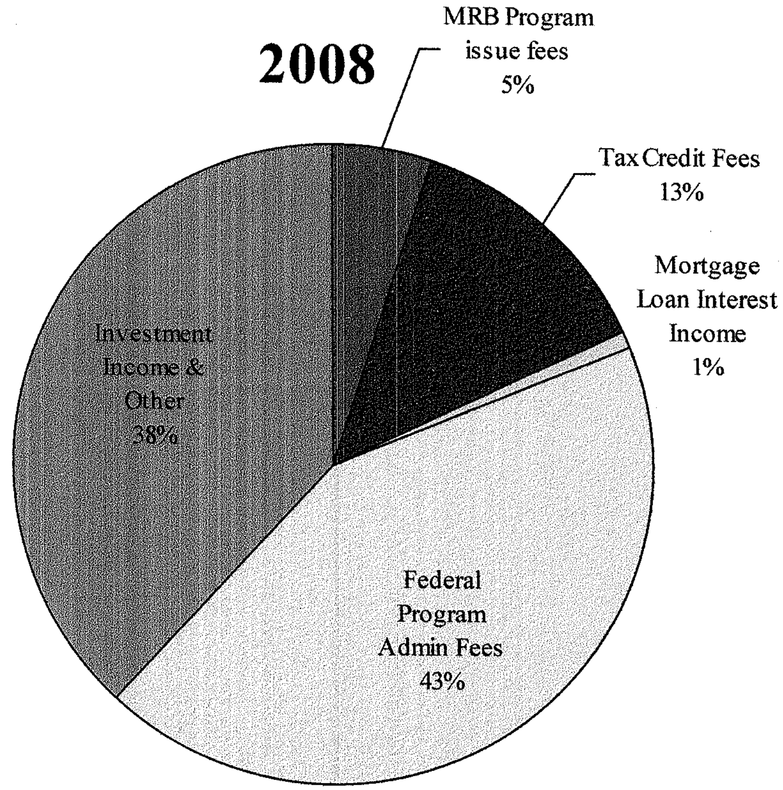
General Fund Operating Revenues

2009



$16,600,000

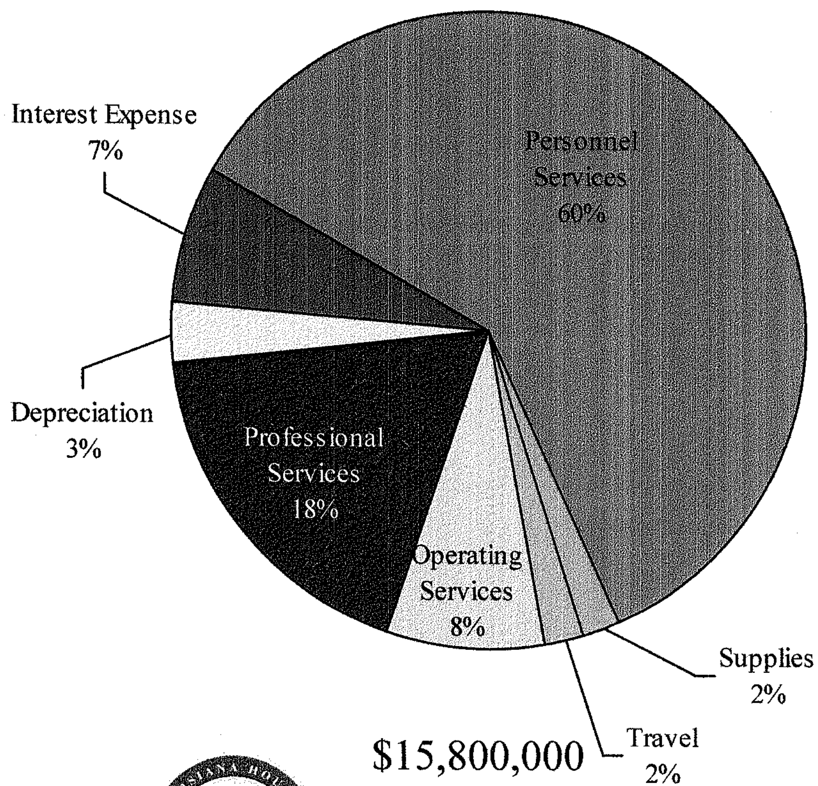
2008



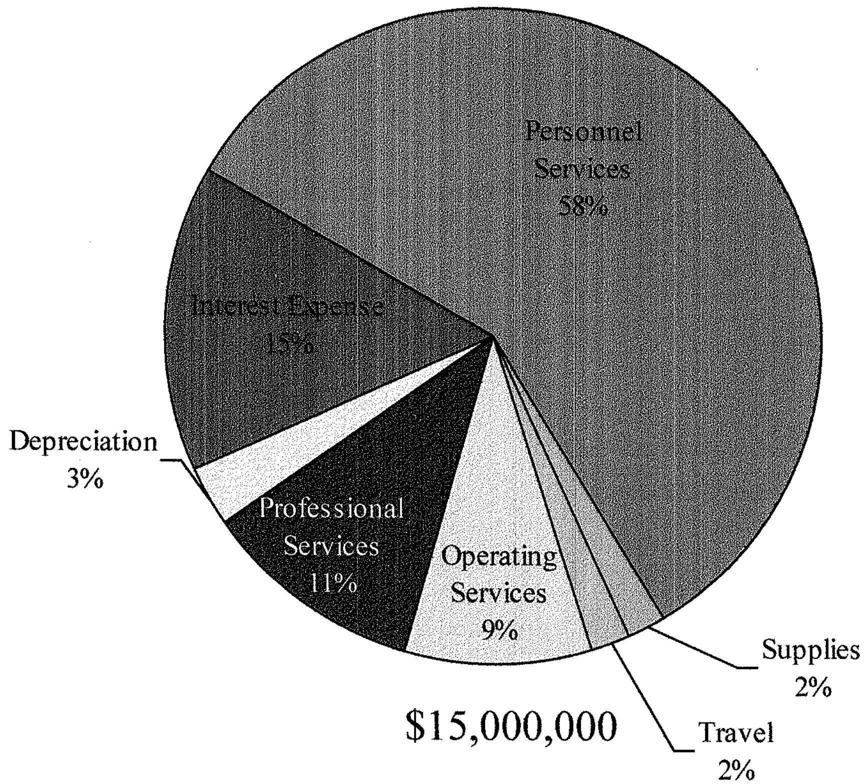
$15,000,000

General Fund Operating Expenses

2009

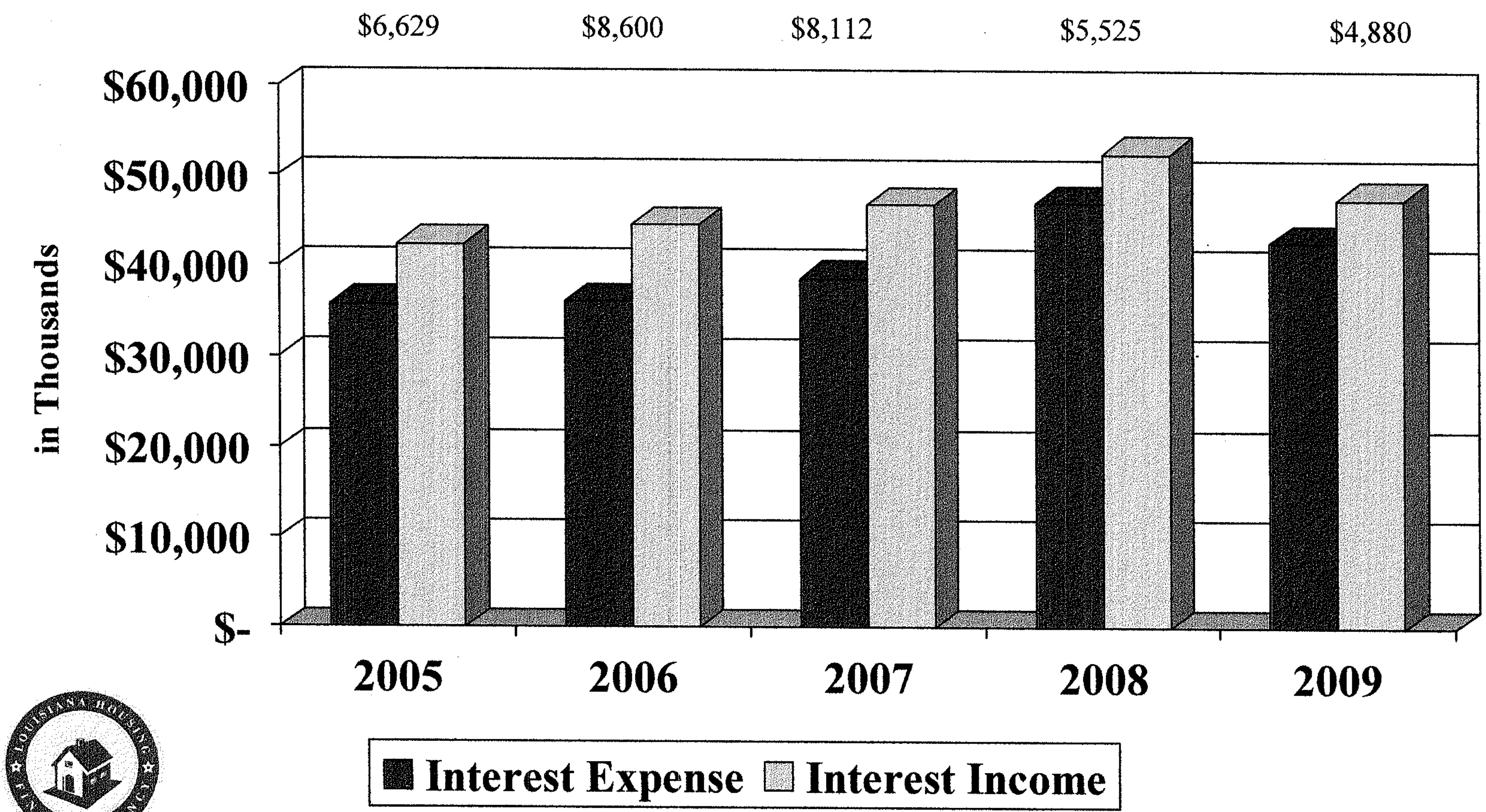


2008



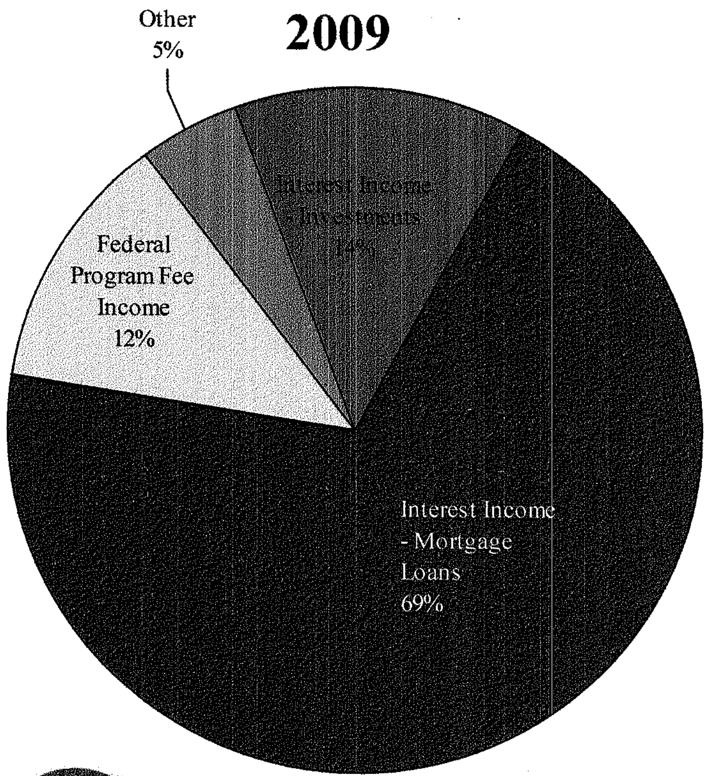
Interest Expense Compared to Interest Income

(Mortgage Revenue Bond and Section 202 Programs)

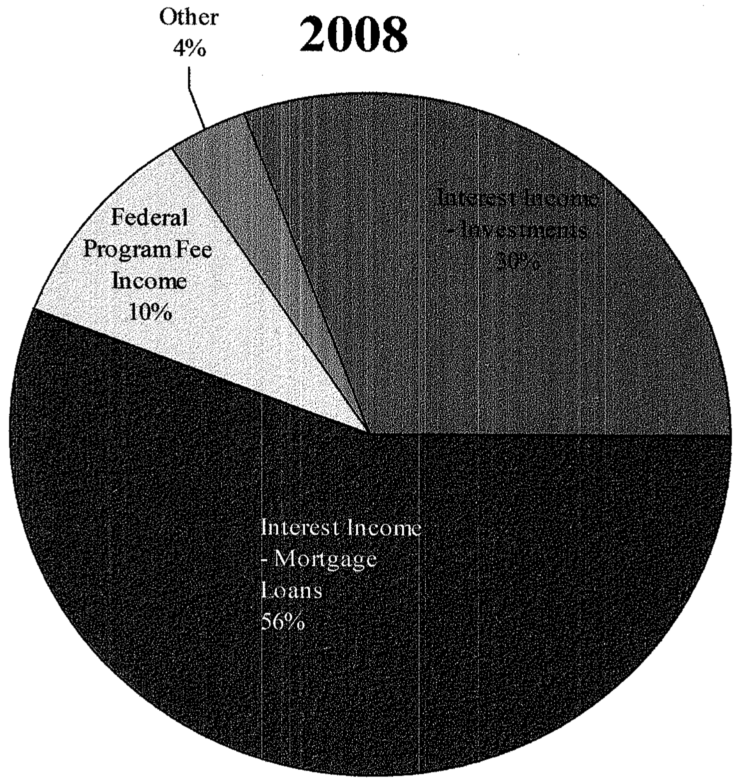


Combined Revenues

Years Ended June 30th (excluding Non-Operating Revenues)



$61,300,000



$63,800,000

FINANCIAL REPORT

LOUISIANA HOUSING FINANCE AGENCY
(STATE OF LOUISIANA)

JUNE 30, 2009 AND 2008

LOUISIANA HOUSING FINANCE AGENCY

INDEX TO REPORT

JUNE 30, 2009 AND 2008

MICHAEL J. O'ROURKE, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

August 27, 2009

To the Board of Commissioners
Louisiana Housing Finance Agency
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Housing Finance Agency's General Fund (a component unit of the State of Louisiana) as of June 30, 2009 and 2008 as presented in the foregoing index to the report. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1, these financial statements present only Louisiana Housing Finance Agency's General Fund and are not intended to present fairly the combined financial position, combined results of operations or the combined cash flows of Louisiana Housing Finance Agency's mortgage revenue bond programs in conformity with accounting principles generally accepted in the United States of America.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Housing Finance Agency's General Fund as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 8, is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming opinions on the financial statements taken as a whole. The required supplementary information on page 33 is presented for additional analysis as required by Governmental Accounting Standards Board (GASB) and is not a required part of the basic financial statements. Such required supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2009 on our consideration of Louisiana Housing Finance Agency'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Annual Financial Statement Reporting Packet, presented as supplementary information, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. This information has been subjected to the auditing procedures applied in the audit of the accompanying financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the accompanying financial statements taken as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

The Management's Discussion and Analysis of the LHFA's financial performance presents a narrative overview and analysis of LHFA's financial activities for the year ended June 30, 2009. 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 LHFA's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

2009

★ The LHFA's assets exceeded its liabilities at the close of fiscal year 2009 by $211,681,058, which represents a 9% increase from last fiscal year.

★ The LHFA's total revenues before transfers decreased by $26,653,915, or 14%, total expenses before transfers increased by $17,568,343, or 14%, and consequently the net income before transfers decreased by $44,222,258, a decrease of 74%.

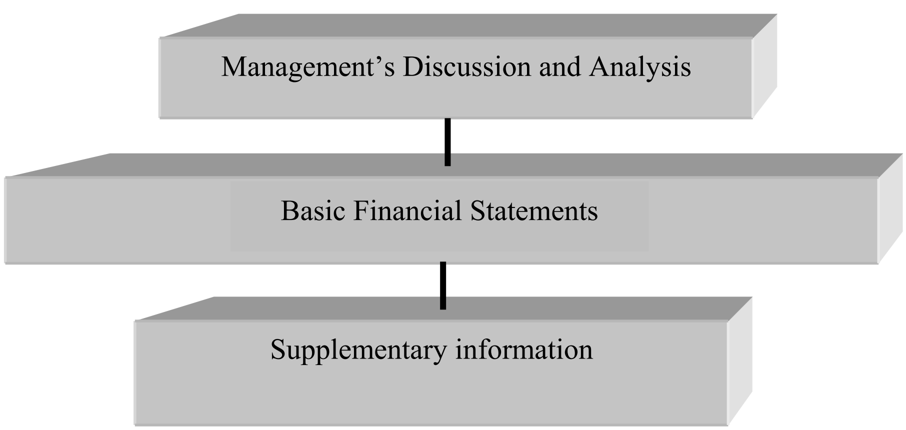
2008

★ The LHFA's assets exceeded its liabilities at the close of fiscal year 2008 by $194,289,386, which represents a 42% increase from last fiscal year.

★ The LHFA's total revenues before transfers increased by $73,099,880, or 63%, total expenses before transfers increased by $39,475,970, or 44%, and consequently, the net income before transfers increased by $33,623,910, or 129%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These 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 supplementary information.

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

Basic Financial Statements

The basic financial statements present information for the LHFA as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Balance Sheets (page 9) present the assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the LHFA is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets (page 10) present information showing how LHFA's net assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flow (pages 11 - 12) present information showing how LHFA'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 GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2009, June 30, 2008 and June 30, 2007
(in thousands)

	2009	2008	2007
Current and other assets	$ 69,992	$ 64,909	$ 62,752
Restricted assets	152,611	138,912	124,631
Capital assets	47,840	46,469	17,904
Total assets	270,443	250,290	205,287
Other liabilities	22,683	13,278	12,874
Long-term debt outstanding	36,079	42,722	55,124
Total liabilities	58,762	56,000	67,998
Net assets:			
Invested in Capital Assets, net of related debt	42,000	40,039	10,909
Restricted	113,958	95,870	66,475
Unrestricted	55,723	58,381	59,905
Total net assets	$ 211,681	$ 194,290	$ 137,289

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

Amounts invested in capital assets represent the carrying amount of property and equipment less depreciation. Restricted net assets represent those assets that are not available for spending as a result of donor agreements and grant requirements. Unrestricted net assets provide necessary reserves to support the general obligations of the agency.

2009

Net assets of the LHFA increased by $17,391,672, or 9%, from June 30, 2008 to June 30, 2009. This increase in net assets can be attributed to an increase in investments, capital assets, mortgage loans receivable, and accrued interest receivable.

2008

Net assets of the LHFA increased by $57,000,475, or 42%, from June 30, 2007 to June 30, 2008. This increase in net assets can be attributed to an increase in cash and cash equivalents, and capital assets.

Statements of Revenues, Expenses, and Changes in Net Assets
for the years ended June 30, 2009, June 30, 2008 and June 30, 2007
(in thousands)

	Total		
	2009	2008	2007
Operating revenues	16,607	$ 14,976	$ 18,475
Operating expenses	15,820	14,969	13,083
Operating income	787	7	5,392
Non-operating revenues(expenses)	14,691	59,693	20,684
Income before transfers	15,478	59,700	26,076
Transfers (to) from MRB Programs	1,913	(2,700)	(4,084)
Increase in net assets	17,391	$ 57,000	$ 21,992

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

2009

LHFA's total revenues before transfers decreased by $26,653,915, or 14%, primarily as a result of a decrease in interest income, a decrease in income from rental property because of the completion of our Willowbrook rental property (the rehab was booked as income over the previous two years but the rehab is now complete) and because the Agency's other property, Village De Jardin (formerly Gaslight Square Apartments) is not very far into it's construction phase; both of these properties are being funded and constructed by FEMA through the Office of Facility Planning. An additional reason for the decrease is in the previous year the state allocated $25 million to the Louisiana Housing Trust Fund which increased non-operating revenues as a one-time funding. Total expenses before transfers increased by $17,568,343, or 14%, primarily as a result of increased personnel costs from the new NSP program, an increase in professional services as a result of the Louisiana Housing Trust Fund program and the HOME program, an increase in federal grant funds disbursed, and an increase in the provision for loan losses.

2008

LHFA's total revenues before transfers increased by $73,099,880, or 63%, primarily as a result of an increase in investment income, an increase in income from rental property due to the rehabbing and rebuilding of the two rental properties, Gaslight and Willowbrook by FEMA through the Office of Facility Planning for a net $20 million increase, the state's allocation to the Louisiana Housing Trust Fund for a $25 million increase, to be expended for fiscal '09, and an increase in federal grants drawn. Total expenses before transfers increased by $39,475,970, or 44%, primarily as a result of increased personnel costs from implementing GASB 45 which caused a non-cash accrual expense of $1,480,249 and an increase in federal grant funds disbursed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009, the Louisiana Housing Finance Agency had $47.8 million invested in a broad range of capital assets, including a three story building facility located in Baton Rouge. (See Table below). This amount represents a net increase (including additions and deductions) of $1,371,025, or a 3% increase over last year.

	2009	2008	2007
Land	$ 712	712	$ 712
Land Improvements (net of accum. dep.)	86	93	99
Building (net of accumulated depreciation)	39,420	40,656	7,751
Equipment (net of accumulated depreciation)	504	617	452
Construction in Progress	7,118	4,391	8,890
Totals	$ 47,840	$ 46,469	$ 17,904

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Asset (Continued)

This year's changes included (in thousands):

• Equipment acquisitions and replacements	$ 123
• Depreciation	(423)
• Equipment disposals	(80)
• Rehab of HUD Disposition – increase in construction in progress	2,727
• Adjust accumulated dep. for disposals	77
• Rehab of HUD Disposition – increase in buildings	104
• Adjust accumulated dep. for HUD Disposition	(1,157)

Debt

The Louisiana Housing Finance Agency had $37,585,236 in bonds and notes outstanding at year-end, compared to $44,173,448 at the end of last year as shown in the table below. This decrease is from the paying down of the Series 2001 General Revenue Office Building Bonds, the Multi Family MR Bonds, Series 2006A, and the debentures payable, as well as amortization of the deferred amount on refunding.

Outstanding Debt at Year-end
(in thousands)

	2009	2008	2007
General Revenue Office Building Bonds	$ 5,840	$ 6,430	$ 6,995
Multi Family MR Bonds (Section 8 Assisted - 202 Elderly Projects), 2006A	17,555	18,915	20,170
Multi Family MR Bonds (Section 8 Assisted - 202 Elderly Projects), 2003A	-	-	-
Debentures payable	13,828	18,450	29,020
Deferred amount on Refunding	362	378	395
Totals	$ 37,585	$ 44,173	$ 56,580

<u>2009</u>

The LHFA's bond rating continues to carry the A2 rating for general revenue bonds and the 202 Elderly MR Bonds, and Aaa rating for the debt of its Other Mortgage Revenue Bonds, which are not considered to be the Agency's general debt and are excluded from these financial statements.

The LHFA has accounts payable and accrued interest payable of $1,842,529 outstanding at year-end compared with $2,018,695 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and other post employment benefits payable.

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

2008

The LHFA's bond rating continues to carry the A2 rating for general revenue bonds and the 202 Elderly MR Bonds, and Aaa rating for the debt of its Other Mortgage Revenue Bonds, which are not considered to be the Agency's general debt and are excluded from these financial statements.

The LHFA has accounts payable and accrued interest payable of $2,018,695 outstanding at year-end compared with $3,138,984 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and other post employment benefits payable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Expected increase in interest rates will tend to discourage early payoffs and refinancing, increasing the Agency asset base of mortgage backed securities and thereby allowing new issues to stabilize or increase the asset base and thus increasing the issuer fees the Agency receives.
- Interest rates are expected to slowly increase over the next year which should cause an increase in the Agency's investment income.
- The HUD Disposition properties were damaged during Hurricane Katrina. Willowbrook has been on-line now for a year and a half but at a lower than expected occupancy rate. Occupancy rates are expected to continue to improve which will increase rental income. Gaslight isn't expected to come on-line until after fiscal '10.
- If the need should arise, the warehousing of securities will help minimize negative arbitrage and it would increase investment income.

The LHFA expects that next year's results will be mixed based on the following:

- The Section 8 revenues should remain steady during fiscal '10. The Agency expects that it will take on a few additional properties that will be coming back on-line that were lost during Hurricane Katina however we also expect that a few properties will be leaving the Section 8 program that will offset any increase.
- The Agency doesn't expect to generate as much tax credit revenue in fiscal '10 because of the availability of fewer tax credits for the Agency to award. The Agency will be receiving additional Tax Credit funds as a result of the American Recovery and Reinvestment Act but it isn't expected that we will receive any additional administrative fees for the management of these funds.
- The Agency expects overall operating expenses to increase in relation to revenues.

CONTACTING THE LOUISIANA HOUSING FINANCE AGENCY'S MANAGEMENT

This financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Agency's customers, investors and creditors with a general overview of the Louisiana Housing Finance Agency's finances and to show the LHFA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact René Landry, C.F.O.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
BALANCE SHEETS
JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
CASH AND CASH EQUIVALENTS	$ 1,052,483	$ 12,454,979
INVESTMENTS	63,573,514	48,445,408
MORTGAGE LOANS	1,248,886	1,268,282
ACCRUED INTEREST RECEIVABLE	435,741	520,435
DUE FROM GOVERNMENTS	2,975,973	1,691,460
DUE FROM MRB PROGRAMS	134,105	82,066
CAPITAL ASSETS (net of accumulated depreciation of $3,184,817 and $3,164,975, respectively)	47,839,610	46,468,585
OTHER ASSETS	572,401	446,246
	117,832,713	111,377,461
RESTRICTED ASSETS:		
Cash and cash equivalents	40,600,285	40,888,036
Investments	3,891,082	2,200,120
Mortgage loans receivable (net of allowance for loan losses of $58,597,983 and $56,284,511, respectively)	80,943,647	72,142,398
Accrued interest receivable	27,175,593	23,682,298
	152,610,607	138,912,852
TOTAL ASSETS	$ 270,443,320	$ 250,290,313

See accompanying notes.

LIABILITIES AND NET ASSETS

		2009		2008
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$	1,754,789	$	1,779,001
ACCRUED INTEREST PAYABLE		87,740		239,694
DUE TO GOVERNMENTS		4,495		23,488
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE		3,039,027		1,480,249
COMPENSATED ABSENCES PAYABLE		725,601		566,096
UNEARNED INCOME		7,946,181		98,213
AMOUNTS HELD IN ESCROW		7,619,193		7,640,738
		21,177,026		11,827,479
BONDS AND DEBENTURES PAYABLE:				
Due within one year		1,506,218		1,451,218
Due in more than one year		36,079,018		42,722,230
		37,585,236		44,173,448
Total liabilities		58,762,262		56,000,927
NET ASSETS:				
Invested in capital assets (net of related debt)		41,999,610		40,038,585
Restricted		113,542,084		95,870,041
Unrestricted		56,139,364		58,380,760
Total net assets		211,681,058		194,289,386
TOTAL LIABILITES AND NET ASSETS	$	270,443,320	$	250,290,313

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
OPERATING REVENUES:		
MRB program issuer fees	$ 1,588,933	$ 834,835
Low income housing tax credit program fees	2,654,686	1,879,721
Compliance and application fees	62,575	174,650
Mortgage loan interest income	111,430	102,966
Federal program administrative fees	7,549,460	6,479,198
Investment income	4,590,783	5,337,545
Other income	48,627	167,469
	16,606,494	14,976,384
OPERATING EXPENSES:		
Personnel services	9,449,478	8,776,883
Supplies	302,671	228,430
Travel	369,085	338,262
Operating services	1,208,340	1,301,836
Professional services	2,906,716	1,638,271
Interest expense	1,159,746	2,245,843
Depreciation	423,648	439,448
	15,819,684	14,968,973
Operating income	786,810	7,411
NON-OPERATING REVENUES (EXPENSES):		
Appropriation from State for Louisiana Housing Trust Funds	-	25,000,000
Other contributions and grants for Louisiana Housing Trust Funds	120,786	1,529,391
Other non-operating	70,604	141,373
Restricted mortgage loan interest income	4,834,210	5,665,557
Federal grants drawn	138,643,697	113,295,758
Federal grant funds disbursed	(128,477,701)	(114,090,407)
Provision for loan losses	(2,330,338)	549,916
Net income from rental property	1,830,213	27,601,540
	14,691,471	59,693,128
Income before transfers	15,478,281	59,700,539
Transfers (to) from MRB Programs	1,913,391	(2,700,064)
CHANGE IN NET ASSETS	17,391,672	57,000,475
NET ASSETS - Beginning of year	194,289,386	137,288,911
NET ASSETS - End of year	$ 211,681,058	$ 194,289,386

See accompanying notes.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from:		
Fee revenue collected	$ 13,884,096	$ 9,318,378
Investment and mortgage loan income	2,845,807	5,498,757
Mortgage collections	2,374,818	23,145,542
Cash paid to:		
Suppliers of service	(4,811,025)	(3,231,816)
Employees and benefit providers	(7,731,195)	(7,244,408)
Mortgage purchases	(13,470,143)	(3,648,722)
Creditors for interest (net of capitalized interest)	(1,321,974)	(3,651,390)
Net cash provided by (used in) operating activities	(8,229,616)	20,186,341
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net transfers from (to) MRB programs	1,913,391	(2,700,064)
Receipts of federal grants	142,939,466	113,182,994
Disbursements of federal grants	(128,477,701)	(110,490,128)
Repayment/redemption of bonds	(5,981,994)	(11,825,260)
Net change in escrow accounts	(21,545)	135,720
Other non-operating income	1,782,570	29,356,860
Net cash provided by noncapital financing activities	12,154,187	17,660,122
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments purchased	(62,577,754)	(17,845,987)
Investments redeemed	47,365,483	23,958,648
Net cash from rental properties	312,206	(952,602)
Net cash provided by (used in) investing activities	(14,900,065)	5,160,059
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of property and equipment	(124,752)	(290,863)
Repayment of bonds	(590,000)	(565,000)
Net cash used in capital financing activities	(714,752)	(855,863)

Continued

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (11,690,246)	$ 42,150,659
CASH AND CASH EQUIVALENTS, beginning of year	53,343,014	11,192,356
CASH AND CASH EQUIVALENTS, end of year	$ 41,652,768	$ 53,343,015
PRESENTED ON THE BALANCE SHEET AS:		
Unrestricted	$ 1,052,483	$ 12,454,979
Restricted	40,600,285	40,888,036
	$ 41,652,768	$ 53,343,015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income	$ 786,810	$ 7,411
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	423,648	439,448
Net change in fair value	(1,606,797)	(1,276,545)
Amortization of bond issuance costs	5,944	5,943
Amortization of deferred amount	(16,218)	(16,218)
Change in accrued interest receivable	(249,609)	1,334,791
Change in due from governments	(1,284,513)	(102,654)
Change in due from MRB programs	(52,039)	(22,880)
Change in accounts payable and accrued liabilities	(24,212)	274,983
Change in OPEB payable	1,558,778	1,480,249
Change in compensated absences payable	159,504	52,226
Change in deferred income	3,533,206	(25,802)
Change in other assets	(216,839)	(66,159)
Change in accrued interest payable	(151,954)	(1,395,272)
Change in mortgage loans	(11,095,325)	19,496,820
Net cash provided by (used in) operating activities	$ (8,229,616)	$ 20,186,341

See accompanying notes.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

ORGANIZATION OF THE AGENCY:

Louisiana Housing Finance Agency (the Agency) is a political subdivision and instrumentality of the State of Louisiana established in 1980 pursuant to the Louisiana Housing Finance Act contained in Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended. The initial enabling legislation and subsequent amendments grant the Agency the authority to undertake various programs to assist in the financing of housing needs in the State of Louisiana for persons of low and moderate incomes. Programs implemented by the Agency for this purpose consist of Mortgage Revenue Bond Programs, the Low Income Housing Tax Credit Program, the Louisiana Housing Trust Fund Program, the Mark-to Market program and various federal award programs including the Low Income Housing Energy Assistance Program, the Weatherization Assistance Program, HOME, and Section 8 Contract Administration.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Louisiana Housing Finance Agency (the Agency) 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. The Agency applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Agency's significant accounting policies are described below:

Reporting Entity:

Government Accounting Standards Board (GASB) Statement No. 14 has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointment of a voting majority of the governing board.

    a. The ability of the state to impose its will on the organization.

    b. The potential of the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.

2. Organizations which are fiscally dependent.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity: (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Due to the nature and significance of the relationship between the Agency and the State of Louisiana, the financial statements of the State would be misleading if the Agency's financial statements were excluded. Accordingly, the State of Louisiana has determined that the Agency is a component unit.

The accompanying statements of the Agency present only transactions of Louisiana Housing Finance Agency's General Fund. The Agency's "General Fund" refers to the fund that accounts for the Agency's general operating activities and is not meant to denote a governmental type general fund of a primary government.

Annually, Louisiana Housing Finance Agency issues combined financial statements which include the activity contained in the accompanying financial statements, along with the Agency's Mortgage Revenue Bond Programs.

Annually, the State of Louisiana issues basic financial statements which include the activity contained in the accompanying financial statements. The basic financial statements are issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

Basis of Accounting:

The Agency is considered a proprietary fund and is presented as a business type activity. Proprietary fund types are used to account for activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful for sound financial administration. The GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis 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.

Since the business of the Agency is essentially that of a financial institution having a business cycle greater than one year, the balance sheet is not presented in a classified format.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments:

Governmental Accounting Standards Board Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, requires certain types of investment securities to be carried at fair value. In accordance with this statement, the Agency carries all debt securities with an original term of greater than one year at fair value. The change in fair value of such securities is recognized as revenue as a component of investment income. Investment Contracts are carried at cost, which approximates market value.

Allowance for Loan Losses:

The allowance is maintained at a level adequate to absorb probable losses. Management determines the adequacy of the allowance based upon reviews of groups of credits, loss experience of similar type loans, current and future estimated economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. Loans deemed uncollectible are charged to the allowance. Past due status is based on contractual terms. Provisions for loan losses and recoveries on loans previously charged off are added to the allowance.

Capital Assets:

Capital assets are stated at cost less accumulated depreciation. The Agency capitalizes all property and equipment with initial, individual costs of greater than $1,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings	40 years
Equipment	3 – 7 years
Automobiles	5 years

Bond Issuance Costs:

Bond issuance costs, including underwriters' discounts on bonds sold, are deferred and amortized over the life of the indebtedness based on the principal amounts of the bonds outstanding, a method that approximates the interest method.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Operating/Non-operating Revenue and Expenses:

Operating revenues consist of program administration fees, bond issue fees and investment income as these revenues are generated from the Agency's operations and are generated in carrying out its statutory purpose. All expenses incurred for that purpose are classified as operating expenses. Federal grant pass-through revenues and expenses, provision for loan losses on program loans and income from rental properties are ancillary to the Agency's statutory purpose and are classified as non-operating.

Compensated Absences:

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, however, use of annual leave through time off is limited to 780 hours. 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.

As the Agency is a proprietary type fund, the cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned.

2. 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 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.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS:

Authority:

For reporting purposes, cash and cash equivalents include cash on hand, financial institution deposits and all highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are stated at cost, which approximates market value. Under state law, the Agency may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Agency may purchase time certificates of deposit of

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

Authority: (Continued)

any bank domiciled or having a branch office in the State of Louisiana, 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 Agency 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.

Cash and Cash Equivalents:

Louisiana Housing Finance Agency had cash and cash equivalents (book balances) as of June 30, 2009 and 2008, as follows:

	2009	2008	Rating
Petty cash	$ 250	$ 500	N/A
Demand deposits	32,651,324	27,530,915	N/A
Federal Home Loan Bank deposits	51,871	51,578	N/A
Money Market funds	8,949,323	25,760,022	AAA
	$ 41,652,768	$ 53,343,015	

The deposit and money market accounts are subject to custodial credit risk; that is, in the event of a bank failure, the funds may not be returned. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The Agency's demand deposits (bank balances) were entirely covered by FDIC insurance or pledged collateral held by the Federal Reserve Bank in the name of the Agency at June 30, 2009 and 2008. The Agency's Federal Home Loan Bank deposits are backed by the financial resources of the Federal Home Loan Bank of Dallas, which was created by the United States Federal Government, via the Federal Home Loan Bank Act of 1932, as amended, and is regulated as specified in the Housing and Economic Recovery Act of 2008. The Agency's money market accounts are invested in short-term money market instruments issued by the United States Treasury which are backed by the full faith and credit of the United States government.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Investments:

As of June 30, 2009, the Agency had the following investments and maturities (in years):

		Investments Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	> 10
U.S. Treasury Notes	$ 6,416,110	$ 2,409,220	$ 4,006,890	$ --	$ --
U.S. Sponsored Agencies	49,750,944	24,745,904	10,519,944	1,453,995	13,031,101
GNMAs	8,920,253	--	27,441	670,300	8,222,512
Investment Contracts	2,377,289	--	--	--	2,377,289
Total	$ 67,464,596	$ 27,155,124	$ 14,554,275	$ 2,124,295	$ 23,630,902

Interest Rate Risk. The Agency manages interest rate risk by duration. The Agency forecasts future changes in interest rates and the slope of the yield curve and then selects a duration strategy for the portfolio. For example, when forecasts are for higher interest rates, the general strategy is to shorten the overall duration of a portfolio to mitigate the adverse affects of higher interest rates. Conversely, if forecasts are for lower interest rates, then the duration of the portfolio is lengthened.

Credit Risk. State law limits investments to those indicated under the authority caption within this footnote. It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of June 30, 2009 and 2008, all of the Agency's investments, with the exception of the investment contracts, were rated AAA by Standard & Poor's. The Agency's investment contracts were rated BBB by Standard & Poor's, but are on watch for possible upgrade.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency's investments are held by the custodial bank as an agent for the Agency, in the agency name and are thereby not exposed to custodial credit risk.

Concentration of Credit Risk. The Agency places no limit on the amount that may be invested in any one issuer. As of June 30, 2009 and 2008, the Agency had investments of the following issuers which represented more than 5 percent of total investments:

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Investments: (Continued)

Concentration of Credit Risk. (Continued)

	2009	2008
Federal Home Loan Bank	14%	18%
Federal National Mortgage Association	40%	28%
Federal Home Loan Mortgage Corporation	16%	17%

Net unrealized (gain)/loss on investment securities and securitized program loans was \$(2,238,619) and \$(631,823) at June 30, 2009 and 2008, respectively. The change in fair value of \$1,606,797 and \$1,276,545 was included in investment income for June 30, 2009 and 2008, respectively.

4. BONDS AND DEBENTURES PAYABLE:

Bonds and debentures payable activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds:					
Series 2001 General Revenue Office Building Bonds	\$ 6,430,000	\$ --	\$ (590,000)	\$ 5,840,000	\$ 615,000
Series 2006A Multifamily Mortgage Revenue Refunding Bonds	18,915,000	--	(1,360,000)	17,555,000	875,000
Debentures payable	18,450,032	--	(4,621,994)	13,828,038	--
	43,795,032	--	(6,571,994)	37,223,038	1,490,000
Plus: deferred amount on refunding	378,416	--	(16,218)	362,198	16,218
Total bonds and debentures payable	\$ 44,173,448	\$ --	\$(6,588,212)	\$ 37,585,236	\$ 1,506,218

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STATE OF LOUISIANA
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4. BONDS AND DEBENTURES PAYABLE: (Continued)

Bonds and debentures payable activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds:					
Series 2001 General Revenue Office Building Bonds	$ 6,995,000	$ --	$ (565,000)	$ 6,430,000	$ 590,000
Series 2006A Multifamily Mortgage Revenue Refunding Bonds	20,170,000	--	(1,255,000)	18,915,000	845,000
Debentures payable	29,020,292	--	(10,570,260)	18,450,032	--
	56,185,292	--	(12,390,260)	43,795,032	1,435,000
Plus: deferred amount on Refunding	394,634	--	(16,218)	378,416	16,218
Total bonds and debentures payable	$ 56,579,926	$ --	$ (12,406,478)	$ 44,173,448	$ 1,451,218

Limited Obligation Bonds Payable:

As authorized by the initial enabling legislation, the Agency issues revenue bonds to assist in the financing of housing needs in the State of Louisiana. The bonds are limited obligations of the Agency, 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 pledged therefore and are considered to be conduit debt of the Agency. The bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision of the State. Bonds issued by the Agency for which the Agency and the State have no responsibility for repayment are not recorded in the accompanying financial statements. At June 30, 2009 and 2008, there were approximately $885 million and $937 million of such bonds outstanding in 60 and 67 bond programs, respectively.

General Obligation Bonds Payable:

The Agency has issued $9,500,000 of General Revenue Office Building Bonds, Series 2001 to finance the construction of a building to house its operations. The bonds are general obligations of the Agency, secured by and payable from any and all funds of the Agency not

4. BONDS AND DEBENTURES PAYABLE: (Continued)

General Obligation Bonds Payable: (Continued)

otherwise required to be irrevocably dedicated to other purposes. The bonds mature serially December 1, 2002 through December 1, 2016. Bonds scheduled to mature on or after December 1, 2010 are callable for redemption at the option of the Agency. The bonds bear interest at various rates, ranging from 3.50% to 8.00% per annum. At June 30, 2009 and 2008, $5,840,000 and $6,430,000, respectively, of the bonds were outstanding.

On November 1, 2006, the Agency issued $20,600,000 of Series 2006A Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted – 202 Elderly Projects) to advance refund $20,600,000 of outstanding Series 2003A Multifamily Mortgage Revenue Bonds (Section 8 Assisted - 202 Elderly Projects). This refunding became necessary when, in 2005, Hurricane Katrina severely damaged eleven of the eighteen projects financed with the Series 2003A bonds. The distribution resulted in an extraordinary mandatory redemption of the Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds had been redeemed, due to the redemption structure of the bonds and loss of expected surplus revenues on the projects, cash flows for the Series 2003A bonds no longer provided assurance that principal and interest on the bonds would be paid when due.

Interest rates on the Series 2006A bonds range from 3.85% to 4.75%, whereas interest rates on the Series 2003A bonds ranged from 1.2% to 4.85%. This increase in interest rates coupled with the loss of expected surplus revenues on the projects that were destroyed resulted in an economic loss on the advance refunding of $960,130 (the difference between the present values of the Series 2003A and Series 2006A cash flows). The additional debt service to be paid on the Series 2006A refunding bonds through their maturity is $5,383,121. However, the Series 2006A bonds are subject to optional redemption on June 1, 2013, and a possible refinancing of the debt to lower interest rates could reduce the amount of excess debt service expected to be paid.

The reacquisition price in the advance refunding of the Series 2003A bonds was $405,445 less than the net carrying value of the bonds. This difference is reported in the balance sheet of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount will be amortized as a reduction of interest expense through fiscal year 2032 using the straight line method unless the Series 2006A bonds are refunded prior to their scheduled maturity date.

Issuance of the Series 2006A refunding bonds resulted in net proceeds of $20,252,690 (after payment of issuance costs plus $2,063,440 of transferred proceeds), which were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2003A bonds.

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4. BONDS AND DEBENTURES PAYABLE: (Continued)

General Obligation Bonds Payable: (Continued)

As a result, the Series 2003A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the Agency. At June 30, 2009 and 2008, $14,730,000 and $17,115,000 of the defeased bonds are still outstanding, respectively. At June 30, 2009 and 2008, $17,555,000 and $18,915,000 of the Series 2006A bonds are outstanding, respectively.

Future debt service requirements for the Agency's general obligation bonds payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2010	$ 1,490,000	$ 1,023,296	$ 2,513,296
2011	1,565,000	962,093	2,527,093
2012	1,655,000	896,036	2,551,036
2013	1,740,000	824,792	2,564,792
2014	1,840,000	748,418	2,588,418
2015-2019	9,655,000	2,392,871	12,047,871
2020-2024	4,125,000	679,844	4,804,844
2025-2029	1,100,000	186,794	1,286,794
2030-2032	225,000	12,231	237,231
	$ 23,395,000	$ 7,726,375	$ 31,121,375

Debentures Payable:

On April 28, 2006, the Agency issued $29,020,292 of debentures payable to the Department of Housing and Urban Development (HUD). The debentures were issued by the Agency in conjunction with the claim for mortgage insurance payment made by HUD under the Agency's Risk-Sharing Program for mortgage loans. Several of the Agency's mortgage loans under the Risk-Sharing Program were in default as a result of damages to the properties by Hurricane Katrina. The mortgage insurance payment was used to redeem a portion of the Section 202 bonds allocated to the defaulted properties.

The debentures bear interest at the rate of 4.5% and interest is due annually. Effective August 19, 2008, HUD granted a waiver to suspend interest accruals on the debentures for each of the projects in default for the period of August 20, 2008 to February 19, 2010. The suspended interest will be reinstated and interest accruals will recommence if the refinance and reconstruction of the properties does not occur by February 19, 2010. The debentures are due on April 28, 2011. Pursuant to the Risk-Sharing Agreement, the Agency's percentage share of the face amount of the debentures is 50%.

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4. BONDS, DEBENTURES AND NOTES PAYABLE: (Continued)

Debentures Payable: (Continued)

Future debt service requirements for the debentures are as follows:

Year Ended June 30	Principal	Interest	Total
2010	$ --	$ 199,465	$ 199,465
2011	13,828,038	622,262	14,450,300
	$ 13,828,038	$ 821,727	$ 14,649,765

5. FEDERAL FINANCIAL ASSISTANCE:

Federal grant programs represent an important source of funding to finance housing programs which are beneficial to the State of Louisiana. These grants are recorded as non-operating income and expense to the Agency and any assets held in relation to the programs are restricted. Receivables are established when eligible expenditures are incurred. The grants specify the purpose for which funds may be used and are subject to audit in accordance with Office of Management and Budget Circular A-133 under the “Single Audit Concept”.

In the normal course of operations, the Agency receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. These audits can result in the Agency having to make restitution to the federal agency as a result of noncompliance.

During 2009 and 2008, the following amounts were expended under various grants and entitlements.

	2009	2008
Section 8	$ 63,811,821	$ 59,665,377
HOME Investment Partnerships	24,150,637	22,853,485
Low Income Housing Energy Assistance	51,084,087	36,385,484
Weatherization Assistance	3,146,082	815,423
Community Development Block Grant	391,014	--
Social Services Block Grant	4,503,669	2,388,455
FEMA	--	1,866,098
	$ 147,087,310	$ 123,974,322

LOUISIANA HOUSING FINANCE AGENCY
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6. BOARD OF COMMISSIONERS EXPENSES:

The appointed members of the Agency's Board of Commissioners receive a per diem payment for meetings attended and services rendered, and are also reimbursed for their actual expenses incurred in the performance of their duties as Commissioners. For the year ended June 30, 2009, the following per diem payments were made to the members of the Agency's Board and are included in general and administrative expenses:

Michael Airhart	$ 750
Barbara Anderson	750
Jerome Boykin, Sr.	350
Maureen Clary	450
Mayson Foster	800
Walter Guillory	500
Allison Jones	700
Roy Lester	100
James Madderra	650
Robert Pernell	300
Joseph Scontrino, III	550
Guy Williams	550
Tyrone Wilson	500
Wayne Woods	500
Alberta Young	150
	$ 7,600

7. RETIREMENT BENEFITS:

Substantially all of the employees of the Agency are members of the Louisiana State Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System 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.

All full-time Agency employees are eligible to participate in the System. Benefits vest with 10 years of service. If membership in the System began before July 1, 2006, at retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credit service, plus $300 annually only for members employed before July 1, 1986. If membership in the system began after July 1, 2006, the benefit is equal to 2.5% of their highest consecutive 60 months' average salary multiplied by their years of credit service.

Vested employees are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20

7. RETIREMENT BENEFITS: (Continued)

years of service or at age 50 with 10 years of service. Any member hired after July 1, 2006 shall be eligible for retirement benefits with 10 years of service at age 60 or thereafter. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary if hired prior to July 1, 2006 or 8.0% if hired after July 1, 2006. The Agency is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rates were 18.5%, 20.4% and 19.1% for the years ended June 30, 2009, 2008 and 2007, respectively. The Agency contributions to the System for the years ended June 30, 2009, 2008 and 2007 were $825,551, $1,088,174 and $803,656, respectively, equal to the required contributions for each year.

8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Agency employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Agency. 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 Agency. At June 30, 2009 and 2008, nine retirees were receiving post-employment benefits.

Plan Description

The Agency's 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. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The contribution requirements of plan members and the Agency are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what

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8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans which includes three HMO plans and two private fee-for-service (PFFS) plans. Depending upon the plan selected, during the year ended June 30, 2009 and 2008, employee premiums for a single member receiving benefits range from $79 to $95 and $34 to $92 per month, respectively, for employee-only coverage with Medicare or from $130 to $176 and $125 to $170 per month, respectively, for employee-only coverage without Medicare. The premiums for an employee and spouse for the year ended June 30, 2009 and 2008 range from $142 to $352 and $69 to $165 per month, respectively, for those with Medicare or from $423 to $512 and $408 to $493 per month, respectively, for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Agency contributing anywhere from $236 to $246 and $103 to $237 per month for retiree-only coverage with Medicare or from $838 to $873 and $809 to $842 per month for retiree-only coverage without Medicare during the years ended June 30, 2009 and 2008, respectively. Also, the Agency's contributions range from $425 to $442 and $207 to $427 per month for retiree and spouse with Medicare or $1,288 to $1,344 and $1,242 to $1,293 for retiree and spouse without Medicare during the years ended June 30, 2009 and 2008, respectively.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately $1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at $50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with Accidental Death and Dismemberment coverage ceasing at age 70 for retirees.

Annual OPEB Cost

The Agency's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented prospectively for the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. The total ARC for the fiscal year beginning July 1, 2008 and 2007 was $1,647,800 and $1,579,400, respectively, as set forth below:

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8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Annual OPEB Cost (Continued)

	July 1, 2008	July 1, 2007
Normal Cost	$ 1,156,500	$ 1,208,000
Amortization of the UAAL	427,923	310,654
Interest	63,377	60,746
Annual required contribution (ARC)	$ 1,647,800	$ 1,579,400

The following schedule presents the components of the Agency's OPEB cost for the years ended June 30, 2009 and 2008, the amount actually contributed to the plan, and changes in the Agency's net OPEB Obligation:

	2009	2008
Annual required contribution	$ 1,647,800	$ 1,579,400
Interest on net OPEB obligation	59,210	--
ARC adjustment	(56,563)	--
Annual OPEB Cost	1,650,447	1,579,400
Contributions made	(91,669)	(99,151)
Increase in Net OPEB Obligation	1,558,778	1,480,249
Beginning Net OPEB Obligation	1,480,249	--
Ending Net OPEB Obligation	$ 3,039,027	$ 1,480,249

The Agency's percentage of annual OPEB cost contributed to the plan utilizing the pay-as-you-go method and the net OPEB Obligation for the years ended June 30, 2009 and 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	$ 1,579,400	6.28%	$ 1,480,249
June 30, 2009	1,650,447	5.56%	3,039,027

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8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Funded Status and Funding Progress

Act 910 of the 2008 Regular Session established the Post Employment Benefits Trust Fund effective July 1, 2008. However, during fiscal year 2009, neither the Agency nor the State of Louisiana contributed to it. Since no contributions were made, the entire actuarial accrued liability of $11,200,300 as of July 1, 2008 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2008 and 2007, was as follows:

	July 1, 2008	July 1, 2007
Actuarial accrued liability (AAL)	$ 11,200,300	$ 8,130,400
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	$ 11,200,300	$ 8,130,400
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employee covered by the plan)	$ 4,655,200	$ 4,885,853
UAAL as a percentage of covered payroll	241%	166%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

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8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Actuarial Methods and Assumptions (Continued)

In the July 1, 2008 and 2007, actuarial valuations, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.0% and 10.1% for pre-Medicare and Medicare eligibles, respectively, for the July 1, 2008 valuation and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, for the July 1, 2007 valuation scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open amortization period of 30 years in developing the annual required contribution. The remaining amortization period as of June 30, 2009 and 2008 was 28 and 29 years, respectively.

9. CAPITAL ASSETS:

A summary of changes in capital assets is as follows:

	Balance June 30, 2008	Additions	Deletions and Adjustments	Balance June 30, 2009
Equipment	$ 2,245,116	$ 123,140	$ (80,227)	$ 2,288,029
Building	42,153,917	104,989	--	42,258,906
Land and land improvements	843,278	--	--	843,278
Construction in progress	4,391,249	2,726,709	--	7,117,958
	49,633,560	2,954,838	(80,227)	52,508,171
Accumulated depreciation:				
General	(2,837,965)	(423,648)	76,795	(3,184,818)
HUD Disposition	(327,010)	(1,156,733)	--	(1,483,743)
	$46,468,585	$ 1,374,457	$ (3,432)	$47,839,610

	Balance June 30, 2007	Additions	Deletions and Adjustments	Balance June 30, 2008
Equipment	$ 2,135,035	$ 400,289	$ (290,208)	$ 2,245,116
Building	8,858,326	33,295,591	--	42,153,197
Land and land improvements	843,278	--	--	843,278
Construction in progress	8,890,006	28,796,834	(33,295,591)	4,391,249
	20,726,645	62,492,714	(33,585,799)	49,633,560
Accumulated depreciation:				
General	(2,686,993)	(439,448)	288,476	(2,837,965)
HUD Disposition	(135,287)	(191,723)	--	(327,010)
	$ 17,904,365	$61,861,543	$(33,297,323)	$46,468,585

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9. CAPITAL ASSETS: (Continued)

Included in capital assets at June 30, 2009 and 2008 is $41,458,944 and $38,628,858, respectively, of costs related to the two HUD disposition properties owned by the Agency. These buildings were damaged by Hurricane Katrina (see Note 11). One property was unoccupied and idle at June 30, 2009 and 2008. Reconstruction of the second property was completed during the year ended June 30, 2008, and its operations commenced in May 2008.

10. COMMITMENTS AND CONTINGENCIES:

In the ordinary course of business, the Agency has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. In addition, the Agency is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, except for the matter described in Note 15, the ultimate disposition and liability, if any, of these matters is not known at this time.

11. HUD DISPOSITION PROPERTIES:

The Agency is the owner of two low-income multifamily rental properties that were originally purchased from the U. S. Department of Housing and Urban Development at a cost of $1 each. The Agency funded renovations to the properties totaling approximately $3.3 million through June 30, 2005. On August 29, 2005, the properties were significantly damaged by Hurricane Katrina. The properties were insured by the State of Louisiana Office of Risk Management. The State of Louisiana assumed responsibility for the reconstruction of the properties. At June 30, 2009 and 2008, one property was completed and occupied. The other property continued to undergo reconstruction with an estimated completion date of June 2010. The completed property and the construction in progress are recorded within capital assets on the balance sheet of the Agency.

The net income (loss) from the properties is recorded as non-operating revenue (expense) to the Agency.

12. RESTRICTED LOANS:

As part of its HOME and multifamily programs, the Agency has made loans to qualified low-income single-family homebuyers and to developers of low-income multifamily projects. The HOME loans are issued as a supplement to primary financing and are collateralized by a second mortgage on the property financed. Payments on these loans are deferred until the earlier of: a) the date that the primary loan is paid out, or b) a specified future date. These loans are uninsured.

As part of its multifamily program, the Agency has made loans under its Section 202 Program. The Program is designed to make loans to eligible projects pursuant to Section 202 of the Housing Act of 1959, as amended, and the Risk Sharing Program administered by HUD. The multifamily Section 202 loans consist of a Risk Sharing Mortgage Note and a Subordinate Mortgage Note. The

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12. RESTRICTED LOANS: (Continued)

loans are collateralized by a security interest in the property with principal and interest payments due monthly through 2022. The Risk Sharing Mortgage Notes are 50% guaranteed by HUD under the Risk Sharing loan insurance program. The properties have also obtained HOME loans as described above. As discussed in Note 12, HUD suspended interest accruals on the debentures for each of the projects in default for a period of 18 months from August 19, 2008 to February 19, 2010. HUD requested that the Agency transfer the benefit of suspended interest on the Risk Sharing Loans to each owner in default. However, the suspension of interest requires that each project in default must be actively under redevelopment by February 19, 2010.

During the fiscal year ended June 30, 2009, the Agency began utilizing the Louisiana Housing Trust Funds to provide financing for sustainable affordable rental and homeownership housing developments. The Housing Trust funds provide soft-second mortgages to qualified low-income, single-family homebuyers and developers of low-income, multifamily rental projects. These loans are financed at a 0% interest rate and will mature at the end of the 15 year affordability period. The Agency will forgive the debt at the end of the affordability period, if certain conditions have been met. These loans are uninsured.

The loan portfolio at June 30, 2009 and 2008 is as follows:

	2009	2008	Interest Rate
HOME Multifamily Mortgage Loans	$ 99,418,407	$ 88,667,535	1% – 6%
HOME Single Family Mortgage Loans	5,126,536	5,528,943	0%
202 Elderly Project Mortgage Loans	32,741,074	34,230,431	6%
Conditional HOME Loan	332,500	-	0%
Louisiana Housing Trust Fund Loans	1,923,113	-	0%
	139,541,630	128,426,909	
Reserve for loan losses	(58,597,983)	(56,284,511)	
	$ 80,943,647	$ 72,142,398	

The Agency's collections from the HOME loans are restricted to funding future lending programs. The multifamily Section 202 loans are held in trust and pledged to repay the bonds (see Note 4). The principal balance and accruals of interest receivable on these loans are reported as restricted assets.

The change in the reserve for loan losses was a result of changes of $2,313,472 and $(549,373) to the provision for loan losses account for the years ended June 30, 2009 and 2008, respectively.

13. CONCENTRATION OF CREDIT RISK:

The Agency's HOME program loans are issued to single family borrowers and multifamily low-income housing projects throughout Louisiana. A substantial portion of the multifamily low-income housing project loans have been issued among entities with a common ownership.

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14. RISK MANAGEMENT:

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. To provide coverage for these risks, the Agency participates with the State of Louisiana's Office of Risk Management, a public entity risk pool currently operating as a common risk management and insurance program for branches of state government. This Agency pays an annual premium to ORM for this coverage.

15. PENDING CLAIM:

The Agency is involved in a matter with the Department of Housing and Urban Development Board of Contract Appeals relating to a multifamily mortgage loan claim paid by HUD in 1990. HUD now asserts that the Notice of Default, which was a required part of the procedures for processing such a claim, was filed with HUD beyond the required deadline. It is important to note that this process was the responsibility of the Servicing Agent that the Agency contracted to service this loan.

HUD is claiming that the Agency (or its trust account which no longer exists) was overpaid by $804,384. Furthermore, HUD claims entitlement to interest and penalties on this amount. The Agency has an indemnification agreement with the Servicing Agent for matters such as this; however, a formal claim has not been filed by the Agency against the Servicing Agent. The Agency's attorney has indicated that it is not possible to give an opinion concerning the likelihood of an unfavorable result to the Agency. However, in prior years, the Agency has accrued $1,000,000 relating to this matter.

16. NET ASSETS:

Net assets represent the difference between total assets and total liabilities. Unrestricted net assets are those that do not meet the definition of either net assets invested in capital assets net of related debt or restricted net assets. Net assets invested in capital assets net of related debt consist of capital assets less accumulated depreciation and net of outstanding balances of any debts used to finance those assets, such as bonds, capital leases and notes. Restricted assets are those that may be used only to finance specific types of transactions. These restrictions may be established by debt covenants, grantors, laws or regulations of other governments, or enabling legislation. Restricted net assets represent the balance of restricted assets less the outstanding balances of any liabilities that will be settled using restricted assets. The Agency's restricted net assets result primarily from the Agency's mortgage loan programs, the related bonds and debentures payable and the Louisiana Housing Trust Fund.

17. RECLASSIFICATIONS:

Certain amounts in 2008 have been reclassified to conform with the 2009 presentation.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

LOUISIANA HOUSING FINANCE AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
LOUISIANA HOUSING FINANCE AGENCY'S OPEB PLAN
JUNE 30, 2009 AND 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll [(b-a)/c]
7/1/08	-0-	$11,200,300	$11,200,300	-0-	$4,655,200	241%
7/1/07	-0-	$ 8,130,400	$ 8,130,400	-0-	$4,885,853	166%

OTHER SUPPLEMENTARY INFORMATION

Louisiana Housing Finance Agency
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

C O N T E N T S

1 Schedule of Per Diem Paid to Board Members
3 Schedules of Long-Term Debt
4 Schedules of Long-Term Debt Amortization
15 Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, Louisiana 70808

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Rene Landry (Name) Chief Fiscal Officer (Title) of Louisiana Housing Finance Agency who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Housing Finance Agency at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 27th day of August, 2009.

Rene Landry
Signature of Agency Official

Loretta Wallace
NOTARY PUBLIC
LORETTA WALLACE ID #053916

Prepared by: Rene Landry

Title: Chief Fiscal Officer

Telephone No.: (225) 763-8700 ext. 335

Date: August 27, 2009

Email Address: rlandry@lhfa.state.la.us

STATE OF LOUISIANA **Statement A**
LOUISIANA HOUSING FINANCE AGENCY
BALANCE SHEET
AS OF JUNE 30, 2009

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	1,052,483
Investments		63,573,514
Receivables (net of allowance for doubtful accounts)(Note U)		435,741
Due from other funds (Note Y)		134,105
Due from federal government		2,975,973
Inventories		
Prepayments		
Notes receivable		1,248,886
Other current assets		572,401
Total current assets		69,993,103
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		40,600,285
Investments		3,891,082
Receivables		27,175,593
Investments		
Notes receivable		80,943,647
Capital assets (net of depreciation)(Note D)		
Land		712,338
Buildings and improvements		39,506,392
Machinery and equipment		502,922
Infrastructure		
Construction-in-progress		7,117,958
Other noncurrent assets		
Total noncurrent assets		200,450,217
Total assets	$	270,443,320
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	1,776,237
Due to other funds (Note Y)		
Due to federal government		4,495
Deferred revenues		7,946,181
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		725,601
Capital lease obligations		
Liabilities payable from restricted assets (Note Z)		7,685,485
Notes payable		
Bonds payable		1,506,218
Other long-term liabilities		
Total current liabilities		19,644,217
NONCURRENT LIABILITIES: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable (debentures)		13,828,038
Bonds payable		22,250,980
OPEB payable		3,039,027
Other long-term liabilities		
Total noncurrent liabilities		39,118,045
Total liabilities		58,762,262
NET ASSETS		
Invested in capital assets, net of related debt		41,999,610
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		113,958,161
Unrestricted		55,723,287
Total net assets		211,681,058
Total liabilities and net assets	$	270,443,320

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA **Statement B**
LOUISIANA HOUSING FINANCE AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	11,855,654
Other	4,750,840
Total operating revenues	16,606,494
OPERATING EXPENSES	
Cost of sales and services	
Administrative	14,236,290
Depreciation	423,648
Amortization	
Total operating expenses	14,659,938
Operating income(loss)	1,946,556
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	138,643,697
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	(128,477,701)
Interest expense	(1,159,746)
Other revenue	6,855,813
Other expense	(2,330,338)
Total non-operating revenues(expenses)	13,531,725
Income(loss) before contributions, extraordinary items, & transfers	15,478,281
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	1,913,391
Transfers out	
Change in net assets	17,391,672
Total net assets – beginning	194,289,386
Total net assets – ending	$ 211,681,058

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA **Statement C**
LOUISIANA HOUSING FINANCE AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 2009

See Appendix B for instructions

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Entity	$ 146,627,723	$ 16,689,864	$ 138,764,483	$	$ 8,826,624

General revenues:	
Taxes	
State appropriations	
Grants and contributions not restricted to specific programs	
Interest	4,702,213
Miscellaneous	1,949,444
Special items	
Extraordinary item - Loss on impairment of capital assets	
Transfers	1,913,391
Total general revenues, special items, and transfers	8,565,048
Change in net assets	17,391,672
Net assets - beginning	194,289,386
Net assets - ending	$ 211,681,058

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	$ 19,104,721	
Cash payments to suppliers for goods and services	(4,811,025)	
Cash payments to employees for services	(7,731,195)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	(13,480,417)	
Net cash provided(used) by operating activities		(6,917,916)
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts	142,939,466	
Federal disbursements	(128,477,701)	
Proceeds from sale of bonds		
Principal paid on bonds	(1,360,000)	
Interest paid on bond maturities	(797,749)	
Proceeds from issuance of notes payable		
Principal paid on notes payable (debentures)	(4,621,994)	
Interest paid on notes payable	(244,781)	
Operating grants received		
Transfers in	1,913,391	
Transfers out		
Other	1,761,024	
Net cash provided(used) by non-capital financing activities		11,111,656
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds	(590,000)	
Interest paid on bond maturities	(269,170)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(124,752)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(983,922)
Cash flows from investing activities		
Purchases of investment securities	(62,577,754)	
Proceeds from sale of investment securities	47,365,483	
Income from rental properties	312,206	
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		(14,900,065)
Net increase(decrease) in cash and cash equivalents		(11,690,247)
Cash and cash equivalents at beginning of year		53,343,015
Cash and cash equivalents at end of year		$ 41,652,768

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		$	1,946,556
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:			
Depreciation/amortization	423,648		
Provision for uncollectible accounts			
Other - Fair market value adjustment	(1,606,797)		
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(1,586,161)		
(Increase)decrease in due from other funds			
(Increase)decrease in mortgage loans	(11,095,325)		
(Increase)decrease in inventories			
(Increase)decrease in other assets	(210,895)		
Increase(decrease) in accounts payable and accruals	(24,212)		
Increase(decrease) in compensated absences payable	159,504		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues	3,533,206		
Increase(decrease) in OPEB payable	1,558,778		
Increase(decrease) in other liabilities	(16,218)		
Net cash provided(used) by operating activities		$	(6,917,916)

Schedule of noncash investing, capital, and financing activities: N/A

Borrowing under capital lease(s)	$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	$ -

The accompanying notes are an integral part of this statement.

INTRODUCTION

The Louisiana Housing Finance Agency was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statutes of 1950, as amended, Chapter 3-A of Title 40. The following is a brief description of the operations of Louisiana Housing Finance Agency and includes the parish/parishes in which the Agency is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) 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.

The accompanying financial statements of the Agency present information only as to the transactions of the programs of the Agency as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Agency are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition
Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition
Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING N/A

The appropriations made for the operations of the various programs of the _____________ (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	APPROPRIATIONS
Original approved budget	$
Amendments:	
Final approved budget	$ -

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Agency may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Agency may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; 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.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under 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.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Money Market Accounts	Total
Balance per agency books (Balance Sheet)	$ 32,703,194	$	$ 8,949,324	$ 41,652,518
Deposits in bank accounts per bank	$ 33,219,328	$	$ 8,949,324	$ 42,168,652
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	$	$	$	$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	$	$	$	$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or ageny but not in the entity's name.	$	$	$	$ -

2

NOTE: The “Deposits in bank accounts per bank” will not necessarily equal the “Balance per agency books” due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

Banking Institution	Program		Amount
1. Chase Bank	General and Federal	$	32,899,630
2. Hancock Bank	General and Elderly		8,949,324
3. Federal Home Loan Bank	General		51,871
4. Capital One	HUD Disposition		267,827
Total		$	42,168,652

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	$	
Petty cash	$	250

2. INVESTMENTS

The Agency does maintain investment accounts as authorized by Louisiana Revised Statutes of 1950 as amended and 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.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	Investments Exposed to Custodial Credit Risk		**All Investments Regardless of Custodial Credit Risk Exposure**	
Type of Investment	**Uninsured, *Unregistered, and Held by Counterparty**	**Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name**	**Reported Amount Per Balance Sheet**	**Fair Value**
Negotiable CDs	$	$	$	$
Repurchase agreements				
U.S. Government Obligations **			15,336,363	15,336,363
U.S. Agency Obligations				
Common & preferred stock				
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ***				
External Investment Pool (Other)				
Other: (identify)				
U.S. Sponsored Agencies			49,750,944	49,750,944
Investment Contracts			2,377,289	2,377,289
Total investments	$ -	$ -	$ 67,464,596	$ 67,464,596

* Unregistered - not registered in the name of the government or entity

* * These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

3. DERIVATIVES

The institution does/does not invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk__________N/A________________________
market risk_________N/A________________________
legal risk___________N/A________________________

Technical Bulletin 2003-1 requires certain note disclosures for derivatives that are not reported at fair value on the Balance Sheet. See Appendix C for more details and disclose any of these required note disclosures below, if applicable. ______N/A

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Rating Agency	Rating	Fair Value
Standard & Poors	AAA	$ 65,087,307
Standard & Poors	BBB	2,377,289
	Total	$ 67,464,596

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$ 6,416,110	$ 2,409,220	$ 4,006,890	$	$
U.S. Agency obligations	49,750,944	24,745,904	10,519,944	1,453,995	13,031,101
Mortgage backed securities	8,920,253		27,441	670,300	8,222,512
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other	2,377,289				2,377,289
Total debt investments	$ 67,464,596	$ 27,155,124	$ 14,554,275	$ 2,124,295	$ 23,630,902

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix C for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
N/A	$	
Total	$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

Issuer	Amount	% of Total Investments
Federal Home Loan Bank	$ 9,589,741	14%
Federal National Mortgage Association	26,697,322	40%
Federal Home Loan Mortgage Corporation	10,949,932	16%
Total	$ 47,236,995	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

	Fair Value in U.S. Dollars	
Foreign Currency	Bonds	Stocks
NONE	$	$
Total	$ -	$ -

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

Interest Rate Risk: The Agency manages interest rate risk by duration. They forecast future changes in interest rates and the slope of the yield curve and then select a duration strategy for the portfolio. For example, when forecasts are for higher interest rates, the general strategy is to shorten the overall duration of a portfolio to mitigate the adverse affects of higher interest rates. Conversely, if forecasts are for lower interest rates, then the duration of the portfolio is lengthened.

Credit Risk of Debt Investments: It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs.

Custodial Credit Risk: The Agency's investments are held by the custodial bank as an agent for the Agency, in the Agency name, and are thereby not exposed to custodial credit risk.

Concentration of Credit Risk: The Agency places no limit on the amount they may invest in any one issuer.

The Agency holds no deposits or investments that are exposed to foreign currency risk; therefore, there is no policy disclosed in the footnotes.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds ______NONE________________

b. Securities underlying reverse repurchase agreements __________NONE_________________________

c. Unrealized investment losses ___________NONE____

d. Commitments as of June 30, 2009, to resell securities under yield maintenance repurchase agreements:
   1. Carrying amount and market value at June 30 of securities to be resold ______N/A____________
   2. Description of the terms of the agreement _____________N/A______________________________

e. Losses during the year due to default by counterparties to deposit or investment transactions_________ ______________NONE____

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet ______________NONE____

Legal or Contractual Provisions for Reverse Repurchase Agreements N/A

g. Source of legal or contractual authorization for use of reverse repurchase agreements ______________

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year ____

Reverse Repurchase Agreements as of Year-End N/A

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest ____

j. Commitments on _____________ (fiscal close) to repurchase securities under yield maintenance agreements____

k. Market value on _____________ (fiscal close) of the securities to be repurchased___________________

l. Description of the terms of the agreements to repurchase ____
____

m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements
____
____

n. Amounts recovered from prior-period losses which are not separately shown on the operating statement ____

Fair Value Disclosures (GASB 31) N/A

o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices ____
____

p. Basis for determining which investments, if any, are reported at amortized cost ____________________
____

q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool ____
____

r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ____
____

s. Any involuntary participation in an external investment pool____________________________________
____

t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate____
____
____

u. Any income from investments associated with one fund that is assigned to another fund ___________
____

Land and Other Real Estate Held as Investments by Endowments (GASB 52) N/A

v. __________________________ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009							
		Prior Period Adjustments						
	Balance 6/30/2008	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)	Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements	Balance 6/30/2009
Capital assets not being depreciated								
Land	$ 712,338	$ –	$ --	$ 712,338	$ --	$ --	$ --	$ 712,338
Non-depreciable land improvements	--	–	--	--	--	--	--	--
Capitalized collections	--	–	--	--	--	--	--	--
Construction in progress	4,391,249	–	--	4,391,249	2,726,709	--	--	7,117,958
Total capital assets not being depreciated	5,103,587	–	--	5,103,587	2,726,709	--	--	7,830,296
Other capital assets								
Machinery and equipment	2,245,116	–	--	2,245,116	123,140	--	(80,227)	2,288,029
Less accumulated depreciation	(1,629,112)	–	--	(1,629,112)	(236,222)	--	80,227	(1,785,107)
Total Machinery and equipment	616,004	–	--	616,004	(113,082)	--	--	502,922
Buildings and improvements	42,153,918	–	--	42,153,918	104,989	--	--	42,258,907
Less accumulated depreciation	(1,497,942)	–	--	(1,497,942)	(1,341,044)	--	--	(2,838,986)
Total buildings and improvements	40,655,976	–	--	40,655,976	(1,236,055)	--	--	39,419,921
Depreciable land improvements	130,939	–	--	130,939	--	--	--	130,939
Less accumulated depreciation	(37,921)	–	--	(37,921)	(6,547)	--	--	(44,468)
Total depreciable land improvements	93,018	–	--	93,018	(6,547)	--	--	86,471
Infrastructure	--	–	--	--	--	--	--	--
Less accumulated depreciation	--	–	--	--	--	--	--	--
Total infrastructure	--	–	--	--	--	--	--	--
Total other capital assets	41,364,998	–	--	41,364,998	(1,355,684)	--	--	40,009,314
Capital Asset Summary:								
Capital assets not being depreciated	5,103,587	–	--	5,103,587	2,726,709	--	--	7,830,296
Other capital assets, at cost	44,529,973	–	--	44,529,973	228,129	--	(80,227)	44,677,875
Total cost of capital assets	49,633,560	–	--	49,633,560	2,954,838	--	(80,227)	52,508,171
Less accumulated depreciation	(3,164,975)	–	--	(3,164,975)	(1,583,813)	--	80,227	(4,668,561)
Capital assets, net	$ 46,468,585	$ –	$ --	$ 46,468,585	$ 1,371,025	$ --	$ --	$ 47,839,610

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The BTA's inventories are valued using ______N/A__________ (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Agency at June 30, 2009, reflected at $71,666,960 in the non-current assets section on Statement A, consist of $40,600,285 in cash with fiscal agent, $27,175,593 in receivables, and $3,891,082 in investment securities.

G. LEAVE

1. COMPENSATED ABSENCES

The Agency has the following policy on annual and sick leave:

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; however, the use of annual leave through time off is limited to 780 hours. 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 cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $725,601. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Agency are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System 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.

All full-time Agency employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Agency is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 20.4% and 19.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The Agency contributions to the System for the years ending June 30, 2009, 2008, and 2007, were $825,551, $1,088,174, and $803,656, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	$ 1,647,800
2. *NOO, beginning of year (see *OPEB Liability Spreadsheet of FYE 6/30/08* on OSRAP's website)	$ 1,480,249
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	$ 59,210
5. ARC adjustment (2./3.)	$ 56,563
6. Annual OPEB expense (1. + 4. - 5.)	$ 1,650,447
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	$ 91,669
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	$ -
9. **NOO, end of year (2. + 6. - 7 +or-8.)	$ 3,039,027

*** This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"**
****This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.**

For more information on calculating the annual OPEB expense and the net OPEB obligation, see page two of the OPEB actuarial valuation report on OSRAP's website www.doa.louisiana.gov/osrap/index.htm, select "AFR packets", then scroll down and select "*GASB 45 OPEB Valuation Report as of July 1, 2008, to be used for fiscal year ending June 30, 2009*". Also, see Appendix D in the back of this packet.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES N/A

The total payments for operating leases during fiscal year ________amounted to $________. **(Note: If lease payments extend past FY 2024, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015-2019	FY 2020-2024
Office Space	$	$	$	$	$	$	$
Equipment							
Land							
Other							
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2. CAPITAL LEASES N/A

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/09. In Schedule B, report only those new leases entered into during fiscal year 2008-2009.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Equipment			
c. Land			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2010	$
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Equipment			
c. Land			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2010	$
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

SCHEDULE C – LEAF CAPITAL LEASES

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Equipment			
c. Land			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend**

past FY2029, create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	Total
2010	$
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

3. LESSOR DIRECT FINANCING LEASES N/A

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		$	$	$
b. Equipment				
c. Land				
Less amounts representing executory costs				
Minimum lease payment receivable		-		
Less allowance for doubtful accounts				
Net minimum lease payments receivable		-		
Less estimated residual value of leased property				
Less unearned income				
Net investment in direct financing lease		$ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2009 were $__________ for office space, $________ for equipment, and $________ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of ___________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending _____________:	
2010	$
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total	$ -

4. LESSOR – OPERATING LEASE N/A

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of __________ 20___:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	$	$	$ 0
b. Equipment			0
c. Land			0
Total	$ -	$ -	$ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of __________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2010	$	$	$	$	$ -
2011					-
2012					-
2013					-
2014					-
2015-2019					-
2020-2024					
2025-2029					-
Total	$ -	$ -	$ -	$ -	$ -

Current year lease revenues received in fiscal year ______ totaled $________________. Contingent rentals received from operating leases received for your fiscal year was $________________ for office space, $_____________for equipment, and $______________for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts due within one year
		Year ended June 30, 2009			
Notes and bonds payable:					
Notes payable	$ 18,450,032	$ --	$ 4,621,994	$ 13,828,038	$ --
Bonds payable	25,723,416	--	1,966,218	23,757,198	1,506,218
Total notes and bonds	**44,173,448**	**--**	**6,588,212**	**37,585,236**	**1,506,218**
Other liabilities:					
Contracts payable	--			--	
Compensated absences payable	--			--	
Capital lease obligations	--			--	
Claims and litigation	--			--	
OPEB payable	--			--	
Other long-term liabilities	--			--	
Total other liabilities	--	--	--	--	--
Total long-term liabilities	$ 44,173,448	$ --	$ 6,588,212	$ 37,585,236	$ 1,506,218

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC**. Losses or ending litigation that is probable should be reflected on the balance sheet.

The Agency is a defendant in litigation seeking damages as follows**:** (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
08/01/02	HUD Claim	$ 1,000,000	$ -
Totals		$ 1,000,000	$ -

The Agency is involved in a matter with the Department of Housing and Urban Development Board of Contract Appeals relating to a multifamily mortgage loan claim paid by HUD in 1990. HUD now asserts that the Notice of Default, which was a required part of the procedures for processing such a claim, was filed with HUD beyond the required deadline. It is important to note that this process was the responsibility of the Servicing Agent that the Agency contracted to service this loan.

HUD is claiming that the Agency (or its trust account which no longer exists) was overpaid by $804,384. Furthermore, HUD claims entitlement to interest and penalties on this amount. The Agency has an indemnification agreement with the Servicing Agent for matters such as this; however, a formal claim has not been filed by the Agency against the Servicing Agent. The Agency's attorney has indicated that it is not possible to give an opinion concerning the likelihood of an unfavorable result to the Agency. However, in prior years, the Agency has accrued $1,000,000 relating to this matter.

*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1	N/A		$		$
2					
3					
4					

* Reasonably possible, probable, or remote
** Indicate only if amount can be reasonably estimated by legal counsel

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

purchase of commercial insurance,
X participation in a public entity risk pool (e.g., Office of Risk Management claims)
risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
Other (explain) ______________________

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. ______________ N/A ______________

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. _____N/A______________

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. ______________ N/A ______________

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____N/A______________

M. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. ____NONE____________________

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting ____N/A________ (principle, estimate or entity). The effect of the change is being shown in _____N/A_________.

O. IN-KIND CONTRIBUTIONS N/A

List all in-kind contributions that are not included in the accompanying financial statements.

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
	$
Total	$ -

P. DEFEASED ISSUES

On November 1, 2006, the Agency issued $20,600,000 of Series 2006A Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted – 202 Elderly Projects) to advance refund $20,600,000 of outstanding Series 2003A Multifamily Mortgage Revenue Bonds (Section 8 Assisted - 202 Elderly Projects). This refunding became necessary when, in 2005, Hurricane Katrina severely damaged eleven of the eighteen projects financed with the Series 2003A bonds. The distribution resulted in an extraordinary mandatory redemption of the Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds had been redeemed, due to the redemption structure of the bonds and loss of expected surplus revenues on the projects, cash flows for the Series 2003A bonds no longer provided assurance that principal and interest on the bonds would be paid when due.

Interest rates on the Series 2006A bonds range from 3.85% to 4.75%, whereas interest rates on the Series 2003A bonds ranged from 1.2% to 4.85%. This increase in interest rates coupled with the loss of expected surplus revenues on the projects that were destroyed resulted in an economic loss on the advanced refunding of $960,130 (the difference between the present values of the Series 2003A and Series 2006A cash flows). The additional debt service to be paid on the Series 2006A refunding bonds through their maturity is $5,383,121. However, the Series 2006A bonds are subject to optional redemption on June 1, 2013, and a possible refinancing of the debt to lower interest rates could reduce the amount of excess debt service expected to be paid.

The reacquisition price in the advance refunding of the Series 2003A bonds was $405,445 less than the net carrying value of the bonds. This difference is reported in the balance sheet of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount will be amortized as a reduction of interest expense through fiscal year 2032 using the straight line method unless the Series 2006A bonds are refunded prior to their scheduled maturity date.

Issuance of the Series 2006A refunding bonds resulted in net proceeds of $20,252,690 (after payment of issuance costs plus $2,063,440 of transferred proceeds), which were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2003A bonds. As a result, the Series 2003A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the Agency. At June 30, 2009, $14,730,000 of the defeased bonds are still outstanding. At June 30, 2009, $17,555,000 of the Series 2006A bonds are outstanding.

Q. REVENUES – PLEDGED OR SOLD (GASB 48) N/A

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency's name or in your agency's behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:
- Pledged revenue is ____________________
- Debt secured by the pledged revenue (amount)____________________
- Approximate amount of pledge____________________
  (equal to the remaining principal and interest requirements)

b. Term of the commitment:____________________
  [number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge:____________________
____

d. Relationship of the pledged amount to the specific revenue:____________________
____
  (the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):
- Principal requirements:____________________
- Interest requirements:____________________
- Pledged revenues recognized during the period____________________
  (gross pledged revenue minus specified operating expenses)

NOTE: For any new Revenue Bonds, you must send a copy of the following pages:
- Cover page
- Introductory statement
- **Amortization schedule – terms and conditions**
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix E)

Provide the following information in the year of the sale ONLY:

a. Identify the specific revenue sold:
- the revenue sold is ______________________________
- the approximate amount ______________________________
- significant assumptions used in determining the approximate amount ____________________
____

b. Period of the sale: ______________________________

c. Relationship of the sold amount to the total for that specific revenue:________________________
____

d. Comparison of the sale:
- proceeds of the sale______________________________
- present value of the future revenues sold ______________________________
- significant assumptions in determining the present value______________________________
____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2008-2009:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			$
Total government-mandated nonexchange transactions (grants)			$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

At June 30, 20__, the ____________________ (BTA) was not in compliance with the provisions of ______________________________ Bond Reserve Covenant that requires ______________________________. The ______________________ (BTA) did ______________________________ to correct this deficiency.

T. SHORT-TERM DEBT N/A

The ______________________ (BTA) issues short-term notes for the following purpose(s)______________
____
______________________________.

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	$	$	$	$ -

The ______________________ (BTA) uses the following revolving line of credit for to finance ____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	$	$	$	$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	$	$	$	$ 435,741	$ -
					-
Gross receivables	$ -	$ -	$ -	$ 435,741	$ -
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	$ -	$ -	$ -	$ 435,741	$ -
Amounts not scheduled for collection during the subsequent year	$	$	$	$ -	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

Fund		Vendors		Salaries and Benefits		Accrued Interest		Other Payables		Total Payables
	$	1,391,129	$	363,660	$	21,448	$	-	$	1,776,237
										-
Total payables	$	1,391,129	$	363,660	$	21,448	$	-	$	1,776,237

W. SUBSEQUENT EVENTS N/A

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement. ____

____

____

X. SEGMENT INFORMATION N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 ______________________________

Segment No. 2 ______________________________

A. Condensed balance sheet:

(1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
(2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
(3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
Current assets	$	$
Due from other funds		
Capital assets		
Other assets		
Current liabilities		
Due to other funds		
Long-term liabilities		
Restricted net assets		
Unrestricted net assets		
Invested in capital assets, net of related debt		

B. Condensed statement of revenues, expenses, and changes in net assets:

(1) Operating revenues (by major source).
(2) Operating expenses. Depreciation (including any amortization) should be identified separately.
(3) Operating income (loss).
(4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
(5) Capital contributions and additions to permanent and term endowments.
(6) Special and extraordinary items.
(7) Transfers
(8) Change in net assets.
(9) Beginning net assets.
(10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	Segment #1	Segment #2
Operating revenues	$	$
Operating expenses		
Depreciation and amortization		
Operating income (loss)	-	-
Nonoperating revenues (expenses)		
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	-	-
Beginning net assets		
Ending net assets	-	-

C. Condensed statement of cash flows:

(1) Net cash provided (used) by:
  (a) Operating activities
  (b) Noncapital financing activities
  (c) Capital and related financing activities
  (d) Investing activities
(2) Beginning cash and cash equivalent balances
(3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$	$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities		
Beginning cash and cash equivalent balances		
Ending cash and cash equivalent balances	-	-

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end: (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

Type of Fund	Name of Fund	Amount
Enterprise	MRB Housing Program	$ 134,105
Total due from other funds		$ 134,105

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

Type of Fund	Name of Fund	Amount
N/A		$
Total due to other funds		$

3. List by fund type **all transfers from other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
Enterprise	MRB Housing Program	$ 1,913,391
Total transfers from other funds		$ 1,913,391

4. List by fund type **all transfers to other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
N/A		$
Total transfers to other funds		$

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Agency at June 30, 2009, reflected at $7,685,485 in the liabilities section on Statement A, consist of $66,292 in accrued interest payable and $7,619,193 in amounts held in escrow.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

The following adjustments were made to restate beginning net assets for June 30, 20__.

Ending net assets 6/30/08 as reported to OSRAP on PY AFR	*Adjustments to end net assets 6/30/08 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/08) + or (-)	Beg net assets @ 7/1/08 as restated
$	$	$ –	$ –
		–	–
		–	–
		–	–
		–	–

Each adjustment must be explained in detail on a separate sheet.
*Include all audit adjustments accepted by the agency or entity.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) N/A

Of the total net assets reported on Statement A at June 30, 20__, $_____________ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix F for more details on the determination of the amount to be reported as required by GASB Statement 46. List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

Purpose of Restriction	LA Revised Statute Authorizing Revenue	Amount
		$
Total		$

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES N/A

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix G for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 08-09: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix G, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment Loss	Insurance Recovery in the same FY	Net Impairment Loss per Financial Stmts	Financial Statement Classification	Appendix G Indicator of Impairment	Reason for Impairment (e.g. hurricane, fire)
Buildings	$	$	$			
Movable Property						
Infrastructure						

Insurance recoveries received in FY 08-09 related to impairment losses occurring in previous years, and insurance recoveries received in FY 08-09 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

Type of asset	Amount of Insurance Recovery	Financial Statement Classification	Reason for insurance recovery (e.g. fire)
Buildings	$		
Movable Property			
Infrastructure			

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year: (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

Type of asset	Carrying Value of Idle Impaired Assets	Reason for Impairment
Buildings - permanently impaired	$	
Buildings - temporarily impaired		
Movable Property - permanently impaired		
Movable Property - temporarily impaired		
Infrastructure - permanently impaired		
Infrastructure - temporarily impaired		

DD. EMPLOYEE TERMINATION BENEFITS N/A

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

Refer to GASB No. 47, Summary, Recognition Requirements – "Involuntary" termination is recognized when there is a plan of termination approved by the government. "For financial reporting purposes, a plan of involuntary termination is defined as a plan that (a) identifies, at a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur and (b) establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated." This does not only include lay-off plans, but can include "an early-retirement incentive program that affects a significant portion of employees."

Other termination benefits **paid as part of a plan, as described above,** may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2008, the cost of providing those benefits for _____ (number of) voluntary terminations totaled $_________. For 2008, the cost of providing those benefits for _____ (number of) involuntary terminations totaled $_________.

[The termination benefits (voluntary and involuntary) paid in FY 2008 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]
The liability for the accrued voluntary terminations benefits payable at June 30, _____ is $_________. This liability consists of _________ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, ______ is $_________. This liability consists of _________ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

____
____

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA) N/A

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- **a.** **The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)**
- **b.** **The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations**
- **c.** **Estimated recoveries reducing the liability.**

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

A preliminary site assessment has been done which revealed _____________________ (asbestos, polluted ground water, leaking underground fuel storage tanks, etc.) on ___________________agency's/entity's property. A possible explanation for this is _____________________________. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of $_____________. The ______________________ (agency) paid $_________ in remediation costs for fiscal year 2009 and is reporting a balance of $________________ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2009

Name	Amount
Michael Airhart	$ 750
Barbara Anderson	750
Jerome Boykin, Sr.	350
Maureen Clary	450
Mayson Foster	800
Walter Guillory	500
Allison Jones	700
Roy Lester	100
James Madderra	650
Robert Pernell	300
Joseph Scontrino, III	550
Guy Williams	550
Tyrone Wilson	500
Wayne Woods	500
Alberta Young	150
Total	$ 7,600

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2009

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/08	(Redeemed) Issued	Principal Outstanding 6/30/09	Interest Rates	Interest Outstanding 6/30/09
HUD Debenture	4/28/06	$29,020,292	$18,450,032	$(4,621,994)	$13,828,038	4.500	$ -0-
Total		$29,020,292	$18,450,032	$(4,621,994)	$ 13,828,038		$ -0-

*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2009

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/08	(Redeemed) Issued	Principal Outstanding 6/30/09	Interest Rates	Interest Outstanding 6/30/09
General Revenue Office Building Bond Series 2001	8/22/01	$9,500,000	$6,430,000	$ (590,000)	$5,840,000	4% - 8%	$21,448
Elderly Projects	11/1/06	20,600,000	18,915,000	(1,360,000)	17,555,000	3.95% - 4.75%	66,292
Elderly Projects - Deferred Amount	11/1/06	405,445	378,416	(16,218)	362,198	N/A	N/A
Total		$30,505,445	$25,723,416	$ 1,966,218	$ 23,757,198		$ 87,740

*Send copies of new amortization schedules

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2009

Fiscal Year Ending:	Principal	Interest
2010	$	$ 199,465
2011	13,828,038	622,262
2012		
2013		
2014		
2015-2019		
2020-2024		
2025-2029		
2030-2034		
Total	$ 13,828,038	$ 821,727

SCHEDULE 4-B

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2009

Fiscal Year Ending:	Principal	Interest
2010	$ 1,490,000	$ 1,023,296
2011	1,565,000	962,093
2012	1,655,000	896,036
2013	1,740,000	824,792
2014	1,840,000	748,418
2015	2,520,000	666,351
2016	2,040,000	563,341
2017	2,145,000	465,166
2018	1,380,000	382,969
2019	1,570,000	315,044
2020	1,530,000	239,994
2021	1,390,000	168,744
2022	610,000	111,387
2023	315,000	87,519
2024	280,000	72,200
2025	230,000	60,206
2026	245,000	49,163
2027	260,000	37,287
2028	235,000	24,819
2029	130,000	15,319
2030	140,000	9,025
2031	75,000	2,969
2032	10,000	237
Total	$ 23,395,000	$ 7,726,375

SCHEDULE 4-C

STATE OF LOUISIANA

LOUISIANA HOUSING FINANCE AGENCY

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than $1 million, explain the reason for the change.

	2009	2008	Difference	Percentage Change
1) Revenues	$ 164,019,396	$ 188,759,919	$ (24,740,523)	$ (13.11)%
Expenses	146,627,723	131,759,444	14,868,279	11.28%
2) Capital assets	47,839,610	46,468,585	1,371,025	2.95%
Long-term debt	37,585,236	44,173,448	(6,588,212)	(14.91)%
Net Assets	211,681,058	194,289,386	17,391,672	8.95%

Explanation for change:

Revenues: The change is due to a decrease in the amount of funds appropriated from the State of Louisiana Housing Trust Fund, an increase in the amount of federal funds drawn, and a decrease in net income from rental property.

Expenses: The increase is due to an additional amount of federal funds disbursed and an increase in the amount expensed for loan losses.

Capital assets: The change is due to additions to construction in progress on the Village de Jardin (formerly Gaslight) property, general additions to equipment and buildings, and an increase in accumulated depreciation.

Long-term debt: The decrease is due to payoff of a portion of the debentures payable and maturity of a portion of the bonds payable.

Net Assets: The increase is due to operating revenues received during the year, income from the rental property and an increase in transfers from the MRB program.

SCHEDULE 15

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REPORTS ON COMPLIANCE AND INTERNAL CONTROL

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA

JUNE 30, 2009

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA

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JUNE 30, 2009

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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*

August 27, 2009

To the Board of Commissioners
Louisiana Housing Finance Agency
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Housing Finance Agency as of and for the year ended June 30, 2009, and have issued our report thereon dated August 27, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Louisiana Housing Finance Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Housing Finance Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Louisiana Housing Finance Agency's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Louisiana Housing Finance Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Louisiana Housing Finance Agency's financial statements that is more than inconsequential will not be prevented or detected by Louisiana Housing Finance Agency's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Louisiana Housing Finance Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Housing Finance Agency'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 determination of financial statement amounts. 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*.

This report is intended solely for the information of the Agency's management, the Louisiana Legislative Auditor, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

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HOGAN & MAHER, L.L.P.
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

August 27, 2009

To the Board of Commissioners
Louisiana Housing Finance Agency
Baton Rouge, Louisiana

Compliance

We have audited the compliance of Louisiana Housing Finance Agency with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Louisiana Housing Finance Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Louisiana Housing Finance Agency's management. Our responsibility is to express an opinion on Louisiana Housing Finance Agency's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Housing Finance Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Louisiana Housing Finance Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

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Internal Control over Compliance

The management of Louisiana Housing Finance Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Louisiana Housing Finance Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Louisiana Housing Finance Agency's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects Louisiana Housing Finance Agency's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Louisiana Housing Finance Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Louisiana Housing Finance Agency's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Louisiana Housing Finance Agency as of and for the year ended June 30, 2009, and have issued our report thereon dated August 27, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Louisiana Housing Finance Agency's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information of the Agency's management, federal awarding agencies and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Name or Agency or Department	CFDA or Other No.	Name of Program	Name of Grant	Federal Grant Contract #	Total Awards Expended
HUD	14.195	Housing Assistance Payments	Section 8	LA800CC0001	$ 60,573,529
	14.195	Housing Assistance Payments	Section 8	LA800CC0001	3,238,292
		Total Section 8 funds			63,811,821
HUD	14.239	HOME Investment Partnerships		None	24,150,637
HUD	14.188	Housing Finance Agency Risk Sharing Program (Amount of outstanding loan guarantees)		None	14,376,631
DHHS	93.568	Low Income Housing Energy Assistance Program (LIHEAP)	2007 Funds	2007 – G-07B1LALIEA	599,607
			2008 Funds	2006 – G-08B1LALIEA	8,321,345
			2009 Funds	2007 – G-09B1LALIEA	36,795,040
			PVE Funds	None	4,861,393
			Refunds (net)		(1,094)
			Admin – PVE		72,921
			Admin		434,875
		Total LIHEAP funds			51,084,087
DSS	93.667	Department of Social Services Block Grant	2006 Funds	2006 – G-0601LASOSR	4,165,160
			Admin		338,509
		Total DSS Funds			4,503,669
Energy	81.042	Weatherization Assistance Program (WAP)	2008 Funds	DE-FG48-03R830003, A003	540,003
			2009 Funds	DE-FG26-03R830003	1,798,431
			PVE Funds	None	750,924
			Admin		56,724
		Total WAP funds expended			3,146,082
CDBG	14.228	Disaster Recovery Funds	AHPP	B06DG220001	109,950
	14.256	Neighborhood Stabilization Program	Admin		281,064
		Total CDBG funds			391,014
		Total expenditures			$ 161,463,941

See accompanying notes to the schedule of expenditures of federal awards.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Housing Finance Agency and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided
Louisiana Housing Energy Assistance Program (LIHEAP)	93.568	$ 45,714,898
LIHEAP Express (Petroleum Violation Fund)	N/A	4,861,393
Weatherization Assistance Program (WAP)	81.042	2,338,434
WAP Express (Petroleum Violation Fund)	N/A	750,924
		$ 53,665,649

NOTE C – PROGRAM INCOME

In accordance with terms of the loans funded under the HOME Program, program income totaling $1,282,698 was collected. That amount was used to reduce the amount of federal funds that would have been drawn to fund various single family and multifamily projects. The income was comprised of mortgage loan collections of principal and interest. The expenditure of the program income is included in the accompanying schedule of expenditures of federal awards.

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE D – RECONCILIATION TO THE FINANCIAL STATEMENTS

Per financial statements:	
Federal awards expensed (nonoperating)	$ 128,477,701
Mortgage loans issued (capitalized)	11,083,373
HUD Risk Sharing Mortgage Loans	14,376,631
Administrative costs within operating expenses	7,526,236
Per schedule of expenditures of federal awards	$ 161,463,941

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

A. **Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified

• Material weakness(es) identified?	_______ yes	__X__ no
• Significant deficiencies identified that are not considered to be material weaknesses?	_______ yes	__X__ none reported
Noncompliance material to financial statements noted?	_______ yes	__X__ no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	_______ yes	__X__ no
• Significant deficiencies identified that are not considered to be material weaknesses?	_______ yes	__X__ none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_______ yes	__X__ no
Dollar threshold used to distinguish between Types A and B Programs:	$ 3,000,000	
Auditee qualified as low risk auditee:	__X__ yes	_______ no

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Identification of major programs:

CFDA Numbers	Name of Federal Program
14.195	Section 8
81.042	Weatherization Assistance Program
93.667	Social Services Block Grant

B. **Findings – Financial Statement Audit** – None

C. **Findings and Questioned Costs – Major Federal Award Programs** – None

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

None noted.

REPORT

VILLAGE DE JARDIN

(FORMERLY GASLIGHT SQUARE APARTMENTS)

HUD PROJECT NO. 064-35124

JUNE 30, 2009

VILLAGE DE JARDIN

(FORMERLY GASLIGHT SQUARE APARTMENTS)

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JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

August 27, 2009

Louisiana Housing Finance Agency
Village De Jardin
(formerly Gaslight Square Apartments)
Baton Rouge, Louisiana

We have audited the accompanying balance sheet of Village De Jardin (formerly Gaslight Square Apartments) (Project No. 064-35124), as of June 30, 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Village De Jardin (formerly Gaslight Square Apartments) owners and management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Village De Jardin (formerly Gaslight Square Apartments) as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2009, on our consideration of Village De Jardin's (formerly Gaslight Square Apartments) 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
BALANCE SHEET
JUNE 30, 2009

ASSETS

CURRENT ASSETS:		
Petty cash	$	200
Cash in bank		3,744
Total current assets		3,944
DEPOSITS HELD IN TRUST - FUNDED:		
Tenant security deposits		561
Total deposits held in trust - funded		561
CAPITAL ASSETS - COST:		
Construction in progress		7,117,958
Total capital assets		7,117,958
TOTAL ASSETS	$	7,122,463

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable:		
Trade	$	11,381
Total current liabilities		11,381
NET ASSETS:		
Unrestricted		(6,876)
Invested in capital assets		7,117,958
Total net assets		7,111,082
TOTAL LIABILITIES AND NET ASSETS	$	7,122,463

See accompanying notes.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES:	$ -
OPERATING EXPENSES:	
Insurance	62,360
Operating and maintenance	8,288
Total operating expenses	70,648
Operating loss	(70,648)
NON-OPERATING REVENUES (EXPENSES):	
Miscellaneous income	1,302
Total non-operating revenues	1,302
LOSS BEFORE CONTRIBUTIONS	(69,346)
CAPITAL CONTRIBUTIONS	2,726,709
CHANGE IN NET ASSETS	$ 2,657,363

See accompanying notes.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

BALANCE AT JUNE 30, 2008	$	4,383,071
Change in net assets		2,657,363
Contribution from owner		70,648
BALANCE AT JUNE 30, 2009	$	7,111,082

See accompanying notes.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash paid for:	
Insurance	$ (62,360)
Operating and maintenance	(8,288)
Net cash used by operating activities	(70,648)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Contribution from owner	70,648
Net cash provided by capital and related financing activities	70,648
Net increase in cash	-
Cash - beginning of year	3,944
Cash - end of year	$ 3,944
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	$ (70,648)
Net cash used by operating activities	$ (70,648)
SUPPLEMENTAL DISCLOSURES	
NONCASH INVESTING ACTIVITIES:	
Construction in progress paid by contribution from the State of Louisiana	$ 2,726,709

See accompanying notes.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NATURE OF ORGANIZATION AND OPERATIONS:

Village De Jardin (formerly Gaslight Square Apartments) (the complex) is an apartment complex in New Orleans, Louisiana. The apartment complex was purchased on October 1, 1995 by the Louisiana Housing Finance Agency (sometimes referred to as LHFA or the owner) at a cost of $1 under the U. S. Department of Housing and Urban Development's Property Disposition Program. Under the terms of the purchase agreement, LHFA is bound by certain use restrictions of the apartment complex, which primarily relate to low income housing. The complex accepts rent certificates administered by the local housing authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Since the complex is owned by LHFA, a political subdivision and instrumentality of the State of Louisiana, the financial statements of the complex 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. The complex applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The complex's significant accounting policies are described below:

Basis of Accounting:

The complex is considered a proprietary fund and is presented as a business type activity. Proprietary fund types are used to account for activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful for sound financial administration. The GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets:

Capital assets are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the asset. The cost of maintenance and repairs is charged to expense as incurred; significant repairs and betterments are capitalized (see Note 3). There was no depreciation expense for the year ended June 30, 2009 since no capital assets were in service during the year.

Income Taxes:

Since the complex is owned by LHFA, the complex is not subject to income taxes.

Cash Equivalents:

For the purposes of the statement of cash flows, cash equivalents include all highly liquid deposits and debt instruments acquired with original maturities of three months or less. The tenant security deposits have use restrictions and are not considered cash equivalents.

Receivables:

An allowance for uncollectible accounts is established based on prior experience and management's assessment for the collectibility of those accounts. Accounts are considered past due on a contractual term. Management charges late fees on past due accounts but not interest. As of June 30, 2009, the account receivable balance was $0. Accordingly there was no allowance for bad debts at June 30, 2009.

2. USE OF 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 certain reported amounts and disclosures. Actual results could differ from these estimates.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

3. CAPITAL ASSETS:

The complex was purchased at a cost of $1 from the U. S. Department of Housing and Urban Development. LHFA was required to substantially rehabilitate the project with funds received from rental income. On August 29, 2005, the complex was significantly damaged by Hurricane Katrina and has not been occupied since that date. The complex was insured by the State of Louisiana Office of Risk Management. The property is being rebuilt with funding from the State of Louisiana. The associated cost is recorded as Construction in Progress and will not be depreciated until placed in service.

Following is a summary of the changes in capital assets for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Dispositions	Balance June 30, 2009
Construction in progress	$4,391,249	$ 2,726,709	$ --	$7,117,958
	4,391,249	2,726,709	--	7,117,958
Accumulated depreciation	--	--	--	--
	$4,391,249	$ 2,726,709	$ --	$7,117,958

4. RELATED PARTIES:

The owner of the complex had appointed Barron Builders & Management Company, Inc. as exclusive agent for the management of the property through May 2008. In May of 2008, the owner ended the contract with Barron Builders since the complex was idle. Upon completion of the complex, the owner will contract a third party management company to manage the complex. There were no management fees incurred during the year ended June 30, 2009 since the complex was idle.

During the year ended June 30, 2009, no administrative fees were charged by the owner for operating the complex.

5. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS:

The complex's operations are concentrated in the multifamily real estate market. In addition, the complex operates in a heavily regulated environment. The operations are subject to the administrative directives, rules and regulations of federal regulatory agencies, including HUD.

Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice of inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. CASH AND CASH EQUIVALENTS:

The complex had cash and cash equivalents (book balances) as of June 30, 2009 as follows:

Petty cash	$	200
Demand deposits		3,744
	$	3,944

The deposit accounts are subject to custodial credit risk; that is, in the event of a bank failure, the deposit may not be returned. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2009, the complex's demand deposit bank balances of $4,469 were fully insured by federal deposit insurance.

DUPLANTIER, HRAPMANN,
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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*

August 27, 2009

Louisiana Housing Finance Agency
Village De Jardin
(formerly Gaslight Square Apartments)
Baton Rouge, Louisiana

We have audited the financial statements of Village De Jardin (formerly Gaslight Square Apartments) (FHA Project No. 064-35124), as of and for the year ended June 30, 2009 and have issued our report thereon dated August 27, 2009. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Village De Jardin's (formerly Gaslight Square Apartments) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village De Jardin's (formerly Gaslight Square Apartments) internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Village De Jardin's (formerly Gaslight Square Apartments) internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Village De Jardin's (formerly Gaslight Square Apartments) ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of Village De Jardin's (formerly Gaslight Square Apartments) financial statements that is more than inconsequential will not be prevented or detected by Village De Jardin's (formerly Gaslight Square Apartments) internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Village De Jardin's (formerly Gaslight Square Apartments) internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village De Jardin's (formerly Gaslight Square Apartments) financial statements are free of material misstatements, 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Agency, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Village De Jardin (formerly Gaslight Square Apartments) for the year ended June 30, 2009 was unqualified.

2. Internal Control
   Material weaknesses: none noted
   Significant deficiencies: none noted

3. Compliance
   Noncompliance material to financial statements: none noted

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

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

VILLAGE DE JARDIN
(FORMERLY GASLIGHT SQUARE APARTMENTS)
PROJECT NO. 064-35124

OWNER'S CERTIFICATION

JUNE 30, 2009

We hereby certify that we have examined the accompanying financial statements and supplementary information of Village de Jardin (formerly Gaslight Square Apartments) and, to the best of our knowledge and belief, the same is complete and accurate.

Rene' J. Landry, CFO

For Owner: Rene' J. Landry, CFO

August 27, 2009
Date

72-0809967
Employer Identification Number

REPORT

WILLOWBROOK APARTMENTS

HUD PROJECT NO. 064-35249

JUNE 30, 2009

WILLOWBROOK APARTMENTS

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JUNE 30, 2009

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(1920-1996)
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INDEPENDENT AUDITOR'S REPORT

August 27, 2009

Louisiana Housing Finance Agency
Willowbrook Apartments
Baton Rouge, Louisiana

We have audited the accompanying balance sheet of Willowbrook Apartments (Project No. 064-35249), as of June 30, 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Willowbrook Apartments' owners and management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Willowbrook Apartments as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2009, on our consideration of Willowbrook Apartments' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
BALANCE SHEET
JUNE 30, 2009

ASSETS

CURRENT ASSETS:		
Cash in bank	$	80,288
Petty cash		200
Tenant rent receivable		70,649
Less allowance for doubtful accounts		(70,649)
Other		10,753
Total current assets		91,241
DEPOSITS HELD IN TRUST - FUNDED:		
Tenant security deposits		95,393
Total deposits held in trust - funded		95,393
CAPITAL ASSETS:		
Furniture, fixtures and equipment		119,994
Building		33,388,402
Building renovations		832,590
Less accumulated depreciation		(1,483,743)
Total capital assets		32,857,243
TOTAL ASSETS	$	33,043,877

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable:		
Trade	$	2,687
Total current liabilities		2,687
DEPOSITS:		
Tenant security deposits		96,694
Total deposits and prepayment liabilities		96,694
NET ASSETS:		
Unrestricted		87,253
Invested in capital assets		32,857,243
Total net assets		32,944,496
TOTAL LIABILITIES AND NET ASSETS	$	33,043,877

See accompanying notes.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES:	
Rental income	$ 1,770,529
Tenant charges	55,566
Total operating revenues	1,826,095
OPERATING EXPENSES:	
Administrative	91,125
Management fees	108,035
Insurance	157,603
Operating and maintenance	543,102
Personnel services	387,505
Utilities	216,758
Depreciation	1,156,733
Total operating expenses	2,660,861
Operating loss	(834,766)
NON-OPERATING REVENUES (EXPENSES):	
Other non-operating expenses	(206)
Bad debt expense	(70,649)
Total non-operating expenses	(70,855)
LOSS BEFORE CONTRIBUTIONS	(905,621)
CAPITAL CONTRIBUTIONS	78,471
CHANGE IN NET ASSETS	$ (827,150)

See accompanying notes.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

BALANCE AT JUNE 30, 2008	$ 33,781,924
Change in net assets	(827,150)
Contribution from owner	389,722
Distribution to owner	(400,000)
BALANCE AT JUNE 30, 2009	$ 32,944,496

See accompanying notes.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from:	
Rental receipts	$ 1,699,880
Other receipts	50,093
	1,749,973
Cash paid for:	
Administrative expenses	(143,542)
Insurance	(157,604)
Management fees	(119,135)
Operating and maintenance	(622,528)
Personnel services	(398,309)
Utilities	(247,670)
	(1,688,788)
Net cash provided by operating activities	61,185
CASH FLOWS FROM NONCAPITAL ACTIVITIES:	
Other non-operating expenses	(206)
Net cash used by noncapital activities	(206)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of property and equipment	(24,907)
Contribution from owner	389,722
Distribution to owner	(400,000)
Net cash used by capital and related financing activities	(35,185)
Net increase in cash	25,794
Cash - beginning of year	54,694
Cash - end of year	$ 80,488
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	$ (834,766)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,156,733
Changes in operating assets and liabilities:	
Tenant rent receivable	(70,649)
Tenant security deposit - held	(73,987)
Other assets	(7,167)
Accounts payable - trade	(173,562)
Tenant security deposit payable	75,683
Other current liabilities	(11,100)
Net cash provided by operating activities	$ 61,185

See accompanying notes.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NATURE OF ORGANIZATION AND OPERATIONS:

Willowbrook Apartments (the complex) is a 408 unit apartment complex in New Orleans, Louisiana. The apartment complex was purchased on October 1, 1995 by the Louisiana Housing Finance Agency (sometimes referred to as LHFA or the owner) at a cost of $1 under the U. S. Department of Housing and Urban Development's Property Disposition Program. Under the terms of the purchase agreement, LHFA is bound by certain use restrictions of the apartment complex, which primarily relate to low income housing. The complex accepts rent certificates administered by the local housing authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Since the complex is owned by LHFA, a political subdivision and instrumentality of the State of Louisiana, the financial statements of the complex 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. The complex applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The complex's significant accounting policies are described below:

Basis of Accounting:

The complex is considered a proprietary fund and is presented as a business type activity. Proprietary fund types are used to account for activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful for sound financial administration. The GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets:

Capital assets are carried at cost less accumulated depreciation. The complex capitalizes all property and equipment with initial, individual costs of greater than $1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred; significant repairs and betterments are capitalized. Depreciation expense for the year ended June 30, 2009 was $1,156,733.

Income Taxes:

Since the complex is owned by LHFA, the complex is not subject to income taxes.

Cash Equivalents:

For the purposes of the statement of cash flows, cash equivalents include all highly liquid deposits and debt instruments acquired with original maturities of three months or less. The tenant security deposits have use restrictions and are not considered cash equivalents.

Receivables:

An allowance for uncollectible accounts is established based on prior experience and management's assessment for the collectibility of those accounts. Accounts are considered past due on a contractual term. Management charges late fees on past due accounts but not interest. As of June 30, 2009, the account receivable balance was $70,649, and the allowance for uncollectible accounts was $70,649 at June 30, 2009.

2. USE OF 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 certain reported amounts and disclosures. Actual results could differ from these estimates.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

3. CAPITAL ASSETS:

The complex was purchased at a cost of $1 from the U. S. Department of Housing and Urban Development. LHFA was required to substantially rehabilitate the project with funds received from rental income. On August 29, 2005, the complex was significantly damaged by Hurricane Katrina. The complex was insured by the State of Louisiana Office of Risk Management. The State of Louisiana funded the reconstruction of the complex and it resumed operations in May 2008.

Following is a summary of the changes in capital assets for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Dispositions/ Transfers	Balance June 30, 2009
Building renovations	$ 832,590	$ --	$ --	$ 832,590
Furniture, fixtures and Equipment	109,428	10,566	--	119,994
Buildings	33,295,591	92,811	--	33,388,402
	34,237,609	103,377	--	34,340,986
Accumulated depreciation	(327,010)	1,156,733	--	(1,483,743)
	$33,910,599	$ (1,053,356)	$ --	$ 32,857,243

4. RELATED PARTIES:

The owner of the complex appointed Willowbrook Management, Inc. as exclusive agent for the management of the property effective May 1, 2008 when the property was placed in service. Willowbrook Management, Inc. was compensated by a monthly fee in an amount equal to 6% of the total monthly rental receipts collected and 8% on completed contracts for rehabilitation amounts specifically authorized in writing by the owner. Total management fees incurred during the year ended June 30, 2009 were $108,035.

During the year ended June 30, 2009, no administrative fees were charged by the owner for operating the complex.

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS:

Willowbrook Apartments' operations are concentrated in the multifamily real estate market. In addition, the complex operates in a heavily regulated environment. The operations are subject to the administrative directives, rules and regulations of federal regulatory agencies, including HUD.

Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice of inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

6. CASH AND CASH EQUIVALENTS:

The complex had cash and cash equivalents (book balances) as of June 30, 2009 as follows:

Petty cash	$ 200
Demand deposits	80,288
	$ 80,488

The deposit accounts are subject to custodial credit risk; that is, in the event of a bank failure, the deposit may not be returned. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2009, the complex's demand deposit bank balances of $263,358 were entirely secured by federal deposit insurance.

7. COMMITMENTS AND CONTINGENCIES:

The complex is involved in a legal action that arose as a result of events that occurred in a prior year during the course of operations. The management company has been named as a defendant in the lawsuit. The complex's attorney estimates that the complex has a 50 – 75% chance of successfully defending the claim. The estimated range of loss for the claim is $50,000 to $100,000.

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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*

August 27, 2009

Louisiana Housing Finance Agency
Willowbrook Apartments
Baton Rouge, Louisiana

We have audited the financial statements of Willowbrook Apartments (FHA Project No. 064-35249), as of and for the year ended June 30, 2009, and have issued our report thereon dated August 27, 2009. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Willowbrook Apartments' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Willowbrook Apartments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Willowbrook Apartments' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Willowbrook Apartments' ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of Willowbrook Apartments' financial statements that is more than inconsequential will not be prevented or detected by Willowbrook Apartments' internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Willowbrook Apartments' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Willowbrook Apartments' financial statements are free of material misstatements, 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Agency, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Willowbrook Apartments for the year ended June 30, 2009 was unqualified.

2. Internal Control
   Material weaknesses: none noted
   Significant deficiencies: none noted

3. Compliance
   Noncompliance material to financial statements: none noted

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

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

WILLOWBROOK APARTMENTS
PROJECT NO. 064-35249

OWNER'S CERTIFICATION

JUNE 30, 2009

We hereby certify that we have examined the accompanying financial statements and supplementary information of Willowbrook Apartments and, to the best of our knowledge and belief, the same is complete and accurate.

Rene' J. Landry, CFO

For Owner: Rene' J. Landry, CFO

August 27, 2009
Date

72-0809967
Employer Identification Number

REPORT

LOUISIANA HOUSING FINANCE AGENCY

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

LOUISIANA HOUSING FINANCE AGENCY

INDEX TO REPORT

JUNE 30, 2009 AND 2008

DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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INDEPENDENT AUDITOR'S REPORT

September 1, 2009

To the Board of Commissioners
Louisiana Housing Finance Agency
Baton Rouge, Louisiana

We have audited the accompanying combined financial statements of the Louisiana Housing Finance Agency as of and for the years ended June 30, 2009 and 2008, which collectively comprise the Agency's basic financial statements as listed in the foregoing index to the report. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Louisiana Housing Finance Agency Mortgage Revenue Bond Program as of June 30, 2008. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mortgage Revenue Bond Program, is based solely on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAP). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

As further described in Note 1 Summary of Significant Accounting Policies, the Agency has not adopted Governmental Accounting Standards Board Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* for its Mortgage Revenue Bond Programs. The adoption of this statement is necessary for conformity with accounting principles generally accepted in the United States of America. The effect on assets, liabilities, revenues, and expenses is not known.

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In our opinion, except for the effect on the combined financial statements of the departure from accounting principles generally accepted in the United States of America described in the preceding paragraph, based on our audit and the report of the other auditors, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the combined financial position of the Louisiana Housing Finance Agency as of June 30, 2009 and 2008 and its combined results of operations and its combined cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is required supplementary information required by Governmental Accounting Standards Board (GASB). We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The schedule of funding progress for the Agency's OPEB Plan on page 50 is presented for additional analysis as required by Governmental Accounting Standards Board (GASB) and is not part of the basic financial statements. Such required supplementary information has been subjected to the auditing procedures applied in the audit of the Agency's financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Louisiana Housing Finance Agency. The combining and individual mortgage revenue bond programs' financial statements on pages 51-80 have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements. Except for the unknown effect of the GAAP departure as noted above, in our opinion, based on our audit and the report of other auditors, the Agency's financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

The Management's Discussion and Analysis of the LHFA's financial performance presents a narrative overview and analysis of LHFA's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. The amounts used in this analysis are rounded to the nearest thousandth or millionth, as indicated. Please read this document in conjunction with the LHFA's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

2009

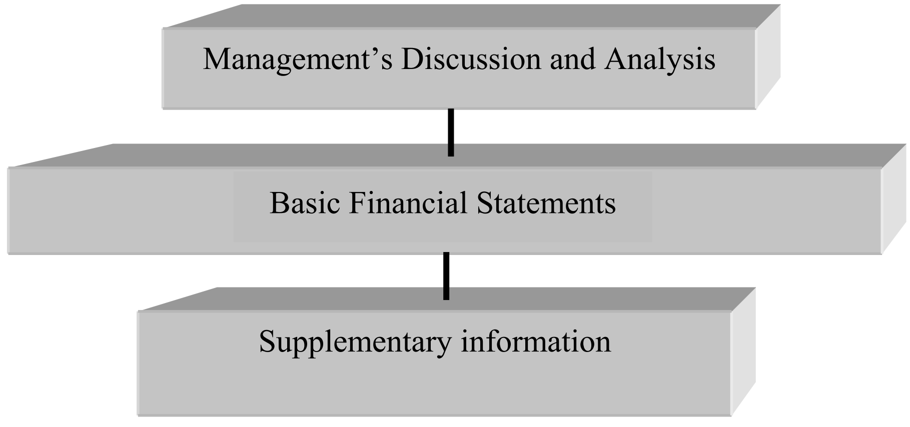
- ★ The LHFA's assets exceeded its liabilities at the close of fiscal year 2009 by $275,647,000 which represents a 5% increase from last fiscal year.
- ★ The LHFA's total revenues decreased $30,805,000 (or 13%), total expenses increased by $16,620,000 (or 9%), and consequently, the income before transfers and contributions decreased by $47,425,000 (or 78%).

2008

- ★ The LHFA's assets exceeded its liabilities at the close of fiscal year 2008 by $262,724,000 which represents a 33% increase from last fiscal year.
- ★ The LHFA's total revenues increased $75,055,000(or 46%), total expenses increased by $48,571,000 (or 38%), and consequently the income before transfers and contributions increased by $26,484,000 (or 77%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

These 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 supplementary information.

Basic Financial Statements

The basic financial statements present information for the LHFA as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows.

The Balance Sheets (page 10) present the assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the LHFA is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets (page 11) present information showing how LHFA's net assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flow (pages 12-13) present information showing how LHFA'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 GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of June 30, 2009, June 30, 2008, and June 30, 2007
(In thousands)

	Total		
	2009	2008	2007
Cash	$ 60,321	$ 64,805	$ 22,969
Investments	108,096	213,088	374,019
Mortgage Loans	946,790	880,423	636,400
Capital Assets	47,840	46,469	17,904
Other Assets	64,051	57,194	53,313
Total assets	1,227,098	1,261,979	1,104,605
Other liabilities	$ 28,389	$ 18,470	$ 16,784
Notes, Debentures and Bonds Payable	923,062	980,785	889,948
Total liabilities	951,451	999,255	906,732

STATE OF LOUISIANA
LOUISIANA HOUSING FINANCE AGENCY (LHFA)
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009 AND JUNE 30, 2008

Statement of Net Assets
As of June 30, 2009, June 30, 2008, and June 30, 2007
(in thousands)

	Total		
Net assets:	2009	2008	2007
Invested in Capital Assets, net of Related debt	$ 42,000	$ 40,039	$ 10,909
Restricted	177,508	164,305	127,060
Unrestricted	56,139	58,380	59,904
Total net assets	$ 275,647	$ 262,724	$ 197,873

Amounts invested in capital assets represent the carrying amount of property and equipment less depreciation. Restricted net assets represent those assets that are not available for spending as a result of donor agreements and grant requirements. Unrestricted net assets provide necessary reserves to support the general obligation of the agency.

2009

Net assets of the LHFA increased by $12,923,000 or 5%, from June 30, 2008 to June 30, 2009. This increase in net assets can be attributed to the net operating loss of $1,319,000, the net non-operating income of $14,692,000 and contributions to external parties of $450,000.

2008

Net assets of the LHFA increased by $64,851,000 or 33%, from June 30, 2007 to June 30, 2008. This increase in net assets can be attributed to operating income of $3,936,000 combined with net non-operating income of $56,862,000 and contributions from external parties of $4,053,000.

Statement of Revenues, Expenses, and Changes in Net Assets
For the years ended June 30, 2009, June 30, 2008, and June 30, 2007
(in thousands)

	2009	2008	2007
Operating revenues	$ 61,314	$ 63,836	$ 65,379
Operating expenses	62,633	62,731	51,749
Operating income (loss)	(1,319)	1,105	13,630
Non-operating revenues (expenses)	14,692	59,693	20,684
Income before transfers	13,373	60,798	34,314
Contributions from (distributions to) external parties	(450)	4,053	4,189
Increase in net assets	$ 12,923	$ 64,851	$ 38,503

STATE OF LOUISIANA
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2009

LHFA's total revenues decreased by $30,805,000, or 13%, primarily as a result of a decrease in investment income, a decrease in income from rental property because of the completion of our Willowbrook rental property (the rehab was booked as income over the previous two years but the rehab is now complete) and because the Agency's other property, Village De Jardin (formerly Gaslight Square Apartments) is not very far into its construction phase; both of these properties are being funded and constructed by FEMA through the Office of Facility Planning. An additional reason for the decrease is in the previous year the state allocated $25 million to the Louisiana Housing Trust Fund which increased non-operating revenues as a one-time funding. Total expenses increased by $16,620,000, or 9%, primarily as a result of increased personnel costs from the new NSP program, an increase in professional services as a result of the Louisiana Housing Trust Fund program and the HOME program, an increase in federal grant funds disbursed, and an increase in the provision for loan losses.

2008

LHFA's total revenues increased by $75,055,000, or 46%, primarily as a result of an increase in mortgage loan income, an increase in income from rental property due to the rehabbing and rebuilding of the two rental properties, Gaslight and Willowbrook by FEMA through the Office of Facility Planning for a net $20 million increase, the state's allocation to the Louisiana Housing Trust Fund for a $25 million increase, to be expended for fiscal '09, and an increase in federal grants drawn. Total expenses increased by $48,571,000, or 38%, primarily as a result of increased personnel costs from implementing GASB 45 which caused a non-cash accrual expense of $1,480,249, an increase in interest expense, and an increase in federal grant funds disbursed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

2009

At the end of 2009, the Louisiana Housing Finance Agency had $47.8 million invested in a broad range of capital assets, including a three story building facility located in Baton Rouge, multi-family properties located in New Orleans, and office and information technology equipment. (See Table below). This amount represents a net increase (including additions and deductions) of $1,371,025, or a 3% increase over last year.

2008

At the end of 2008, the Louisiana Housing Finance Agency had $46.5 million invested in a broad range of capital assets, including a three story building facility located in Baton Rouge, multi-family properties located in New Orleans, and office and information technology equipment. (See Table below). This amount represents a net increase (including additions and deductions) of $28,564,220, or a 160% increase over last year.

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	2009	(in thousands) 2008	2007
Land	712	712	712
Land Improvements (net)	86	93	99
Construction-in-Progress	7,118	4,391	8,890
Building (net of accumulated depreciation)	39,420	40,656	7,751
Equipment (net of accumulated depreciation)	504	617	452
Totals	$ 47,840	$ 46,469	$ 17,904

2009

This year's changes included (in thousands):

• Equipment acquisitions and replacements	$ 123
• Depreciation	(423)
• Equipment disposals	(80)
• Rehab of HUD Disposition – Increase in Construction in Progress	2,727
• Adjust accumulated dep. for disposals	77
• Adjust accumulated dep. for HUD Disposition	(1,157)
• Rehab of HUD Disposition – Increase in buildings	104

2008

Last year's changes included (in thousands):

• Equipment acquisitions and replacements	$ 400
• Depreciation	(439)
• Equipment disposals	(290)
• Rehab of HUD Disposition – Increase in Construction in Progress	28,797
• Adjust accumulated dep. for disposals	288
• Adjust accumulated dep. for HUD Disposition	(191)
• Rehab of HUD Disposition – Decrease in Construction in Progress	(33,296)
• Rehab of HUD Disposition – Increase in buildings	33,296

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Debt

2009

The Louisiana Housing Finance Agency had $923,062,000 in bonds and notes outstanding at year-end, compared to $980,785,000 at the end of last year, a decrease of 6%, as shown in the following table.

2008

The Louisiana Housing Finance Agency had $980,785,000 in bonds and notes outstanding at year-end, compared to $889,948,000 at the end of the previous year, an increase of 10%, as shown in the following table.

Outstanding Debt at Year-end
(In thousands)

	2009	2008	2007
Mortgage Revenue Bonds and Notes	$ 885,477	$ 936,612	$ 833,368
LHFA General Office, MF 202 Elderly Bonds and Debentures	37,585	44,173	56,580
Totals	$ 923,062	$ 980,785	$ 889,948

2009

A decrease in debt level exists at June 30, 2009 in comparison to the prior year as bond refundings and redemptions outpaced new debt issued.

The LHFA's bond rating continues to carry the A2 rating for general revenue bonds and the 202 Elderly MR Bonds, and the Aaa rating for the debt of its Mortgage Revenue Bonds.

The LHFA has accounts payable and accrued interest payable of $17,726,000 outstanding at year-end compared with $9,325,000 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and accrued post-retirement benefits.

2008

An increase in debt level exists at June 30, 2008 in comparison to the prior year as bond refundings and redemptions were outpaced by new debt issued.

The LHFA's bond rating continues to carry the A2 rating for general revenue bonds and the 202 Elderly MR Bonds, and the Aaa rating for the debt of its Mortgage Revenue Bonds.

The LHFA has accounts payable and accrued interest payable of $9,325,000 outstanding at year-end compared with $9,143,000 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and accrued post-retirement benefits.

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Expected increase in interest rates will tend to discourage early payoffs and refinancing, increasing the Agency asset base of mortgage backed securities and thereby allowing new issues to stabilize or increase the asset base and thus increasing the issuer fees the Agency receives.
- Interest rates are expected to slowly increase over the next year which should cause an increase in the Agency's investment income.
- The HUD Disposition properties were damaged during Hurricane Katrina. Willowbrook has been on-line now for a year and a half but at a lower than expected occupancy rate. Occupancy rates are expected to continue to improve which will increase rental income. Gaslight isn't expected to come on-line until after fiscal '10.
- If the need should arise, the warehousing of securities will help minimize negative arbitrage and it would increase investment income.

The LHFA expects that next year's results will be mixed based on the following:

- The Section 8 revenues should remain steady during fiscal '10. The Agency expects that it will take on a few additional properties that will be coming back on-line that were lost during Hurricane Katina however we also expect that a few properties will be leaving the Section 8 program that will offset any increase.
- The Agency doesn't expect to generate as much tax credit revenue in fiscal '10 because of the availability of fewer tax credits for the Agency to award. The Agency will be receiving additional Tax Credit funds as a result of the American Recovery and Reinvestment Act but it isn't expected that we will receive any additional administrative fees for the management of these funds.
- The Agency expects overall operating expenses to increase in relation to revenues.

CONTACTING THE LOUISIANA HOUSING FINANCE AGENCY'S MANAGEMENT

This financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Agency's customers, investors and creditors with a general overview of the Louisiana Housing Finance Agency's finances and to show the LHFA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact René Landry, CFO.

LOUISIANA HOUSING FINANCE AGENCY
COMBINED BALANCE SHEETS
JUNE 30, 2009 AND 2008

(In Thousands)

ASSETS

	2009	2008
CASH AND CASH EQUIVALENTS	$ 60,321	$ 64,805
INVESTMENTS	108,096	213,088
MORTGAGE LOANS		
Single Family (net of reserve of $1,894 and $2,312, respectively)	697,757	663,431
Multifamily (net of reserve of $56,804 and $54,073, respectively)	249,033	216,992
ACCRUED INTEREST RECEIVABLE	31,260	28,148
DEFERRED FINANCING COSTS (net of accumulated amortization of $14,616 and $15,308, respectively	14,805	14,325
CAPITAL ASSETS (net of accumulated depreciation of $3,185 and $3,165, respectively)	47,840	46,469
OTHER ASSETS	17,986	14,721
TOTAL ASSETS	$ 1,227,098	$ 1,261,979

See accompanying notes.

LIABILITIES AND NET ASSETS

	2009	2008
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 13,510	$ 4,974
ACCRUED INTEREST PAYABLE	4,216	4,351
NOTES, DEBENTURES AND BONDS PAYABLE		
Due within one year	21,854	57,826
Due in more than one year	901,208	922,959
DUE TO GOVERNMENTS	5	24
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE	3,039	1,480
AMOUNTS HELD IN ESCROW	7,619	7,641
TOTAL LIABILITIES	951,451	999,255
NET ASSETS:		
Invested in capital assets (net of related debt)	42,000	40,039
Restricted	177,508	164,305
Unrestricted	56,139	58,380
TOTAL NET ASSETS	275,647	262,724
TOTAL LIABILITES AND NET ASSETS	$ 1,227,098	$ 1,261,979

LOUISIANA HOUSING FINANCE AGENCY
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008

(In Thousands)

	2009	2008
REVENUES:		
Investment Income	$ 8,292	$ 19,446
Mortgage loan income	42,646	35,653
Federal program administrative fees	7,549	6,479
Low income housing tax credit program fees	2,654	1,880
Other income	172	378
Total revenues	61,313	63,836
EXPENSES:		
Interest expense	43,021	47,393
Amortization of deferred financing costs	1,180	1,275
General and administrative	18,432	13,184
Provisions for loan losses	-	879
Total expenses	62,633	62,731
Operating income (loss)	(1,320)	1,105
NON-OPERATING REVENUES (EXPENSES):		
Appropriation from State for Louisiana Housing Trust Funds	-	25,000
Other contributions and grants for Louisiana Housing Trust Funds	121	1,529
Restricted mortgage loan interest income	4,834	5,666
Federal grants drawn	138,644	113,296
Federal grant funds disbursed	(128,477)	(114,090)
Provision for loan losses on grant loans	(2,330)	550
Net income (loss) from rental property	1,830	27,601
Other non-operating	71	141
Total non-operating income (loss)	14,693	59,693
Income before contributions	13,373	60,798
Contributions from (distributions to) external parties	(450)	4,053
CHANGE IN NET ASSETS	12,923	64,851
NET ASSETS - Beginning of year	262,724	197,873
NET ASSETS - End of year	$ 275,647	$ 262,724

See accompanying notes.

LOUISIANA HOUSING FINANCE AGENCY
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

(In Thousands)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from:		
Investment and mortgage loan income	$ 49,501	$ 57,563
Mortgage principal payments	90,610	92,878
Fee revenue	13,978	9,318
Cash paid to:		
Suppliers of service	(9,931)	(4,081)
Employees and benefit providers	(7,731)	(7,244)
Mortgage purchases	(159,307)	(343,265)
Bondholders and creditors for interest	(45,427)	(49,458)
Net cash provided by (used in) operating activities	(68,307)	(244,289)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decease in other assets	(1,828)	188
Investments purchased	(294,254)	(401,476)
Investments redeemed	400,851	563,663
Net cash from rental properties	312	(952)
Net cash provided by (used in) investing activities	105,081	161,423
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Bond financing costs	(929)	(4,834)
Cash receipts from federal grants	142,939	113,183
Cash disbursements of federal grants	(128,478)	(110,490)
Proceeds from notes and bond issues	92,140	285,073
Retirement of notes and bonds payable	(147,608)	(192,193)
Net transfers and / or contributions	(369)	5,327
Net change in escrow accounts	(21)	135
Other non-operating income	1,783	29,357
Net cash provided by (used in) noncapital financing activities	(40,543)	125,558
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Retirement of bonds payable	(590)	(565)
Purchase of property and equipment	(125)	(291)
Net cash provided by (used in) capital financing activities	(715)	(856)

Continued

LOUISIANA HOUSING FINANCE AGENCY
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

(In Thousands)

	2009	2008
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ (4,484)	$ 41,836
CASH AND CASH EQUIVALENTS, beginning of year	64,805	22,969
CASH AND CASH EQUIVALENTS, end of year	$ 60,321	$ 64,805

	2009	2008
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income	$ (1,320)	$ 1,105
Adjustments to reconcile operating income to net cash provided by (used) in operating activities:		
Amortization of deferred financing costs	1,179	1,275
Amortization of mortgage loan discount	(407)	(589)
Amortization of bond discount / premium	(2,569)	(2,378)
Amortization of deferred (income) loss	1,058	587
Depreciation	424	439
Provision for loan losses	-	879
Changes in:		
Accrued interest receivable	73	2,264
Accrued interest payable	(324)	(2,005)
Accounts payable and accrued expenses	559	2,441
OPEB payable	1,559	1,480
Due from governments	(1,285)	(102)
Deferred income	3,533	(26)
Mortgage loans purchased	(159,323)	(343,265)
Mortgage loan principal collections	90,374	95,709
Net change in realized gain or loss on investments and securitized mortgage loans	(1,607)	(1,277)
Net change in interfund accounts and other	(231)	(826)
Net cash provided by (used in) operating activities	$ (68,307)	$ (244,289)

See accompanying notes.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

ORGANIZATION OF THE AGENCY:

The Louisiana Housing Finance Agency (the Agency or LHFA) is a political subdivision and instrumentality of the State of Louisiana established in 1980 pursuant to the Louisiana Housing Finance Act contained in Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended. The initial enabling legislation and subsequent amendments grant the Agency the authority to undertake various programs to assist in the financing of housing needs in the State of Louisiana for persons of low and moderate incomes. Programs implemented by the Agency for this purpose consist of Mortgage Revenue Bond Programs, the Low Income Housing Tax Credit Program, the Mark-to Market Program and various federal award programs including the Low Income Housing Energy Assistance Program, the Weatherization Assistance Program, HOME and Section 8 Contract Administration.

In accordance with the above legislation, the powers of the Agency are vested in a Board of Commissioners which is empowered to contract with outside parties to conduct the operations of the programs it initiates. For the mortgage revenue bond programs it initiates, the Agency utilizes mortgage lenders to originate and service mortgage and construction loans acquired under its single family and multifamily programs. The Agency also utilizes various financial institutions to serve as trustees for each of its programs. Those financial institutions administer the assets of the mortgage revenue bond programs held under trust pursuant to the trust indentures.

In addition to general obligations debt, LHFA is authorized, for the furtherance of public purposes, to issue its mortgage revenue bonds in order to provide funds to promote the development of adequate residential housing and other economic development for the benefit of the State. The mortgage revenue bonds are limited obligations of the Agency 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 financing and as such, 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 pledged therefore. LHFA has no taxing power. The Agency receives service and issuer fees in connection with its revenue bond programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units except for the application of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* (GASB 31) to its Mortgage Revenue Bonds Programs. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant of the Agency's accounting policies are described below:

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity:

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. Under these criteria, only the Agency's General Fund has been determined to be a component unit of the State of Louisiana and, therefore, its financial position and activities are included in the State of Louisiana's government wide financial statements. The Agency's "General Fund" as used here refers to the Agency's general operating fund and is not meant to denote a governmental type general fund of a primary government.

Basis of Accounting:

The Agency's General Fund, as well as its Mortgage Revenue Bonds Program Funds, are considered to be proprietary type funds and are combined and presented as a single business type activity.

Proprietary funds are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful for sound financial administration. The Generally Accepted Accounting Principles (GAAP) used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis 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.

Since the business of the Agency is essentially that of a financial institution having a business cycle greater than one year, the balance sheet is not presented in a classified format.

The following funds are maintained by the Agency:

General Fund:

General Fund – This fund provides for the accounting of the Agency, any allowable transfers from other funds, investments and income thereon and federal program transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Mortgage Revenue Bond Funds:

Multifamily Mortgage Revenue Bond Program Funds – These funds are established under the multifamily mortgage revenue bond trust indentures to account for the proceeds of the issuance of the multifamily mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans purchased with bond proceeds. Mortgage loans of these programs provide permanent financing for construction and rehabilitation of multifamily residential housing. The Agency functions as a conduit to provide tax-exempt financing.

Single Family Mortgage Revenue Bond Program Funds – These funds are established under the single family mortgage revenue bond 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 and moderate income persons through the funding of low-interest mortgage loans and down payment assistance.

Bond Issuance Costs:

Note and bond issuance costs, including underwriters' discounts on notes and bonds sold, are deferred and amortized over the life of the indebtedness based upon the principal amounts of the bonds outstanding; a method which approximates the interest method.

Bond Discounts and Premiums:

Discounts and premiums incurred upon issuance of bonds are deferred and amortized to interest expense over the life of the indebtedness using a method that approximates the interest method.

Investments:

Mortgage Revenue Bond Funds

Guaranteed Investment Contracts - Provisions of GASB Statement No. 31 permit the recording of guaranteed investment contracts at cost if the contracts are non-participating. Non-participating contracts are those that are non-negotiable and non-transferable and redeemable at contract or stated value, rather than fair value based on current market rates. All of the Agency's investment contracts are non-participating and are therefore reported at cost, which approximates fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

General Fund:

Debt Securities – Investments in debt securities consist of primarily U. S. Government and Agency securities. GASB Statement No. 31 requires certain types of investment securities to be carried at fair value as defined. In accordance with this statement, the Agency carries all debt securities of its General Fund with an original term of greater than one year at fair value. The change in fair value of such securities is recognized as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Assets.

Program Mortgage Loans:

Whole Loans and Unsecuritized Loans – Carried at original cost less principal collections less allowance for loan losses.

GNMA and FNMA Securitized Mortgage Loans:

Mortgage Revenue Bond Funds – Carried at amortized cost less principal collections. Accretion of discounts and premiums related to the purchase is recognized into income over the life of the certificates using the interest method. Remaining discounts and premiums are recognized as expenses when the bonds are fully redeemed. The policy of carrying these securities at amortized cost is not in accordance with GASB Statement No. 31, which requires the securities to be recorded at their fair value. This treatment of revenue, expense and asset valuation is considered to be a departure from accounting principles generally accepted in the United States of America.

General Fund – Carried at fair value as prescribed by GASB Statement No. 31. Changes in fair value are recognized as a component of income.

Allowance for Loan Losses:

The allowance is maintained at a level adequate to absorb probable losses. Management determines the adequacy of the allowance based upon reviews of groups of credits, loss experience of similar type loans, current and future estimated economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. Credits deemed uncollectible are charged to the allowance. Past due status is based on contractual terms. Provisions for loan losses and recoveries on loans previously charged off are added to the allowance.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets:

Property and equipment is stated at cost less accumulated depreciation. The Agency capitalizes all property and equipment with initial, individual costs of greater than $1,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings	40 years
Equipment	3 – 7 years
Automobiles	5 years

Compensated Absences:

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, however, use of annual leave through time off is limited to 780 hours. 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.

As the Agency is a proprietary type fund, the cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned.

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 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.

Debt Refundings:

The Agency accounts for debt refundings in accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. This statement requires accounting for gains and losses that result from debt refundings to be 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 a component of bonds payable in the financial statements.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reclassification:

Certain amounts from the General Fund in the 2008 statements have been reclassified to conform to the current year's presentation.

Operating/Non-operating Revenue and Expenses:

Operating revenues consist of program administration fees, bond issue fees and investment income as these revenues are generated from the Agency's operations and are generated in carrying out its statutory purpose. All expenses incurred for that purpose are classified as operating expenses. Federal grant pass-through revenues and expenses, provisions for loan losses on program loans in the General Fund, and income from rental properties are ancillary to the Agency's statutory purpose and are classified as non-operating.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS:

Authority:

For reporting purposes, cash and cash equivalents include cash on hand, financial institution deposits, money market accounts and all highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are stated at cost, which approximates market value. Under state law, the Louisiana Housing Finance Agency may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Agency may purchase time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate amounts of federally or state chartered credit unions.

Under Louisiana Revised Statute of 1950, as amended, the Agency 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 provided by the statute mentioned above, investment grade commercial paper, investment grade corporate notes and bonds, and other investments as required by the terms of bond trust indentures.

Cash and Cash Equivalents:

The Louisiana Housing Finance Agency had cash and cash equivalents totaling approximately $60,321,000 and $64,805,000 at June 30, 2009 and 2008, respectively, which included money market funds of approximately $27,309,000 and $37,076,000, for each year respectively, and bank deposits of approximately $33,012,000 and $27,729,000. Under state law, 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.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Cash and Cash Equivalents: (Continued)

The Louisiana Housing Finance Agency had cash and cash equivalents as of June 30, 2009 and 2008, as follows:

	(in thousands) 2009	2008	Rating
Demand deposits	$ 32,960	$ 27,677	N/A
Federal Home Loan Bank deposits	52	52	N/A
Money Market funds	27,309	37,076	AAA
	$ 60,321	$ 64,805	

The deposit and money market accounts are subject to custodial credit risk; that is, in the event of a bank failure, the funds may not be returned. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The Agency's demand deposits (bank balances) were entirely covered by FDIC insurance or pledged collateral held in the name of the Agency at June 30, 2009 and 2008. The Agency's Federal Home Loan Bank deposits are backed by the financial resources of the Federal Home Loan Bank of Dallas, which was created by the United States Federal Government, via the Federal Home Loan Bank Act of 1932, as amended, and is regulated as specified in the Housing and Economic Recovery Act of 2008. The Agency's money market funds are invested in short-term money market instruments issued by the United States Treasury which are backed by the full faith and credit of the United States government.

Investments and Securitized Mortgage Loans

As of June 30, 2009, the Agency had the following investments and maturities (in years):

Investments Securities (in thousands):

		Investments Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	> 10
U.S. Treasury Notes	$ 6,416	$ 2,409	$ 4,007	$ --	$ --
U.S. Sponsored Agencies	49,751	24,746	10,520	1,454	13,031
GNMAs	8,920	--	27	670	8,223
Investment Contracts	43,009	9,873	--	322	32,814
Total	$ 108,096	$ 37,028	$ 14,554	$ 2,446	$ 54,068

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Investments and Securitized Mortgage Loans (Continued)

As of June 30, 2008, the Agency had the following investments and maturities (in years):

Investments Securities (in thousands):

		Investments Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	> 10
U.S. Treasury Notes	$ 9,382	$ 3,021	$ 5,578	$ 783	$ --
U.S. Sponsored Agencies	33,739	5,779	21,483	834	5,643
GNMAs	5,324	--	--	475	4,849
Investment Contracts	164,643	N/A	N/A	N/A	N/A
Total	$ 213,088	$ 8,800	$ 27,061	$ 2,092	$ 10,492

Interest Rate Risk. The Agency manages interest rate risk by duration. The Agency forecasts future changes in interest rates and the slope of the yield curve and then selects a duration strategy for the portfolio. For example, when forecasts are for higher interest rates, the general strategy is to shorten the overall duration of a portfolio to mitigate the adverse affects of higher interest rates. Conversely, if forecasts are for lower interest rates, then the duration of the portfolio is lengthened.

Credit Risk. State law limits investments to those indicated under the authority caption within this footnote. It is the Agency's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of June 30, 2009 and 2008, all of the Agency's investments with the exception of the investment contracts were rated AAA. Approximately 98% of the Agency's investment contracts had a rating of AA or lower at June 30, 2009 and approximately 60% of the Agency's investment contracts had a rating lower than AAA at June 30, 2008.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency's investments are held by the custodial bank as an agent for the Agency, in the Agency's name and are thereby not exposed to custodial credit risk.

Concentration of Credit Risk. The Agency places no limit on the amount that may be invested in any one issuer. As of June 30, 2009 and 2008, the Agency had investments of the following issuers which represented more than 5 percent of total investments and securitized mortgage loans:

	2009	2008
DEPFA Bank	0%	9%
Federal Home Loan Mortgage Corporation	28%	27%
Federal National Mortgage Association	8%	6%

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Investments and Securitized Mortgage Loans: (Continued)

Net unrealized (gain)/loss on investment securities and securitized program loans held in the General Fund, was $(2,238,619) and $(631,823) at June 30, 2009 and 2008, respectively. The change in fair value of $1,606,797 and $1,276,545 was included in investment income for June 30, 2009 and 2008, respectively.

The guaranteed investment contracts (GIC's) are unsecured. Redemption of these investments depends solely on the financial condition of the companies which provide the contracts, and their ability to pay their obligations. GIC's consisted of the following at June 30:

	2009	2008
	(in thousands)	
Guaranteed Investment Contracts:		
Aegon:		
Single family series 1999 A_1-A_3, 2004 B, 2006 D, and multifamily series 2007 Ridgefield and 2007 Canterbury House	$ 5,280	$ 10,278
AIG Matched Funding Corp:		
Single family series 1997 A_1-A_3, 1998 B_1-B_3, 1999 D_1-D_2, 2000 A_1-A_3, 2001 C, 2001 D, and 2002 B	--	2,543
Bayerische Landesbank:		
Single family series 1997 C_1-C_2, 1998 A_1-A_3, 1999 B, 2002 A_1-A_3, and 2007 C	5,919	40,734
Berkshire Hathaway:		
Multifamily series 1995 A St. Dominic Assisted Living	590	557
Crown Life:		
Multifamily series 1988 Preservation Homes	118	118
DEPFA Bank, PLC:		
Multifamily series 2006 HOME-Funded Tax Credit Projects, Series 2006 A Elderly Projects (Section 202) and 2006 Drawdown	--	84,621
Financial Guaranty Insurance Corp/Trinity:		
Single family series 1999 C, 2000 B/C, 2002 D, 2001 A, 2001 B, 2003 A, and Multifamily series 1997 Malta Square	1,562	1,698
Grand Central:		
Single family series 2003 B, 2004 A	426	483

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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

Investments and Securitized Mortgage Loans: (Continued)

Guaranteed Investment Contracts: (Continued)

	2009	2008
	(in thousands)	
Pallas:		
Single family series 2004 C_1-C_2, 2005 A_1-A_2, 2006 A, 2006 B, 2006 C, 2007 A, 2007 B	28,122	20,090
Royal Bank of Canada:		
Multifamily series 2007 Spanish Arms	840	3,283
Wetdeustsche Landebank:		
Single family series 1997 B_1-B_3	152	238
Total guaranteed investment contracts	$ 43,009	$ 164,643

3. PROGRAM MORTGAGE LOANS RECEIVABLE:

Program loans are reported in the financial statements as:

June 30, 2009: (in thousands)

	Single Family Loans	Multifamily Loans	Total
Securitized mortgage loans	$ 693,889	$ 170,172	$ 864,061
Whole loans	636	1,249	1,885
202 Elderly Project mortgage loans	--	32,741	32,741
HOME Program loans	5,126	99,419	104,545
Conditional HOME loans	--	333	333
Louisiana Housing Trust Fund loans	--	1,923	1,923
	699,651	305,837	1,005,488
Reserve for loan losses	(1,894)	(56,804)	(58,698)
	$ 697,757	$ 249,033	$ 946,790

Approximately, $50,964,000 and $261,716,000 of the securitized mortgage loans balance at year end, shown at amortized cost, consisted of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, respectively, investments. This represents an approximate concentration of 6% and 30%, respectively. The remaining balance of securitized mortgage loans consisted of Government National Mortgage Association securities.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

3. PROGRAM MORTGAGE LOANS RECEIVABLE: (Continued)

June 30, 2008: (in thousands)

	Single Family Loans	Multifamily Loans	Total
Securitized mortgage loans	$ 659,351	$ 41,568	$ 700,919
Whole loans	863	106,599	107,462
202 Elderly Project mortgage loans	--	34,230	34,230
HOME Program loans	5,529	88,668	94,197
	665,743	271,065	936,808
Reserve for loan losses	(2,312)	(54,073)	(56,385)
	$ 663,431	$ 216,992	$ 880,423

Approximately, $59,027,000 and $264,922,000 of the securitized mortgage loans balance at year end, shown at amortized cost, consisted of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, respectively, investments. This represents an approximate concentration of 8% and 38%, respectively. The remaining balance of securitized mortgage loans consisted of Government National Mortgage Association securities.

Mortgage loans acquired by the Agency under the various mortgage revenue bond programs are secured by first mortgages on the related property.

Mortgage Revenue Bond Programs:

With certain exceptions, loans acquired under the single family programs are pooled and packaged into GNMA, FNMA, or FHLMC securities. The GNMA securities are guaranteed by the full faith and credit of the U.S. Government while the FNMA and FHLMC securities are limited obligations of the U.S. Government. Certain “whole loans” of the 1998 A1-A3 Single Family Program have not been securitized, and are insured by a private primary mortgage insurance policy, as well as mortgage pool insurance policy. Under the terms of the insurance agreements for “whole loans”, the foreclosed property must be restored to its original condition before payment is made. The insurance policies will pay for “normal wear and tear” on the homes; however, the policies do not cover any excessive damage. Also under the terms of the insurance agreements, foreclosure proceedings must be filed on a timely basis in order to be fully insured regarding principal and interest. The Agency evaluated the single family portfolio and established a reserve of $100,000 for 2009 and 2008, for any potential loss which may result from untimely filings, unanticipated collection problems or excessive damages.

The pass-through interest rates on loans of the single family programs range from 2.2% to 8.07% with maturities from 30 to 32 years.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

3. PROGRAM MORTGAGE LOANS RECEIVABLE: (Continued)

Mortgage Revenue Bond Programs: (Continued)

The Agency's multifamily bond programs are designed to finance the construction of multifamily housing units in the State of Louisiana. The Agency does not actively monitor the operating performance or financial condition of the multifamily properties financed by the bonds, as the Agency principally functions as a conduit to provide tax-exempt financing. Multifamily mortgage loans are collateralized by varying methods, including first-liens on multifamily residential rental properties, pledge of rental receipts, and letters of credit. Certain multifamily mortgage loans are insured by the Federal Housing Administration, while others have been securitized into GNMA certificates. Interest rates on these multifamily loans range from 2.10% to 10.00% with maturities ranging from 1 to 41 years.

Five multifamily “conduit” financed properties were significantly impacted by Hurricane Katrina, which hit southeast Louisiana on August 29, 2005. The bond programs affected were 1992 Emerald Pointe, 1997 Malta Square, 1992 Orleans Towers, 2004 Palmetto Apartments and 2004 Walmsley. The mortgage revenue bonds for the 1992 Emerald Pointe project were refunded during fiscal year 2008 by the 2007 Emerald Pointe Multifamily Mortgage Bonds. In connection with this redemption, approximately $152,000 of the deferred financing costs related to the 1992 Emerald Pointe Project were recorded on the books of the 2007 Emerald Pointe Project. The mortgage revenue bonds for 1997 Malta Square and 1992 Orleans Towers have been subsequently paid off with either insurance proceeds or revenues from the project. The other two projects, 2004 Palmetto Apartments and 2004 Walmsley, were fully operational and current on their debt service at June 30, 2008.

General Fund:

As part of its HOME and multifamily programs, the Agency has made loans to qualified low income single family homebuyers and to developers of low income multifamily projects. The HOME loans are issued as a supplement to primary financing and are collateralized by a second mortgage on the property financed, and payments on these loans are deferred until either: a) the date that the primary loan is paid out, or b) a specified future date. Additionally, these loans are uninsured.

As part of its multifamily program, the Agency has made loans under its Section 202 HOME/Risk Sharing Program. The Program is designed to make loans to eligible projects pursuant to Section 202 of the Housing Act of 1959, as amended, and the Risk-Sharing Program administered by HUD. The multifamily Section 202 loans consist of a Risk Sharing Mortgage Note and a Subordinate Mortgage Note. The loans are collateralized by a security interest in the property with principal and interest payments due monthly through 2022. The Risk Sharing Mortgage Notes are 50% guaranteed by HUD under the Risk Sharing loan insurance program. The properties have also obtained HOME loans as described above. Several of these properties were heavily damaged in Hurricane Katrina and the projects went into default. HUD suspended interest accruals on the debentures for each of the projects in default for a period of 18 months

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

3. PROGRAM MORTGAGE LOANS RECEIVABLE: (Continued)

General Fund: (Continued)

from August 19, 2008 to February 19, 2010. HUD requested that the Agency transfer the benefit of suspended interest on the Risk Sharing Loans to each owner in default. However, the suspension of interest requires that each project in default must be actively under redevelopment by February 19, 2010.

During the fiscal year ended June 30, 2009, the Agency began utilizing the Louisiana Housing Trust Funds to provide financing for sustainable affordable rental and homeownership housing developments. The Housing Trust Funds provide soft-second mortgages to qualified low-income, single-family homebuyers and developers of low-income, multifamily rental projects. These loans are financed at a 0% interest rate and will mature at the end of the 15-year affordability period. The Agency will forgive the debt at the end of the affordability period, if certain conditions have been met. These loans are uninsured.

The General Fund Restricted Loan Portfolio at June 30 is as follows:

	2009	2008	Interest Rate
HOME Multifamily Mortgage Loans	$ 99,418,407	$ 88,667,535	1% - 6%
HOME Single Family Mortgage Loans	5,126,536	5,528,943	0%
202 Elderly Project Mortgage Loans	32,741,074	34,230,431	6%
Conditional HOME Loans	332,500	-	0%
Louisiana Housing Trust Fund Loans	1,923,113	-	0%
	139,541,630	128,426,909	
Reserve for loan losses	(58,597,983)	(56,284,511)	
	$ 80,943,647	$ 72,142,398	

The Agency's collections from the HOME loans are restricted to funding future lending programs. The multifamily Section 202 loans are held in trust and pledged to repay the bonds (see Note 5), the principal balances and accruals of interest receivable on these loans are reported as restricted assets.

The change in reserve for loan losses was a result of changes of $2,313,472 and $(549,373) to the provision for loan losses during fiscal year 2009 and 2008, respectively.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

4. RESTRICTED GENERAL FUND AND MORTGAGE REVENUE BOND FUNDS ASSETS:

Restricted assets consisted of the following at June 30:

	2009	2008
	(in thousands)	
Cash and cash equivalents	$ 40,600	$ 40,888
Investments	3,891	2,200
Mortgage loans receivable (net of allowance for loan losses of $58,598 and $56,285, respectively)	80,944	72,142
Accrued interest receivable	27,176	23,683
Restricted Assets of the Mortgage Revenue Bond Funds	956,788	1,011,771
Total Combined Restricted Assets	$ 1,109,399	$ 1,150,684

5. NOTES, DEBENTURES AND BONDS PAYABLE:

Mortgage Revenue Bonds:

As authorized by the initial enabling legislation, the Agency issues bonds to assist in the financing of housing needs in the State of Louisiana. The bonds are limited obligations of the Agency, 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 pledged therefore. The issuance of debt for the financing of projects by the Agency is subject to the approval of the Louisiana State Bond Commission. Bonds are issued under various bond resolutions adopted by the Agency to provide financing for qualified single family and multifamily projects. The Agency's publicly offered and private placement multifamily bonds are considered conduit debt obligations and are secured by several forms of credit enhancement, including 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 (program) 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 notes, debentures and bonds payable:

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds:

At June 30, notes and bonds payable outstanding were as follows:

	2008	Additions	Payments	Amortization	2009
			(in thousands)		
Series 1994 B (Access I): Dated September 1, 1994, due serially and term from September 1, 1995 to March 1, 2025, bearing interest at 5.35% to 8.00%	$ 87	$ --	$ (85)	$ (2)	$ --
Series 1997 A_1-A_3: Dated March 1, 1997, due serially and term from December 1, 1998 to March 1, 2032, bearing interest at 3.75% to 6.75%	950	--	(590)	--	360
Series 1997 B_1-B_3: Dated August 20, 1997, due serially and term from December 1, 1998 to December 1, 2028, bearing interest at 4.00% to 6.75%	2,626	--	(655)	12	1,983
Series 1997 C_1-C_2: Dated November 1, 1997, due serially and term from June 1, 1999 to December 1, 2028, bearing interest at 4.20% to 6.75%	2,764	--	(695)	(11)	2,058
Series 1998 A_1-A_3: Dated May 1, 1998, due serially and term from June 1, 1999 to December 1, 2028, bearing interest at 4.10% to 6.65%	5,590	--	(1,215)	(43)	4,332
Series 1998 B_1-B_3: Dated September 1, 1998, due serially and term from December 1, 2001 to December 1, 2029, bearing interest at 4.0% to 6.2%	8,041	--	(1,925)	17	6,133
Series 1999 A_1-A_3: Dated February 15, 1999, due serially and term from December 1, 2000 to December 1, 2030, bearing interest at 3.4% to 5.9%	5,720	--	(695)	10	5,035

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 1999 B_1-B_3: Dated July 1, 1999, due serially and term from December 1, 2001 to December 1, 2030, bearing interest at 4.86% to 5.89%	6,854	--	(1,045)	(32)	5,777
Series 1999 C: Dated June 1, 2000, due serially and term from December 1, 2001 to December 1, 2030, bearing interest at 4.9% to 6.4%	2,305	--	(315)	16	2,006
Series 1999 D_1-D_2: Dated October 1,1999, due serially and term from December 1, 2000 to December 1, 2030, bearing interest at 4.00% to 6.67%	3,765	--	(675)	(34)	3,056
Series 2000 A_1-A_3: Dated February 1, 2000, due serially and term from June 1, 2000 to December 1, 2031, bearing interest at 4.50% to 7.49%	2,148	--	(315)	(14)	1,819
Series 2000 B_1-B_3, 2000 C: Dated June 7, 2000, due serially and term from December 1, 2002 to June 1, 2031, bearing interest at 5.10% to 8.07%	1,239	--	(450)	(12)	777
Series 2000 D: Dated October 11, 2000, due serially and term from December 1, 2002 to June 1, 2032, bearing interest at 4.60% to 7.33%	2,299	--	(485)	(19)	1,795
Series 2001 A: Dated March 14, 2001, due serially and term from December 1, 2002 to 2032, bearing interest at 3.65% to 6.40%	6,113	--	(975)	27	5,165

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2001 B_1-B_2: Dated August 22, 2001, due serially and term from June 1, 2003 to December 1, 2033, bearing interest at 3.50% to 6.75%	3,879	--	(780)	(12)	3,087
Series 2001 C-2002: Dated March 15, 2002 due serially and term from December 1, 2003 to June 1, 2033, bearing interest at 2.10% to 5.60%	6,040	--	(1,370)	--	4,670
Series 2001 D_1-D_3: Dated November 1, 2001, due serially and term from December 1, 2003 to June 1, 2033, bearing interest at 3.00% to 6.80%	6,040	--	(850)	(21)	5,169
Series 2002 A_1-A_3: Dated June 13, 2002, due serially and term from December 1, 2004 to June 1, 2034, bearing interest at 2.9% to 6.375%	9,777	--	(1,600)	(42)	8,135
Series 2002 B: Dated December 1, 2002, due serially and term from December 1, 2004 to June 1, 2034, bearing interest at 2.20% to 5,625%	7,469	--	(1,290)	(26)	6,153
Series 2003 A_1-A_2: Dated April 2003, due serially and term from December 1, 2004 to December 1, 2033, bearing interest at 3.40% to 5.60%	13,163	--	(1,740)	(61)	11,362
Series 2003 B_1-B_2: Dated December 11, 2003, due serially and term from December 11, 2004 to December 1, 2034, bearing interest at 3.50% to 5.30%	7,359	--	(1,170)	(38)	6,151

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2004 A_1-A_2: Dated March 30, 2004, due serially and term from December 1, 2004 to December 1, 2034, bearing interest at 4.75% to 5.15%	9,039	--	(725)	(28)	8,286
Series 2004 B_1-B_2: Dated June 30, 2004, due serially and term from December 1, 2004 to June 1, 2035, bearing interest at 5.25% to 5.80%	7,804	--	(920)	(32)	6,852
Series 2004 C_1-C-$_2$: Date December 1, 2004, due serially and term from December 1, 2006 to to June 1, 2036, bearing interest at 2.25% to 5.55%	10,373	--	(1,325)	(50)	8,998
Series 2005 A_1-A_2: Dated May 1, 2005, due serially and term from December 1, 2006 to December 1, 2036, bearing interest at 2.70% and 5.80%	16,663	--	(1,940)	(75)	14,648
Series 2006 A: Dated March 1, 2006, due serially and term from December 1, 2006 to December 1, 2038, bearing interest at 3.30% and 4.6%	38,694	--	(3,490)	5	35,209
Series 2006 B: Dated June 1, 2006, due serially and term from December 1, 2007 to December 1, 2038, bearing interest at 5%	46,700	--	(5,805)	(220)	40,675
Series 2006 C: Dated July 18, 2006, due serially and term from December 1, 2006 to December 1, 2038, bearing interest at 5.05%	47,174	--	(4,390)	(259)	42,525

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2006 D: Dated October 25, 2006, due serially December 1, 2007 to December 1, 2029, bearing interest at 4.7% to 6.15%	98,414	--	(8,630)	(436)	89,348
Series 2006 A Draw-Down: Dated December 1, 2006, due with a nominal maturity date of December 1, 2041 and bearing interest at an initial rate of 0.75% and a variable rate there-after not to exceed 12.00%. Initial amount authorized of $150,000,000 available for issuance in incremental draws as needed. Approximately $32,000,000 drawn to date: $118,000,000 available for issuance.	31,948	--	(31,948)	--	--
Series 2007 A: Dated March 13, 2007, due serially and term from December 1, 2008 to December 1, 2038, bearing interest at 3.5% and 5.85%	103,040	--	(6,315)	(416)	96,309
Series 2007 B: Dated July 1, 2007, due serially and term from December 1, 2009 to June 1, 2039, bearing interest at 3.85% to 5.8%	104,130	--	(4,065)	(329)	99,736
Series 2007 C: Dated November 1, 2007, due serially and term from December 1, 2009 to December 1, 2038, bearing interest at 3.6% to 6%	104,661	--	(3,030)	(348)	101,283
Series 2008 A: Dated September 1, 2008, due serially and term from June 1, 2010 to June 1, 2040, bearing interest at 2.4% to 6.55%	--	45,868	(245)	--	45,623

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Single Family Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2008 B: Dated December 1, 2008, due serially and term from June 1, 2010 to June 1, 2040, bearing interest at 3.0% to 6.3%	--	30,000	--	--	30,000
Total single family mortgage revenue bonds	722,868	75,868	(91,748)	(2,473)	704,515
General Fund Bonds and Debentures:					
Series 2001 General Revenue Office Building: Bonds due serially from December December 1, 2002 to December 1, 2016, bearing interest at 3.5% to 8%	6,430	--	(590)	--	5,840
Series 2006 A Multifamily Mortgage Revenue Bonds (Section 8 Assisted – 202 Elderly Projects) Dated November 1, 2006, due serially from December 1, 2002 to December 1, 2016, bearing interest at 3.5% to 8%	18,915	--	(1,360)	--	17,555
Debentures Payable: Dated April 28, 2006, due April 28, 2011, bearing interest at 4.5%	18,450	--	(4,622)	--	13,828
	43,795	--	(6,572)	--	37,223
Plus: deferred amount on refunding	378	--	(16)	--	362
Total general fund bonds and debentures	44,173	--	(6,588)	--	37,585

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Multifamily Mortgage Revenue Bonds:

	2008	Additions	Payments	Amortization	2009
Series 1988 B New Orleanian: Dated April 11, 1988, due serially from March 1, 1989 to December 1, 2025, bearing interest at its own weekly rate determined by the remarketing agent.	9,170	--	(9,170)	--	--
Series 1988 Preservation Homes: Dated December 1, 1988, due serially from December 1, 1992 to December 1, 2028, bearing interest at 7.5% to8.0%	1,060	--	(20)	--	1,040
Series 2003 Woodward Wight: Dated September 1, 2003, due serially from September 1, 2033, bearing interest at its own weekly rate determined by the remarketing agent	8,764	--	--	8	8,772
Series 1995 A St. Dominic Assisted Living: Dated March 1, 1995, due serially and term from September 1, 1996 to September 1, 2036, bearing interest at 5.80% to 6.95%	7,799	--	(85)	(4)	7,710
Series 2002 Melrose: Date October 1, 2002, due October 15, 2029, bearing interest at 2.60% to 5.15%	4,060	--	(89)	--	3,971
Series 2002 Restoration: Dated December 13, 2002, term bonds due December 1, 2032, bearing interest at its own weekly rate determined by the remarketing agent.	4,665	--	--	--	4,665
Series 2003 Galilee City: Dated June 1, 2003, term bonds due July 20, 2044, bearing interest at 4.25% - 5.05%.	3,190	--	(30)	--	3,160

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Multifamily Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2004 A & B Azalea Estates: Dated September 1, 2004, due serially April 20, 2005 to October 20, 2039, bearing interest at 5.375% - 6.25%.	14,217	--	(175)	52	14,094
Series 2004 A Tower Oaks: Dated September 1, 2004, due serially May 15, 2010, bearing interest at 4.18%	705	--	(705)	--	--
Series 2004 Walmsley: Dated December 1, 2004, term bonds due December 15, 2029, bearing interest at its own weekly rate determined by the remarketing agent.	5,235	--	--	--	5,235
Series 2004 Palmetto: Dated October 1, 2004, term bonds due March 15, 2037, bearing interest at its own weekly rate determined by the remarketing agent.	3,140	--	--	--	3,140
Series 2005 Peppermill I & II: Dated August 1, 2005, due serially and term from October 1, 2008 to April 1, 2038, bearing interest at 4.75% to 5.125%	4,577	--	(40)	--	4,537
Series 2006 Meadowbrook: Dated June 1, 2006, due serially September 1, 2009 to March 1, 2027, bearing interest at 5.25%	5,243	--	(20)	(4)	5,219
Series 2006 The Crossing: Dated May 1, 2006, term bonds due May 1, 2046, bearing interest 6.15%.	7,500	--	--	--	7,500

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Multifamily Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2006 HOME Funded Tax Credit Projects: Dated December 1, 2006, due with a nominal maturity date of December 1, 2037 and a mandatory tender date of December 1, 2008; bearing interest at 4.34%. Initial amount authorized of $50,349,300 available for issuance in incremental draws as needed. Approximately $50,349,300 drawn to date; $0 available for issuance.	50,349	--	(39,349)	--	11,000
Series 2006 Restoration B.R. V & VI: Dated October 15, 2006, due serially March 15, 2007 to September 15, 2036, bearing interest at 6.75%	1,021	--	(12)	--	1,009
Series 2007 Canterbury House: Dated March 1, 2007, term bonds due September 15, 2040, bearing interest at its own weekly rate determined by the remarketing agent.	16,000	--	--	--	16,000
Series 2007 Hooper Pointe Residences: Dated May 1, 2007, due serially May 1, 2009 to April 1, 2049, bearing interest at 6.25%.	10,250	--	(11)	--	10,239
Series 2007 Plantation: Dated March 1, 2007, due serially October 15, 2007 to April 15, 2017, bearing interest at 4.1% to 5.25%.	5,576	--	(100)	15	5,491
Series 2007 Ridgefield: Dated February 1, 2007, due serially September 1, 2009 to March 1, 2027, bearing interest at 5.25%.	8,328	--	(150)	4	8,182
Series 2007 Jefferson Lakes: Dated October 1, 2007, term bonds due October 1, 2037, bearing interest at a variable rate determined by the remarketing agent.	14,900	--	--	--	14,900

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

Multifamily Mortgage Revenue Bonds: (Continued)

	2008	Additions	Payments	Amortization	2009
Series 2007 Emerald Point: Dated December 1, 2007, term bonds due July 15, 2040, bearing interest at a weekly rate determined by the remarketing agent.	4,528	--	(50)	6	4,484
Series 2007 Spanish Arms: Dated December 1, 2007, due serially March 20, 2017 to March 20, 2049, bearing interest at 4.50% to 5.35%.	8,627	--	--	7	8,634
Series 2007 Lapalco Court: Dated October 1, 2007, term bonds due November 15, 2037, bearing interest at a weekly rate determined by the remarketing agent.	6,400	--	--	--	6,400
Series 2008 Arbor Place: Dated March 1, 2008, term bonds due March 1, 2043, bearing interest at a weekly rate determined by the remarketing agent.	8,440	--	--	--	8,440
Series 2008 The Reserve at Jefferson Crossings: Dated December 1, 2008, term bonds due December 1, 2040, bearing interest at a variable rate determined by the remarketing agent.	--	8,190	--	--	8,190
Series 2009 Belmont Village: Dated April 1, 2009, term bonds due May 1, 2044, bearing interest at a variable rate determined by the remarketing agent.	--	8,950	--	--	8,950
Total multifamily mortgage revenue bonds	213,744	17,140	(50,006)	84	180,962
Total mortgage revenue notes, debentures, bonds payable	$ 980,785	$ 93,008	$ (148,342)	$ (2,389)	$ 923,062

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Mortgage Revenue Bonds: (Continued)

The minimum debt service payments over the life of bonds, excluding bonds and debentures held by the General Fund, are scheduled to occur as follows (in thousands):

Year Ending	Single Family Mortgage Revenue Bonds		Multifamily Mortgage Revenue Bonds		Combined Totals	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 8,002	$ 35,079	$ 12,346	$ 6,493	$ 20,348	$ 41,572
2011	9,520	34,758	1,415	6,095	10,935	40,853
2012	11,443	34,346	1,279	6,031	12,722	40,377
2013	11,152	33,885	1,334	5,970	12,486	39,855
2014	11,302	33,410	1,415	5,905	12,717	39,315
2015-2019	62,294	158,281	12,485	28,008	74,779	186,289
2020-2024	78,462	140,987	10,738	25,361	89,200	166,348
2025-2029	96,504	118,057	17,529	22,167	114,033	140,224
2030-2034	114,895	89,658	30,401	17,815	145,296	107,473
2035-2039	298,031	56,998	38,646	12,523	336,677	69,521
2040-2044	2,910	117	44,435	6,562	47,345	6,679
2045-2049	--	--	8,939	1,234	8,939	1,234
	$ 704,515	$ 735,576	$ 180,962	$ 144,164	$ 885,477	$ 879,740

As stated in Note 1, the Agency accounts for debt refundings in accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The Agency carried deferred (gains) losses on bond refundings of approximately $1,641,000 and $3,417,000 at June 30, 2009 and 2008, respectively, as a reduction of the balance of bonds outstanding. During the year ended June 30, 2008, the Agency issued approximately $165 million, principal amount of refunding bonds among its single family revenue bond programs. The proceeds of these issues were used to refund partial redemptions of various previously existing single family of LHFA.

In accordance with the extraordinary mandatory redemption provisions of the bond trust indentures, approximately $97 million and $111 million of bonds were called by the Agency during the fiscal years ended June 30, 2009 and 2008, respectively. The mandatory redemptions occur as a result of prepayments of single family mortgage loans, foreclosures of single family and multifamily mortgage loans or bond refundings. In connection with these redemptions, approximately $385,000 and $919,000 of deferred financing costs relating to the redeemed bonds were expensed, respectively, each year.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

General Obligation Bonds Payable:

The Agency has issued $9,500,000 of General Revenue Office Building Bonds, Series 2001 to finance the construction of a building to house its operations. The bonds are general obligations of the Agency, secured by and payable from any and all funds of the Agency not otherwise required to be irrevocably dedicated to other purposes. The bonds are due to mature serially beginning December 1, 2002 through December 1, 2016. Bonds scheduled to mature on or after December 1, 2010 are callable for redemption at the option of the Agency. The bonds bear interest at various rates, ranging from 3.50% to 8.00% per annum. At June 30, 2009 and 2008, $5,840,000 and $6,430,000, respectively, of the bonds were outstanding.

On November 1, 2006, the Agency issued $20,600,000 of Series 2006A Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted – 202 Elderly Projects) to advance refund $20,600,000 of outstanding Series 2003A Multifamily Mortgage Revenue Bonds (Section 8 Assisted - 202 Elderly Projects). This refunding became necessary when, in 2005, Hurricane Katrina severely damaged eleven of the eighteen projects financed with the Series 2003A bonds. The distribution resulted in an extraordinary mandatory redemption of the Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds have been redeemed, due to the redemption structure of the bonds and loss of expected surplus revenues on the projects, cash flows for the Series 2003A bonds no longer provided assurance that principal and interest on the bonds would be paid when due.

Interest rates on the Series 2006A bonds range from 3.85% to 4.75%, whereas interest rates on the Series 2003A bonds ranged from 1.2% to 4.85%. This increase in interest rates coupled with the loss of expected surplus revenues on the projects that were destroyed resulted in an economic loss on the advance refunding of $960,130 (the difference between the present values of the Series 2003A and Series 2006A cash flows). The additional debt service to be paid on the Series 2006A refunding bonds through their maturity is $5,383,121. However, the Series 2006A bonds are subject to optional redemption on June 1, 2013, and a possible refinancing of the debt to lower interest rates could reduce the amount of excess debt service expected to be paid.

The reacquisition price in the advance refunding of the Series 2003A bonds was $405,445 less than the net carrying value of the bonds. This difference is reported in the balance sheet of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount will be amortized as a reduction of interest expense through fiscal year 2032 using the straight line method unless the Series 2006A bonds are refunded prior to their scheduled maturity date.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

General Obligation Bonds Payable: (Continued)

Issuance of the Series 2006A refunding bonds resulted in net proceeds of $20,252,690 (after payment of issuance costs plus $2,063,440 of transferred proceeds), which were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2003A bonds.

As a result, the Series 2003A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the Agency. At June 30, 2009 and 2008, $14,730,000 and $17,115,000 of the defeased bonds are still outstanding, respectively. At June 30, 2009 and 2008, $17,555,000 and $18,915,000 of the Series 2006A bonds are outstanding, respectively.

Future debt service requirements for the Agency's general obligation debt are scheduled to occur as follows:

Year Ended June 30,	Principal	Interest	Total
2010	$ 1,490,000	$ 1,023,296	$ 2,513,296
2011	1,565,000	962,093	2,527,093
2012	1,655,000	896,036	2,551,036
2013	1,740,000	824,792	2,564,792
2014	1,840,000	748,418	2,588,418
2015-2019	9,655,000	2,392,871	12,047,871
2020-2024	4,125,000	679,844	4,804,844
2025-2029	1,100,000	186,794	1,286,794
2030-2032	225,000	12,231	237,231
	$ 23,395,000	$ 7,726,375	$ 31,121,375

Debentures Payable:

On April 28, 2006, the Agency issued $29,020,292 of debentures payable to the Department of Housing and Urban Development (HUD). The debentures were issued by the Agency in conjunction with the claim for mortgage insurance payment made by HUD under the Agency's Risk-Sharing Program for mortgage loans. Several of the Agency's mortgage loans under the Risk-Sharing Program were in default as a result of damages to the properties by Hurricane Katrina. The mortgage insurance payment was used to redeem a portion of the Section 202 bonds allocated to the defaulted properties.

5. NOTES, DEBENTURES AND BONDS PAYABLE: (Continued)

Debentures Payable: (Continued)

The debentures bear interest at the rate of 4.5% and interest is due annually. Effective August 19, 2008, HUD granted a waiver to suspend interest accruals on the debentures for each of the projects in default for the period of August 20, 2008 to February 19, 2010. The suspended interest will be reinstated and interest accruals will recommence if the refinance and reconstruction of the properties does not occur by February19, 2010. The debentures are due on April 28, 2011. Pursuant to the Risk-Sharing Agreement, the Agency's percentage share of the face amount of the debentures is 50%.

Future debt service requirements for the debentures are as follows:

Year Ended June 30	Principal	Interest	Total
2010	$ --	$ 199,465	$ 199,465
2011	13,828,038	622,262	14,450,300
	$ 13,828,038	$ 821,727	$ 14,649,765

6. FEDERAL FINANCIAL ASSISTANCE:

Federal grant programs represent an important source of funding to finance housing programs which are beneficial to the State of Louisiana. These grants are recorded as non-operating income and expense to the Agency and any assets held in relation to the programs are restricted. Receivables are established when eligible expenditures are incurred. The grants specify the purpose for which funds may be used and are subject to audit in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept".

In the normal course of operations, the Agency receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. These audits can result in the Agency having to make restitution to the federal agency as a result of noncompliance.

During 2009 and 2008, the following amounts were expended under various grants and entitlements.

	2009	2008
Section 8	$ 63,811,821	$ 59,665,377
HOME Investment Partnerships	24,150,637	22,853,485
Low Income Housing Energy Assistance	51,084,087	36,385,484
Weatherization Assistance	3,146,082	815,423
Community Development Block Grant	391,014	--
Social Services Block Grant	4,503,669	2,388,455
FEMA	--	1,886,098
	$ 147,087,310	$ 123,994,322

7. BOARD OF COMMISSIONERS EXPENSES:

The appointed members of the Agency's Board of Commissioners receive a per diem payment for meetings attended and services rendered, and are also reimbursed for their actual expenses incurred in the performance of their duties as Commissioners. For the year ended June 30, 2009, the following per diem payments were made to the members of the Agency's Board and are included in general and administrative expenses:

Michael Airhart	$ 750
Barbara Anderson	750
Jerome Boykin, Sr.	350
Maureen Clary	450
Mayson Foster	800
Walter Guillory	500
Allison Jones	700
Roy Lester	100
James Madderra	650
Robert Pernell	300
Joseph Scontrino, III	550
Guy Williams	550
Tyrone Wilson	500
Wayne Woods	500
Alberta Young	150
	$ 7,600

8. RETIREMENT BENEFITS:

Substantially all of the employees of the Agency are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System 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.

All full-time Agency employees are eligible to participate in the System. Benefits vest with 10 years of service. If membership in the System began before July 1, 2006, at retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credit service, plus $300 annually only for members employed before July 1, 1986. If membership in the System began after July 1, 2006, the benefit is equal to 2.5% of their highest consecutive 60 months' average salary multiplied by their years of credit service.

Vested employees are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service or at age 50 with 10 years of service. Any member hired after July 1, 2006 shall be eligible for retirement benefits with 10 years of service at age 60 or thereafter. The System also provides death and disability benefits. Benefits are established or amended by state statute.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

8. RETIREMENT BENEFITS: (Continued)

Members are required by state statute to contribute 7.5% of gross salary if hired prior to July 1, 2006 or 8.0% if hired after July 1, 2006. The Agency is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rates were 18.5%, 20.4% and 19.1% for the years ended June 30, 2009, 2008 and 2007, respectively. The Agency contributions to the System for the years ended June 30, 2009, 2008 and 2007 were $825,551, $1,088,174 and $803,656, respectively, equal to the required contributions for each year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Agency employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Agency. 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 Agency. At June 30, 2009 and 2008, nine retirees were receiving post-employment benefits.

Plan Description

The Agency's 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. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Funding Policy

The contribution requirements of plan members and the Agency are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare 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. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans which includes three HMO plans and two private fee-for-service (PFFS) plans. Depending upon the plan selected, during the year ended June 30, 2009 and 2008, employee premiums for a single member receiving benefits range from $79 to $95 and $34 to $92 per month, respectively, for employee-only coverage with Medicare or from $130 to $176 and $125 to $170 per month, respectively, for employee-only coverage without Medicare. The premiums for an employee and spouse for the year ended June 30, 2009 and 2008 range from $142 to $352 and $69 to $165 per month, respectively, for those with Medicare or from $423 to $512 and $408 to $493 per month, respectively, for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Agency contributing anywhere from $236 to $246 and $103 to $237 per month for retiree-only coverage with Medicare or from $838 to $873 and $809 to $842 per month for retiree-only coverage without Medicare during the years ended June 30, 2009 and 2008, respectively. Also, the Agency's contributions range from $425 to $442 and $207 to $427 per month for retiree and spouse with Medicare or $1,288 to $1,344 and $1,242 to $1,293 for retiree and spouse without Medicare during the years ended June 30, 2009 and 2008, respectively.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately $1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at $50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with Accidental Death and Dismemberment coverage ceasing at age 70 for retirees.

Annual OPEB Cost

The Agency's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented prospectively for the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. The total ARC for the fiscal year beginning July 1, 2008 and 2007 was $1,647,800 and $1,579,400, respectively, as set forth below:

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Annual OPEB Cost (Continued)

	July 1, 2008	July 1, 2007
Normal Cost	$ 1,156,500	$ 1,208,000
Amortization of the UAAL	427,923	310,654
Interest	63,377	60,746
Annual required contribution (ARC)	$ 1,647,800	$ 1,579,400

The following schedule presents the components of the Agency's OPEB cost for the years ended June 30, 2009 and 2008, the amount actually contributed to the plan, and changes in the Agency's net OPEB Obligation:

	2009	2008
Annual required contribution	$ 1,647,800	$ 1,579,400
Interest on net OPEB obligation	59,210	--
ARC adjustment	(56,563)	--
Annual OPEB Cost	1,650,447	1,579,400
Contributions made	(91,669)	(99,151)
Increase in Net OPEB Obligation	1,558,778	1,480,249
Beginning Net OPEB Obligation	1,480,249	--
Ending Net OPEB Obligation	$ 3,039,027	$ 1,480,249

The Agency's percentage of annual OPEB cost contributed to the plan utilizing the pay-as-you-go method and the net OPEB Obligation for the years ended June 30, 2009 and 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	$ 1,579,400	6.28%	$ 1,480,249
June 30, 2009	1,650,447	5.56%	3,039,027

Funded Status and Funding Progress

Act 910 of the 2008 Regular Session established the Post Employment Benefits Trust Fund effective July 1, 2008. However, during fiscal year 2009, neither the Agency nor the State of Louisiana contributed to it. Since no contributions were made, the entire actuarial accrued liability of $11,200,300 as of July 1, 2008 was unfunded.

LOUISIANA HOUSING FINANCE AGENCY BOND PROGRAM
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Funded Status and Funding Progress (Continued)

The funded status of the plan, as determined by an actuary as of July 1, 2008 and 2007, was as follows:

	July 1, 2008	July 1, 2007
Actuarial accrued liability (AAL)	$ 11,200,300	$ 8,130,400
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	$ 11,200,300	$ 8,130,400
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employee covered by the plan)	$ 4,655,200	$ 4,885,853
UAAL as a percentage of covered payroll	241%	166%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

10. CAPITAL ASSETS:

A summary of changes in capital assets is as follows:

	Balance June 30, 2008	Additions	Deletions and Adjustments	Balance June 30, 2009
Equipment	$ 2,245,116	$ 123,140	$ (80,227)	$ 2,288,029
Building	42,153,917	104,989	--	42,258,906
Land and land improvements	843,278	--	--	843,278
Construction in progress	4,391,249	2,726,709	--	7,117,958
	49,633,560	2,954,838	(80,227)	52,508,171
Accumulated depreciation:				
General	(2,837,965)	(423,648)	76,795	(3,184,818)
HUD Disposition	(327,010)	(1,156,733)	--	(1,483,743)
	$ 46,468,585	$ 1,374,457	$ (3,432)	$ 47,839,610

	Balance June 30, 2007	Additions	Deletions and Adjustments	Balance June 30, 2008
Equipment	$ 2,135,035	$ 400,289	$ (290,208)	$ 2,245,116
Building	8,858,326	33,295,591	--	42,153,917
Land and land improvements	843,278	--	--	843,278
Construction in progress	8,890,006	28,796,834	(33,295,591)	4,391,249
	20,726,645	62,492,714	(33,585,799)	49,633,560
Accumulated depreciation:				
General	(2,686,993)	(439,448)	288,476	(2,837,965)
HUD Disposition	(135,287)	(191,723)	--	(327,010)
	$ 17,904,365	$ 61,861,543	$ (33,297,323)	$ 46,468,585

Included in buildings and construction in progress at June 30, 2009 and 2008 is $41,458,944 and $38,628,858, respectively, of costs related to the two HUD disposition properties owned by the Agency. These buildings were damaged by Hurricane Katrina. One property was unoccupied and idle at June 30, 2009 and 2008. Reconstruction of the second property was completed during the year ended June 30, 2008 and its operations commenced in May 2008.

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

11. NET ASSETS:

Net assets represent the difference between total assets and total liabilities. Unrestricted net assets are those that do not meet the definition of either net assets invested in capital assets net of related debt or restricted net assets. Net assets invested in capital assets net of related debt consist of capital assets less accumulated depreciation and net of outstanding balances of any debts used to finance those assets, such as bonds, capital leases and notes. Restricted assets are those that may be used only to finance specific types of transactions. These restrictions may be established by debt covenants, grantors, laws or regulations of other governments, or enabling legislation. Restricted net assets represent the balance of restricted assets less the outstanding balances of any liabilities that will be settled using restricted assets. The Agency's restricted net assets result primarily from the Agency's mortgage loan programs, the related bonds and debentures payable and the Louisiana Housing Trust Fund.

12. COMMITMENTS AND CONTINGENCIES:

In the ordinary course of business, the Agency has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. In addition, the Agency is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, except for the matter described in Note 16, the ultimate disposition and liability, if any, of these matters is not known.

13. CONCENTRATION OF CREDIT RISK:

The Agency's HOME program loans of the general fund are issued to single family borrowers and multifamily low-income housing project developers throughout Louisiana. A substantial portion of the multifamily low-income housing project loans have been issued among entities with a common ownership.

14. RISK MANAGEMENT:

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. To provide coverage for these risks, the Agency participates with the State of Louisiana's Office of Risk Management (ORM), a public entity risk pool currently operating as a common risk management and insurance program for branches of state government. This Agency pays an annual premium to ORM for this coverage.

15. HUD DISPOSITION PROPERTIES:

The Agency is the owner of two low-income multifamily rental properties that were originally purchased from the U. S. Department of Housing and Urban Development (HUD) at a

LOUISIANA HOUSING FINANCE AGENCY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

15. HUD DISPOSITION PROPERTIES: (Continued)

cost of $1 each. The Agency funded renovations to these properties totaling approximately $3.3 million through June 30, 2005. On August 29, 2005, the properties were significantly damaged by Hurricane Katrina. The properties were insured by the State of Louisiana Office of Risk Management. The State of Louisiana assumed responsibility for the reconstruction of the properties. At June 30, 2009 and 2008, one property was completed and occupied. The other property continued to undergo reconstruction with an estimated completion date of June 2010. The completed property and the construction in progress are recorded within capital assets on the balance sheet of the Agency.

Assets and liabilities of the properties are considered to be restricted and the net income (loss) to be non-operating revenue (expense) to the Agency.

16. PENDING CLAIM:

The Agency is involved in a matter with the Department of Housing and Urban Development Board of Contract Appeals relating to a multifamily mortgage loan claim paid by HUD in 1990. HUD now asserts that the Notice of Default, which was a required part of the procedures for processing such a claim, was filed with HUD beyond the required deadline. It is important to note that this process was the responsibility of the Servicing Agent that the Agency contracted to service this loan.

HUD is claiming that the Agency (or its trust account which no longer exists) was overpaid by $804,384. Furthermore, HUD claims entitlement to interest and penalties on this amount. The Agency has an indemnification agreement with the Servicing Agent for matters such as this; however, a formal claim has not been filed by the Agency against the Servicing Agent. The Agency's attorney has indicated that it is not possible to give an opinion concerning the likelihood of an unfavorable result to the Agency. However, in prior years, the Agency has accrued $1,000,000 relating to this matter.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

LOUISIANA HOUSING FINANCE AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
LOUISIANA HOUSING FINANCE AGENCY'S OPEB PLAN
JUNE 30, 2009 AND 2008

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/08	-0-	$ 11,200,300	$ 11,200,300	-0-	$4,655,200	241%
7/1/07	-0-	$ 8,130,400	$ 8,130,400	-0-	$4,885,853	166%

SUPPLEMENTAL COMBINING INFORMATION

JUNE 30, 2009

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
JUNE 30, 2009

(In Thousands)

ASSETS

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
CASH AND CASH EQUIVALENTS	$ 41,653	$ 18,668	$ -	$ 60,321
INVESTMENTS	67,465	40,631	-	108,096
MORTGAGE LOANS				
Single Family (net of reserve of $1,794 and $100, respectively)	3,332	694,425	-	697,757
Multifamily (net of reserve of $56,804 and $0, respectively)	78,861	170,172	-	249,033
ACCRUED INTEREST RECEIVABLE	27,611	3,649	-	31,260
DEFERRED FINANCING COSTS (net of accumulated amortization of $14,616 and $15,308, respectively	257	14,548	-	14,805
CAPITAL ASSETS (net of accumulated depreciation of $3,185 and $3,165, respectively)	47,840	-	-	47,840
OTHER ASSETS	3,291	14,695	-	17,986
DUE FROM OTHER FUNDS	134	-	(134)	-
TOTAL ASSETS	$ 270,444	$ 956,788	(134)	1,227,098

LIABILITIES AND NET ASSETS

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 10,426	$ 3,084	$ -	$ 13,510
ACCRUED INTEREST PAYABLE	88	4,128	-	4,216
NOTES, DEBENTURES AND BONDS PAYABLE:				
Due within one year	1,506	20,348	-	21,854
Due in more than one year	36,079	865,129	-	901,208
DUE TO GOVERNMENTS	5	-	-	5
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE	3,039	-	-	3,039
DUE TO OTHER FUNDS	-	134	(134)	-
AMOUNTS HELD IN ESCROW	7,619	-	-	7,619
TOTAL LIABILITIES	58,762	892,823	(134)	951,451
NET ASSETS:				
Invested in capital assets (net of related debt)	42,000	-	-	42,000
Restricted	113,543	63,965	-	177,508
Unrestricted	56,139	-	-	56,139
TOTAL NET ASSETS	211,682	63,965	-	275,647
TOTAL LIABILITES AND NET ASSETS	$ 270,444	$ 956,788	(134)	1,227,098

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009

(In Thousands)

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
REVENUES:				
Investment income	$ 4,591	$ 3,701	$ -	$ 8,292
Mortgage loan income	111	42,535	-	42,646
MRB program issuer fee	1,589	-	(1,589)	-
Federal program administrative fees	7,549	-	-	7,549
Low income housing tax credit program fees	2,654	-	-	2,654
Other income	112	60	-	172
Total revenues	16,606	46,296	(1,589)	61,313
EXPENSES:				
Interest expense	1,160	41,861	-	43,021
Amortization of deferred financing costs	6	1,174	-	1,180
General and administrative	14,653	5,368	(1,589)	18,432
Provisions for loan losses	-	-	-	-
Total expenses	15,819	48,403	(1,589)	62,633
Operating income	787	(2,107)	-	(1,320)
NON-OPERATING REVENUES (EXPENSES):				
Appropriation from State for Louisiana Housing Trust Funds	-	-	-	-
Other contributions and grants for Louisiana Housing Trust Funds	121	-	-	121
Restricted mortgage loan interest income	4,834	-	-	4,834
Federal grants drawn	138,644	-	-	138,644
Federal grant funds disbursed	(128,477)	-	-	(128,477)
Provision for loan losses on grant loans	(2,330)	-	-	(2,330)
Net income (loss) from rental property	1,830	-	-	1,830
Other non-operating	71	-	-	71
Total non-operating income (loss)	14,693	-	-	14,693
Income before transfers and contributions	15,480	(2,107)	-	13,373
Contributions from (distributions to) external parties	-	(450)	-	(450)
Transfers (out) in	1,913	(1,913)	-	-
CHANGE IN NET ASSETS	17,393	(4,470)	-	12,923
NET ASSETS - Beginning of year	194,289	68,435	-	262,724
NET ASSETS - End of year	$ 211,682	$ 63,965	$ -	$ 275,647

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	General Fund	Combined Mortgage Revenue Bond Programs	Combined Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from:			
Investment and mortgage loan income	$ 2,846	$ 46,655	$ 49,501
Mortgage principal payments	2,375	88,235	90,610
Fee revenue	13,884	94	13,978
Cash paid to:			
Suppliers of services	(4,811)	(5,120)	(9,931)
Employees and benefit providers	(7,731)		(7,731)
Mortgage purchases	(13,470)	(145,837)	(159,307)
Bondholders and creditors for interest	(1,322)	(44,105)	(45,427)
Net cash (used in) provided by operating activities	(8,229)	(60,078)	(68,307)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in other assets	-	(1,828)	(1,828)
Investment purchases	(62,577)	(231,677)	(294,254)
Investment redemptions	47,365	353,486	400,851
Net cash flow from rental properties	312	-	312
Net cash provided (used) in investing activities	(14,900)	119,981	105,081
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Bond financing costs	-	(929)	(929)
Cash receipts from federal grants	142,939	-	142,939
Cash disbursements from federal grants	(128,478)	-	(128,478)
Proceeds from notes and bond issues	-	92,140	92,140
Retirement of notes and bonds payable	(5,982)	(141,626)	(147,608)
Net(transfers) and/or contributions	1,913	(2,282)	(369)
Net change in escrow accounts	(21)	-	(21)
Other non-operating income	1,783	-	1,783
Net cash provided (used) by non-capital financing activities	12,154	(52,697)	(40,543)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Retirement of bonds payable	(590)	-	(590)
Purchase of property and equipment	(125)	-	(125)
Net cash used in capital financing activities	(715)	-	(715)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(11,690)	7,206	(4,484)
CASH AND CASH EQUIVALENTS, beginning of year	53,343	11,462	64,805
CASH AND CASH EQUIVALENTS, end of year	$ 41,653	$ 18,668	$ 60,321

(Continued)

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	General Fund	Combined Mortgage Revenue Bond Programs	Combined Totals
Reconciliation of Operating Income to Cash			
Provided from Operating Activities			
Operating income	$ 787	$ (2,107)	$ (1,320)
Adjustments to reconcile operating income			
to net cash provided by (used in) operating activities:			
Amortization of deferred financing costs	6	1,173	1,179
Amortization of mortgage loan discount	-	(407)	(407)
Amortization of bond discount/premium	-	(2,569)	(2,569)
Amortization of deferred (income) losses	(16)	1,074	1,058
Depreciation	424	-	424
Provision for loan losses	-	-	-
Changes in:			-
Accrued interest receivable	(250)	323	73
Accrued interest payable	(152)	(172)	(324)
Accounts payable and accrued expenses	135	424	559
OPEB payable	1,559	-	1,559
Due from governments	(1,285)	-	(1,285)
Deferred income	3,533	-	3,533
Mortgage loans purchased	(13,470)	(145,853)	(159,323)
Mortgage loan principal collections	2,375	87,999	90,374
Net change in unrealized gain or loss on investments and securitized mortgage loans	(1,607)	-	(1,607)
Net change in interfund accounts and other	(268)	37	(231)
Net change provided by (used in) operating activities	$ (8,229)	$ (60,078)	$ (68,307)

SUPPLEMENTARY MORTGAGE REVENUE BONDS

COMBINING INFORMATION

JUNE 30, 2009

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	1988 B New Orleanian Multifamily Mortgage	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	1995 St. Dominic Multifamily Mortgage
ASSETS				
CASH AND CASH EQUIVALENTS	$ -	$ 68	$ 11	$ -
INVESTMENTS - at cost	-	118	-	590
MORTGAGE LOANS RECEIVABLE	-	966	8,955	7,608
ACCRUED INTEREST RECEIVABLE	-	13	4	53
DEFERRED FINANCING COSTS - net of accumulated amortization	-	-	76	144
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	$ -	$ 1,165	$ 9,046	$ 8,395
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	-	17	12	-
ACCRUED INTEREST PAYABLE	-	7	4	175
NOTES AND BONDS PAYABLE	-	1,040	8,772	7,710
DUE TO (FROM) OTHER FUNDS	-	-	-	-
TOTAL LIABILITIES	-	1,064	8,788	7,885
NET ASSETS	-	101	258	510
TOTAL LIABILITIES AND NET ASSETS	$ -	$ 1,165	$ 9,046	$ 8,395

(Continued)

1997 Malta Square Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage	2004 Azalea Estates Multifamily Mortgage	2004 Tower Oaks Multifamily Mortgage	2004 Walmsley Multifamily Mortgage
$ -	$ 30	$ 0	$ 119	$ 262	$ -	$ 104
-	-	-	-	-	-	-
-	5,118	4,544	3,140	15,197	-	5,235
-	-	-	14	70	-	1
-	220	484	208	-	-	251
-	-	-	-	-	-	-
$ -	$ 5,368	$ 5,028	$ 3,481	$ 15,529	$ -	$ 5,591
-	-	-	-	-	-	96
-	9	-	79	155	-	1
-	3,971	4,665	3,160	14,094	-	5,235
-	-	-	-	-	-	-
-	3,980	4,665	3,239	14,249	-	5,332
-	1,388	363	242	1,280	-	259
$ -	$ 5,368	$ 5,028	$ 3,481	$ 15,529	$ -	$ 5,591

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage
ASSETS				
CASH AND CASH EQUIVALENTS	$ 78	$ 118	$ 163	$ 108
INVESTMENTS - at cost	-	-	-	-
MORTGAGE LOANS RECEIVABLE	3,338	4,472	5,980	8,166
ACCRUED INTEREST RECEIVABLE	-	(18)	23	-
DEFERRED FINANCING COSTS - net of accumulated amortization	560	390	377	332
OTHER ASSETS	-	383	-	-
TOTAL ASSETS	$ 3,976	$ 5,345	$ 6,543	$ 8,606
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	$ 72	$ 13	5	62
ACCRUED INTEREST PAYABLE	-	56	90	38
NOTES AND BONDS PAYABLE	3,140	4,537	5,219	7,500
DUE TO (FROM) OTHER FUNDS	-	-	-	-
TOTAL LIABILITIES	3,212	4,606	5,314	7,600
NET ASSETS	764	739	1,229	1,006
TOTAL LIABILITIES AND NET ASSETS	$ 3,976	$ 5,345	$ 6,543	$ 8,606

(Continued)

2006 HOME Funded Tax Credit Projects Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage
$ 6	$ 3	$ 21	$ 143	$ 55	$ 230
-	-	-	-	-	-
-	1,876	14,853	9,372	5,322	8,205
-	6	15	49	19	35
-	33	857	356	182	434
11,000	-	580	1,250	-	1,482
$ 11,006	$ 1,918	$ 16,326	$ 11,170	$ 5,578	$ 10,386
$ 243	$ -	$ -	$ 134	$ -	$ -
-	6	15	49	48	244
11,000	1,009	16,000	10,239	5,491	8,182
-	-	-	-	-	-
11,243	1,015	16,015	10,422	5,539	8,426
(237)	903	311	748	39	1,960
$ 11,006	$ 1,918	$ 16,326	$ 11,170	$ 5,578	$ 10,386

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage	2007 Spanish Arms Apartments Multifamily Mortgage
ASSETS			
CASH AND CASH EQUIVALENTS	$ 145	$ 21	$ 305
INVESTMENTS - at cost	-	-	840
MORTGAGE LOANS RECEIVABLE	17,084	4,632	7,900
ACCRUED INTEREST RECEIVABLE	8	1	45
DEFERRED FINANCING COSTS - net of accumulated amortization	375	390	958
OTHER ASSETS	-	-	-
TOTAL ASSETS	$ 17,612	$ 5,044	$ 10,048
LIABILITIES AND NET ASSETS			
ACCRUED LIABILITIES AND DEFERRED INCOME	$ 144	$ 21	$ 250
ACCRUED INTEREST PAYABLE	8	1	125
NOTES AND BONDS PAYABLE	14,900	4,484	8,634
DUE TO (FROM) OTHER FUNDS	-	-	-
TOTAL LIABILITIES	15,052	4,506	9,009
NET ASSETS	2,560	538	1,039
TOTAL LIABILITIES AND NET ASSETS	$ 17,612	$ 5,044	$ 10,048

2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	Total Multifamily Mortgage
$ 76	$ 109	$ 18	$ 2,768	$ 4,961
-	-	-	-	1,548
6,233	8,387	7,949	5,640	170,172
2	3	9	2	354
736	320	222	526	8,431
-	-	-	-	14,695
$ 7,047	$ 8,819	$ 8,198	$ 8,936	$ 200,161
$ 82	$ 31	$ -	$ 2	$ 1,184
2	3	26	2	1,143
6,400	8,440	8,190	8,950	180,962
-	-	-	-	-
6,484	8,474	8,216	8,954	183,289
563	345	(18)	(18)	16,872
$ 7,047	$ 8,819	$ 8,198	$ 8,936	$ 200,161

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	1994B (Access I) Single Family	1996 B1-B4 Single Family	1996 D1-D4 Single Family	1997 A1-A3 Single Family
ASSETS				
CASH AND CASH EQUIVALENTS	$ -	$ -	$ -	$ 484
INVESTMENTS - at cost	-	-	-	-
MORTGAGE LOANS RECEIVABLE	-	-	-	2,377
ACCRUED INTEREST RECEIVABLE	-	-	-	13
DEFERRED FINANCING COSTS - net accumulated amortization	-	-	-	1
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	$ -	$ -	$ -	$ 2,875
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	-	-	-	2
NOTES AND BONDS PAYABLE	-	-	-	360
DUE TO (FROM) OTHER FUNDS	-	-	-	1
TOTAL LIABILITIES	-	-	-	363
NET ASSETS	-	-	-	2,512
TOTAL LIABILITIES AND NET ASSETS	$ -	$ -	$ -	$ 2,875

1997 B1-B3 Single Family	1997 C1-C2 Single Family	1998 A1-A3 Single Family	1998 B1-B3 Single Family	1999 A1-A3 Single Family	1999 B1-B3 Single Family
$ 3	$ 5	$ 14	$ 1,134	$ 5	$ -
152	201	1,247	-	437	1,029
3,829	4,519	7,649	9,121	6,296	5,951
20	24	46	44	32	35
18	18	34	-	43	34
-	-	-	-	-	-
$ 4,022	$ 4,767	$ 8,990	$ 10,299	$ 6,813	$ 7,049
$ -	$ -	$ -	$ -	$ -	$ -
10	10	22	26	20	28
1,983	2,058	4,332	6,133	5,035	5,777
1	1	1	1	1	1
1,994	2,069	4,355	6,160	5,056	5,806
2,028	2,698	4,635	4,139	1,757	1,243
$ 4,022	$ 4,767	$ 8,990	$ 10,299	$ 6,813	$ 7,049

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	1999 C Single Family	1999 D1-D2 Single Family	2000 A1-A3 Single Family	2000 B1-B3 Single Family
ASSETS				
CASH AND CASH EQUIVALENTS	$ -	$ 454	$ 282	$ 3
INVESTMENTS - at cost	249	-	-	228
MORTGAGE LOANS RECEIVABLE	2,193	4,365	2,805	3,007
ACCRUED INTEREST RECEIVABLE	13	23	16	18
DEFERRED FINANCING COSTS - net accumulated amortization	22	27	17	5
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	$ 2,477	$ 4,869	$ 3,120	$ 3,261
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	11	16	10	4
NOTES AND BONDS PAYABLE	2,006	3,056	1,819	777
DUE TO (FROM) OTHER FUNDS	-	1	1	1
TOTAL LIABILITIES	2,017	3,073	1,830	782
NET ASSETS	460	1,796	1,290	2,479
TOTAL LIABILITIES AND NET ASSETS	$ 2,477	$ 4,869	$ 3,120	$ 3,261

	2000 D Single Family	2001 A Single Family	2001 B1-B2 Single Family	2001 C1-2002 Single Family	2001 D1-D3 Single Family	2002 A1-A3 Single Family
	$ 6	$ -	$ 3	$ 427	$ 361	$ 2
	61	424	127	-	-	365
	2,848	6,610	3,437	5,250	5,199	9,427
	16	34	18	25	25	46
	20	51	36	53	55	78
	-	-	-	-	-	-
	$ 2,951	$ 7,119	$ 3,621	$ 5,755	$ 5,640	$ 9,918
	$ -	$ -	$ -	$ -	$ -	$ -
	9	23	15	21	24	39
	1,795	5,165	3,087	4,670	5,169	8,135
	1	1	1	1	1	3
	1,805	5,189	3,103	4,692	5,194	8,177
	1,146	1,930	518	1,063	446	1,741
	$ 2,951	$ 7,119	$ 3,621	$ 5,755	$ 5,640	$ 9,918

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2002 B Single Family	2003 A1-A2 Single Family	2003 B1-B2 Single Family	2004 A1-A2 Single Family
ASSETS				
CASH AND CASH EQUIVALENTS	$ 388	$ 2	$ 1	$ -
INVESTMENTS - at cost	-	471	270	156
MORTGAGE LOANS RECEIVABLE	5,812	11,561	6,356	8,231
ACCRUED INTEREST RECEIVABLE	26	51	28	34
DEFERRED FINANCING COSTS - net accumulated amortization	66	35	79	104
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	6,292	$ 12,120	$ 6,734	$ 8,525
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	-	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	27	47	25	32
NOTES AND BONDS PAYABLE	6,153	11,362	6,151	8,286
DUE TO (FROM) OTHER FUNDS	-	1	1	1
TOTAL LIABILITIES	6,180	11,410	6,177	8,319
NET ASSETS	112	710	557	206
TOTAL LIABILITIES AND NET ASSETS	6,292	$ 12,120	$ 6,734	$ 8,525

2004 B1-B2 Single Family	2004 C1-C2 Single Family	2005 A1-A2 Single Family	2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family
$ 4	$ 4	$ -	$ -	$ 167	$ 907
235	164	933	2,123	2,448	1,795
6,859	8,951	13,852	35,162	39,386	40,774
32	39	64	151	179	185
85	111	141	306	336	339
-	-	-	-	-	-
$ 7,215	$ 9,269	$ 14,990	$ 37,742	$ 42,516	$ 44,000
$ -	$ -	$ -	$ 52	$ 167	$ 324
30	37	63	129	165	171
6,852	8,998	14,648	35,209	40,675	42,525
1	1	2	11	4	9
6,883	9,036	14,713	35,401	41,011	43,029
332	233	277	2,341	1,505	971
$ 7,215	$ 9,269	$ 14,990	$ 37,742	$ 42,516	$ 44,000

LOUISIANA HOUSING FINANCE AGENCY
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2006 D Single Family	2006 DD Single Family	2007 A Single Family	2007 B Single Family
ASSETS				
CASH AND CASH EQUIVALENTS	$ -	$ -	$ 754	$ 1,538
INVESTMENTS - at cost	4,608	-	4,055	3,280
MORTGAGE LOANS RECEIVABLE	86,181	-	93,335	95,938
ACCRUED INTEREST RECEIVABLE	383	-	417	454
DEFERRED FINANCING COSTS - net accumulated amortization	637	-	786	832
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	$ 91,809	$ -	$ 99,347	$ 102,042
LIABILITIES AND NET ASSETS				
ACCRUED LIABILITIES AND DEFERRED INCOME	566	$ -	$ 436	$ 299
ACCRUED INTEREST PAYABLE	352	-	402	432
NOTES AND BONDS PAYABLE	89,348	-	96,309	99,736
DUE TO (FROM) OTHER FUNDS	19	-	14	18
TOTAL LIABILITIES	90,285	-	97,161	100,485
NET ASSETS	1,524	-	2,186	1,557
TOTAL LIABILITIES AND NET ASSETS	91,809	$ -	$ 99,347	$ 102,042

2007 C Single Family	2008 A Single Family	2008 B Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
$ 994	$ 31	$ 5,734	$ 13,707	$ 18,668
3,078	9,418	1,529	39,083	40,631
98,137	36,389	22,618	694,425	864,597
467	199	138	3,295	3,649
848	485	415	6,117	14,548
-	-	-	-	14,695
$ 103,524	$ 46,522	$ 30,434	$ 756,627	$ 956,788
$ 56	$ -	$ -	$ 1,900	$ 3,084
443	204	136	2,985	4,128
101,283	45,623	30,000	704,515	885,477
34	-	-	134	134
101,816	45,827	30,136	709,534	892,823
1,708	695	298	47,093	63,965
$ 103,524	$ 46,522	$ 30,434	$ 756,627	$ 956,788

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	1988 B New Orleanian Multifamily Mortgage	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	1995 St. Dominic Multifamily Mortgage
REVENUES:				
Interest income -				
Investments	$ 145	$ 11	$ -	$ 30
Mortgage Loans	-	68	119	532
Other	7	-	9	-
Total revenues	152	79	128	562
EXPENSES:				
Interest expense	145	84	128	523
Amortization of deferred financing costs	-	-	3	8
General and Administrative	7	1	13	3
Provisions (credit) for loan loss	-	-	-	-
Total expenses	152	85	144	534
OPERATING INCOME (LOSS)	-	(6)	(16)	28
Interfund transfers	-	-	-	-
Capital contributions (distributions to owners)	-	-	-	-
CHANGE IN NET ASSETS	-	(6)	(16)	28
NET ASSETS - Beginning of year	-	107	274	482
NET ASSETS - End of year	$ -	$ 101	$ 258	$ 510

1997 Malta Square Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage	2004 Azalea Estates Multifamily Mortgage	2004 Tower Oaks Multifamily Mortgage	2004 Walmsley Multifamily Mortgage
$ -	$ -	$ -	$ -	$ 3	$ -	$ -
-	236	81	167	846	52	82
-	-	-	-	-	1	5
-	236	81	167	849	53	87
-	228	81	159	878	13	81
-	17	21	9	-	7	10
3	8	-	5	18	(17)	6
-	-	-	-	-	-	-
3	253	102	173	896	3	97
(3)	(17)	(21)	(6)	(47)	50	(10)
-	-	-	-	-	-	-
(133)	-	-	-	-	(57)	-
(136)	(17)	(21)	(6)	(47)	(7)	(10)
136	1,405	384	248	1,327	7	269
$ -	$ 1,388	$ 363	$ 242	$ 1,280	$ -	$ 259

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage
REVENUES:				
Interest income -				
Investments	$ -	$ 1	$ 1	$ -
Mortgage Loans	48	177	276	453
Other	3	-	-	7
Total revenues	51	178	277	460
EXPENSES:				
Interest expense	48	225	267	461
Amortization of deferred financing costs	21	21	22	9
General and Administrative	3	10	5	8
Provisions (credit) for loan loss	-	-	-	-
Total expenses	72	256	294	478
OPERATING INCOME (LOSS)	(21)	(78)	(17)	(18)
Interfund transfers	-	-	-	-
Capital contributions (distributions to owners)	-	-	-	-
CHANGE IN NET ASSETS	(21)	(78)	(17)	(18)
NET ASSETS - Beginning of year	785	817	1,246	1,024
NET ASSETS - End of year	$ 764	$ 739	$ 1,229	$ 1,006

	2006 HOME Funded Tax Credit Projects Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage
	$ 548	$ -	$ 44	$ 1	$ -	$ 4
	-	68	353	608	239	400
	-	-	-	-	-	-
	548	68	397	609	239	404
	1,001	68	605	602	249	406
	70	2	27	9	27	19
	1	1	19	47	6	7
	-	-	-	-	-	-
	1,072	71	651	658	282	432
	(524)	(3)	(254)	(49)	(43)	(28)
	-	-	-	-	-	-
	-	-	37	(81)	-	(36)
	(524)	(3)	(217)	(130)	(43)	(64)
	287	906	528	878	82	2,024
	$ (237)	$ 903	$ 311	$ 748	$ 39	$ 1,960

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage	2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage
REVENUES:				
Interest income -				
Investments	$ -	$ -	$ 56	$ 1
Mortgage Loans	195	82	393	98
Other	15	5	-	-
Total revenues	210	87	449	99
EXPENSES:				
Interest expense	195	78	460	98
Amortization of deferred financing costs	13	17	37	26
General and Administrative	14	15	11	6
Provisions (credit) for loan loss	-	-	-	-
Total expenses	222	110	508	130
OPERATING INCOME (LOSS)	(12)	(23)	(59)	(31)
Interfund transfers	-	-	-	-
Capital contributions (distributions to owners)	-	-	-	(180)
CHANGE IN NET ASSETS	(12)	(23)	(59)	(211)
NET ASSETS - Beginning of year	2,572	561	1,098	774
NET ASSETS - End of year	$ 2,560	$ 538	$ 1,039	$ 563

2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	Total Multifamily Mortgage
$ 18	$ -	$ 1	$ 864
129	122	6	5,830
8	-	-	60
155	122	7	6,754
129	121	6	7,339
10	4	2	411
10	15	17	242
-	-	-	-
149	140	25	7,992
6	(18)	(18)	(1,238)
-	-	-	-
-	-	-	(450)
6	(18)	(18)	(1,688)
339	-	-	18,560
$ 345	$ (18)	$ (18)	$ 16,872

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	1994B (Access I) Single Family	1996 B1-B4 Single Family	1996 D1-D4 Single Family	1997 A1-A3 Single Family
REVENUES				
Interest income -				
Investments	$ 1	$ 1	$ 2	$ 6
Mortgage Loans	14	15	14	178
Other	-	-	-	-
Total revenues	15	16	16	184
EXPENSES				
Interest expense	-	-	-	41
Amortization of deferred financing costs	-	-	-	2
General and Administrative	3	1,684	1,774	19
Provisions (credit) for loan loss	-	-	-	-
Total expenses	3	1,684	1,774	62
OPERATING INCOME (LOSS)	12	(1,668)	(1,758)	122
Interfund transfers	(367)	(1,022)	(986)	-
Capital contributions (distributions to owners)	-	-	-	-
CHANGE IN NET ASSETS	(355)	(2,690)	(2,744)	122
NET ASSETS - Beginning of year	355	2,690	2,744	2,390
NET ASSETS - End of year	$ -	$ -	$ -	$ 2,512

1997 B1-B3 Single Family	1997 C1-C2 Single Family	1998 A1-A3 Single Family	1998 B1-B3 Single Family	1999 A1-A3 Single Family	1999 B1-B3 Single Family	1999 C Single Family
$ 12	$ 13	$ 71	$ 16	$ 31	$ 61	$ 23
250	318	609	620	344	423	148
-	-	-	-	-	-	-
262	331	680	636	375	484	171
142	130	267	386	275	345	155
7	7	12	-	7	8	4
19	21	31	20	17	16	4
-	-	-	-	-	-	-
168	158	310	406	299	369	163
94	173	370	230	76	115	8
-	-	-	-	-	-	-
-	-	-	-	-	-	-
94	173	370	230	76	115	8
1,934	2,525	4,265	3,909	1,681	1,128	452
$ 2,028	$ 2,698	$ 4,635	$ 4,139	$ 1,757	$ 1,243	$ 460

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	1999 D1-D2 Single Family	2000 A1-A3 Single Family	2000 B1-B3 Single Family	2000 D Single Family
REVENUES				
Interest income -				
Investments	$ 7	$ 3	$ 17	$ 12
Mortgage Loans	323	224	260	212
Other	-	-	-	-
Total revenues	330	227	277	224
EXPENSES				
Interest expense	184	120	65	108
Amortization of deferred financing costs	8	4	3	6
General and Administrative	13	11	20	12
Provisions (credit) for loan loss	-	-	-	-
Total expenses	205	135	88	126
OPERATING INCOME (LOSS)	125	92	189	98
Interfund transfers	-	-	-	-
Capital contributions (distributions to owners)	-	-	-	-
CHANGE IN NET ASSETS	125	92	189	98
NET ASSETS - Beginning of year	1,671	1,198	2,290	1,048
NET ASSETS - End of year	$ 1,796	$ 1,290	$ 2,479	$ 1,146

2001 A Single Family	2001 B1-B2 Single Family	2001 C1-2002 Single Family	2001 D1-D3 Single Family	2002 A1-A3 Single Family	2002 B Single Family	2003 A1-A2 Single Family
$ 28	$ 19	$ 8	$ 6	$ 31	$ 5	$ 24
454	224	365	330	649	325	676
-	-	-	-	-	-	-
482	243	373	336	680	330	700
339	190	291	298	489	342	542
12	11	17	12	19	17	7
21	15	22	16	43	10	21
-	-	-	-	-	-	-
372	216	330	326	551	369	570
110	27	43	10	129	(39)	130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
110	27	43	10	129	(39)	130
1,820	491	1,020	436	1,612	151	580
$ 1,930	$ 518	$ 1,063	$ 446	$ 1,741	$ 112	$ 710

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	2003 B1-B2 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family	2004 C1-C2 Single Family
REVENUES				
Interest income -				
Investments	$ 23	$ 18	$ 19	$ 18
Mortgage Loans	353	425	411	481
Other	-	-	-	-
Total revenues	376	443	430	499
EXPENSES				
Interest expense	304	377	362	422
Amortization of deferred financing costs	18	13	15	21
General and Administrative	14	21	19	18
Provisions (credit) for loan loss	-	-	-	-
Total expenses	336	411	396	461
OPERATING INCOME (LOSS)	40	32	34	38
Interfund transfers	-	-	-	-
Capital contributions (distributions to owners)	-	-	-	-
CHANGE IN NET ASSETS	40	32	34	38
NET ASSETS - Beginning of year	517	174	298	195
NET ASSETS - End of year	$ 557	$ 206	$ 332	$ 233

	2005 A1-A2 Single Family	2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family	2006 D Single Family	2006 DD Single Family	2007 A Single Family
	$ 25	$ 64	$ 90	$ 90	$ 190	$ 261	$ 226
	789	1,803	2,159	2,166	4,411	-	4,787
	-	-	-	-	-	-	-
	814	1,867	2,249	2,256	4,601	261	5,013
	723	1,649	1,912	1,905	4,030	486	4,658
	25	39	63	49	89	18	84
	32	150	106	137	284	-	134
	-	-	-	-	-	-	-
	780	1,838	2,081	2,091	4,403	504	4,876
	34	29	168	165	198	(243)	137
	-	-	(107)	(171)	(675)	(62)	(46)
	-	-	-	-	-	-	-
	34	29	61	(6)	(477)	(305)	91
	243	2,312	1,444	977	2,001	305	2,095
	$ 277	$ 2,341	$ 1,505	$ 971	$ 1,524	$ -	$ 2,186

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2009

(In Thousands)

	2007 B Single Family	2007 C Single Family	2008 A Single Family	2008 B Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
REVENUES:						
Interest income -						
Investments	$ 217	$ 419	$ 449	$ 331	$ 2,837	$ 3,701
Mortgage Loans	5,280	5,250	1,143	272	36,705	42,535
Other	-	-	-	-	-	60
Total revenues	5,497	5,669	1,592	603	39,542	46,296
EXPENSES:						
Interest expense	5,015	5,163	1,857	950	34,522	41,861
Amortization of deferred financing costs	70	62	20	14	763	1,174
General and Administrative	160	211	20	8	5,126	5,368
Provisions (credit) for loan loss	-	-	-	-	-	-
Total expenses	5,245	5,436	1,897	972	40,411	48,403
OPERATING INCOME (LOSS)	252	233	(305)	(369)	(869)	(2,107)
Interfund transfers	(98)	(46)	1,000	667	(1,913)	(1,913)
Capital contributions (distributions to owners)	-	-	-	-	-	(450)
CHANGE IN NET ASSETS	154	187	695	298	(2,782)	(4,470)
NET ASSETS - Beginning of year	1,403	1,521	-	-	49,875	68,435
NET ASSETS - End of year	$ 1,557	$ 1,708	$ 695	$ 298	$ 47,093	$ 63,965

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	1988 B New Orleanian Multifamily Mortgage	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	1995 St. Dominic Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from:				
Investment and mortgage loan income	$ 145	$ 74	$ 139	$ 562
Mortgage principal payments	-	15	-	88
Other	7	-	9	-
Cash paid to:				
Suppliers of services	(7)	(1)	1	(3)
Mortgage purchases	-	-	-	-
Bondholders for interest	(145)	(84)	(141)	(525)
Net cash (used in) provided by operating activities	-	4	8	122
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase (Decrease) in other assets	9,170	-	-	-
Investment purchases	-	-	-	(646)
Investment redemptions	-	-	-	613
Net cash (used in) provided by investing activities	9,170	-	-	(33)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net residual equity transfers/contributions	-	-	-	-
Deferred financing costs	-	-	-	-
Proceeds from fees	-	-	-	-
Proceeds from bond issue and notes payable	-	-	-	-
Retirement of notes and bonds payable	(9,170)	(20)	-	(89)
Net cash (used in) provided by financing activities	(9,170)	(20)	-	(89)
NET INCREASE (DECREASE) IN CASH	-	(16)	8	-
CASH BALANCES, beginning of year	-	84	3	-
CASH BALANCES, end of year	$ -	$ 68	$ 11	$ -

1997 Malta Square Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage	2004 Azalea Estates Multifamily Mortgage	2004 Tower Oaks Multifamily Mortgage	2004 Walmsley Multifamily Mortgage
$ 27	$ 236	$ 89	$ 167	$ 850	$ 53	$ 84
-	88	-	28	179	705	-
-	-	0	-	-	1	5
(3)	(9)	-	(5)	(19)	(16)	43
-	-	-	-	-	-	-
-	(227)	(89)	(159)	(880)	12	(83)
24	88	-	31	130	755	49
-	-	-	-	-	-	-
-	-	-	-	-	-	-
109	-	-	-	-	-	-
109	-	-	-	-	-	-
(133)	-	-	-	-	(57)	-
-	-	-	-	-	7	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(88)	-	(30)	(122)	(705)	-
(133)	(88)	-	(30)	(122)	(755)	-
-	-	-	1	8	-	49
-	30	-	118	254	0	55
$ -	$ 30	$ -	$ 119	$ 262	$ -	$ 104

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from:				
Investment and mortgage loan income	$ 50	$ 215	$ 282	$ 453
Mortgage principal payments	-	57	56	-
Other	36	-	-	8
Cash paid to:				
Suppliers of services	-	4	(6)	53
Mortgage purchases	-	-	-	-
Bondholders for interest	(49)	(226)	(267)	(461)
Net cash (used in) provided by operating activities	37	50	65	53
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase (Decrease) in other assets	-	-	-	-
Investment purchases	-	-	-	-
Investment redemptions	-	-	-	-
Net cash (used in) provided by investing activities	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net residual equity transfers/contributions	-	-	-	-
Deferred financing costs	-	-	-	-
Proceeds from fees	-	-	-	-
Proceeds from bond issue and notes payable	-	-	-	-
Retirement of notes and bonds payable	-	(40)	(24)	-
Net cash (used in) provided by financing activities	-	(40)	(24)	-
NET INCREASE (DECREASE) IN CASH	37	10	41	53
CASH BALANCES, beginning of year	41	108	122	55
CASH BALANCES, end of year	$ 78	$ 118	$ 163	$ 108

	2006 HOME Funded Tax Credit Projects Multifamily Mortgage		2006 Restoration BR V & VI Multifamily Mortgage		2007 Canterbury House Apartments Multifamily Mortgage		2007 Hooper Point Residences Multifamily Mortgage		2007 Plantation Apartments Multifamily Mortgage		2007 Ridgefield Multifamily Mortgage		2007 Jefferson Lakes Apartments Multifamily Mortgage
$	665	$	69	$	422	$	559	$	239	$	420	$	324
	-		13		-		716		100		8,354		-
	-		-		-		-		-		-		15
	(1)		-		(20)		(46)		(16)		(6)		8
	-		-		(4,980)		(720)		-		(8,394)		-
	(1,094)		(69)		(615)		(606)		(250)		(409)		(219)
	(430)		13		(5,193)		(97)		73		(35)		128
	(11,000)		-		-		-		-		-		-
	-		-		(823)		-		-		(6)		0
	50,349		-		5,863		-		-		278		0
	39,349		-		5,040		-		-		272		0
	-		-		37		-		-		(36)		-
	-		-		-		-		-		-		0
	-		-		-		-		-		-		-
	-		-		-		-		-		-		0
	(39,349)		(13)		-		(11)		(86)		(146)		0
	(39,349)		(13)		37		(11)		(86)		(182)		0
	(430)		-		(116)		(108)		(13)		55		128
	436		3		137		251		68		175		17
$	6	$	3	$	21	$	143	$	55	$	230	$	145

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2007 Emerald Point Apartments Multifamily Mortgage	2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from:				
Investment and mortgage loan income	$ 86	$ 486	$ 104	$ 180
Mortgage principal payments	50	-	-	-
Other	5	-	0	8
Cash paid to:				
Suppliers of services	-	(12)	44	(7)
Mortgage purchases	(51)	(2,219)	(24)	(2,424)
Bondholders for interest	(81)	(460)	(103)	(139)
Net cash (used in) provided by operating activities	9	(2,205)	21	(2,382)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase (Decrease) in other assets	-	-	-	-
Investment purchases	-	-	-	-
Investment redemptions	-	2,443	-	-
Net cash (used in) provided by investing activities	-	2,443	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net residual equity transfers/contributions	-	-	(180)	-
Deferred financing costs	-	-	-	-
Proceeds from fees	-	-	-	-
Proceeds from bond issue and notes payable	-	-	-	-
Retirement of notes and bonds payable	(44)	7	-	-
Net cash (used in) provided by financing activities	(44)	7	(180)	-
NET INCREASE (DECREASE) IN CASH	(35)	245	(159)	(2,382)
CASH BALANCES, beginning of year	56	60	235	2,491
CASH BALANCES, end of year	$ 21	$ 305	$ 76	$ 109

2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Mutifamiy Mortgage	Total Multifamily Mortgage
$ 113	$ 5	$ 7,098
-	-	10,449
-	-	94
(15)	(7)	(46)
(7,949)	(5,640)	(32,401)
(95)	(14)	(7,478)
(7,946)	(5,656)	(22,284)
-	-	(1,830)
0	-	(1,475)
0	-	59,655
0	-	56,350
-	-	(369)
(226)	(526)	(745)
-		-
8,190	8,950	17,140
-	-	(49,930)
7,964	8,424	(33,904)
18	2,768	162
-	-	4,799
$ 18	$ 2,768	$ 4,961

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30 2009

(In Thousands)

	1994B (Access I) Single Family	1996 B1-B4 Single Family	1996 D1-D4 Single Family	1997 A1-A3 Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from:				
Investment and mortgage loan income	$ 17	$ 30	$ 29	$ 181
Mortgage principal payments	367	2,505	2,304	562
Other	-	-	-	-
Cash paid to:				
Suppliers of services	(3)	(1,685)	(1,774)	(23)
Mortgage purchases	-	-	0	0
Bondholders for interest	(2)	-	-	(44)
Net cash (used in) provided by operating activities	379	850	559	676
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in other assets	-	-	-	-
Investment purchases	-	-	-	(164)
Investment redemptions	-	-	-	232
Net cash (used in) provided by investing activities	-	-	-	69
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net residual equity transfers/contributions	(367)	(1,022)	(986)	-
Deferred financing costs	-	-	-	-
Proceeds from fees	-	-	-	-
Proceeds from bond issue and notes payable	-	-	(0)	-
Retirement of notes and bonds payable	(87)	-	(0)	(590)
Net cash (used in) provided by financing activities	(454)	(1,022)	(986)	(590)
NET INCREASE (DECREASE) IN CASH	(75)	(172)	(427)	155
CASH BALANCES, beginning of year	75	172	427	329
CASH BALANCES, end of year	$ -	$ -	$ -	$ 484

2001 C1-2002 Single Family	2001 D1-D3 Single Family	2002 A1-A3 Single Family	2002 B Single Family	2003 A1-A2 Single Family	2003 B1-B2 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family
$ 43	$ 10	$ 129	$ (39)	$ 130	$ 40	$ 32	$ 34
17	12	7	17	7	18	21	15
-	21	-	26	-	-	-	
-	(21)	(42)	(38)	(67)	(43)	(33)	(35)
-	-	2	12	6	5	3	3
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(3)	(24)	4	(29)	(7)	(4)	(10)	(4)
6	4	8	6	7	5	3	4
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,246	953	1,494	1,344	1,615	1,276	525	880
$ 1,309	$ 955	$ 1,602	$ 1,299	$ 1,691	$ 1,297	$ 541	$ 897

1997 B1-B3 Single Family	1997 C1-C2 Single Family	1998 A1-A3 Single Family	1998 B1-B3 Single Family	1999 A1-A3 Single Family	1999 B1-B3 Single Family	1999 C Single Family	1999 D1-D2 Single Family
$ 264	$ 334	$ 685	$ 648	$ 377	$ 489	$ 173	$ 336
470	549	1,208	1,946	719	1,192	310	667
-	-	-	-	-	-	-	-
(16)	(32)	(32)	(21)	(20)	(13)	(4)	(13)
-	-	-	-	-	-	-	(0)
(145)	(133)	(273)	(377)	(278)	(350)	(140)	(188)
573	719	1,588	2,196	797	1,317	339	802
-	-	-	-	-	-	-	-
(885)	(1,106)	(3,103)	(975)	(2,109)	(2,623)	(770)	(216)
970	1,082	2,704	1,839	1,952	2,385	747	577
86	(25)	(399)	864	(157)	(238)	(23)	361
-	-	-	-	-	-	-	-
-	-	-	-	-	(34)	-	(35)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(655)	(695)	(1,215)	(1,925)	(641)	(1,045)	(315)	(675)
(655)	(695)	(1,215)	(1,925)	(641)	(1,079)	(315)	(710)
3	(1)	(26)	1,134	-	-	-	454
-	6	40	-	5	-	-	-
$ 3	$ 5	$ 14	$ 1,134	$ 5	$ -	$ -	$ 454

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
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JUNE 30 2009

(In Thousands)

	2000 A1-A3 Single Family	2000 B1-B3 Single Family	2000 D Single Family	2001 A Single Family	2001 B1-B2 Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from:					
Investment and mortgage loan income	$ 230	$ 278	$ 226	$ 486	$ 247
Mortgage principal payments	386	431	272	900	649
Other	-	-	-	-	-
Cash paid to:					
Suppliers of services	(5)	(22)	(11)	(21)	(26)
Mortgage purchases	-	-	-	-	-
Bondholders for interest	(122)	(67)	(111)	(316)	(194)
Net cash (used in) provided by operating activities	489	620	376	1,048	676
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in other assets	-	-	-	-	-
Investment purchases	(184)	(915)	(785)	(2,068)	(1,493)
Investment redemptions	313	754	913	1,995	1,601
Net cash (used in) provided by investing activities	129	(162)	128	(73)	107
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net residual equity transfers/contributions	-	-	-	-	-
Deferred financing costs	(21)	(9)	(20)	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue and notes payable	-	-	-	-	-
Retirement of notes and bonds payable	(315)	(450)	(485)	(975)	(780)
Net cash (used in) provided by financing activities	(336)	(459)	(505)	(975)	(780)
NET INCREASE (DECREASE) IN CASH	282	-	-	-	3
CASH BALANCES, beginning of year	-	3	6	-	-
CASH BALANCES, end of year	$ 282	$ 3	$ 6	$ -	$ 3

	2001 C1-2002 Single Family	2001 D1-D3 Single Family	2002 A1-A3 Single Family	2002 B Single Family	2003 A1-A2 Single Family	2003 B1-B2 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family
	$ 380	$ 342	$ 687	$ 337	$ 707	$ 382	$ 446	$ 434
	1,247	953	1,496	1,345	1,615	1,276	525	882
	-	-	-	-	-	-	-	-
	(21)	(38)	(43)	(35)	(17)	(9)	(21)	(19)
	-	-	-	-	-	-	-	-
	(297)	(302)	(538)	(348)	(614)	(352)	(409)	(400)
	1,309	955	1,602	1,299	1,691	1,297	541	897
	-	-	-	-	-	-	-	3
	(480)	(649)	(3,524)	(369)	(4,024)	(2,730)	(1,357)	(2,184)
	967	903	3,521	747	4,072	2,602	1,541	2,209
	487	254	(2)	378	49	(127)	184	28
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(1,370)	(850)	(1,600)	(1,290)	(1,740)	(1,170)	(725)	(920)
	(1,370)	(850)	(1,600)	(1,290)	(1,740)	(1,170)	(725)	(920)
	427	359	-	387	-	-	-	4
	-	2	2	1	2	1	-	-
	$ 427	$ 361	$ 2	$ 388	$ 2	$ 1	$ -	$ 4

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
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(In Thousands)

	2004 C1-C2 Single Family	2005 A1-A2 Single Family	2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from:					
Investment and mortgage loan income	$ 504	$ 824	$ 1,884	$ 2,276	$ 2,276
Mortgage principal payments	1,084	2,276	4,748	6,976	5,544
Other	-	-	-	-	-
Cash paid to:					
Suppliers of services	(19)	(35)	(146)	(95)	(132)
Mortgage purchases	-	-	-	-	-
Bondholders for interest	(476)	(803)	(1,661)	(2,166)	(2,190)
Net cash (used in) provided by operating activities	1,093	2,262	4,825	6,990	5,499
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in other assets	(1)	-	-	-	-
Investment purchases	(2,751)	(4,649)	(9,520)	(14,280)	(12,246)
Investment redemptions	2,984	3,961	8,185	13,095	11,749
Net cash (used in) provided by investing activities	231	(689)	(1,334)	(1,185)	(496)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net residual equity transfers/contributions	-	-	-	(107)	(171)
Deferred financing costs	-	-	-	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue and notes payable	-	-	-	-	-
Retirement of notes and bonds payable	(1,325)	(1,940)	(3,490)	(5,805)	(4,390)
Net cash (used in) provided by financing activities	(1,325)	(1,940)	(3,490)	(5,912)	(4,561)
NET INCREASE (DECREASE) IN CASH	-	(367)	-	(107)	442
CASH BALANCES, beginning of year	4	367	-	274	465
CASH BALANCES, end of year	$ 4	$ -	$ -	$ 167	$ 907

2006 D Single Family	2006 DD Single Family	2007 A Single Family	2007 B Single Family	2007 C Single Family	2008 A Single Family	2008 B Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
$ 4,640	$ 264	$ 5,045	$ 5,527	$ 5,714	$ 1,393	$ 465	$ 39,557	$ 46,655
9,589	0	8,652	7,109	5,860	1,135	39	77,785	88,235
-	-	-	-	-	-	-	-	94
							-	
(303)	(0)	(69)	(178)	(149)	(18)	(9)	(5,073)	(5,120)
-	-	(9,571)	(6,296)	(37,388)	(37,525)	(22,657)	(113,437)	(145,837)
(4,439)	(486)	(5,110)	(5,328)	(5,499)	(1,653)	(813)	(36,627)	(44,105)
9,487	(222)	(1,054)	835	(31,461)	(36,668)	(22,975)	(37,794)	(60,078)
-	-	-	-	-	-	-	2	(1,828)
(22,112)	-	(20,264)	(17,444)	(14,400)	(49,261)	(30,563)	(230,202)	(231,677)
21,929	32,072	24,258	22,214	49,880	39,843	29,034	293,831	353,486
(182)	32,072	3,993	4,770	35,480	(9,418)	(1,529)	63,631	119,981
(675)	(62)	(46)	(98)	(46)	1,000	667	(1,913)	(2,282)
-	-	-	-	-	362	(428)	(184)	(929)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	45,000	30,000	75,000	92,140
(8,630)	(31,948)	(6,315)	(4,065)	(3,030)	(245)	(0)	(91,696)	(141,626)
(9,305)	(32,010)	(6,361)	(4,163)	(3,076)	46,117	30,239	(18,793)	(52,697)
-	(160)	(3,421)	1,442	943	31	5,734	7,044	7,206
-	160	4,175	96	51	-	-	6,663	11,462
$ -	$ -	$ 754	$ 1,538	$ 994	$ 31	$ 5,734	$ 13,707	$ 18,668

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	1988 B New Orleanian Multifamily Mortgage	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	1995 St. Dominic Multifamily Mortgage
Reconciliation of Operating Income to Cash				
Provided from Operating Activities				
Operating Income (Loss)	$ -	$ (6)	$ (16)	$ 28
Adjustments to reconcile operating income/loss				
to net cash provided by (used in) operating activities:				
Amortization of deferred financing costs	-	-	3	8
Amortization of mortgage loan / investment				
(discount) premium	-	-	8	-
Amortization of bond discount (premium)	-	-	-	(4)
Amortization of deferred (income) losses	-	-	-	-
(Gain) Loss on sale of securities	-	-	-	-
Provisions for loan losses	-	-	-	-
Changes in:				
Accrued interest receivable	-	(4)	2	(4)
Accrued interest payable	-	-	-	2
Accounts payable	-	-	11	-
Interfund account and other assets	-	-	-	-
Mortgage loans purchased	-	-	-	-
Mortgage loan principal payments received	-	14	-	92
Net change provided (used) by operating activities	$ -	$ 4	$ 8	$ 122

1997 Malta Square Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage	2004 Azalea Estates Multifamily Mortgage	2004 Tower Oaks Multifamily Mortgage	2004 Walmsley Multifamily Mortgage
$ (3)	$ (17)	$ (21)	$ (6)	$ (47)	$ 50	$ (10)
-	17	21	9	-	-	10
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	53	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27	-	(8)	2	(1)	-	(1)
-	-	8	(2)	2	1	2
-	-	-	-	-	-	48
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	88	-	28	123	704	-
$ 24	$ 88	$ -	$ 31	$ 130	$ 755	$ 49

LOUISIANA HOUSING FINANCE AGENCY
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(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage
Reconciliation of Operating Income to Cash				
Provided from Operating Activities				
Operating Income (Loss)	$ (21)	$ (78)	$ (17)	$ (18)
Adjustments to reconcile operating income/loss				
to net cash provided by (used in) operating activities:				
Amortization of deferred financing costs	21	21	22	9
Amortization of mortgage loan / investment (discount) premium	-	-	-	-
Amortization of bond discount (premium)	-	44	(4)	-
Amortization of deferred (income) losses	-	-	-	-
(Gain) Loss on sale of securities	-	-	-	-
Provisions for loan losses	-	-	-	-
Changes in:				
Accrued interest receivable	(1)	37	2	-
Accrued interest payable	2	-	0	-
Accounts payable	36	13	2	62
Interfund account and other assets	-	-	-	-
Mortgage loans purchased	-	-	-	-
Mortgage loan principal payments received	-	13	60	-
Net change provided (used) by operating activities	$ 37	$ 50	$ 65	$ 53

2006 HOME Funded Tax Credit Projects Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage
$ (524)	$ (3)	$ (254)	$ (49)	$ (43)	$ (28)	$ (12)
70	2	27	9	27	19	13
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	14	72	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
117	1	(33)	(49)	(0)	17	24
(93)	0	10	(4)	1	(2)	(24)
-	-	-	53	(12)	-	127
-	-	37	-	-	-	-
-	-	(4,980)	(773)	-	(8,395)	-
-	13	-	716	86	8,282	-
$ (430)	$ 13	$ (5,193)	$ (97)	$ 73	$ (35)	$ 128

LOUISIANA HOUSING FINANCE AGENCY
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(In Thousands)

	2007 Emerald Point Apartments Multifamily Mortgage	2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage
Reconciliation of Operating Income to Cash				
Provided from Operating Activities				
Operating Income (Loss)	$ (23)	$ (59)	$ (31)	$ 6
Adjustments to reconcile operating income/loss				
to net cash provided by (used in) operating activities:				
Amortization of deferred financing costs	17	38	26	21
Amortization of mortgage loan / investment (discount) premium	-	-	-	-
Amortization of bond discount (premium)	-	1	-	-
Amortization of deferred (income) losses	6	10	-	-
(Gain) Loss on sale of securities	-	-	-	-
Provisions for loan losses	-	-	-	-
Changes in:				
Accrued interest receivable	(4)	35	(5)	10
Accrued interest payable	4	-	5	(10)
Accounts payable	16	-	50	16
Interfund account and other assets	-	-	-	-
Mortgage loans purchased	(7)	(2,230)	(24)	(2,424)
Mortgage loan principal payments received	-	-	-	-
Net change provided (used) by operating activities	$ 9	$ (2,205)	$ 21	$ (2,381)

2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	Total Multifamily Mortgage
$ (18)	$ (18)	$ (1,238)
3	-	413
-	-	8
-	-	37
-	-	155
-	-	-
-	-	-
(9)	3	158
26	(2)	(74)
-	2	424
-	-	37
(7,949)	(5,641)	(32,423)
-	-	10,219
$ (7,947)	$ (5,656)	$ (22,284)

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(In Thousands)

	1994B (Access I) Single Family	1996 B1-B4 Single Family	1996 D1-D4 Single Family	1997 A1-A3 Single Family
Reconciliation of Operating Income to Cash				
Provided from Operating Activities				
Operating Income (Loss)	$ 12	$ (1,668)	$ (1,758)	$ 122
Adjustments to reconcile operating income/loss				
to net cash provided by (used in) operating activities:				
Amortization of deferred financing costs	-	-	-	2
Amortization of mortgage loan / investment (discount) premium	2	27	-	-
Amortization of bond discount (premium)	(2)	-	-	-
Amortization of deferred (income) losses	-	-	-	-
(Gain) Loss on sale of securities	-	-	-	-
Provisions for loan losses	-	-	-	-
Changes in:				
Accrued interest receivable	(2)	(14)	13	(9)
Accrued interest payable	2	-	-	-
Accounts payable	-	-	-	-
Interfund account and other assets	-	-	-	-
Mortgage loans purchased				
Mortgage loan principal payments received	367	2,505	2,304	561
Net change provided (used) by operating activities	$ 379	$ 850	$ 559	$ 676

1997 B1-B3 Single Family	1997 C1-C2 Single Family	1998 A1-A3 Single Family	1998 B1-B3 Single Family	1999 A1-A3 Single Family	1999 B1-B3 Single Family	1999 C Single Family	1999 D1-D2 Single Family
$ 94	$ 173	$ 370	$ 230	$ 76	$ 115	$ 8	$ 125
7	7	12	-	7	8	4	8
(12)	11	43	(17)	16	32	-	34
-	(11)	(60)		(32)	(32)	-	(34)
12	-	17	17	16	-	16	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(2)	(13)	(8)	11	(7)	(3)	(1)	(1)
3	3	6	9	3	5	2	4
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
471	549	1,208	1,946	718	1,192	310	666
$ 573	$ 719	$ 1,588	$ 2,196	$ 797	$ 1,317	$ 339	$ 802

LOUISIANA HOUSING FINANCE AGENCY
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JUNE 30, 2009

(In Thousands)

	2000 A1-A3 Single Family	2000 B1-B3 Single Family	2000 D Single Family	2001 A Single Family	2001 B1-B2 Single Family
Reconciliation of Operating Income to Cash Provided from Operating Activities					
Operating Income (Loss)	$ 92	$ 189	$ 98	$ 110	$ 27
Adjustments to reconcile operating income/loss to net cash provided by (used in) operating activities:					
Amortization of deferred financing costs	4	3	6	12	11
Amortization of mortgage loan / investment (discount) premium	14	12	18	-	(16)
Amortization of bond discount (premium)	(14)	(12)	(29)	-	14
Amortization of deferred (income) losses	-	-	11	27	2
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Changes in:					
Accrued interest receivable	5	(6)	(3)	(4)	(15)
Accrued interest payable	2	3	3	4	4
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	-	-	-	-
Mortgage loan principal payments received	386	431	272	899	649
Net change provided (used) by operating activities	$ 489	$ 620	$ 376	$ 1,048	$ 676

LOUISIANA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2009

(In Thousands)

	2004 C1-C2 Single Family	2005 A1-A2 Single Family	2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family
Reconciliation of Operating Income to Cash Provided from Operating Activities					
Operating Income (Loss)	$ 38	$ 34	$ 29	$ 168	$ 165
Adjustments to reconcile operating income/loss to net cash provided by (used in) operating activities:					
Amortization of deferred financing costs	21	25	39	63	49
Amortization of mortgage loan / investment (discount) premium	-	-	(4)	-	-
Amortization of bond discount (premium)	(50)	(71)	-	(230)	(266)
Amortization of deferred (income) losses	-	(4)	5	10	7
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Changes in:					
Accrued interest receivable	(6)	11	(4)	(20)	(17)
Accrued interest payable	5	(8)	12	24	18
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	-	-	-	-
Mortgage loan principal payments received	1,085	2,275	4,748	6,975	5,543
Net change provided (used) by operating activities	$ 1,093	$ 2,262	$ 4,825	$ 6,990	$ 5,499

2006 D Single Family	2006 DD Single Family	2007 A Single Family	2007 B Single Family	2007 C Single Family	2008 A Single Family	2008 B Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
$ 198	$ (243)	$ 137	$ 252	$ 233	$ (305)	$ (369)	$ (869)	$ (2,107)
89	18	84	70	62	21	14	760	1,173
17	(124)	14	(277)	(252)	-	-	(415)	(407)
(443)		(424)	(310)	(321)	-	-	(2,606)	(2,569)
8	124	10	238	372	-	-	919	1,074
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(6)	3	17	30	(45)	199	138	165	323
35	-	27	19	14	(204)	(136)	(98)	(172)
-	-	-	-	-	-	-	-	424
-	-	-	-	-	-	-	-	37
-	-	(9,571)	(6,296)	(37,388)	(37,515)	(22,660)	(113,430)	(145,853)
9,589	-	8,652	7,109	5,864	1,136	38	77,780	87,999
$ 9,487	$ (222)	$ (1,054)	$ 835	$ (31,461)	$ (36,668)	$ (22,975)	$ (37,794)	$ (60,078)

LOUISIANA HOUSING FINANCE AGENCY
OPERATING ACTUALS AND BUDGET FOR FY 2009

Operating Revenue	Per FY 08/09 Financial Statements	Adjustments For Comparability To Operating Budget		Adjusted Financial Statement Amounts	Per FY 08/09 Budget	Variance From Budget
MRB Program issuer fees	1,588,933			1,588,933	1,610,926	21,993
Low Income Housing Tax Credit Program Fees	2,654,686			2,654,686	2,182,469	(472,217)
Compliance and Application Fees	62,575			62,575	98,325	35,750
Mortgage Loan Interest Income	111,430			111,430	107,017	(4,413)
Federal Program Administrative Fees	7,549,460			7,549,460	6,822,266	(727,194)
Investment Income	4,590,783	(1,980,535)	1	2,610,248	2,522,818	(87,430)
Other Income	48,627			48,627	25,000	(23,627)
HUD Disposition Income		251,319	2	251,319	202,388	(48,931)
LA Housing Trust Fund		788,000	3	788,000	1,000,000	212,000
Total Operating Revenue	**16,606,494**	**(941,216)**		**15,665,278**	**14,571,209**	**(1,094,069)**
Operating Expenses						
Personnel Services	9,449,478	(1,558,778)	4	7,890,700	8,443,678	552,978
Supplies	302,671	(125,530)	5	177,141	173,200	(3,941)
Travel	369,085	13,315	6	382,400	596,800	214,400
Operating Services	1,208,340	(153,954)	7	1,054,386	1,029,903	(24,483)
Professional Services	2,906,716	102,204	8	3,008,920	3,127,327	118,407
Interest Expense	1,159,746	(892,543)	9	267,203	290,387	23,184
Depreciation	423,648	(423,648)	10	-	-	0
Total Operating Expenses	**15,819,684**	**(3,038,934)**		**12,780,750**	**13,661,295**	**880,545**
Operating Income	**786,810**	**2,097,718**		**2,884,528**	**909,914**	**1,974,614**

[1] To remove from the audited financials amounts for unrealized fair market value investment gains of 1,606,797, housing trust fund interest of 245,955, petroleum violation interest of 25,399, and 202 interest of 102,384.

[2] The financial statements include the changes in net assets for the HUD Disposition properties in the non-operating revenues section. This is to include the operating income before depreciation.

[3] In that the entire allocation was recognized as revenue upon receipt for fiscal year 2008, the 788,000 related to this line item has been previously recorded as revenue.

[4] To remove the accrued and unfunded OPEB amount. GASB 45 requires that this be included as an accrual, and it is calculated for each participating agency annually by an actuary for OGB.

[5] The financial statements group computer software and hardware into supplies, when these were budgeted in operating services. A corresponding amount is added to operating services.

[6] The financial statements group educational expenses with operating services. This classifies these expenses to travel and training, where they are budgeted.

[7] The financial statements include computer software and hardware in supplies at 125,530, when they were budgeted in operating services. Thus, they are added here. The financial statements include educational expenses of 13,315, advertising expenses of 102,204, and 202 elderly expenses of 163,965 in operating services. These are removed here, since the educational expenses are budgeted for in travel and training, the advertising expenses are budgeted for in professional services, and the 202 expenses are non-budgeted non-operating expenses.

[8] To add the advertising expense referred to in note 4 to professional services where it is budgeted.

[9] The financial statements include 202 elderly interest in this category, when it is not included in the operating budget.

[10] Depreciation is a non-cash item, and thus is not included in the operating budget.