LOUISIANA HOUSING CORPORATION

BOARD OF DIRECTORS

Agenda Item 4

Administrative Committee

Chairman Malcolm Young

October 8, 2014

Table of Contents

BOBBY JINDAL
GOVERNOR

FREDERICK TOMBAR, III
EXECUTIVE DIRECTOR

Louisiana Housing Corporation

October 2, 2014

ADMINISTRATIVE COMMITTEE MEETING

AGENDA

Notice is hereby given of a regular meeting of the Administrative Committee to be held on **Wednesday, October 8, 2014 @ 9:00 A.M.,** Louisiana Housing Corporation Building, **Committee Room 2**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

1. Call to Order and Roll Call.

2. Approval of the **Minutes of the August 13, 2014 Committee Meeting.**

3. Resolution authorizing the LHC **to contract with the selected proposer to serve as Master Servicer**; and providing for other matters in connection therewith. Staff recommends approval.

4. Resolution authorizing the Louisiana Housing Corporation **to contract with the selected proposer to serve as Housing Program Underwriter**; and providing for other matters in connection therewith. Staff recommends approval.

5. Presentation and Discussion regarding **LHC Operating Budget;** and providing for all matters in connection therewith.

6. Presentation and Discussion of **External Audit Results for the Fiscal Year Ending June 30, 2014, by Gurtner Zuniga Abney, CPAs, LLC and Postlethwaite & Netterville**; and providing for all matters in connection therewith.

7. Other Business.

8. Adjournment.

Frederick Tombar, III
Executive Director

If you require special services or accommodations, please contact Board Coordinator and Secretary Barry E. Brooks at (225) 763 8773, or via email bbrooks@lhc.la.gov.

Pursuant to the provisions of LSA-R.S. 42:16, upon two-thirds vote of the members present, the Board of Directors of the Louisiana Housing Corporation may choose to enter executive session, and by this notice, the Board reserves its right to go into executive session, as provided by law.

Administrative Committee Meeting Minutes
Wednesday, August 13, 2014
2415 Quail Drive
Committee Room 2
Baton Rouge, LA 70808
9:00 a.m.

Committee Members Present
Chairman Malcolm Young
Larry Ferdinand
Ellen Lee

Committee Members Absent
Dr. Daryl Burckel
Treasurer John Kennedy

Board Members Present
Michael Airhart
Mayson Foster
Matthew Ritchie

Board Members Absent
Willie Spears
Guy Williams

Staff Present
Keith Cunningham
Terry Holden
Brad Sweazy
Collette Mathis
René Landry
Frederick Tombar, III
Jessica Guinn
Brenda Evans
Leslie Strahan
Michelle Thomas
Loretta Wallace
Rebekah Ward
Natasha Joseph-Anderson
Don Hutchinson
Terrell Dupard

Anita Tillman
Danae Billingsley
Konchetta Brignier

Others Present
Wayne Neveu
Carliss Knesel
Glenn Walker
Shaun Toups
Charles Tate

Minutes

Call to Order and Roll Call. The Administrative Committee Meeting was called to order by Chairman Malcolm Young at 9:04 a.m. The roll was called by Ms. Rebekah Ward, Committee Secretary, and a quorum was established.

Approval of Minutes. On a motion by Mr. Mayson Foster, which was seconded by Mr. Michael Airhart, the minutes of the June 11, 2014 meeting were approved without correction.

Action Items.

- ***Resolution adopting the completed Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities.***

Chairman Young introduced and explained the resolution. Mr. René Landry, Chief Fiscal Officer, presented the completed questionnaire for approval by the Board before submission to the Legislative Auditor. A motion was made by Mr. Foster, seconded by Mr. Airhart, to favorably recommend the resolution to the Full Board. The motion passed unanimously.

- ***Resolution regarding the Market Analyst Request for Proposal.***

Chairman Young introduced and explained the resolution. There was a brief discussion between Board members and staff concerning how analysts are selected and tasked. Mr. Frederick Tombar, III, Executive Director, stated that LHC will reach out to Louisiana-based analysts specifically. A motion was made by Mr. Airhart, seconded by Mr. Larry Ferdinand, to favorably recommend the resolution to the Full Board. The motion passed unanimously.

- ***Resolution authorizing the Louisiana Housing Corporation ("Corporation") to contract with the selected proposer to serve as Housing Program Underwriter.***

Chairman Young introduced and explained the resolution. A motion to favorably recommend the resolution to the Full Board was made by Mr. Foster, seconded by Mr. Ferdinand. Chairman Young then opened the floor for discussion, and gave a historic explanation for the delay in selecting an Underwriter. There was extensive discussion between Board Members and staff concerning the SEC rule requirements, RFP details and amendments, and various options for how to proceed. Mr. Young proposed several options to the Board Members. Mr. Airhart made a motion, seconded by Mr. Matthew Ritchie, to amend the resolution as follows: *A resolution authorizing the Louisiana Housing*

Corporation to cancel and reissue the Request for Proposals for Housing Program Underwriter. The results of a voice vote were indeterminable; therefore a roll call vote was conducted with the following results:

YES: Young, Foster, Airhart, Ritchie
NO: Ferdinand, Lee

The amended resolution passed for recommendation to the Full Board.

Other Business.
Mr. Tombar stated that the Master Servicer RFP would be reissued. Mr. Airhart requested that the RFP be advertised in the Bond Buyer and the Wall Street Journal. Chairman Young state that a Fairview Crossing item has been reviewed and will be brought before the Committee at a later date.

Adjournment.

Chairman Young called for adjournment. The Administrative Committee was adjourned at 10:10 a.m.

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____________and seconded by Director __________________:

RESOLUTION

A resolution authorizing the Louisiana Housing Corporation ("Corporation") to contract with the selected proposer to serve as Master Servicer; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation ("LHC" or "Corporation") was created by and pursuant to the Louisiana Housing Corporation Act contained in Chapter 3-G of the Louisiana Revised Statutes of 1950, as amended (R.S. 40:600.86 through R.S. 40:600.111); and

WHEREAS, the LHC, as authorized by the State of Louisiana pursuant to R.S. 40:600.91(A), shall have the powers necessary or convenient to carry out and effectuate the purpose and provisions of the LHC Act, and

WHEREAS, there exists the need for Professional Services of a Master Servicer to be retained by the Corporation as directed by the Corporation's staff and counsel, and, recognizing such, the LHC issued a Request for Proposals for these services in August 2014.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as the governing authority of said Corporation, that:

SECTION 1. The Louisiana Housing Corporation ("Corporation") is hereby authorized to enter a contract with the selected proposer for the Request for Proposals ("RFP") for Master Servicer.

SECTION 2. The Chairman, Vice Chairman, Executive Director and/or Secretary of the Corporation 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 Corporation, 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:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 8th day of October, 2014.

Chairman	Secretary

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation ("Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on October 8, 2014 entitled, "A resolution authorizing the Louisiana Housing Corporation ("Corporation") to contract with the selected proposer to serve as Master Servicer; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Louisiana Housing Corporation on this, the 8th day of October, 2014.

____
Secretary

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director **_____________** and seconded by Director **__________________**:

RESOLUTION

A resolution authorizing the Louisiana Housing Corporation ("Corporation") to contract with the selected proposer to serve as Housing Program Underwriter; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation ("LHC" or "Corporation") was created by and pursuant to the Louisiana Housing Corporation Act contained in Chapter 3-G of the Louisiana Revised Statutes of 1950, as amended (R.S. 40:600.86 through R.S. 40:600.111); and

WHEREAS, the LHC, as authorized by the State of Louisiana pursuant to R.S. 40:600.91(A), shall have the powers necessary or convenient to carry out and effectuate the purpose and provisions of the LHC Act, including to power to issue bonds from time to time, pursuant to La. R.S. 40:600.94; and

WHEREAS, there exists the need for Professional Services of a Housing Program Underwriter to be retained by the Corporation in the operation of several housing programs as directed by the Corporation's staff and counsel, and, recognizing such, the LHC issued a Request for Proposals for these services in April 2014.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as the governing authority of said Corporation, that:

SECTION 1. The Louisiana Housing Corporation ("Corporation") is hereby authorized to enter a contract with the selected proposer for the Request for Proposals ("RFP") for Housing Program Underwriter.

SECTION 2. The Chairman, Vice Chairman, Executive Director and/or Secretary of the Corporation 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 Corporation, 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:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 8th day of October, 2014.

Chairman	Secretary

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation ("Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on October 8, 2014 entitled, "A resolution authorizing the Louisiana Housing Corporation ("Corporation") to contract with the selected proposer to serve as Housing Program Underwriter; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Louisiana Housing Corporation on this, the 8th day of October, 2014.

____
Secretary

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
(A Component Unit of the State of Louisiana)

FINANCIAL STATEMENTS AS OF JUNE 30, 2014 AND 2013
AND FOR THE YEARS THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Louisiana Housing Corporation's General Fund, (the Corporation), a component unit of the State of Louisiana, which comprise the statement of net position as of June 30, 2014, and the related statements of revenues, expenses, and changes in fund net position, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana Housing Corporation, as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, these financial statements include only the activities of Louisiana Housing Corporation'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 Corporation's mortgage revenue bond programs in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements
The financial statements of the Corporation as of June 30, 2013 and for the year then ended were audited by other auditors, whose report dated August 30, 2013, expressed an unmodified opinion on those statements.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Annual Financial Statement Reporting Packet, presented as other 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. The Annual Financial Statement Reporting Packet is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014 on our consideration of Louisiana Housing Corporation'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Housing Corporation's internal control over financial reporting and compliance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Housing Corporation's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Louisiana Housing Corporation. The schedule of expenditures of federal awards is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the Unites States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gurtner Zuniga Abney, LLC

New Orleans, Louisiana
September 19, 2014

The Management's Discussion and Analysis of the Louisiana Housing Corporation's (LHC, the Agency, or the Corporation) financial performance presents a narrative overview and analysis of LHC's financial activities for the year ended June 30, 2014. This document focuses on LHC's 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 LHC's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

2014

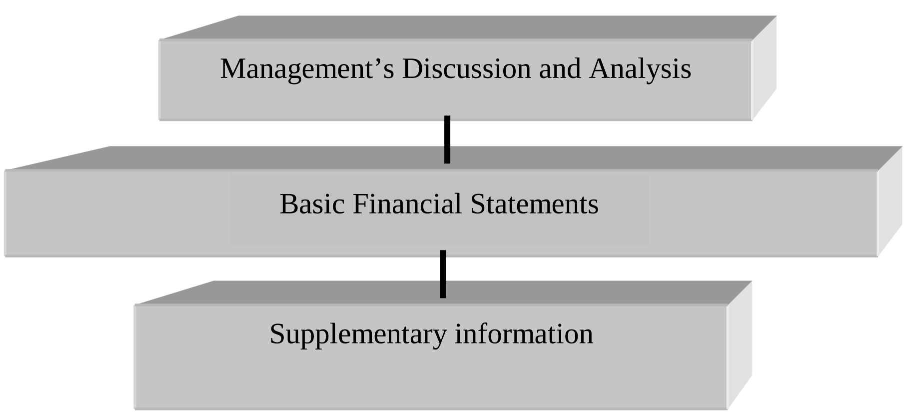
- ★ Assets exceeded liabilities at the close of fiscal year 2014 by $272,777,922, which represents an 8% decrease from last fiscal year.
- ★ Total revenues before transfers decreased by $1,170,152, or 1%, total expenses before transfers decreased by $4,405,670, or 2%, and, consequently, the net income before transfers increased by $3,235,518, an increase of 12%.

2013

- ★ Assets exceeded liabilities at the close of fiscal year 2013 by $296,401,480, which represents a 6% decrease from last fiscal year.
- ★ Total revenues before transfers decreased by $96,889,511, or 34%, total expenses before transfers decreased by $46,435,556, or 18%, and, consequently, the net income before transfers decreased by $50,454,135, a decrease of 214%.

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 financial statements), and supplementary information.

Basic Financial Statements

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

The Statements of Net Position (pages 11-12) present the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the LHC is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets (pages 13-14) present information showing how LHC's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flow (pages 15 - 16) present information showing how LHC'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 Codification.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
June 30, 2014, June 30, 2013, and June 30, 2012
(in thousands of dollars)

	2014	2013	2012
Current and other assets	$ 16,931	$ 49,940	$ 53,702
Restricted assets	225,763	215,992	208,858
Capital assets	82,329	83,823	81,130
Total assets	**$ 325,023**	**$ 349,755**	**$ 343,690**
Other liabilities	$ 42,384	$ 40,626	$ 35,783
Long-term debt outstanding	9,580	12,430	21,092
Total liabilities	51,964	53,056	56,875
Net position:			
Invested in capital assets, net of related debt	79,894	80,673	76,465
Restricted	187,623	174,660	165,736
Unrestricted	5,261	41,068	44,614
Total net position	**$ 272,778**	**$ 296,401**	**$ 286,815**

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, along with related earnings, to support the general obligations of LHC.

2014

Net position decreased by $23,623,558, or 8%, from June 30, 2013 to June 30, 2014. This decrease in net assets can be attributed to a decrease in operating income and an increase in the amount transferred to the State of Louisiana treasury pursuant to Act 646 of the 2014 Regular Session of the Louisiana Legislature.

2013

Net position decreased by $20,655,831, or 6%, from June 30, 2012 to June 30, 2013. This decrease in net position can be attributed to a decrease in operating income, federal grants drawn, and net income from rental property.

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the years ended June 30, 2014, 2013, and 2012
(in thousands of dollars)

	2014	2013	2012
Operating revenues	$ 11,894	$ 12,302	$ 14,520
Operating expenses	15,467	13,713	13,693
Operating income	(3,573)	(1,411)	827
Non-operating revenues (expenses)	(20,068)	(25,467)	59,013
Income before transfers	(23,641)	(26,878)	59,840
Transfers (to) from MRB Programs	18	6,462	(669)
Increase (decrease) in net assets	**$ (23,623)**	**$ (20,416)**	**$ 59,171**

2014

Total revenues decreased by $1,170,152, or 1%, primarily as a result of a decrease in operating revenues. Total expenses decreased by $4,405,670, or 2%, primarily as a result of a decrease in bond interest expense, a decrease in the net loss from rental property, a decrease of other non-operating expenses, and a decrease in the provision for loan losses, the majority of which was due to necessarily recording 100% of conditional loans as such.

2013

Total revenues decreased by $96,889,511, or 34%, primarily as a result of a decrease in federal grants drawn, and a decrease in income from rental property. Total expenses decreased by $46,435,556, or 18%, primarily as a result of a decrease in federal grant funds disbursed, a decrease in the provision for loan losses, the majority of which was due to necessarily recording 100% of conditional loans as such, and a decrease in the amount transferred to the Louisiana Treasury per legislative action in comparison to the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal 2014, the Louisiana Housing Corporation had $95.7 million invested in a broad range of capital assets, including two office facilities located in Baton Rouge, two completed apartment complexes in New Orleans, and an apartment complex in Baton Rouge. (See table below).

This amount represents a net decrease (including additions and deductions) of $1,919,204, or a 2% decrease over last year.

	2014	2013	2012
Land	$ 1,022	$ 712	$ 712
Land Improvements	54	61	67
Buildings (net of accumulated depreciation)	93,761	96,021	84,978
Equipment (net of accumulated depreciation)	778	792	502
Construction in Progress	113	62	12,345
Total capital assets, net of accumulated depreciation	**$ 95,728**	**$ 97,648**	**$ 98,604**

This year's changes included (in thousands):

Equipment acquisitions and replacements	$ 272
Depreciation	(3,307)
Rehab of Agency Properties – Increase in Construction in Progress	75
Rehab of Agency Properties – Decrease in Construction in Progress	(75)
Rehab of Agency Properties – Increase in Buildings	87
Purchase of Industriplex land and building	1,029

Debt **–** The Louisiana Housing Corporation had $24,365,236 in bonds and notes outstanding at year-end, compared to $27,206,454 at the end of last year as shown in the table below. This decrease is from a decrease in outstanding General Revenue Office Building Bonds and a decrease in Multi Family Mortgage Revenue Bonds.

Outstanding Debt at Year-end
(in thousands)

	2014	2013	2012
General Revenue Office Building Bonds (2010)	$ 2,435	$ 3,200	$ 3,940
Multi Family MR Bonds (Section 8 Assisted - 202 Elderly Projects), 2006A	-	-	12,735
Multi Family MR Refunding Bonds (2013)	7,935	9,995	-
Debentures payable	13,714	13,714	13,714
Deferred amount on Refunding	281	297	314
Total outstanding debt	**$ 24,365**	**$ 27,206**	**$ 30,703**

2014

The LHC's Moody's bond rating was A1 for the general revenue bonds and the 202 Elderly MR Bonds. The Agency's Single Family Mortgage Revenue Bonds, which are not considered to be the Agency's general debt and are excluded from these financial statements, carry an AAA rating.

The LHC has accounts payable and accrued interest payable of $5,746,651 outstanding at year-end compared with $4,657,818 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and other post-employment benefits payable.

2013

The LHC's Moody's bond rating was A1 for the general revenue bonds and the 202 Elderly MR Bonds. The Agency's Single Family Mortgage Revenue Bonds, which are not considered to be the Agency's general debt and are excluded from these financial statements, carry an Aaa rating.

The LHC has accounts payable and accrued interest payable of $4,657,818 outstanding at year-end compared with $3,480,035 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 LHC's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The LHC will make investments in fiscal '15 that will improve the compliance rates of funding recipients and generate additional revenue.
- New programs approved for fiscal '15 will make available more than $12MM in new investments. Additional program opportunities will continue to be assessed.
- Single Family and Multi Family Issuer Fees are down due to the size of the portfolios decreasing. However expanding the Single Family program is expected to yield increased Issuer Fees in fiscal '15 and beyond.
- While interest rates are expected to slowly increase, the Corporation's investments have decreased significantly; therefore Agency investment income will be reduced.
- The HUD Disposition properties were damaged during Hurricane Katrina. Willowbrook has been on-line now for seven years, with an average occupancy rate of approximately 93%. Village De Jardin (Gaslight Square) came on-line mid-fiscal '12 and ramped up to an average occupancy rate of approximately 96% for fiscal '14. As a result of Village De Jardin's increased occupancy rate, the rental income provided by the properties will increase. However, slightly higher operating costs on both properties may absorb much of the additional rental income.

The LHC expects that next year's results will be mixed based upon the following:

- Investments decreased with a transfer of $25 million to the Louisiana treasury pursuant to Act 646 of the 2014 Regular Session of the Louisiana Legislature. This will cause a reduction in the Corporation's investment income.
- The Section 8 revenues will remain steady during fiscal '15. HUD accepted applications for awarding new Section 8 contracts during fiscal '14 and initially LHC was not selected for the contract however subsequent litigation has postponed the selection process. The LHC expects to continue to administer the program at least through the end of fiscal '15.
- The Corporation's tax credit revenue is expected to increase slightly in fiscal '14 as the tax credit award for the year is expected to be similar to the Corporation's current allocation while the Corporation expects a slight increase due to reprocessings.
- The Corporation expects overall operating expenses to increase due to added programs, but will be offset somewhat due to enhanced technological advancements, lower building bond interest and other operating expenses.

CONTACTING THE LOUISIANA HOUSING CORPORATION'S MANAGEMENT

This financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Corporation's customers, investors and creditors with a general overview of the Louisiana Housing Corporation's finances and to show the LHC's accountability for the funds it receives. If there are questions about this report, or if additional financial information is desired, contact Michelle L. Thomas, Chief Administrative Officer, 2415 Quail Drive, Baton Rouge, LA 70808.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
UNRESTRICTED ASSETS		
Cash and cash equivalents	$ 1,498,766	$ 1,010,556
Investments	1,084,833	44,614,958
Investments - Work Force Initiative	10,121,718	-
Total investments	11,206,551	44,614,958
Mortgage loans receivable	1,128,962	1,155,747
Accrued interest receivable	100,633	194,140
Due from governments	2,380,845	2,139,351
Due from MRB programs	107,008	117,878
Capital assets (net of accumulated depreciation of $14,725,156 and $11,949,956, respectively)	82,328,964	83,822,598
Other assets	507,040	707,923
Total unrestricted assets	99,258,769	133,763,151
RESTRICTED ASSETS		
Cash and cash equivalents	23,420,346	20,683,905
Investments	11,444,446	7,212,263
Mortgage loans receivable (net of allowance for loan losses of $242,613,799 and $269,936,430, respectively)	126,223,586	127,088,329
Accrued interest receivable	51,275,928	47,182,486
Capital assets (net of accumulated depreciation of $864,996 and $364,851, respectively)	13,399,473	13,825,049
Total restricted assets	225,763,779	215,992,032
TOTAL ASSETS	**$ 325,022,548**	**$ 349,755,183**

(Continued)

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	2014	2013
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 2,224,375	$ 1,750,078
Accrued interest payable	3,522,276	2,907,740
Due to governments	31,291	77,421
Other postemployment benefit plan payable	6,305,156	5,723,056
Compensated absences payable	1,070,110	955,348
Unearned income	6,626,502	6,541,706
Amounts held in escrow	8,099,680	8,191,900
Total current liabilities	27,879,390	26,147,249
BONDS AND DEBENTURES PAYABLE		
Due within one year	14,504,128	14,479,128
Due in more than one year	9,580,000	12,430,000
Total bonds and debentures payable	24,084,128	26,909,128
TOTAL LIABILITIES	51,963,518	53,056,377
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to debt refunding	281,108	297,326
TOTAL DEFERRED INFLOWS OF RESOURCES	281,108	297,326
NET POSITION		
Investment in capital assets, net of related debt	79,893,964	80,672,781
Restricted	187,622,695	174,660,438
Unrestricted	5,261,263	41,068,261
Total net position	272,777,922	296,401,480
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 325,022,548**	**$ 349,755,183**

(Concluded)

See independent auditors' report and accompanying notes to the financial statements.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
MRB program issuer fees	$ 1,701,941	$ 1,762,882
Low income housing tax credit program fees	1,439,212	1,117,710
Compliance and application fees	4,575	34,103
Federal program administrative fees	6,481,010	7,715,711
Mortgage loan interest income	92,178	102,759
Investment income	1,830,709	1,441,188
Single family turnkey program fees	334,446	-
Other income	9,493	127,592
Total operating revenues	11,893,564	12,301,945
OPERATING EXPENSES		
Personnel services	10,844,624	9,915,112
Supplies	374,723	432,311
Travel	319,653	279,925
Operating services	1,343,885	1,335,953
Professional services	2,147,317	1,329,196
Interest expense	74,838	93,588
Depreciation	361,930	326,496
Total operating expenses	15,466,970	13,712,581
LOSS FROM OPERATIONS	(3,573,406)	(1,410,636)
NON-OPERATING REVENUES (EXPENSES)		
Bond interest expense	(824,921)	(1,143,409)
Federal grants drawn	164,921,303	164,216,587
Federal grants disbursed	(163,157,455)	(160,391,949)
Net loss from rental property	(537,516)	(1,030,570)
Other non-operating expenses	(695,235)	(1,949,704)
Provision for loan losses	1,445,592	(23,050,364)
Program income - HOME	134,650	2,155,200
Restricted mortgage loan interest income	5,836,070	6,601,898
Restricted investment (loss) income	(190,810)	125,701
Transfer to the State of Louisiana Treasury	(27,000,000)	(11,000,000)
Total non-operating expenses - net	(20,068,322)	(25,466,610)
NET LOSS BEFORE TRANSFERS	(23,641,728)	(26,877,246)

(Continued)

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
TRANSFERS FROM MRB PROGRAMS	$ 18,170	$ 6,462,345
CHANGE IN NET POSITION	**(23,623,558)**	**(20,414,901)**
NET POSITION - Beginning of year	296,401,480	316,816,381
NET POSITION - End of year	**$ 272,777,922**	**$ 296,401,480**

(Concluded)

See independent auditors' report and accompanying notes to the financial statements.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from		
Fee revenue collected	$ 11,518,508	$ 12,061,279
Investment and mortgage loan income	2,597,553	2,241,657
Mortgage collections	26,785	25,880
Cash paid to		
Suppliers of service	(3,751,933)	(3,041,130)
Employees and benefit providers	(10,107,109)	(9,378,014)
Bondholders and creditors for interest	(74,838)	(76,861)
Net cash provided by operating activities	208,966	1,832,811
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net transfers from MRB programs	18,170	6,462,345
Receipts of federal grants	164,679,809	165,084,055
Disbursements of federal grants	(163,111,325)	(159,050,110)
Mortgage collections	4,332,095	2,333,659
Mortgage purchases	(3,571,433)	(8,617,698)
Issuance of bonds	-	9,995,000
Repayment of bonds	-	(12,735,000)
Net change in escrow accounts	(92,220)	(192,186)
Interest paid on bonds and debentures payable	(210,385)	(616,633)
Other non-operating expenses	(22,932,562)	(7,631,347)
Net cash used in noncapital financing activities	(20,887,851)	(4,967,915)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchased	(22,443,736)	(33,522,951)
Investments redeemed	49,266,334	36,654,848
Net cash from rental properties	1,262,074	1,410,021
Net cash provided by investing activities	28,084,672	4,541,918
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of property and equipment	(1,392,014)	(548,836)
Sale of equipment	35,878	-
Repayment of bonds	(2,825,000)	(740,000)
Net cash used in capital financing activities	(4,181,136)	(1,288,836)

(Continued)

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 3,224,651	$ 134,705
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	21,694,461	21,559,756
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 24,919,112**	**$ 21,694,461**
PRESENTED ON THE STATEMENT OF NET POSITION AS		
Unrestricted	$ 1,498,766	$ 1,010,556
Restricted	23,420,346	20,683,905
	$ 24,919,112	**$ 21,694,461**
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATIONS		
Loss from operations	$ (3,573,406)	$ (1,410,636)
Adjustments to reconcile loss from operations to net cash provided by operations:		
Depreciation	361,930	326,496
Net change in fair value	2,158,732	663,655
Change in other assets	200,883	(609,559)
Change in mortgage loans receivable	26,785	25,880
Change in accrued interest receivable	93,507	34,055
Change in due from governments	(241,494)	1,655,566
Change in due from MRB programs	10,870	21,320
Change in accounts payable and accrued liabilities	474,297	588,936
Change in OPEB payable	582,100	466,358
Change in compensated absences payable	114,762	70,740
NET CASH PROVIDED BY OPERATIONS	**$ 208,966**	**$ 1,832,811**

(Concluded)

See independent auditors' report and accompanying notes to the financial statements.

ORGANIZATION OF THE CORPORATION

Louisiana Housing Corporation (the Corporation or LHC) is an instrumentality of the State of Louisiana established July 1, 2011 pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended. The enabling legislation grants the Corporation the authority to promulgate rules, regulations, or other procedures for the coordination of all state-administered housing programs. Louisiana Housing Finance Agency (the Agency) became the Corporation's subsidiary effective January 1, 2012. For the year ended June 30, 2012, the operations of the Corporation encompassed only the activities of its subsidiary. The financial statements for the year ended June 30, 2012 were combined to include the transactions of the Agency for the period July 1, 2011 through December 31, 2011, and the transactions of the Corporation included its subsidiary for the period January 1, 2012 through June 30, 2012. The Agency was terminated at midnight on June 30, 2012, and the Corporation assumed the obligations and the programs of the Agency at that time.

The Louisiana Housing Authority (the Authority) commenced operations on November 1, 2008, and was a part of the Division of Administration of the State of Louisiana (the State) prior to enactment of the enabling legislation that created the Corporation. Within the legislation is a clause stating that the Corporation shall have all the powers and duties of a housing authority created pursuant to the Louisiana Housing Authority Law, R.S. 40:381 et. seq and with that, along with the direction if the Commissioner of Administration, the operation of the Authority and its programs were transferred to the Corporation. The activities and the transfers of programs were culminated within the 2013 fiscal year, and the related transactions are reflected in these financial statements, which include Section 8 Housing Choice Vouchers (Project Based Vouchers), Shelter Plus Care, and Community Development Block Grants. With direction from its current sole grantor, the U.S. Department of Housing and Urban Development (HUD), the Authority has operated on a calendar year basis, and has filed audited financial statements with the Louisiana Legislative Auditor starting with calendar year 2009.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below:

Adoption of New Financial Accounting Standards **–** The following Accounting Standards Update (ASU) recently issued and adopted by the GASB impacted the Corporation's financial statements:

In March 2012, the GASB issued Codification, *Items Previously Reported as Assets and Liabilities*. GASB Codification clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Additionally, the GASB evaluated debt issue costs and concluded that, with the exception of prepaid insurance, the costs relate to services provided in the current period and thus they should be expensed in the current period. This is a significant change from current practice which is to record these as assets and amortize them over the life of the related debt issue. The provisions of this statement are effective for the earliest period presented for financial periods beginning July 1, 2012. The financial statements have been adjusted to reflect the retroactive application as of July 1, 2012. As such, the impact of the cumulative effect of change in accounting position on the net position as of July 1, 2012, is a decrease of $250,411 to reflect previously capitalized bond issuance costs as expenses, net of the derecognition of amortization expense associated with these assets.

Reporting Entity – As required by GASB Codification Section 2100, *Defining the Financial Reporting Entity* a legally separate entity is considered a component unit of the State of Louisiana (the State) if at least one of the following criteria is met:

- The State appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/ burden to the State.
- The entity is fiscally dependent on the State and there is a potential financial benefit/burden to the State.
- The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading.

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

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

Annually, the Corporation issues combined financial statements which include the activity contained in the accompanying financial statements, along with the Corporation's Mortgage Revenue Bond (MRB) 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 Corporation 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 position 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 Corporation is essentially that of a financial institution having a business cycle greater than one year, the statements of net position are not presented in a classified format.

Investments **–** GASB Codification Section I50, *Investments*, requires certain types of investment securities to be carried at fair value. In accordance with this statement, all debt securities with an original term of greater than one year are carried at fair value. The change in fair value of such securities is recognized as revenue as a component of investment 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. 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. All property and equipment with initial, individual costs of greater than $5,000 is capitalized. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings	40 years
Equipment	3-7 years

Revenues and Expenses – Operating revenues consist of program administration fees, bond issue fees and investment income as these revenues are generated from operations and are generated in carrying out the Corporation’s 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 (loss) from rental properties are ancillary to the Corporation’s statutory purpose and are classified as non-operating.

When an item of income earned or expense incurred for purposes for which there are both restricted and unrestricted net positions available, it is the Corporation’s policy to apply those items to both restricted and unrestricted net positions, in accordance with the appropriate proportion as delineated by the activity creating the item.

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 Corporation is a proprietary fund, the cost of leave privileges, computed in accordance with GASB Codification C60, *Compensated Absences* is recognized as a current year expense when the leave is earned.

Statement of Cash Flows – For purposes of the statements of cash flows, 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.

Net Position – In the statements of net position, the difference between the Corporation's assets and liabilities is recorded as net position. The three components of net position are as follows:

> *Net investments in capital assets, net of related debt* – The category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.
>
> *Restricted net position* – Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law are reported separately as restricted net position.
>
> *Unrestricted net position* – Consists of net positions that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year end financial statements. These reclassifications were not considered material overall to the financial statements.

NOTE B – 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.

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

Authority – Cash and cash equivalents are stated at cost, which approximates market value. Under State law, the Corporation may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Corporation 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 – Cash and cash equivalents (book balances) as of June 30, 2014 and 2013 are as follows:

		2014		2013	Rating
Petty cash	$	1,400	$	1,150	N/A
Demand deposits		12,995,432		11,071,628	N/A
Federal Home Loan Bank deposits		4,818		4,818	N/A
Money market funds		11,917,462		10,616,865	AAA
Total	**$**	**24,919,112**	**$**	**21,694,461**	

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 Corporation'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 Corporation at June 30, 2014 and 2013. The 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 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.

Investments – As of June 30, 2014, the Corporation had the following investments and maturities (in years):

			Investment Maturities (in Years)							
Investment Type		Fair Value		Less than 1		1 to 5		6 to 10		>10
US Treasury Notes	$	710,829	$	710,829	$	-	$	-	$	-
US Sponsored Agencies		11,426,383		243,327		3,365,591		1,728,888		6,088,577
State of Louisiana Bonds		657,488		-		-		657,488		-
Whole loans		60,589		60,589		-		-		-
GNMAs		9,795,708		125		134,942		331,958		9,328,683
Total	**$**	**22,650,997**	**$**	**1,014,870**	**$**	**3,500,533**	**$**	**2,718,334**	**$**	**15,417,260**

As of June 30, 2013, the Corporation had the following investments and maturities (in years):

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 to 5	6 to 10	>10
US Treasury Notes	$ 738,500	$ -	$ 738,500	$ -	$ -
US Sponsored Agencies	28,139,449	-	230,162	8,198,617	19,710,670
State of Louisiana Bonds	636,981	-	-	636,981	-
Whole loans	146,056	-	146,056	-	-
GNMAs	22,166,235	-	102,884	553,220	21,510,131
Total	**$ 51,827,221**	**$ -**	**$ 1,217,602**	**$ 9,388,818**	**$ 41,220,801**

Interest Rate Risk – Interest rate risk is managed by duration. Future changes in interest rates and the slope of the yield curve are forecasted and then a duration strategy is selected for the portfolio. For example, when forecasts are for higher interest rates, the general strategy is to shorten the overall duration of the portfolio to mitigate the adverse effects 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 Corporation’s policy to limit its investments to those issued a top rating by Nationally Recognized Statistical Ratings Organizations. As of June 30, 2014 and 2013, all of the investments were rated AA or AA+ by Standard & Poor’s.

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

Concentration of Credit Risk – There is no limit on the amount that may be invested in any one issuer. As of June 30, 2014 and 2013, investments of the following issuers represented more than 5 percent of total investments:

	2014	2013
Federal National Mortgage Association	36%	41%
Federal Home Loan Mortgage Corporation	13%	14%

The net unrealized appreciation on investment securities was $2,589,565 and $4,175,018 at June 30, 2014 and 2013, respectively. The decrease in unrealized appreciation of $(1,585,453) and $(549,472) was included in investment income for the years ended June 30, 2014 and 2013, respectively.

NOTE D – BONDS AND DEBENTURES PAYABLE

Bonds and debentures payable activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
General obligation bonds					
Series of 2010 General Revenue Office Building Refunding Bonds	$ 3,200,000	$ -	$ (765,000)	$ 2,435,000	$ 790,000
Series 2006A Multifamily Mortgage Revenue Refunding Bonds	-	-	-	-	-
Series 2013 Multifamily Mortgage Revenue Refunding Bonds	9,995,000	-	(2,060,000)	7,935,000	-
Debentures payable	13,714,128	-	-	13,714,128	13,714,128
Total general obligation bonds	26,909,128	-	(2,825,000)	24,084,128	14,504,128
Plus deferred amount on refunding	297,326	-	(16,218)	281,108	16,218
Total bonds and debentures payable and deferred amounts related to debt financing	**$ 27,206,454**	**$ -**	**$ (2,841,218)**	**$ 24,365,236**	**$ 14,520,346**

Bonds and debentures payable activity for the year ended June 30, 2013 is as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
General obligation bonds					
Series of 2010 General Revenue Office Building Refunding Bonds	$ 3,940,000	$ -	$ (740,000)	$ 3,200,000	$ 765,000
Series 2006A Multifamily Mortgage Revenue Refunding Bonds	12,735,000	-	(12,735,000)	-	-
Series 2013 Multifamily Mortgage Revenue Refunding Bonds	-	9,995,000	-	9,995,000	-
Debentures payable	13,714,128	-	-	13,714,128	13,714,128
Total general obligation bonds	30,389,128	9,995,000	(13,475,000)	26,909,128	14,479,128
Plus deferred amount on refunding	313,544	-	(16,218)	297,326	16,218
Total bonds and debentures payable and deferred amounts related to debt financing	**$ 30,702,672**	**$ 9,995,000**	**$(13,491,218)**	**$ 27,206,454**	**$ 14,495,346**

Limited Obligation Bonds Payable – As authorized by the initial enabling legislation, the Corporation issues revenue bonds to assist in the financing of housing needs in the State of Louisiana. The bonds are limited obligation, payable only from the income, revenues and receipts derived from the mortgage loans and other investments held under and pursuant to the trust indentures and therefore pledged. The bonds are considered to be conduit debt of the Corporation and 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 Corporation for which the Corporation and the State have no responsibility for repayment are not recorded in the accompanying financial statements. As June 30, 2014 and 2013, there were approximately $655,180,000 and $683,000,000 of such bonds outstanding in 59 and 52 bond programs, respectively.

General Obligation Bonds Payable – On June 30, 2010, the Corporation issued $5,330,000 of General Revenue Office Building Refunding Bonds, Series 2010 for the purpose of currently refunding the General Revenue Office Building Bonds, Series 2001. The bonds are general obligations of the Corporation, secured by and payable from any and all funds of the Corporation not otherwise required to be irrevocably dedicated to other purposes. The bonds mature serially December 1, 2010 through December 1, 2016. The bonds bear interest at various rates, ranging from 2.00% to 3.25% per annum. At June 30, 2014 and 2013, $2,435,000 and $3,200,000, respectively, of the bonds were outstanding.

Interest rates on the Series 2010 bonds range from 2.00% to 3.25%, whereas interest rates on the Series 2001 bonds ranged from 3.50% to 8.00%. This decrease in interest rates resulted in an economic gain on the current refunding of $244,385 (the difference between the values of the Series 2001 and Series 2010 cash flows). The current refunding results in a reduction of debt service payments in the amount of $269,657 through the maturity of the bonds in December 2016.

On May 17, 2013, the Corporation issued $9,995,000 of Multifamily Mortgage Revenue Refunding Bonds, Series 2013 for the purpose of currently refunding the Multifamily Mortgage Revenue Refunding Bonds, Series 2006A. The bonds are general obligations of the Corporation, secured by and payable from any and all funds of the Corporation not otherwise required to be irrevocably dedicated to other purposes. The bonds mature on December 1, 2031. The bonds bear interest at 2.50% per annum. At June 30, 2014 and 2013, $7,935,000 and $9,995,000, respectively, of the bonds were outstanding.

Interest rates on the Series 2013 bonds are 2.50%, whereas interest rates on the Series 2006A bonds ranged from 3.85% to 4.75%. This decrease in interest rates resulted in an economic gain on the current refunding of $1,296,113 (the difference between the present values of the Series 2006A and Series 2013 cash flows). The current refunding results in an increase of debt service payments in the amount of $1,581,627 through the maturity of the bonds in December 2031.

The Corporation had 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 structures 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. The Series 2006A bonds bore interest at various rates, ranging from 3.85% to 4.75% per annum. At June 30, 2014 and June 30, 2013, no amounts of the Series 2006A bonds were outstanding. The Series 2006A bonds were refunded by the Multifamily Mortgage Revenue Refunding Bonds, Series 2013 on May 17, 2013.

The reacquisition price in the advance refunding of the Series 2003A bonds by the Series 2006A bonds was $405,445 less than the net carrying value of the bonds. This difference is reported in the statements of net position of the accompanying financial statements as a deferred amount. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2032 using the straight line method.

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. At June 30, 2014 and 2013, no balances of the defeased bonds were outstanding. The bonds were paid off during the 2013 fiscal year.
Future debt service requirements for the general obligation bonds payable are as follows:

Year ended June 30	Principal	Interest	Total
2015	$ 790,000	$ 256,675	$ 1,046,675
2016	810,000	236,650	1,046,650
2017	835,000	211,944	1,046,944
2018	-	198,375	198,375
2019	-	198,375	198,375
2020-2024	-	991,875	991,875
2025-2029	-	991,875	991,875
2030-2033	7,935,000	495,938	8,430,938
	$ 10,370,000	**$ 3,581,707**	**$ 13,951,707**

Debentures Payable – On April 28, 2006, the Corporation issued $29,020,292 of debentures payable to the Department of Housing and Urban Development (HUD). The debentures were issued in conjunction with the claim for mortgage insurance payment made by HUD under the Corporation's Risk-Sharing Program for mortgages loans. Several of the 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 five outstanding debentures bear interest at the rate of 4.50% and interest is due annually. As of June 30, 2014, all of the debentures were past due; however, HUD has not demanded payment. Therefore, the debentures are classified as current. As of the date of this report, the Corporation is attempting to get the debentures' maturity dates extended. Pursuant to the Risk-Sharing Agreement, the Corporation'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
2015	13,714,128	3,505,745	17,219,873

NOTE E – FEDERAL FINANCE 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, 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.

In the normal course of operations, grant funds are received from various Federal 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 restitution to the federal agency as a result of noncompliance.

During the years ended June 30, 2014 and 2013, the following amounts were expended under the various grants:

	2014	2013
Community Development Block Grant	$ -	$ 9,407,149
Emergency Solutions Grant	2,264,400	605,357
HOME Investment Partnerships	15,750,646	20,275,630
Low Income Housing Energy Assistance	44,486,409	45,038,752
National Foreclosure Mitigation Counseling	86,817	58,087
Comprehensive Housing Counseling Funds	218,262	-
Section 8 Housing Assistance Payments	88,274,381	85,491,175
Section 8 Housing Choice Vouchers	11,564,028	6,424,176
Shelter Plus Care	8,533,253	4,330,470
Weatherization Assistance Program	1,719,739	4,331,475
	$ 172,897,935	**$ 175,962,271**

NOTE F – BOARD OF COMMISSIONERS' EXPENSES

The appointed members of the 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. During the years ended June 30, 2014 and 2013, the following per diem payments were made to the members of the board and are included in general and administrative expenses:

	2014	2013
Michael Airhart	$ 600	$ 600
Barbara Anderson	-	-
Jerome Boykin, Sr.	-	-
Larry Ferdinand	500	100
Mayson Foster	600	650
Allison Jones	-	-
Ellen Lee	550	650
Matthew Ritchie	350	650
Joseph Scontrino, III	-	-
Donald Vallee	-	-
Willie Spears	550	650
Guy Williams	-	-
Alberta Young	-	-
	$ 3,150	**$ 3,300**

NOTE G – RETIREMENT BENEFITS

Substantially all of the employees of the Corporation are members of the Louisiana State Employees Retirement System (the 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 Corporation 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 hired on or before June 30, 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. Vested employees hired on or after July 1, 2006 are entitled to a retirement benefit payable monthly for life at age 60 with 5 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 Corporation is required to contribute at an actuarially determined rate as required by R.R. 11:102. The contribution rates were 31.3%, 29.1% and 25.6% for the years ended June 30, 2014, 2013, and 2012, respectively. The Corporation's contributions to the System for the years ended June 30, 2014, 2013 and 2012 were $2,119,926, $2,286,255 and $1,592,704, respectively, equal to the required contributions for each year.

The State Employees Retirement 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) 922-0600 or (800) 256-3000.

NOTE H – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Corporation. 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 Corporation. At June 30, 2014 and 2013, respectively, thirteen and twelve retirees were receiving post-employment benefits.

***Plan Description* –** Employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan), an agent multiple-employer defined OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits (OGB). LRS 42.801-883 assigns the authority to establish and amend benefit provisions of the plan. 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). A copy of the CAFR may be obtained on the Office of Statewide Reporting and Accounting Policy's website at www.doa.louisiana.gov/osrap.

***Funding Policy* –** The contribution requirements of plan members and the employers are established and may be amended by LRS 42:801-883. Active employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving post-employment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Commencing on July 1, 2011, the OGB offered three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan and the Consumer Directed Health Plan with Health Savings Account (CDHP with HAS) Plan. Depending upon the plan selected, during the years ended June 30, 2014 and 2013, premiums for a single retiree ranged from $330 to $342 and $208 to $228 per month, respectively, for those with Medicare coverage, or from $998 to $1,053 and $630 to $702 per month, respectively, for those without Medicare coverage. The premiums for a retiree and spouse for the year ended June 30, 2014 and 2013 range from $592 to $1,206 and $372 to $844 per month, respectively, for those with Medicare coverage, or from $1,761 to $1,858 and $1,106 to $1,241 per month, respectively, for those without Medicare coverage.

The plan is currently financed on a pay-as-you-go method, with the Corporation contributing anywhere from $256 to $269 and $128 to $140 per month for a single retiree with Medicare coverage, or from $904 to $957 and $386 to $431 per month for a single retiree without Medicare coverage during the years ended June 30, 2014 and 2013, respectively. Also, the Corporation's contributions range from $461 to $995 and $228 to $517 per month for a retiree and spouse with Medicare coverage, or $1389 to $1469 and $678 to $760 for a retiree and spouse without Medicare coverage during the years ended June 30, 2014 and 2013, respectively.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverages, which are 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 Corporation's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. 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 years beginning July 1, 2013 and 2012 was $663,500 and $533,100, respectively.

The following schedule presents the components of the Corporation's OPEB cost for the years ended June 30, 2014 and 2013, the amount actually contributed to the plan, and changes in the Corporation's net OPEB obligation.

	2014	2013
Annual required contribution	$ 663,500	$ 553,100
Interest on net OPEB obligation	228,900	210,268
ARC adjustment	(218,700)	(200,867)
Annual OPEB cost	673,700	562,501
Contributions made	(91,600)	(96,143)
Increase in net OPEB obligation	582,100	466,358
Beginning net OPEB obligation	5,723,056	5,256,698
Ending net OPEB obligation	**$ 6,305,156**	**$ 5,723,056**

The Corporation'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, 2012 through 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	673,700	13.6%	6,305,156
June 30, 2013	562,501	17.1%	5,723,056
June 30, 2012	639,735	15.7%	5,256,698

Funded Status and Funding Progress – Act 910 of the 2008 Regular Session established the Post-Employment Benefits Trust Fund with an effective date of July 1, 2008. However, neither the Corporation nor the State of Louisiana have contributed to it as of June 30, 2014. Since the plan has not been funded, the entire actuarial accrued liability of $5,741,300 and $5,094,900 at June 30, 2014 and 2013, respectively, was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2013 and 2012, was as follows.

	July 1, 2013	July 1, 2012
Actuarial accrued liability (AAL)	$ 5,741,300	$ 5,094,900
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	$ 5,741,300	$ 5,094,900
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 6,404,000	$ 6,583,334
UAAL as a percentage of covered payroll	89.7%	77.4%

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 multi-year 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 includes 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.

In the July 1, 2013 and 2012 actuarial valuations, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses). Initial annual healthcare cost trend rates of 8.0% and 6.0% for pre-Medicare and Medicare eligibles, respectively, were assumed for the July 1, 2013 and 2012 valuation 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, 2014 and 2013 was 23 and 24 years, respectively.

NOTE I – CAPITAL ASSETS

A summary of changes in capital assets is as follows:

.	Balance June 30, 2013	Additions	Deletions	Completed Construction	Balance June 30, 2014
Land	$ 712,338	$ 310,000	$ -	$ -	$ 1,022,338
Buildings	106,143,027	806,319	-	-	106,949,346
Equipment	2,913,821	224,594	(35,878)	-	3,102,537
Land improvements	130,940	-	-	-	130,940
Construction in progress	62,328	51,101	-	-	113,429
Total capital assets	109,962,454	1,392,014	(35,878)	-	111,318,590
Accumulated depreciation					
General	(4,213,246)	(376,697)	35,878	-	(4,554,065)
HUD Disposition	(7,736,710)	(2,434,381)	-	-	(10,171,091)
Mid-City Gardens	(364,851)	(500,145)	-	-	(864,996)
Total accumulated depreciation	(12,314,807)	(3,311,223)	35,878	-	(15,590,152)
Capital assets, net	**$ 97,647,647**	**$ (1,919,209)**	**$ -**	**$ -**	**$ 95,728,437**

	Balance June 30, 2012	Additions	Deletions	Completed Construction	Balance June 30, 2013
Land	$ 712,338	$ -	$ -	$ -	$ 712,338
Buildings	92,161,276	-	-	13,981,751	106,143,027
Equipment	2,544,124	486,507	(116,810)	-	2,913,821
Land improvements	130,940	-	-	-	130,940
Construction in progress	12,344,856	1,699,223	-	(13,981,751)	62,328
Total capital assets	107,893,534	2,185,730	(116,810)	-	109,962,454
Accumulated depreciation					
General	(4,003,560)	(326,496)	116,810	-	(4,213,246)
HUD Disposition	(5,284,990)	(2,451,720)	-	-	(7,736,710)
Mid-City Gardens	-	(364,851)	-	-	(364,851)
Total accumulated depreciation	(9,288,550)	(3,143,067)	116,810	-	(12,314,807)
Capital assets, net	**$ 98,604,984**	**$ (957,337)**	**$ -**	**$ -**	**$ 97,647,647**

Included in capital assets at June 30, 2014 and 2013 is $84,438,245 and $84,428,353, respectively, of costs related to the two HUD disposition properties owned by the Corporation. These buildings were heavily damaged by Hurricane Katrina (see Note J). Reconstruction of the first property (Willowbrook) was completed during the year ended June 30, 2008, and its operations commenced in May 2008. Reconstruction of the second property (Village de Jardin) was completed during the year ended June 30, 2012, and its operations commenced in April 2012.

Included in restricted capital assets at June 30, 2014 and 2013, is $13,399,473 and $13,825,049, respectively, related to the Mid-City Gardens (formerly Capital City South) project. This project is restricted because it is funded by the Neighborhood Stabilization Program (NSP) and any net income is currently expected to be recognized as program income to be used within the program. The property was acquired by the Corporation in 2010 through the foreclosure of a loan funded with HOME program funds. The Corporation used the NSP funds and HOME program funds to renovate and rehabilitate the property. The property commenced operations in December 2012.

NOTE J – HUD DISPOSITION PROPERTIES

The Corporation 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 cost of $1 each. The Corporation funded renovations to the properties totaling approximately $3.3 million through June 30, 2005. On August 29, 2005 the properties were heavily 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, 2014 and 2013, both properties were fully renovated and occupied. The completed properties are recorded within capital assets on the Corporation's statements of net position.

The properties were purchased in 1995. If the properties are sold, the sales proceeds less certain costs and expenses shall be assigned to HUD in the following amounts:

1. 75%, if sold between fifteen and twenty years from the purchase date;
2. 50%, if sold between twenty and thirty years from the purchase date; or
3. 25%, if sold over thirty years from the purchase date

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

NOTE K – RESTRICTED LOANS

As part of the HOME program, loans have been made to qualified low-income single-family homebuyers and to developers of low-income multi-family 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 the primary loan is paid out, or (b) a specified future date, with cash flows as a factor in determining amounts due for the majority of the multi-family HOME loans. These loans are uninsured.

As part of the multi-family program, loans have been made under the 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 multi-family 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 in the previous paragraph.

During the year ended June 30, 2010, an award of funds (1602 Funds) was received from the United States Treasury Department under the provision of Section 1602 of Subtitle C of Title I of Division B of the American Recovery and Reinvestment Act of 2009 and the Corporation began loaning these funds to qualified multi-family low-income housing projects. These loans (1602 Sub Award Multifamily Loans or 1602 Exchange Loans) are financed at 0% interest rates and will mature at the end of a 15 year period. The debt will be forgiven at the end of this period if certain conditions have been met. These loans are uninsured.

During the year ended June 30, 2010, a Tax Credit Assistance Program (TCAP) Grant under Title XII of the American Recovery and Reinvestment Act of 2009 was received to loan funds to Low Income Housing Tax Credit (LIHTC) projects. These loans bear interest at a rate of approximately 4% and are collectible from surplus cash generated by the projects. These loans are insured.

As part of the Neighborhood Stabilization Program (NSP), funds are loaned to qualified borrowers for the purpose of redeveloping abandoned and foreclosed homes, land banking and homebuyer education. These loans are financed at interest rates between 0% and 2% and are either payable upon demand or from surplus cash generated by the projects. Certain loans under this program are forgivable.

The Louisiana Housing Trust Funds are utilized to provide financing for sustainable, affordable rental and homeownership housing developments. The Louisiana Housing Trust Funds provide soft-second mortgages to qualified low-income, single-family homebuyers and developers of low-income, multi-family rental projects. These loans are financed at a 0% interest rate and will mature at the end of the 15 year affordability period. The debt will be forgiven at the end of the affordability period if certain conditions have been met. These loans are uninsured.

The loan portfolio at June 30, 2014 and 2013 was as follows:

	2014	2013	Interest Rate
HOME Multifamily Mortgage Loans	$ 114,493,739	$ 111,408,704	1%-6%
HOME Single Family Mortgage Loans	3,651,880	3,898,900	0%
202 Elderly Project Mortgage Loans	21,759,627	25,267,751	6%
Conditional HOME Loans	1,989,581	2,006,605	0%
1602 Sub Award Multifamily Loans	159,871,452	185,245,255	0%
TCAP Multifamily Mortgage Loans	37,735,712	38,217,193	4%
Neighborhood Stabilization Program Loans	8,861,793	10,700,359	0%-2%
Louisiana Housing Trust Fund Loans	20,282,143	20,279,992	0%
CDBG - Piggyback	191,458	-	0%-3.5%
	368,837,385	397,024,759	
Reserve for loan losses	(242,613,799)	(269,936,430)	
Total restricted mortgage loans receivable, net of allowance for loan losses	**$ 126,223,586**	**$ 127,088,329**	

The collections from the HOME, 1602 Exchange, TCAP, NSP and Louisiana Housing Trust Fund Loans are restricted to funding future lending programs. The multifamily Section 202 loans are held in trust and pledged to repay the Series 2013 Multifamily Mortgage Revenue Refunding Bonds (see Note D). The principal balance and accruals of interest receivable on these loans are reported as restricted assets.

The reserve for loan losses has changed mainly due to charges of $(27,322,631) and $19,233,987 to the provision for loan losses account for the years ended June 30, 2014 and 2013, respectively.

NOTE L – CONCENTRATION OF CREDIT RISK

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

NOTE M – RISK MANAGEMENT

The Corporation 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 Corporation participates with the State of Louisiana's Office of Risk Management (ORM), a public corporation risk pool currently operating as a common risk management and insurance program for branches of state government. An annual premium is paid to ORM for this coverage.

NOTE N – COMMITMENTS AND CONTINGENCIES

Insurance Coverage – The Corporation participates in a risk management program with the Office of Risk Management of the State of Louisiana (as described in Note M above) which provides full coverage for excess property, automobile liability, automobile physical damage, boiler and machinery, bonds, building and property, personal injury liability, comprehensive general tort liability, excess boiler, misc-tort (NOC), and workers compensation statutory.

Contingencies – The Corporation is a party to various legal proceedings and claims arising in the ordinary course of business. Of note, the Corporation is involved in an on-going 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 is claiming that the Corporation (or its trust account which no longer exists) was overpaid by $804,434. Management of the Corporation, in consultation with counsel, believes that the reserves it has established for these proceedings and claims are adequate and is of the opinion that these matters will not have a material adverse effect on its financial position, results of operations or cash flows.

NOTE O – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2014 and June 30, 2013, the Corporation transferred $27,000,000 and $11,000,000, respectively, to the State of Louisiana Treasury.

NOTE P – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the basic financial statements were available to be issued September 19, 2014, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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]
7/1/13	-	$ 5,741,300	$ 5,741,300	0%	$ 6,404,000	89.7%
7/1/12	-	$ 5,094,900	$ 5,094,900	0%	$ 6,583,334	77.4%
7/1/11	-	$ 4,982,700	$ 4,982,700	0%	$ 6,484,872	76.9%
7/1/10	-	$ 6,411,000	$ 6,411,000	0%	$ 5,335,000	120.0%
7/1/09	-	$ 7,204,000	$ 7,204,000	0%	$ 5,646,700	128.0%
7/1/08	-	$11,200,300	$11,200,300	0%	$ 4,655,200	241.0%
7/1/07	-	$ 8,130,400	$ 8,130,400	0%	$ 4,885,853	166.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage of Annual OPEB Costs Contributed
7/1/13	$ 553,100	$ 96,143	17.4%
7/1/12	$ 631,300	$ 100,495	15.9%
7/1/11	$ 868,800	$ 84,162	9.7%
7/1/10	$ 971,700	$ 90,363	9.3%
7/1/09	$ 1,647,800	$ 91,669	5.6%
7/1/08	$ 1,579,400	$ 99,151	6.3%
7/1/07	$ -	$ -	-

OTHER REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2014

CONTENTS

The Appendices Packet is located as a separate packet on OSRAP's website at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm.

BOBBY JINDAL
GOVERNOR

FREDERICK TOMBAR, III
EXECUTIVE DIRECTOR

Louisiana Housing Corporation

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2014

Louisiana Housing Corporation
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:
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Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

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

LLAFileroom@lla.la.gov.

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Michelle L. Thomas, Chief Administrative Officer of Louisiana Housing Corporation who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Housing Corporation at June 30, 2014 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 26th day of September, 2014.

Signature of Agency Official

~~NOTARY PUBLIC~~
Christine L. Bratkowski
Bar Roll No. 27781
My commission expires at death.

Prepared by: Michelle L. Thomas

Title: Chief Administrative Officer

Telephone No.: (225) 763-8700 ext. 300

Date: September 26, 2014

Email Address: MThomas2@lhc.la.gov

BOBBY JINDAL
GOVERNOR

FREDERICK TOMBAR, III
EXECUTIVE DIRECTOR

Louisiana Housing Corporation

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2014

Louisiana Housing Corporation
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

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Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Fredrick Tombar, III, Executive Director, of Louisiana Housing Corporation who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Housing Corporation at June 30, 2014 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 25th day of September, 2014.

Signature of Agency Official

Christine L. Bratkowski
Bar Roll No. 27781
NOTARY PUBLIC
My commission expires at death.

Prepared by: Frederick Tombar, III

Title: Executive Director

Telephone No.: (225) 763-8700 ext. 110

Date: September 25, 2014

Email Address: FTombar@lhc.la.gov

GENERAL INSTRUCTIONS FOR THE BUSINESS-TYPE ACTIVITY AFR PACKET

Please use the following matrix to determine if your entity should prepare the MD&A or the Statement of Activities. To use the matrix, find your entity in the chart (in alphabetical order by fund type) then follow the "X" across. An "X" indicates that the applicable statement or schedule should be completed and included in your entity's AFR. If you are unable to locate your entity on the matrix, contact OSRAP for further instructions.

Note: If your entity is identified as an internal service fund on the matrix, do not complete Note J(2) Schedule B for LEAF Capital Leases. You should complete all other applicable sections of Note J

BTA Matrix FYE 6/30/ 2014	MD&A	Statement SOA C
Enterprise Funds:		
Addictive Disorder Regulatory Authority		X
Barbers Examiners Board		X
Board of Examiners of Certified Shorthand Reporters		X
Board of Examiners of Nursing Facilities Administrators		X
Brownsfield Cleanup Revolving Fund		X
Chiropractic Examiners Board		X
Clean Water State Revolving Fund		X
Crawfish Promotion and Research Board		X
Dairy Industry Promotion Board		X
Donald J Thibodeaux Training Academy		X
Drinking Water Revolving Loan Fund		X
Federal Property Assistance		X
LA Coastal Protection & Restoration Financing Corporation		X
Licensed Professional Counselors Board of Examiners		X
Louisiana Agricultural Finance Authority		X
Louisiana Animal Welfare Commission		X
Louisiana Auctioneers Licensing Board		X
Louisiana Behavioral Analyst Board		X
Louisiana Board of Architectural Examiners		X
Louisiana Board of Examiners for Speech-Language Pathology and Audiology		X
Louisiana Board of Examiners in Dietetics and Nutrition		X
Louisiana Board of Interior Designers		X
Louisiana Board of Massage Therapy		X
Louisiana Board of Pharmacy		X
Louisiana Board of Professional Geoscientist		X
Louisiana Board of Wholesale Drug Distributors		X
Louisiana Catfish Promotion and Research Board		X

BTA Matrix FYE 6/30/ 2014	MD&A	Statement SOA C
Enterprise Funds:		
Louisiana Cemetery Board		X
Louisiana Community and Technical Colleges System		X
Louisiana Gulf Opportunity Zone Loan Fund		X
Louisiana Licensed Professional Vocational Rehabilitation Counselors Board		X
Louisiana Physical Therapy Board		X
Louisiana Professional Engineering & Land Surveying Board		X
Louisiana Property Assistance Agency		X
Louisiana Real Estate Appraisers State Board of Certification		X
Louisiana Real Estate Commission		X
Louisiana Rice Promotion Board		X
Louisiana Rice Research Board		X
Louisiana Soybean and Grain Research and Promotion Board		X
Louisiana State Board for Hearing Aid Dealers		X
Louisiana State Board of Dentistry		X
Louisiana State Board of Electrolysis Examiners		X
Louisiana State Board of Embalmers and Funeral Directors		X
Louisiana State Board of Examiners for Sanitarians		X
Louisiana State Board of Medical Examiners		X
Louisiana State Board of Nursing		X
Louisiana State Board of Optometry Examiners		X
Louisiana State Board of Practical Nurse Examiners		X
Louisiana State Board of Social Workers Examiners		X
Louisiana State Polygraph Board		X
Louisiana Strawberry Marketing Board		X
Louisiana Sweet Potato Advertising and Development Commission		X
Louisiana Tax Free Shopping Commission		X
Louisiana Transportation Authority		
Prison Enterprises		X
Radiologic Technology Board of Examiners		X
State Board of Certified Public Accountants of Louisiana		X
State Board of Examiners of Psychologists		X
State Board of Veterinary Medicine		X
State Boxing and Wrestling Commission		X
Unemployment Trust Fund – Louisiana Workforce Commission		X
Internal Service Funds:		
Administrative Services		
Louisiana Correctional Facilities Corporation		
Louisiana Office Building Corporation		
Office Facilities Corporation		
Office of Aircraft Services		
Office of Telecommunications Management		
Discrete Component Units:		
Acadiana Area Human Services District		X
Algiers Park Commission		X
Ascension St. James Airport and Transportation Authority	X	X
Atchafalaya Basin Levee District	X	X
Bayou D'Arbonne Lake Watershed District	X	X

BTA Matrix FYE 6/30/ 2014	MD&A	Statement SOA C
Discrete Component Units:		
Bossier Levee District	X	X
Bunches Bend Protection District	X	X
Caddo Levee District	X	X
Capital Area Human Services District	X	X
Central Louisiana Human Service Authority	X	X
Ernest N. Morial New Orleans Exhibition Hall Authority	X	X
Fifth Louisiana Levee District	X	X
Florida Parishes Human Services Authority		X
Foundation for Excellence in Louisiana Public Broadcasting		X
Grand Isle Levee District	X	X
Greater Baton Rouge Port Commission	X	X
Greater New Orleans Expressway Commission	X	X
Imperial Calcasieu Human Service Authority	X	X
Jefferson Parish Human Services Authority	X	X
Lafitte Area Independent Levee District	X	X
Lafourche Basin Levee District	X	X
Louisiana Beef Industry Council		X
La Cancer Research Center of LSU HSC in NO/Tulane Health Sciences Ctr.	X	X
Louisiana Board of Cosmetology		X
Louisiana Citizens Property Insurance Corporation	X	X
Louisiana Economic Development Corporation	X	X
Louisiana Egg Commission		X
Louisiana Housing Corporation	X	X
Louisiana Lottery Corporation	X	X
Louisiana Motor Vehicle Commission		X
Louisiana Public Facilities Authority	X	X
Louisiana Stadium and Exposition District	X	X
Louisiana State Board of Private Investigators Examiners		X
Louisiana State Board of Private Security Examiners		X
Louisiana Utilities Restoration Corporation	X	X
Metropolitan Human Services Authority		X
Natchitoches Historic District Development Commission		X
Natchitoches Levee and Drainage District	X	X
Nineteenth Louisiana Levee District	X	X
North Bossier Levee and Drainage District		
North Lafourche Conservation, Levee and Drainage District	X	X
Northeast Delta Human Services Authority		X
Northwest Louisiana Human Service Authority	X	X
Ouachita Expressway Authority	X	X
Ponchartrain Levee District	X	X
Red River Levee and Drainage District	X	X
Red River, Atchafalaya and Bayou Bouef Levee District	X	X
Relay Administration Board		X
Road Home Corporation d/b/a Louisiana Land Trust	X	X
Sabine River Authority	X	X
South Central Louisiana Human Services Authority		X
South Lafourche Levee District	X	X
Southeast Louisiana Flood Protection Authority - East	X	X
Southeast Louisiana Flood Protection Authority - West Bank	X	X
State Plumbing Board of Louisiana		X
Tensas Basin Levee District	X	X
Terrebonne Levee and Conservation District	X	X

MD&A = Management's Discussion and Analysis

SOA (C) = Statement of Activities (Statement C)

Please refer to Management's Discussion and Analysis of the Louisiana Housing Corporation in the Required Supplementary Information section of the audit report for the year ended June 30, 2014.

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

Statement A
(continued)

ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	$	1,498,766
Restricted Cash and Cash Equivalents		-
Investments		771,543
Derivative Instruments		-
Receivables (net of allowance for doubtful accounts)(Note U)		100,633
Due from other funds (Note Y)		107,008
Due from federal government		2,380,845
Inventories		-
Prepayments		-
Notes Receivable		1,128,962
Other Current Assets		507,040
Total current assets		6,494,797
NONCURRENT ASSETS		
Restricted assets (Note F):		
Cash		23,420,346
Investments		11,444,446
Receivables		51,275,928
Capital assets, net of depreciation		13,399,473
Notes Receivable		126,223,586
Investments		10,435,008
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		1,022,338
Buildings and improvements		80,424,651
Machinery and equipment		768,546
Infrastructure		-
Intangible assets		-
Construction/Development-in-progress		113,429
Other noncurrent assets		-
Total noncurrent assets		318,527,751
Total assets	$	325,022,548
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	$	-
Deferred amounts on debt refunding		-
Adjustments of capital lease obligations		-
Grants paid prior to meeting time requirements		-
Intra-entity transfer of future revenues (transferee)		-
Losses from sale-leaseback transactions		-
Direct loan origination costs for mortgage loans held for sale		-
Fees paid to permanent investors prior to sale of mortgage loans		-
Total deferred outflow of resources	$	-
Total assets and deferred outflow of resources	$	325,022,548
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals (Note V)	$	2,224,375
Liabilities payable from restricted assets (Note Z)		18,248,458
Derivative instrument		-
Due to other funds (Note Y)		-
Due to federal government		31,291
Unearned revenues		-
Amounts held in custody for others		-
Other current liabilities		-

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

Statement A
(concluded)

LIABILITIES (continued)		
Current portion of long-term liabilities: (Note K)	$	-
Contracts payable		-
Compensated absences payable		1,070,110
Capital lease obligations		-
Claims and litigation payable		-
Notes payable		13,714,128
Pollution remediation obligation		-
Bonds payable (include unamortized costs)		790,000
Other long-term liabilities		-
Total current liabilities		36,078,362
NONCURRENT LIABILITIES		
Contracts payable		-
Compensated absences payable		-
Capital lease obligations		-
Claims and litigation payable		-
Notes payable		-
Pollution remediation obligation		-
Bonds payable (include unamortized costs)		9,580,000
OPEB payable		6,305,156
Other long-term liabilities		-
Total noncurrent liabilities		15,885,156
Total liabilities		51,963,518
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivatives	$	-
Deferred amounts related to service concession arrangement		-
Deferred amounts of debt refunding		281,108
Adjustments of capital lease obligations		-
Grants received prior to meeting time requirements		-
Property taxes received before the period of which the taxes were levied		-
Fines and penalties received in advance of meeting time requirements		-
Sales/intra-entity transfers of future revenues (transferor)		-
Gains from sale-leaseback transactions		-
Points received on loan origination		-
Loan origination fees received for mortgage loans held for sale		-
Total deferred inflows of resources		281,108
NET POSITION		
Net investment in capital assets		79,893,964
Restricted for:		-
Capital projects		-
Debt service		-
Unemployment compensation		-
Other specific purposes		187,622,695
Unrestricted		5,261,263
Total net position		272,777,922
Total liabilities, deferred inflows of resources, and net position	$	325,022,548

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

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION **Statement B**
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

OPERATING REVENUE	
Sales of commodities and services	$ -
Assessments	-
Use of money and property	-
Licenses, permits, and fees	9,961,184
Federal grants and contracts	-
State, local and nongovernmental grants and contracts	-
Other	1,932,380
Total operating revenues	11,893,564
OPERATING EXPENSES	
Cost of sales and services	-
Administrative	15,030,202
Depreciation	361,930
Amortization	-
Interest	74,838
Total operating expenses	15,466,970
Operating income(loss)	(3,573,406)
NON-OPERATING REVENUES(EXPENSES)	
Transfer to state treasury	(27,000,000)
Federal grants drawn	164,921,303
Program income	134,650
Restricted interest and investment income	5,645,260
State appropriations	-
Intergovernmental revenues(expenses)	-
Taxes	-
Use of money and property	-
Gain on disposal of fixed assets	-
Loss on disposal of fixed assets	-
Federal grants disbursed	(163,157,455)
Interest expense	(824,921)
Other revenue	-
Other expense	212,841
Total non-operating revenues(expenses)	(20,068,322)
Income(loss) before contributions, extraordinary items, & transfers	(23,641,728)
Capital contributions	-
Extraordinary item	-
Transfers in	18,170
Transfers out	-
Change in net position	(23,623,558)
Total net position – beginning	296,401,480
Total net position – ending	$ 272,777,922

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

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION **Statement C**
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Entity	$ 205,003,754	$ 9,961,184	$ 165,055,953	$	$ (29,986,617)

General revenues:	
Taxes	
State appropriations	
Grants and contributions not restricted to specific programs	
Interest	7,568,147
Miscellaneous	(1,223,258)
Special items	
Extraordinary item	
Transfers	18,170
Total general revenues, special items, and transfers	6,363,059
Change in net assets	(23,623,558)
Net position - beginning as restated	296,401,480
Net position - ending	$ 272,777,922

The accompanying notes are an integral part of this statement.

INSTRUCTIONS FOR THE SIMPLIFIED STATEMENT OF ACTIVITIES

Expenses – include all expenses, both operating and non-operating.

Program revenues – include revenues derived from the program itself. These revenues reduce the net cost of the BTA's activities that must be financed from its general revenues. Program revenues should be reported in the following three categories:

> **Charges for services –** include revenues based on exchange or exchange-like transactions. (An exchange transaction is one in which each party receives and gives up essentially equal values.) These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services.
>
> **Operating grants and contributions –** revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that may be used **either for operating or capital expenses** at the discretion of the BTA. (A non-exchange transaction is one in which an entity gives or receives value without receiving or giving equal value in return.)
>
> **Capital grants and contributions –** revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that are **restricted for capital purposes only** – to purchase, construct, or renovate capital assets associated with a specific program.

Net (Expense) Revenue – program revenues minus expenses.

General Revenues – all revenues are general revenues unless they are specifically required to be reported as program revenues.

> **Taxes –** include all taxes received here, as all are considered general revenues, even those levied for a specific purpose.
>
> **State appropriations –** include warrants drawn during the fiscal year and the 13^{th} period, plus 14^{th} period if applicable.
>
> **Grants and contributions not restricted to specific programs –** revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are not restricted to a specific program.
>
> **Interest –** any interest earned that is not required to be reported as program revenue (earnings on investments legally restricted to use by a specific program should be reported as program revenue).
>
> **Miscellaneous –** any general revenues that do not specifically fall under one of the categories listed.

Special items – significant items subject to management's control that meets <u>one</u> of the following criteria:

1) Unusual in nature – possessing a high degree of abnormality and clearly unrelated or only incidentally related due to the ordinary and typical activities of the entity.
2) Infrequent in occurrence – not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

Extraordinary items – are both significant in nature and infrequent in occurrence.

Transfers – all interfund activities involving the flow of resources between funds.

Change in net position – net (expense) revenue plus general revenues and special items.

Net Position – beginning – net position at the beginning of the fiscal year.

Net Position – ending – beginning net position plus change in net position.

Cash flows from operating activities		
Cash receipts from customers	$ 11,518,508	
Cash receipts from investment and mortgage loan income	2,597,553	
Cash receipts from mortgage collections	26,785	
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(3,751,933)	
Cash payments to employees for services	(10,107,109)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)	(74,838)	
Net cash provided(used) by operating activities		208,966
Cash flows from non-capital financing activities		
Net transfers from (to) MRB programs	18,170	
Federal receipts	164,679,809	
Federal disbursements	(163,111,325)	
Mortgage collections	4,332,095	
Mortgage purchases	(3,571,433)	
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable	(210,385)	
Net change in escrow accounts	(92,220)	
Transfers in		
Transfers out		
Other (**provide explanation)	(22,932,562)	
Net cash provided(used) by non-capital financing activities		(20,887,851)
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds	(2,825,000)	
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Acquisition/construction of capital assets	(1,392,014)	
Proceeds from sale of capital assets	35,878	
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		(4,181,136)
Cash flows from investing activities		
Purchases of investment securities	(22,443,736)	
Proceeds from sale of investment securities	49,266,334	
Net cash from rental properties	1,262,074	
Net cash provided(used) by investing activities		28,084,672
Net increase in cash and cash equivalents		3,224,651
Cash and cash equivalents at beginning of year		21,694,461
Cash and cash equivalents at end of year		$ 24,919,112

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

Operating income(loss)		$ (3,573,406)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	361,930	
Net change in fair value	2,158,732	
Other		
Changes in assets and liabilities:		
(Increase)decrease in accrued interest receivable	93,507	
(Increase)decrease in due from governments	(241,494)	
(Increase)decrease in MRB programs	10,870	
(Increase)decrease in inventories		
(Increase)decrease in other assets	200,883	
Increase(decrease) in accounts payable and accruals	474,297	
Increase(decrease) in compensated absences payable	114,762	
Increase(decrease) in mortgage loans	26,785	
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	582,100	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ 208,966

Schedule of noncash investing, capital, and financing activities:

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:	$ -

Please provide an explanation of what is included in "other." If there are multiple reasons, please list each out separately along with the amount.

*** Other (operating cash payments)**

Cash paid to bondholders and creditors for interest

**** Other (cash flows from non capital financing activities)**

Amount includes $1,992,887 of receipts from investments and interest, $1,445,592 of net mortgage write-offs offset by an $27,000,000 transfer to the State of LA and $1,552,390 of other operating disbursements for a total of $22,932,562.

***** Other (cash flows from capital and related financing activities)**

There are none; therefore, not applicable

INTRODUCTION

Louisiana Housing Corporation (the Corporation or LHC) is an instrumentality of the State of Louisiana established July 1, 2011 pursuant to Chapter 3-G pf Title 40 of the Louisiana Revised Statutes of 1950, as amended. The enabling legislation rants the Corporation the authority to promulgate rules, regulations, or other procedures for the coordination of all state-administered housing programs.

The Louisiana Housing Authority (the Authority) commenced operations on November 1, 2008, and was a part of the Division of Administration of the State of Louisiana (the State) prior to enactment of the enabling legislation that created the Corporation. Within the legislation is a clause stating that the Corporation shall have all the powers and duties of a housing authority created pursuant to the Louisiana Housing Authority Law, R.S. 40:381 et. seq and with that, along with the direction if the Commissioner of Administration, the operation of the Authority and its programs were transferred to the Corporation. The activities and the transfers of programs were culminated within the current fiscal year, and the related transactions are reflected in these financial statements, which include Section 8 Housing Choice Vouchers (Project Based Vouchers), Shelter Plus Care, and Community Development Block Grants. With direction from its current sole grantor, the U.S. Department of Housing and Urban Development, the Authority has operated on a calendar year basis, and has filed audited financial statements with the Louisiana Legislative Auditor starting with calendar year 2009.

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 principals 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 procurements 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 Corporation present information only as to the transactions of the programs of the Corporation 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 Corporation 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 BUDEGETARY ACCOUNTING – N/A

C DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, the Corporation may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the entity 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 accounts of federally or state chartered credit unions

Under Louisiana Revised Statues, the Corporation 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, repurchases 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.

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 Corporation'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 Corporation at June 30, 2013 and 2012. The 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 money market accounts are invested in short-term money market instruments issued by the United State Treasury which are backed by the full faith and credit of the United States government.

GASB Codification Section C20, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Codification Section C20 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, 2014, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Money market funds)	Total
Deposits per statement of net position (Reconciled bank balance)	$ 13,000,250	$	$ 11,917,462	$ 24,919,112
Deposits in bank accounts per bank	$ 13,783,515	$	$ 11,674,132	$ 25,457,647
Bank balances exposed to custodial Credit risk	$	$	$	$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" 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 Elderly	$ 13,695,366
2. Capital One Bank	General	83,331
3. Federal Home Loan Bank	General	4,818
4. Whitney Bank	General and Elderly	11,674,132
Total		$ **25,457,647**

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 statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	$
Petty cash	$ 1,400

2. INVESTMENTS

The Corporation does maintain investment accounts as authorized by the Louisiana Revised Statutes 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 investments are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by 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 agreements 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 Codification Section C20 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Codification Section C20 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial 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. <u>In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.</u>

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	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 Statement of Net Position	Fair Value
Negotiable CDs	$	$	$	$
Repurchase Agreements				
US Government Obligations **			710,829	710,829
US Agency Obligations ***			11,426,383	11,426,383
Common & Preferred Stock				
Mortgages (including CMOs & MBSs)			9,795,708	9,795,708
Corporate Bonds				
Mutual Funds				
Real Estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other (Whole loans)			60,589	60,589
Other (State of LA Bonds)			657,488	657,488
Total Investments	$ -	$ -	$ **22,650,997**	$ **22,650,997**

* 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 US government (See Appendices Packet, Appendix A, at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial risk (See Appendix A in the Appendices Packet for a discussion of FNMA & FHLMC)

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

A. Credit Risk of Debt Instruments

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 and Poor's	AA	$	22,650,997
	Total	$	22,650,997

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, **unless you have an external investment pool as discussed in OSRAP Memo 11-22** at http://www.doa.louisiana.gov/OSRAP/library/memos/11/OSRAP1122.pdf)

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Obligations	$ 710,829	$ 710,829	$	$	$
U.S. Agency Obligations	11,426,383	243,327	3,365,591	1,728,888	6,088,577
Mortgage Backed Securities	9,795,708	125	134,942	331,958	9,328,683
Collateralized Mortgage Obligations					
Corporate Bonds					
Other Bonds (State of LA)	657,488			657,488	
Mutual Bond Funds					
Other	60,589	60,589			
Total Debt Investments	**$ 22,650,997**	**$ 1,014,870**	**$ 3,500,533**	**$ 2,718,334**	**$ 15,417,260**

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 Appendices Packet at www.doa.louisiana.gov/OSRAP/afrpackets.htm (Appendix A) for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment		Fair Value	Terms
Not Applicable	$		
Total	$	-	

C. Concentration of Credit Risk

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

Issuer		Amount	% of Total Investments
Federal National Mortgage Association	$	8,238,829	36%
Federal Home Loan Mortgage Corporation		2,938,255	13%
Total	**$**	**11,177,084**	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any disclosures 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 US Dollars		
Foreign Currency		Bonds		Stocks
None	$		$	
Total	$	-	$	-

4. DERIVATIVES (GASB 53) – N/A

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 Interest rate risk in managed by duration. Future changes in interest rates and the slope of the yield curve are forecasted and then a duration strategy is selected for the portfolio. For example, when forecasts are for higher interest rates, the general strategy is to shorten the overall duration of portfolio to mitigate the adverse effects of higher interest rates. Conversely, if forecasts are for lower interest rates, then the duration of the portfolio is lengthened.

Credit Risk It is the Corporation’s policy to limit its investments to those issued by a top rating by Nationally Recognized Statistical Ratings Organizations

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

Concentration of Credit Risk There is no limit on the amount that may be invested in any one issuer.

The Corporation holds no deposits or investments that are exposed to foreign currency risk; therefore, no policy is disclosed.

6 OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – N/A

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 statement of net position 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. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

Schedule of Capital Assets (includes capital leases)

Agency	Balance 6/30/2013	Prior Period Adjustments	Restated Balance 6/30/2013	Additions	* Reclassification of CIP	** Retirements	Balance 6/30/2014
Capital assets not depreciated:							
Land	$ 712,338	$ -	$ 712,338	$ 310,000	$ -	$ -	$ 1,022,338
Non-depreciable land improvements	-	-	-		-	-	-
Non-depreciable easements	-	-	-		-	-	-
Capitalized collections	-	-	-		-	-	-
Software - development in progress	-	-	-		-	-	-
Construction in progress	62,328	-	62,328	51,101	-	-	113,429
Total capital assets not depreciated	$ 774,666	$ -	$ 774,666	$ 361,101	$ -	$ -	$ 1,135,767
Other capital assets:							
Depreciable land improvements	$ 130,940	$ -	$ 130,940	$ -	$ -	$ -	$ 130,940
** Accumulated depreciation	(70,657)	-	(70,657)	(6,547)	-	-	(77,204)
Total land improvements	60,283	-	60,283	(6,547)	-	-	53,736
Buildings	106,143,027	-	106,143,027	806,319	-	-	106,949,346
** Accumulated depreciation	(10,122,235)	-	(10,122,235)	(3,056,723)	-	-	(13,178,958)
Total buildings	96,020,792	-	96,020,792	(2,250,404)	-	-	93,770,388
Machinery & equipment	2,913,821	-	2,913,821	224,594	-	(35,878)	3,102,537
** Accumulated depreciation	(2,121,915)	-	(2,121,915)	(247,954)	-	35,878	(2,333,991)
Total machinery & equipment	791,906	-	791,906	(23,360)	-	-	768,546
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 96,872,981	$ -	$ 96,872,981	$ (2,280,311)	$ -	$ -	$ 94,592,670
Capital asset summary:							
Capital assets not depreciated	$ 774,666	$ -	$ 774,666	$ 361,101	$ -	$ -	$ 1,135,767
Other capital assets, book value	109,187,788	-	109,187,788	1,030,913	-	(35,878)	110,182,823
Total cost of capital assets	109,962,454	-	109,962,454	1,392,014	-	(35,878)	111,318,590
Accumulated depreciation/amortization	(12,314,807)	-	(12,314,807)	(3,311,224)	-	35,878	(15,590,153)
Capital assets, net	$ 97,647,647	$ -	$ 97,647,647	$ (1,919,210)	$ -	$ -	$ 95,728,437

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.
** Enter a negative number except for accumulated depreciation in the retirement column

If other intangible assets were reported in the table above, list the types of intangible assets, at their cost, and accumulated amortization for each type of intangible assets reported.

E. INVENTORIES – N/A

F. RESTRICTED ASSETS

Restricted assets in the Corporation at June 30, 2014, reflected at $225,763,779 in the noncurrent assets section on Statement A, consist of $23,420,346 in cash and cash equivalents, $11,444,446 in investments, $51,275,928 in accrued interest receivable, $13,399,473 in capital assets and $126,223,586 in mortgage loans. The accrued interest receivable and mortgage loans are restricted for the purpose of use in future lending programs. The remaining assets are restricted for paying debt obligations or for federal grant purposes.

G. LEAVE

1. COMPENSATED ABSENCES

The Corporation 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. 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 earned.

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 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, 2014 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $1,070,110. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Corporation are members of the Louisiana State Employees Retirement System (the System), a cost-sharing, multiple-employer, defined 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 Corporation 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 hired on or before June 30, 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. Vested employees hired on or after July 1, 2006 are entitled to a retirement benefit payable monthly for life at age 60 with 5 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. The System also provided death and disability benefits. Benefits are established or amended by state statue.

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 Corporation is required to contribute at an actuarially determined rate as required by R.R. 11:102. The contribution rates were 31.3%, 29.1% and 25.6% for the years ended June 30, 2014, 2013, and 2012, respectively. The Corporation's contributions to the System for the years ended June 30, 2014, 2013 and 2012 were $2,119,926, $2,286,255 and $1,592,704, respectively, equal to the required contributions for each year.

The State Employees Retirement 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 700804-4213, or by calling (225) 922-0608 or (800) 256-3000.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Codification Section Po50, *Postemployment Benefit Plans Other Than Pension Plans—Employer Reporting* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Codification Section Po50, *Postemployment Benefit Plans Other Than Pension Plans—Employer Reporting* 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 Codification Section Po50 note disclosures requirements in section 2 of this note.

1. Calculation of NET OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website – http.//www.doa.louisiana.gov/OSRAP/afrpackets.htm) and select "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014." Report note disclosures for other plans, not administered by OGB, separately.

Annual OPEB expense and net OPEB Obligation

Fiscal year ending		6/30/2014
1 * ARC	$	663,500
2 * Interest on NOO		228,900
3 * ARC adjustment		(218,700)
4 * Annual OPEB Expense (1+2-3)		673,700
5 Contributions (employer pmts to OGB for retirees' cost of 2013 insurance premiums		(91,600)
6 Increase in Net OPEB Obligation (4-5)		582,100
7 * NOO, beginning of year (see actuarial valuation report on OSRAP's website)		5,723,056
8 ** NOO, end of year (6+7)	$	**6,305,156**

* This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014."

** This should be the same amount as that shown on the statement of net position for the year ended June 30, 2014 if your entity's only OPEB is administered by OGB.

2 Note Disclosures – N/A

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 Statement 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB Statements 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 – N/A

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2014:

Year ended June 30, 2014

		Balance June 30, 2013		Additions		Reductions		Balance June 30, 2014		Amounts due within one year
Notes and bonds payable:										
Notes payable	$	13,714,128	$		$		$	13,714,128	$	13,714,128
Bonds payable		13,195,000				(2,825,000)		10,370,000		790,000
Total notes and bonds		**26,909,128**				**(2,825,000)**		**24,084,128**		**14,504,128**
Other liabilities:										
Contracts payable										
Compensated absences payable		955,348		114,762				1,070,110		
Capital lease obligations										
Claims and litigation										
Pollution remediation obligation										
OPEB payable		5,723,056		582,100				6,305,156		
Other long-term liabilities										
Total other liabilities		6,678,404		696,862		(2,825,000)		7,375,266		-
Total long-term liabilities	$	**34,587,532**	**$**	**696,862**	**$**	**(2,825,000)**	**$**	**31,459,394**	**$**	**14,504,128**

(Balances at June 30th should include current and non-current portion of L-T liabilities)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the statement of net position for each type of long-term liabilities.

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. The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note. Do not report impaired capital assets as defined by GASB Statement 42 below, rather disclose GASB Statement 42 impaired capital assets in the impairment note.

The “probable outcome” of litigation can be described as probable, reasonably possible, or remote. Probable means the future event is likely to occur; reasonably possible means the future event is more than remote but less than likely to occur; remote means the future even has a slight chance to occur. Losses or ending litigation that is probable in nature should be accrued in the financial statements and reflected on the account line, Claims and Litigation Payable.

The Corporation is a defendant in litigation seeking damages as follows: (List only litigation note being handled by the Office of Risk Management.)

Date of Action	Check (✓) if handled by AG's Office	Description of Litigation and Probable outcome (probable, reasonably possible, or remote)		Estimated Amount for Claims & Litigation (opinion of legal counsel)		Insurance Coverage
8/1/2002		HUD claim (not possible	$	1,000,000	$	0
		to determine outcome)				
			$	**1,000,000**	$	0

The Corporation is a party to various legal proceedings and claims arising in the ordinary course of business. Of note, the Corporation is involved in an on-going 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 is claiming that the Corporation (or its trust account which no longer exists) was overpaid by $804,434. Management of the Corporation, in consultation with counsel, believes that the reserves it has established for these proceedings and claims are adequate and is of the opinion that these matters will not have a material adverse effect on its financial position, results of operations or cash flows.

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)

(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).

(a) Purchase of commercial insurance,
(b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
(c) 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.)
(d) 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.

____

____

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.

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.

Disclose any guarantee of indebtedness for **exchange or exchange–like transactions** even if there is only a remote chance that the government will be called on to honor its guarantee. **Do not disclose nonexchange financial guarantees below, but disclose them in Note II, Nonexchange Financial Guarantees.**

Disallowed Cost:

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			$		$
2					
3					
4					

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

M. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2014, the Corporation transferred $27,000,000 to the State of Louisiana Treasury. The transfer was required as a result of recently-enacted State of Louisiana legislation.

N. ACCOUNTING CHANGES

New Accounting Pronouncements:

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Additionally, the GASB evaluated debt issue costs and concluded that, with the exception of prepaid insurance, the costs relate to services provided in the current period and thus they should be expensed in the current period. This is a significant change from current practice which is to record these as assets and amortize them over the life of the related debt issue. The provisions of this statement are effective for the earliest period presented. The financial statements have been adjusted to reflect the retroactive application as of July 1, 2012. As such, the impact of the cumulative effect of change in accounting position on the net position as of July 1, 2012, is a decrease of $250,411 to reflect previously capitalized bond issuance costs as expenses, net of the derecognition of amortization expense associated with these assets.

O. IN-KIND CONTRIBUTIONS – N/A

P. DEFEASED ISSUES

On May 17, 2013, the Corporation issued $9,995,000 of Multifamily Mortgage Revenue Refunding Bonds, Series 2013 for the purpose of currently refunding the Multifamily Mortgage Revenue Refunding Bonds, Series 2006A. The bonds are general obligations of the Corporation, secured by and payable from any and all funds of the Corporation not otherwise required to be irrevocably dedicated to other purposes.

Interest rates on the Series 2013 bonds are 2.50%, whereas interest rates on the series 2006A bonds ranged from 3.85% to 4.75%. This decrease in interest rates resulted in an economic gain on the current refunding of $1,296,113 (the difference between the present values of the Series 2006 and Series 2013 cash flows). The current refunding results in an increase of debt service payments in the amount of $1,581,627 through the maturity of the bonds in December 2031.

The Corporation had 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 2003 A 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 structures 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. The Series 2006A were currently refunded by the Multifamily Mortgage Revenue Refunding Bonds, Series 2013 on May 17, 2013. The reacquisition price in the current refunding of the Series 2006A was the same as the carrying value of the bonds.

The reacquisition price in the advance refunding of the Series 2003A bonds by the Series 2006A bonds was $405,445 less than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount of which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2032 using the straight line method.

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. At June 30, 2014 and 2013, $-0- and, none of the defeased bonds were outstanding. The bonds were paid off during fiscal year 2013.

Q. REVENUES – PLEDGED OR SOLD – N/A

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

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

T. SHORT-TERM DEBT – N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2014, were as follows:

Fund (gen fund, gas tax fund, etc)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General fund	$	$	$	$ 100,633	$ 100,633
Gross Receivables	$ -	$ -	$ -	$ 100,633	$ 100,633
Less allowance for uncollectible accounts					
Receivables, net	$ -	$ -	$ -	$ 100,633	$ 100,633
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2014, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	$ 1,849,026	$ 173,776	$	$ 201,573	$ 2,224,375
Total Payables	$ 1,849,026	$ 173,776	$	$ 201,573	$ 2,224,375

W. SUBSEQUENT EVENTS – N/A

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT – N/A

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	$	107,008
Total due from other funds		$	107,008

2. List by fund 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	$	18,170
Total transfers from other funds		$	18,170

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 Corporation's financial statements at June 30, 2014 reflected at $18,248,458 in the liabilities section on Statement A, consist of $3,522,276 interest payable, $6,626,502 in deferred revenue, and $8,099,680 in escrow.

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION – N/A

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

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

DD. EMPLOYEE TERMINATION BENEFITS – N/A

EE. POLLUTION REMEDIATION OBLIGATIONS – N/A

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Provide your entity's ARRA revenue received in FY 2014 on a full accrual basis:
$883,713

Provide you entity's ARRA expenses in FY 2014 on a full accrual basis:
$883,713

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

Per GASB Statement 34, paragraph 34, assets are reported as restricted when constraints on asset use are either; externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation. Restricted Assets are reported on the statement of net position as restricted by Capital Projects, Debt Service, Unemployment Compensation, and Other Specific Purposes. The statement of net position amount for Restricted Assets – Other Specific Purposes should be further defined by function as follows:

		Restricted Assets
Conservation and Environment	$	
Corrections		
Culture, Recreation, and Tourism		
Education		
General Government		
Housing		187,622,695
Public Safety		
Transportation and Development		

HH. SERVICE CONCESSION ARRANGEMENTS – N/A

II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70) – N/A

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2014

Name		Amount
Michael Airhart	$	600
Larry Ferdinand		500
Mayson Foster		600
Ellen Lee		550
Matthew Ritchie		350
Willie Spears		550
Total	$	**3,150**

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

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/13	Redeemed (Issued)	Principal Outstanding 6/30/14	Interest Rates	Interest Outstanding 6/30/14
HUD Debentures	4/28/06	$ 29,020,292	$ 13,714,128	$ -	$ 13,714,128	4.5%	$ 3,505,745
Total		**$ 29,020,292**	**$ 13,714,128**	**$ -**	**$ 13,714,128**		**$ 3,505,745**

*Send copies of new amortization schedules

Issue	Date of Issue		Original Issue		Principal Outstanding 6/30/13		Redeemed (Issued)		Principal Outstanding 6/30/14	Interest Rates		Interest Outstanding 6/30/14
Series:												
2003 deferred amount	11/1/06	$	405,445.00	$	297,326	$	(16,218)		281,108	NA		NA
2006A	11/1/06		20,600,000		-		-		-	NA		NA
2010	6/30/10		5,330,000		3,200,000		(765,000)		2,435,000	2-3.25%		0
2013	5/17/13		9,995,000		9,995,000		(2,060,000)		7,935,000	2.5%		0
Total		**$**	**36,330,445**	**$**	**13,492,326**	**$**	**(2,841,218)**	**$**	**10,651,108**		**$**	**-**

*Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/2014 should agree to bonds payable on the statement of net position.

Send copies of new amortization schedules for bonds and unamortized costs

Fiscal Year Ending	Principal		Interest	
2015	$	13,714,128	$	3,505,745
2016				
2017				
2018				
2019				
2020-2024				
2025-2029				
2030-2034				
2035-2039				
Total	**$**	**13,714,128**	**$**	**3,505,745**

Fiscal Year Ending	Principal	Interest
2015	$ 790,000	$ 256,675
2016	810,000	236,650
2017	835,000	211,944
2018		198,375
2019		198,375
2020		198,375
2021		198,375
2022		198,375
2023		198,375
2024		198,375
2025		198,375
2026		198,375
2027		198,375
2028		198,375
2029		198,375
2030		198,375
2031		198,375
2032	7,935,000	99,187
2033		
2034		
2035		
2036		
2037		
2038		
Subtotal	10,370,000	3,581,706
Unamortized Discounts Premium		
Total	10,370,000	3,581,706

*Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/2014 should agree to bonds payable on the statement

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 **$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	2014	2013	Difference	Percentage Change
1) Revenues	$ 184,231,179	$ 185,401,331	$ -1,170,152	-0.6%
Expenses	207,872,907	212,519,507	-4,646,600	-2.2%
2) Capital assets	95,728,437	97,647,647	-1,919,210	-2.0%
Long-term debt	24,365,236	27,206,454	-2,841,218	-10.4%
Net position	272,777,922	296,651,891	-23,873,969	-8.1%

Explanation for change: Net position dropped due to the transfer to the State of Louisiana exceeded Federal grants received.

`

	=========Bond Debt Service=============				=========Bond Valuation===========	
Dates	Maturing Principal	Interest Paid	Total Debt Service	Total Bond Repayment	Bond Balance	Accreted Bond-Value
May 17, 2013	-	-	-	-	9,995,000	9,995,000
Jun 1, 2013	-	9,717	9,717.36	9,717.36	9,995,000	9,995,000
Dec 1, 2013	-	124,938	124,937.52	124,937.52	8,980,000	8,980,000
Jun 1, 2014	-	112,250	112,250	112,250	7,935,000	7,935,000
Dec 1, 2014	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2015	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2015	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2016	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2016	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2017	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2017	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2018	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2018	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2019	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2019	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2020	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2020	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2021	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2021	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2022	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2022	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2023	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2023	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2024	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2024	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2025	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2025	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2026	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2026	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2027	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2027	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2028	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2028	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2029	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2029	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2030	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2030	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Jun 1, 2031	-	99,188	99,187.50	99,187.50	7,935,000	7,935,000
Dec 1, 2031	7,935,000	99,188	8,034,187.50	8,034,187.50	-	-
	7,935,000	**3,718,468**	**11,653,467.38**	**11,653,467.38**		

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2014

INDEPENDENT AUDITORS' 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*

To the Board of Commissioners of
Louisiana Housing Corporation, State of Louisiana
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Louisiana Housing Corporation (the Corporation), as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 19, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 seven instances of noncompliance or one instance of other matters that are required to be reported under *Government Auditing Standards*. See 2014-001 and other reportable instance in the Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gurtner Zuniga Abney, LLC

New Orleans, Louisiana
September 19, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB *CIRCULAR A-133*

To the Board of Commissioners of
Louisiana Housing Corporation, State of Louisiana
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Louisiana Housing Corporation's (the Corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended June 30, 2014. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 noncompliance 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 the Corporation'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items:

Finding #	CFDA #	Program Name	Compliance Requirement
2014-001	14.239	HOME Investment Partnership Program	Special Provisions

In addition, we noted an other reportable instance described in the accompanying schedule of findings and questioned costs.

Our opinion on each major federal program is not modified with respect to these matters.

The Corporation's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Corporation's response for the finding or other reportable instance was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Corporation's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gurtner Zuniga Abney, LLC

New Orleans, Louisiana
September 19, 2014

Name of 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	LA800CC001	$ 85,531,725
	14.195	Housing Assistance Payments	Admin		2,742,656
		Total Section 8 Funds			88,274,381
HUD	14.239	HOME Investment Partnerships Program		None	13,812,240
	14.239	HOME Investment Partnerships Program - Pass-through Office of Community Development		None	1,938,406
					15,750,646
HUD	14.188	Housing Finance Agency Risk Sharing Program (Amount of outstanding loan guarantees)		None	9,819,296
HUD	14.231	Emergency Solutions Grant	2011 Funds	E-11-DC-22-0001	640,209
	14.231	Emergency Solutions Grant	2012 Funds	E-11-DC-22-0001	1,428,903
	14.231	Emergency Solutions Grant	2013 Funds	E-11-DC-22-0001	37,950
	14.231	Emergency Solutions Grant	Admin		157,337
		Total Emergency Solutions Funds			2,264,399
HUD	14.238	Shelter Plus Care		LA0001C6H99081	8,409,618
	14.238	Shelter Plus Care	Admin		123,635
		Total Shelter Plus Care Funds			8,533,253
HUD	14.871	Section 8 Housing Choice Vouchers		LA903VO0031	10,588,648
	14.871	Section 8 Housing Choice Vouchers	Admin		975,380
		Total Section 8 Housing Choice Voucher Funds			11,564,028
HUD	14.169	Comprehensive Housing Counseling	2013 Funds	HC140841003	197,356
			Admin		20,906
		Total Comprehensive Housing Counseling Funds			218,262
DHHS	93.568	Low Income Housing Energy Assistance Program (LIHEAP)	2011 Funds	2011-G-11B1LALIEA	24,333
			2012 Funds	2012-G-12B1LALIEA	3,554,301
			2013 Funds	2013-G-1301LALIEA	16,625,920
			2014 Funds	2014-G-1301LALIEA	23,262,992
			Admin		1,023,161
			Refunds received		(4,298)
		Total LIHEAP Funds			44,486,409
Dept of Treasury	21.000	National Foreclosure Mitigation Counseling Program (NFMC)	2010 Funds	PL112-1095X1350	5,100
			2011 Funds	None	22,404
			2013 Funds	None	52,266
				Admin	7,047
		Total NFMC Funds			86,817

(Continued)

Name of Agency or Department	CFDA or Other No.	Name of Program	Name of Grant	Federal Grant Contract #	Total Awards Expended
DOE	81.042	ARRA - Weatherization Assistance Program			
			2013 Funds	DE-EE0000122	821,153
			Admin	None	62,560
	81.042	Weatherization Assistance Program (WAP)			
			2013 Funds	DE-EE0000201	285,666
			2014 Funds	DE-EE0000201	166,354
			Admin	None	26,498
			PVE Funds	None	357,508
		Total WAP Funds			1,719,739
		Total Expenditures			**$ 182,717,230**

(Concluded)

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Housing Corporation 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, *Audit 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
Low Income Housing Energy Assistance Program (LIHEAP)	93.568	$ 43,463,248
Weatherization Assistance Program (WAP)	81.042	452,020
WAP Express (Petroleum Violation Fund)	N/A	357,508
ARRA – Weatherization Assistance Program	81.042	821,153
		$ 45,093,929

NOTE C – PROGRAM INCOME

In accordance with terms of the loans funded under the HOME Program, program income totaling $134,650 was collected. That amount was used to reduce the amount of federal funds that would have been drawn to fund various single-family and multi-family 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.

NOTE D – RECONCILIATION TO THE FINANCIAL STATEMENTS

Per financial statements:

Federal awards expensed (non-operating)	$	163,157,455
Mortgage loans issued (capitalized)		3,259,469
Capital asset additions (capitalized)		-
HUD Risk Sharing Mortgage Loans		9,819,296
Administrative costs within operating expenses		6,481,010
Per schedule of expenditures of federal awards:	**$**	**182,717,230**

(1) Summary of Auditors' Results

(a) The type of report issued on the basic financial statements: Unmodified opinion

(b) Significant deficiencies in internal control were disclosed by the audit of the financial statements: No;
Material weaknesses: No;

(c) Noncompliance which is material to the financial statements: No;

(d) Significant deficiencies in internal control over major programs: No;
Material weaknesses: No;

(e) The type of report issued on compliance for major programs: Unmodified opinion;

(f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: No;

(g) Major programs:

HOME Investment Partnerships Program	14.239	$	15,750,646
Housing Finance Agency Risk Sharing Program	14.188	$	9,819,296
Shelter Plus Care	14.238	$	8,533,253
Section 8 Housing Choice Vouchers	14.871	$	11,564,028
Comprehensive Housing Counseling	14.169	$	218,262

(h) Dollar threshold used to distinguish between Type A and Type B programs: $3,000,000

(i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: Yes

(2) Finding related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*: See findings below.

(3) Finding related to the financial statements that are required to be reported in accordance with *OMB Circular A-133*:

2014-001 – HOME Investment Partnerships Program—CFDA No. 14.239

Condition: During the period of affordability, on-sight housing quality standards inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based assistance were not performed within the required timeline.

Criteria: Special provisions compliance requirement related to housing quality standards for the program require that, during the period of affordability for HOME assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than (a) every 3 years for projects containing 1 to 4 units, (b) every 2 years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. The participating jurisdiction must perform on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards (24 CFR sections 92.251, 92.252, and 92.504(b)).

Cause: The Corporation did not have a centralized review and monitoring function tracking the status of all housing quality inspections.

Effect: Certain housing inspections were not made within the required compliance time period.

Context: A sample of 25 projects was selected for testing from a population of 244 projects. The test found seven projects that were not in compliance.

Recommendation: The Corporation should assign an individual to monitor the status of housing inspection compliance deadlines for all projects.

Management's corrective action: During 2014, the internal auditor performed similar procedures and also identified non-compliance in this area. As a result, prior to the commencement of our fieldwork, the Corporation implemented a corrective action plan by assigning an individual to monitor the compliance deadlines for all projects to ensure timely compliance is met.

(4) Other reportable instances:

<u>Shelter Plus Care—CFDA No. 14.238</u>

Observation: In December 2013 management identified an instance of fraud with a service provider Quadel Housing Services. The fraud was allowed as a result of the improper implementation of a online payment service provided by a financial institution of the Corporation at the fault of the financial institution. The extent of the fraud was approximately $77 thousand and does not have a material effect on the financial statements.

Management's corrective action*:* The Corporation identified and resolved this fraud and communicated with the financial institution to correct the mis-implementation in a timely manner. The Corporation was also made whole by both Quadel Housing Services and the financial institution. Lastly, during December 2013, the Corporation took over responsibility for providing the services Quadel Housing Services was engaged to provide.

(1) **Finding related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:** No findings noted.

(2) **Finding related to the financial statements that are required to be reported in accordance with *OMB Circular A-133*:** No findings noted.

LOUISIANA HOUSING CORPORATION

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2014

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LOUISIANA HOUSING CORPORATION

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2014

LOUISIANA HOUSING CORPORATION

CONTENTS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of the Louisiana Housing Corporation (the Corporation or LHC), which comprise the combined statements of net position as of June 30, 2014, and the related combined statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the General Fund of the Corporation, which statements reflect total assets and deferred outflows of $325,022,548, total liabilities of $51,963,518 (which includes other post-employment benefits payable) as of June 30, 2014, and total operating revenues of $11,893,564 for the year then ended. The audit of the General Fund included the other post-employment benefit plan payable, the related disclosures, and required supplementary information. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the General Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Basis for Qualified Opinion on the Mortgage Revenue Bond (MRB) Programs

As discussed in the Basis of Presentation in Note 1 – Summary of Significant Accounting Principles, the Company adopted Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* (GASB 31) for its MRB Programs. With the adoption of GASB 31, the Company recorded their mortgage-backed securities at fair value as of June 30, 2014. The cumulative effect of the fair value adjustment as a result of the adoption of this standard has been recognized in the Statement of Revenues, Expenses, and Changes in Net Position as it was impractical to restate the beginning net position or prior year financial statements as discussed further in Note 1. Accounting principles generally accepted in the United States require beginning net position to be restated for the earliest period presented.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Mortgage Revenue Bond Programs" 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 Corporation as of June 30, 2014 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.

Prior Period Financial Statements

The financial statements of Louisiana Housing Corporation as of June 30, 2013, were audited by other auditors whose opinion, dated August 30, 2013, on those statements was qualified because the Corporation had not adopted Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* for its Mortgage Revenue Bond Programs.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 and the schedules of funding progress and employer contributions on page 53 for the Corporation's OPEB Plan be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplementary combining and the supplementary mortgage revenue bond program combining information as of June 30, 2014 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Louisiana Housing Corporation. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA HOUSING CORPORATION (LHC)
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014 AND JUNE 30, 2013
(Amounts in Thousands)

The Management's Discussion and Analysis of the LHC's financial performance presents a narrative overview and analysis of LHC's financial activities for the years ended June 30, 2014 and June 30, 2013. This document focuses on LHC's current year's activities, resulting changes, and currently known facts in comparison with the two prior fiscal year's information. Please read this document in conjunction with the LHC's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

2014

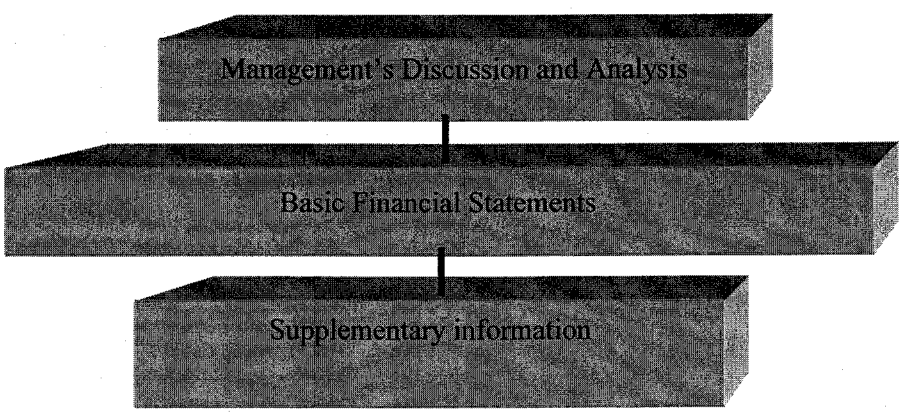
- ★ Assets and deferred outflows exceeded liabilities and deferred inflows at the close of fiscal year 2014 by $343,798 which represents a 3% increase from the previous fiscal year.
- ★ Total operating revenues increased by $25,434, or 57%, total operating expenses plus net non-operating expenses decreased by $8,790, or 12%, and consequently, the net income before transfers and contributions increased by $34,224, an increase of 110%.

2013

- ★ Assets and deferred outflows exceeded liabilities and deferred inflows at the close of fiscal year 2013 by $334,250 which represents a 7% decrease from the previous fiscal year.
- ★ Total operating revenues plus net non-operating revenues decreased by $28,652 or 39%, total operating expenses plus net non-operating expenses increased by $18,971 or 33%, and consequently, the net loss before transfers and contributions decreased by $47,623, a decrease of 290%.

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.

Basic Financial Statements

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

The Combined Statements of Net Position (pages 11-12) present the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the LHC is improving or deteriorating.

The Combined Statements of Revenues, Expenses, and Changes in Net Position (pages 13-14) present information showing how LHC's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported through either revenues or expenses when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Combined Statements of Cash Flow (pages 15-16) present information showing how LHC'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

Statements of Net Position
As of June 30, 2014, June 30, 2013, and June 30, 2012
(In thousands)

	2014	2013	2012
Cash	$ 111,608	$ 76,401	$ 71,622
Investment	25,037	57,813	128,685
Mortgage Loans	805,050	793,181	899,013
Capital Assets	95,729	97,648	98,605
Other Assets	60,752	55,879	64,316
Total assets	1,098,176	1,080,922	1,262,241
Deferred Outflows	1,240	1,357	1,552
Other liabilities	$ 36,039	$ 36,742	$ 35,295
Long-term debt outstanding	719,120	711,034	867,261
Total liabilities	755,159	747,776	902,556
Deferred Inflows	459	253	337

LOUISIANA HOUSING CORPORATION (LHC)
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014 AND JUNE 30, 2013
(Amounts in Thousands)

Statements of Net Position
As of June 30, 2014, June 30, 2013, and June 30, 2012
(in thousands)

	2014	2013	2012
Net Position:			
Net investment in capital assets	$ 79,894	$ 80,673	$ 82,320
Restricted	258,643	212,258	229,769
Unrestricted	5,261	41,319	47,596
Total net position	$ 343,798	$ 334,250	$ 359,685

Amounts invested in capital assets represent the carrying amount of property and equipment less accumulated depreciation net of any related debt. Restricted net position represents those assets that are not available for spending as a result of legal restraints and grant requirements. Unrestricted net position provides necessary reserves and related earnings to support the general obligations of the Corporation.

2014

Net position increased by $9,548, or 3%, from June 30, 2013 to June 30, 2014. This increase in net position can be attributed mainly to the implementation of GASB Statement No. 31 over the Corporation's mortgage revenue bond program during the current year, which requires the recording of investments at fair value, combined with an increase in the amount transferred to the State of Louisiana Treasury pursuant to Act 646 of the 2014 Regular Session of the Louisiana Legislature. The recording of the fair value of investments resulted in the recognition of $26,560 of revenue that was not recorded in the prior year.

2013

Net position decreased by $25,435, or 7%, from June 30, 2012 to June 30, 2013. This decrease in net position can be attributed to the net non-operating loss of $25,463 which increased due to an adjustment for the provision of loan losses during the fiscal year ended June 30, 2013.

Statements of Revenues, Expenses, and Changes in Net Position
For the years ended June 30, 2014, June 30, 2013, and June 30, 2012
(in thousands)

	2014	2013	2012
Operating revenues	$ 69,970	$ 44,536	$ 52,481
Operating expenses	46,891	50,296	56,788
Operating income (loss)	23,079	(5,760)	(4,307)
Non-operating revenues (expense)	(20,078)	(25,463)	20,707
Income (loss) before transfers and contributions	3,001	(31,223)	16,400
Transfers and contributions	6,547	5,788	6,136
Increase (decrease) in net position	$ 9,548	$ (25,435)	$ 22,536

2014

Total revenues increased by $25,434, or 57%, primarily as a result of the implementation of GASB Statement No. 31 during the fiscal year which resulted in the recording of investments at fair value. As mentioned earlier, the recording of the fair value for investments resulted in $26,560 of revenue that was not recognized in the prior year. Total expenses decreased by $8,790, or 12%, primarily as a result of a decrease in bond interest expense and a decrease in other non-operating expenses.

2013

Total revenues decreased by $28,652, or 39%. Total expenses increased by $18,971, or 33%. For fiscal year June 30, 2013, total expenses include the net non-operating loss for the year. For fiscal year June 30, 2012, the Corporation had net non-operating income and that amount is included in total revenue change for the fiscal year. The non-operating income difference between the two fiscal years is attributed to a decrease in federal grants drawn.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the Louisiana Housing Corporation had $95,729 invested in a broad range of capital assets, including two office facilities located in Baton Rouge, two completed apartment complexes in New Orleans, and an apartment complex in Baton Rouge. (See table below). This amount represents a net decrease (including additions and deductions) of $1,919 or a 2% decrease over the 2013 fiscal year.

At the end of fiscal year 2013, the Corporation had $97,648 invested in a broad range of capital assets. (See table below). The amount represents a decrease of $957 over the 2012 fiscal year which is a result of the final completion of a new office facility building that was in progress during fiscal year 2012 and placed in service during the 2013 fiscal year.

Capital Assets at Year-End
(In thousands)

	2014	2013	2012
Land	$ 1,022	$ 712	$ 712
Land Improvements (net of accumulated depreciation)	54	61	67
Building (net of accumulated depreciation)	93,761	96,021	84,978
Equipment (net of accumulated depreciation)	778	792	502
Construction - in - progress	114	62	12,345
Total	$ 95,729	$ 97,648	$ 98,605

Capital Assets (continued)

2014

This year's changes included (in thousands):

• Equipment acquisitions and replacements	$	220
• Depreciation		(3,307)
• Rehab of Agency Properties – Increase in Construction in Process		51
• Rehab of Agency Properties – Increase in Buildings		87
• Purchase of Industriplex land and building		1,028

2013

Last year's changes included (in thousands):

• Equipment acquisitions and replacements	$	490
• Depreciation		(3,147)
• Rehab of Agency Properties – Decrease in Construction in Process		(12,283)
• Rehab of Agency Properties – Increase in Buildings		13,983

Debt

2014

The Louisiana Housing Corporation had $719,120 in bonds, debentures, and notes outstanding at year-end, compared to $711,034 at the end of last year, a increase of 1.1%, as shown in the table below. This decline is due to a decrease in outstanding General Revenue Office Building Bonds and a decrease in the Multi Family Mortgage Revenue Bonds.

2013

The Louisiana Housing Corporation had $711,034 in bonds, debentures, and notes outstanding at year-end, compared to $866,947 at the end of last year, a decrease of 18%, as shown in the following table.

Outstanding Debt at Year-end
(In thousands)

	2014	2013	2012
Mortgage Revenue Bonds and Notes	$ 695,036	$ 684,125	$ 836,558
LHC General Office and MF 202 Elderly Bonds, and Debentures	24,084	26,909	30,389
Totals	$ 719,120	$ 711,034	$ 866,947

Debt (continued)

2014

A decrease in debt level exists at June 30, 2014 in comparison to the prior year as bond refunding and redemptions were outpaced by new debt issued.

The LHC's Moody's bond rating was A1 for the general revenue bonds and the 202 Elderly MR Bonds. Moody's Aaa rating is carried for the debt of LHC's Single Family Mortgage Revenue Bonds.

The LHC has accounts payable and accrued interest payable of $13,906 outstanding at year-end compared with $15,253 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and other post-employment benefits payable.

2013

A decrease in debt level exists at June 30, 2013 in comparison to the prior year as bond refunding and redemptions were outpaced by new debt issued.

The LHC's Moody's bond rating was A1 for general revenue bonds and the 202 Elderly MR Bonds. Moody's Aaa rating is carried for the debt of LHC's Single Family Mortgage Revenue Bonds.

The LHC has accounts payable and accrued interest payable of $15,253 outstanding at year-end compared with $15,198 last year. Other obligations include accrued vacation pay and sick leave, deferred revenue, and accrued post-retirement benefits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The LHC will make investments in fiscal '15 that will improve the compliance rates of funding recipients and generate additional revenue.
- New programs approved for fiscal '15 will make available more than $12MM in new investments. Additional program opportunities will continue to be assessed.
- Single Family and Multi Family Issuer Fees will be down due to the size of the portfolios decreasing. However expanding the Single Family program is expected to yield increased Issuer Fees in fiscal '15 and beyond.
- While interest rates are expected to slowly increase, the Corporation's investments have decreased significantly; therefore investment income will be reduced.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

- The HUD Disposition properties were damaged during Hurricane Katrina. Willowbrook has been on-line now for seven years, with an average occupancy rate of approximately 93%. Village De Jardin (Gaslight Square) came on-line mid-fiscal '12 ramped up to an average occupancy rate of approximately 96% for fiscal '14. As a result of Village De Jardin's increased occupancy rate continues improve, the rental income provided by the properties will increase. However, slightly higher operating costs on both properties may absorb much of the additional rental income.

The LHC expects that next year's results will be mixed based upon the following:

- Investments decreased with a transfer of $25 million to the Louisiana treasury pursuant to Act 646 of the 2014 Regular Session of the Louisiana Legislature. This will cause a reduction in the Corporation's investment income.
- The Section 8 revenues will remain steady during fiscal '15. HUD accepted applications for awarding new Section 8 contracts during fiscal '14 and initially LHC was not selected for the contract; however, subsequent litigation has postponed the selection process. The LHC expects to continue to administer the program at least through the end of fiscal '15.
- The Corporation's tax credit revenue is expected to increase slightly in fiscal '14 as the tax credit award for the year is expected to be similar to the Corporation's current allocation while the Corporation expects a slight increase due to reprocessings.
- The Corporation expects overall operating expenses to increase due to added programs, but will be offset somewhat due to enhanced technological advancements, lower building bond interest and other operating expenses.

CONTACTING THE LOUISIANA HOUSING CORPORATION'S MANAGEMENT

This financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Corporation's customers, investors and creditors with a general overview of the Louisiana Housing Corporation's finances and to show the LHC's accountability for the funds it receives. If there are questions about this report, or if additional financial information is desired, contact Michelle L. Thomas, Chief Administrative Officer, 2415 Quail Drive, Baton Rouge, LA 70808.

LOUISIANA HOUSING CORPORATION

COMBINED STATEMENTS OF NET POSITION
JUNE 30, 2014 AND 2013
(THOUSANDS OF DOLLARS)

ASSETS AND DEFERRED OUTFLOWS

	2014	as restated 2013
UNRESTRICTED ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,499	$ 1,030
INVESTMENTS	11,207	44,595
MORTGAGE LOANS RECEIVABLE		
Multifamily	1,129	1,156
ACCRUED INTEREST RECEIVABLE	100	194
CAPITAL ASSETS (net of accumulated depreciation of $14, 725 and $11,950, respectively)	82,329	83,823
OTHER ASSETS	507	709
DUE FROM GOVERNMENTS	2,381	2,139
TOTAL UNRESTRICTED ASSETS	99,152	133,646
RESTRICTED ASSETS		
CASH AND CASH EQUIVALENTS	110,109	75,371
INVESTMENTS	13,830	13,218
MORTGAGE LOANS RECEIVABLE		
Single Family, net of reserve	383,677	421,039
Multifamily, net of reserve	420,244	370,986
ACCRUED INTEREST RECEIVABLE	57,763	52,823
OTHER ASSETS	1	14
CAPITAL ASSETS (net of accumulated depreciation of $865 and $365, respectively)	13,400	13,825
TOTAL RESTRICTED ASSETS	999,024	947,276
TOTAL ASSETS	1,098,176	1,080,922
DEFERRED OUTFLOWS	1,240	1,357
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,099,416	$ 1,082,279

The accompanying notes are an integral part of these statements.

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	2014	as restated 2013
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 2,652	$ 5,311
ACCRUED INTEREST PAYABLE	11,254	9,942
DUE TO GOVERNMENTS	31	77
UNEARNED INCOME	6,627	6,542
COMPENSATED ABSENCES	1,070	955
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE	6,305	5,723
DEBENTURES AND BONDS PAYABLE		
Amounts due within one year	41,120	24,382
Amounts due after one year	638,144	683,173
NOTES PAYABLE	39,856	3,479
AMOUNTS HELD IN ESCROW	8,100	8,192
TOTAL LIABILITIES	755,159	747,776
DEFERRED INFLOWS	459	253
NET POSITION		
Net invested in capital assets	79,894	80,673
Restricted	258,643	212,258
Unrestricted	5,261	41,319
TOTAL NET POSITION	343,798	334,250
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,099,416	$ 1,082,279

LOUISIANA HOUSING CORPORATION

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013
(THOUSANDS OF DOLLARS)

	2014	as restated 2013
REVENUES:		
Investment income	$ 3,651	$ 2,030
Mortgage loan income	31,199	33,097
Net increase (decrease) in fair value of investments	26,560	-
Federal program administrative fees	6,481	7,716
Low income housing tax credit program fees	1,439	1,118
Compliance and application fees	5	34
Single family turnkey program fees	334	-
Other income	301	541
Total revenues	69,970	44,536
EXPENSES:		
Interest	24,908	28,020
Personnel services	10,845	9,915
Supplies	375	432
Travel	320	280
Operating services	1,343	1,336
Professional services	2,147	1,329
Depreciation	362	326
General and administrative	615	3,344
Project costs	5,976	5,314
Total expenses	46,891	50,296
Operating Income (loss)	23,079	(5,760)
NON-OPERATING REVENUES (EXPENSES)		
Restricted mortgage loan interest income	5,836	6,602
Restricted investment income	(191)	126
Restricted bond interest expense	(825)	(1,144)
Program income - HOME	134	2,155
Federal grants drawn	164,921	164,217
Federal grant funds disbursed	(163,157)	(160,392)
Provision for loan losses on grant loans	1,446	(23,050)
Net income (loss) from rental property	(538)	(1,031)
Transfers to the State of Louisiana Treasury	(27,000)	(11,000)
Other non-operating expenses	(704)	(1,946)
Total non-operating income (loss)	(20,078)	(25,463)
Income (loss) before transfers and contributions	3,001	(31,223)

The accompanying notes are an integral part of these statements.

LOUISIANA HOUSING CORPORATION

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013
(THOUSANDS OF DOLLARS)

	2014	as restated 2013
Income (loss) before transfers and contributions (continued)	$ 3,001	$ (31,223)
Contributions from external parties	6,547	5,788
CHANGE IN NET POSITION	9,548	(25,435)
NET POSITION - beginning of year, as previously reported		369,512
Adoption of new standard (note 1)		(9,827)
NET POSITION - beginning of year, as restated	334,250	359,685
NET POSITION - end of year	$ 343,798	$ 334,250

The accompanying notes are an integral part of these statements.

LOUISIANA HOUSING CORPORATION

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013
(THOUSANDS OF DOLLARS)

	2014	as restated 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from:		
Investment and mortgage loan income	$ 33,376	$ 35,578
Mortgage principal repayments	85,317	158,442
Fee revenue	11,518	13,390
Cash paid to:		
Suppliers of services	(11,411)	(14,728)
Employees and benefit providers	(10,107)	(9,378)
Mortgage purchases	(70,170)	(72,721)
Bondholders and creditors for interest	(26,695)	(31,263)
Net cash provided by operating activities	11,828	79,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in other assets	(1)	-
Investment purchases	(39,649)	(65,940)
Investment redemptions	70,071	136,263
Net cash flow from rental properties	1,262	1,410
Net cash provided by investing activities	31,683	71,733
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net transfers/contributions	6,547	5,791
Bond financing costs	-	(564)
Cash receipts from federal grants	164,680	165,084
Cash disbursements from federal grants	(163,111)	(159,050)
Mortgage collections	4,332	2,334
Mortgage purchases	(3,571)	(8,618)
Proceeds from bond issues and notes payable	106,229	82,362
Interest on bonds and debentures payable	(210)	(617)
Retirement of notes and bonds payable	(95,984)	(223,884)
Net change in escrow accounts	(92)	(192)
Other non-operating income	(22,942)	(7,631)
Net cash used in noncapital financing activities	(4,122)	(144,985)

The accompanying notes are an integral part of these statements.

LOUISIANA HOUSING CORPORATION

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013
(THOUSANDS OF DOLLARS)

	2014	as restated 2013
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Retirement of bonds payable	$ (2,825)	$ (740)
Sale of equipment	35	-
Purchase of property and equipment	(1,392)	(549)
Net cash used in capital financing activities	(4,182)	(1,289)
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,207	4,779
CASH AND CASH EQUIVALENTS, beginning of year	76,401	71,622
CASH AND CASH EQUIVALENTS, end of year	$ 111,608	$ 76,401
Reconciliation of Operating Income (loss) to Cash Provided by Operating Activities:		
Operating income (loss)	$ 23,079	$ (5,760)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Amortization of mortgage loan discount	203	-
Amortization of bond discount/premium	(2,449)	(3,489)
Amortization of deferred (income) losses	39	111
Depreciation	362	326
Unrealized (gain) loss on investments	(25,987)	664
Changes in:		
Accrued interest receivable	(761)	(212)
Other assets	-	(610)
Accrued interest payable	706	133
Accounts payable and accrued expenses	808	287
OPEB payable	582	466
Due from governments	(242)	1,656
Mortgage loans, net	15,151	85,748
Other assets	201	-
Compensated absences payable	115	-
Net change in interfund accounts and other	21	-
Net cash provided by operating activities	$ 11,828	$ 79,320

The accompanying notes are an integral part of these statements.

LOUISIANA HOUSING CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS
(Amounts in Thousands)

ORGANIZATION OF THE CORPORATION

Louisiana Housing Corporation (the Corporation or LHC) is an instrumentality of the State of Louisiana established effective July 1, 2011 pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended. The enabling legislation grants the Corporation the authority to promulgate rules, regulations, or other procedures for the coordination of all state-administered housing programs. Louisiana Housing Finance Agency (the Agency) became the Corporation's subsidiary effective January 1, 2012. For the year ended June 30, 2012, the operations of the Corporation encompassed only the activities of its subsidiary. The combined financial statements for the year ended June 30, 2012 include the transactions of the Agency for the period July 1, 2011 through December 31, 2011 and the transactions of the Corporation, including its subsidiary for the period January 1, 2012 through June 30, 2012. The Agency was terminated at midnight on June 30, 2012 and the Corporation assumed the obligations and programs of the Agency at that time.

The Louisiana Housing Authority (the Authority) commenced operations on November 1, 2008, and was part of the Division of Administration of the State of Louisiana (the State) prior to enactment of the enabling legislation that created the Corporation. Within the legislation is a clause stating that the Corporation shall have all the powers and duties of a housing authority created pursuant to t the Louisiana Housing Authorities Law, R.S. 40:3841 et. seq. and with that, along with the direction of the Commissioner of Administration, the operation of the Authority and its programs were transferred to the Corporation. The activities and transfers of programs were culminated within the current fiscal year, and the related transactions are reflected in these combined financial statements. With direction from its current sole grantor, the U.S. Department of Housing and Urban Development, the Authority has operated on a calendar year basis, and has filed audited financial statements with the Louisiana Legislative Auditor starting with calendar year 2009.

Programs implemented by the Corporation consist of Mortgage Revenue Bond Programs, the Low Income Housing Tax Credit Program, the Louisiana Housing Trust Fund Program, the Neighborhood Stabilization Program and various federal award programs including the Low Income Housing Energy Assistance Program, the Weatherization Assistance Program, HOME Investment Partnerships and Section 8 Contract Administration. The powers of the Corporation are vested in a Board of Commissioners which is empowered to contract with outside parties to conduct the operations of programs it initiates. For the mortgage revenue bond programs it initiates, the Corporation utilizes mortgage lenders to originate and service mortgage and construction loans acquired under its single family and multifamily programs. The Corporation 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to general obligation debt, the Corporation 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 and affordable residential housing and other economic development for the benefit of the State. The mortgage revenue bonds are limited obligation of the Corporation and do not constitute a debt, liability, or moral obligation of the state or any political subdivision thereof. The mortgage revenue bonds are issued as conduit or asset backed financing and are payable solely from income, revenues and receipts derived from the mortgage loans and other investments held under and pursuant to the trust indentures and therefore pledged. LHC has no taxing power. The Corporation receives service and issuer fees in connection with its mortgage revenue bond programs.

(Amounts in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

For the year ended June 30, 2014, the Corporation has elected to implement Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* (GASB 31) for the Mortgage Revenue Bonds (MRB) Programs. The combined financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. It was not practical to restate prior year balances and determine the fair market value of the investment portfolio, as of June 30, 2013 for the MRB programs given the volume of programs managed by the Corporation and the cost and time constraints associated with such a restatement. Therefore, the cumulative effect of this restatement is recognized through the current year statement of revenues, expenses and changes in net position.

For the year ended June 30, 2013, the combined financial statements were 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 31 to the 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 significant accounting policies are described below.

New Accounting Pronouncements:

The following pronouncements recently issued and adopted by the GASB impacted the Corporation's financial statements:

In June 2011, the GASB issued Statement 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provision of this statement is effective for financial periods beginning after December 31, 2011. Implementation of the pronouncement had no effect on the July 1, 2012 beginning balance of the Corporation's fund net position.

In March 2012, the GASB issued Statement 65 (GASB 65), *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Additionally, the GASB evaluated debt issue costs and concluded that, with the exception of prepaid insurance, the costs relate to services provided in the current period and thus they should be expensed in the current period. This is a significant change from current practice which is to record these as assets and amortize them over the life of the related debt issue. The provisions of this statement are effective for the earliest period presented for financial periods beginning July 1, 2012. The financial statements have been adjusted to reflect the retroactive application as of July 1, 2012. See the breakout below of the cumulative effect of change in accounting position on the net position as of July 1, 2012.

Total Net Position, June 30, 2012, as previously reported	$ 369,512
Bond issuance costs not expensed as of 6/30/2012	(9,827)
Total Net Position, June 30, 2012, as restated	$ 359,685

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity

GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an amendment of GASB No. 14 and No. 34* has established criteria for determining the governmental reporting entity and has defined the governmental reporting entity and component units that should be included with 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:

- The State appoints a voting majority of the organization's governing body and is either able to impose its' will on the organization or there is a potential financial benefit/ burden to the State.
- The entity is fiscally dependent on the State and there is a potential financial benefit/burden to the State.
- The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading.

Due to the nature and significance of the relationship between the Corporation's General Fund and the State of Louisiana, the financial statements of the State would be misleading if the Corporation's General Fund financial statements were excluded. Accordingly, the State of Louisiana has determined that only the Corporation's General Fund is a component unit. The term "General Fund" refers to the fund that accounts for the Corporation's general operating activities and is not meant to denote a governmental type general fund of a primary government. 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 General Fund, as well as its Mortgage Revenue Bond Program Funds, are considered 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 position is necessary or useful to 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 were earned and expenses are recognized in the period incurred.

Since the business of the Corporation is essentially that of a financial institution having a business cycle greater than one year, the Statement of Net Position is not presented in a classified format.

The following funds are maintained by the Corporation:

General Fund

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (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 Corporation 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.

Investments

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 Corporation 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 Position.

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 investment contracts are non-participating and therefore are reported at cost, which approximates fair value.

Program Mortgage Loans and Mortgage-Backed Securities:

The General Fund and Mortgage Revenue Bond Funds programs have whole loans and un-securitized loans that are carried at original cost less principal collections less the allowance for loan losses.

Certain loans of the Mortgage Revenue Bond Funds programs have been pooled and packaged into Mortgage-Backed Securities which were then purchased by the Funds. The Mortgage-Backed Securities consist of Government National Mortgage Association (GNMA) certificates, Federal National Mortgage Association (FNMA) certificates, and Federal Home Loan Mortgage Corporation (FHLMC) certificates. The certificates are carried at fair market value for the year ended June 30, 2014 and cost for the year ended June 30, 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Mortgage Loans and Mortgage-Backed Securities: (continued)

See Basis of Accounting above. Accretion of discounts and premiums related to the purchases are 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.

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.

Capital Assets

Property and equipment is stated at cost less accumulated depreciation. The Corporation capitalizes all property and equipment with initial, individual costs greater than $5,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings	40 years
Equipment	3 – 7 years
Automobiles	5 years

Statement of Cash Flows

For purposes of the Statement of Cash Flows, 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.

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.

For a proprietary type fund, the cost of leave privileges, computed in accordance with Governmental Accounting Standards Board (GASB) Statement 16, *Accounting for Compensated Absences*, is recognized as a current year expense when the leave is earned.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Refundings

Debt refundings are accounted for in accordance with GASB No. 65, *Items Previously Reported as Assets and Liabilities*. 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 either a deferred inflow or outflow in the financial statements.

Net Position

In the Statement of Net Position, the difference between the Corporation's assets and liabilities is recorded as net position. The three components of net position are as follows:

Net investment in capital assets– The category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted net position – Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law are reported separately as restricted net position.

Unrestricted net position – Consists of net positions that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

The restricted net position results primarily from the mortgage loan programs, the related bonds and debentures payable.

Revenue and Expenses

Operating revenues consist of program administration fees, bond issue fees and investment income as these revenues are generated from operations and are generated in carrying out the Corporation's 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, and income from rental properties in the General Fund are ancillary to the Corporation's statutory purpose and are classified as non-operating.

When an item of income earned or expense incurred for purposes for which there are both restricted and unrestricted net positions available, it is the Corporation's policy to apply those items to both restricted and unrestricted net positions, in accordance with the appropriate proportion as delineated by the activity creating the item.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year-end financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Authority

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, the Corporation may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Corporation 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 Statutes, the Corporation 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

Cash and cash equivalents (book balances) as of June 30, 2014 and 2013, were as follows:

	2014 (in thousands)	2013 (in thousands)	Rating
Demand Deposits	$ 21,861	$ 14,556	N/A
Federal Home Loan Bank deposits	5	5	N/A
Money Market Funds	89,742	61,840	AAA
	$ 111,608	$ 76,401	

The deposits and money market funds 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 Corporation's demand deposits (bank balances) were entirely covered by FDIC insurance or pledged collateral held in the name of the Corporation at June 30, 2014 and 2013. The Corporation'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 Corporation'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.

(Amounts in Thousands)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

As of June 30, 2014, the Corporation had the following investments and maturities (in years):

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 to 5	6 to 10	>10
U.S. Treasury Notes	$ 711	$ 711	$ --	$ --	$ --
U.S. Sponsored Agencies	11,426	243	3,366	1,729	6,088
State of Louisiana Bonds	657	--	--	657	--
GNMA's	9,796	--	135	332	9,329
Whole Loans	61	61	--	--	--
Investment Contracts	2,386	--	--	118	2,268
Total	$ 25,037	$ 1,015	$ 3,501	$ 2,836	$ 17,685

As of June 30, 2013, the Corporation had the following investments and maturities (in years):

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 to 5	6 to 10	>10
U.S. Treasury Notes	$ 739	$ --	$ 739	$ --	$ --
U.S. Sponsored Agencies	28,140	--	230	8,199	19,711
State of Louisiana Bonds	637	--	--	637	--
GNMA's	22,166	--	103	553	21,510
Whole Loans	146	--	146	--	--
Investment Contracts	5,985	--	--	118	5,867
Total	$ 57,813	$ --	$ 1,218	$ 9,507	$ 47,088

Interest rate risk. The Corporation manages interest rate risk by duration. Future changes in interest rates and the slope of the yield curve are forecasted and then a duration strategy is selected 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 Corporation's policy to limit its investments to those issued a top rating issued by Nationally Recognized Statistical Ratings Organizations (NRSROs). Two of the Corporation's investments were rated AAA or A3 as of June 30, 2014 and 2013. One of the Corporation's investments, totaling $118,000, showed a rating of WR or withdrawn as of June 30, 2014.

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

(Amounts in Thousands)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

Concentration of Credit Risk. There is no limit on the amount that may be invested in any one issuer. As of June 30, 2014 and 2013, investments of the following issuers represented more than 5 percent of the total investments:

	2014	2013
Federal National Mortgage Association	N/A	37%
Federal Home Loan Mortgage Corporation	18%	12%
Aegon	N/A	10%

Net unrealized appreciation on investment securities held in the General Fund, was $2,590 and $4,175 at June 30, 2014 and 2013, respectively. The decrease in unrealized appreciation of $(1,585) and $(549) was included in the investment income for June 30, 2014 and 2013, respectively.

Net realized appreciation on investment securities held by the Mortgage Revenue Bond Programs at June 30, 2014 was $1,160. The June 30, 2013 investments were not recorded at fair value and therefore the net appreciation/depreciation is not disclosed.

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:

	2014	2013
Guranteed Investment Contracts:		
Aegon:		
Single family series 2004 B, 2006 D	$ 2,127	$ 5,494
Crown Life:		
Multifamily series 1988 Preservation Homes	118	118
Grand Central:		
Single family series 2004 A	141	374
Total guaranteed investment contracts	$ 2,386	$ 5,986

3. PROGRAM MORTGAGE LOANS AND MORTGAGE BACKED SECURITIES

Program mortgage loans and mortgage-backed securities reported in the financial statements consist of the following:

June 30, 2014: (in thousands)

	Single Family Loans	Multi Family Loans	Total
Mortgage-Backed Securities	$ 381,618	$ 35,256	$ 416,874
Mortgage Loans Receivable:			
Whole Loans	--	261,952	261,952
202 Elderly Project Loans	--	21,760	21,760
HOME Program Loans	3,652	114,494	118,146
Conditional HOME Program Loans	--	1,990	1,990
CDBG - Piggyback	--	192	192
Louisiana Housing Trust Fund Loans	--	20,282	20,282
1602 Sub-award Multifamily Loans	--	159,871	159,871
TCAP Multifamily Mortgage Loans	--	37,734	37,734
Neighborhood Stabilization Program Loans	--	8,862	8,862
	385,270	662,393	1,047,663
Reserve for Loan Losses- General Fund only	(1,593)	(241,020)	(242,613)
	$ 383,677	$ 421,373	$ 805,050

June 30, 2013: (in thousands)

	Single Family Loans	Multi Family Loans	Total
Mortgage-Backed Securities	$ 418,839	$ 33,135	$ 451,974
Mortgage Loans Receivable:			
Whole Loans	--	214,119	214,119
Assisted Program Loans	1,140	--	1,140
202 Elderly Project Loans	--	25,268	25,268
HOME Program Loans	3,899	111,409	115,308
Conditional HOME Program Loans	--	2,007	2,007
Louisiana Housing Trust Fund Loans	--	20,280	20,280
1602 Sub-award Multifamily Loans	--	185,245	185,245
TCAP Multifamily Mortgage Loans	--	38,217	38,217
Neighborhood Stabilization Program Loans	--	10,700	10,700
	423,878	640,380	1,064,258
Reserve for Loan Losses- General Fund only	(2,839)	(268,238)	(271,077)
	$ 421,039	$ 372,142	$ 739,181

(Amounts in Thousands)

3. PROGRAM MORTGAGE LOANS AND MORTGAGE BACKED SECURITIES (continued)

Mortgage Revenue Bond Programs

Mortgage-Backed Securities:

With certain exceptions, loans acquired under the single family programs and four multifamily programs for the year ended June 30, 2014 and five multifamily programs for the year ended June 30, 2013 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 obligation of the U.S. Government. These securities have interest rates of 1.5% - 7.65%. The underlying loans backing the securities must be conventional mortgage loans or FHA insured, VA guaranteed or RD guaranteed.

The fair value/amortized cost of the mortgage-backed securities, by contractual maturity, is shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

June 30, 2014:

		Maturities (in Years)			
	Fair Value	Less than 1	1 to 5	6 to 10	>10
GNMA	$ 318,102	$ --	$ --	$ 1,563	$ 316,539
FNMA	16,153	65	--	1,504	14,584
FHLMC	81,492	--	--	--	81,492
FHA	1,127	--	--	--	1,127
	$ 416,874	$ 65	$ --	$ 3,067	$ 413,742

June 30, 2013:

		Maturities (in Years)			
	Amortized Cost	Less than 1	1 to 5	6 to 10	>10
GNMA	$ 329,700	$ 291	$ --	$ --	$ 329,409
FNMA	18,623	--	236	--	18,387
FHLMC	103,651	--	--	--	103,651
	$ 451,974	$ 291	$ 236	$ --	$ 451,447

3. PROGRAM MORTGAGE LOANS AND MORTGAGE BACKED SECURITIES (continued)

Mortgage Revenue Bond Programs (continued)

Mortgage Loans: (continued)

Multifamily bond programs are designed to finance the construction of multifamily housing units in the State of Louisiana. The operating performance or financial condition of the multifamily properties financed by bonds are not actively monitored, as the Corporation 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. Interest rates on these multifamily loans range from 0.04% to 10.00% with maturities ranging from 1 to 36 years.

Assisted Program Loans:

Assisted program loans within the 2011-A and 2012-A Single Family Programs are provided to eligible borrowers to pay closing costs and a portion of the required down payment for assisted program loans. The borrower is required to execute a soft subordinate forgivable promissory note. The notes mature 60 months following the date of execution and will be forgiven at the end of the period if certain conditions have been met.

General Fund

As part of its HOME program, loans have been made 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, with cash flows as a factor in determining amounts due for the majority of the multi-family HOME loans. These loans are uninsured.

As part of its multifamily program, loans have been made under the 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 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 in the previous paragraph.

During the year ended June 30, 2010, an award of funds (1602 Funds) was received from the United States Treasury Department under the provisions of Section 1602 of Subtitle C of Title I Division B of the American Recovery and Reinvestment Act of 2009 and began loaning these funds to qualified multifamily low-income housing projects. These loans are finance at a 0% interest rate and will mature at the end of a 15 year period. The Corporation will forgive the debt at the end of this period, if certain conditions have been met. These loans are uninsured.

(Amounts in Thousands)

3. PROGRAM MORTGAGE LOANS AND MORTGAGE BACKED SECURITIES (continued)

General Fund (continued)

During the year ended June 30, 2010, a Tax Credit Assistance Program (TCAP) Grant under Title XII of the American Recovery and Reinvestment Act of 2009 was received to loan funds to Low Income Housing Tax Credit (LIHTC) projects. These loans bear interest at a rate of approximately 4% and are collectible from surplus cash generated by the projects. These loans are uninsured.

As part of the Neighborhood Stabilization Program (NSP), funds are loaned to qualified borrowers for the purpose of redeveloping abandoned and foreclosed homes, land banking and homebuyer education. These loans are financed at interest rates between 0% and 2% and are either payable upon demand or from surplus cash generated by the projects. Certain loans under this program are forgivable.

The Louisiana Housing Trust Funds are utilized 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 0% interest rate and will mature at the end of the 15 year affordability period. The debt will be forgiven 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 was as follows:

	2014	2013	Interest Rate
HOME Multifamily Mortgage Loans	$ 114,494	$ 111,409	1% - 6%
HOME Single Family Mortgage Loans	3,652	3,899	0%
202 Elderly Project Mortgage Loans	21,760	25,268	6%
Conditional HOME Loans	1,990	2,007	0%
1602 Sub Award Multifamily Loans	159,871	185,245	0%
TCAP Multifamily Mortgage Loans	37,736	38,217	4%
Neighborhood Stabilization Program Loans	8,862	10,700	1% - 2%
Louisiana Housing Trust Fund Loans	20,282	20,280	0%
CDBG – Piggyback	191	-	0% - 3.5%
	368,838	397,025	
Reserve for loan losses	(242,614)	(269,937)	
	$ 126,224	$ 127,088	

The collections from the HOME, 1602 Exchange, TCAP, NSP and Louisiana Housing Trust Fund loans are restricted to funding future lending programs. The multifamily section 202 loans are held in trust and pledged to repay the Series 2013 Multifamily Mortgage Revenue Refunding Bonds (see Note 5). The principal balance and accruals of interest receivable on these loans are reported as restricted assets.

The reserve for loan losses has changed mainly due to charges of ($27,322) and $19,235 to the provision for loan losses account for the years ended June 30, 2014 and 2013, respectively.

4. RESTRICTED GENERAL FUND AND MORTGAGE REVENUE BOND FUNDS ASSETS

Restricted assets consisted of the following at June 30:

	2014	2013
	(in thousands)	
Cash and cash equivalents	$ 110,109	$ 75,371
Investments	13,830	13,218
Mortgage loans receivable (net of allowance for loan losses of $242,613 and $269,937, respectively)	803,921	792,025
Capital assets	13,400	13,825
Accrued interest receivable	57,763	52,823
Other assets	1	14
Total Combined Restricted Assets	$ 999,024	$ 947,276

5. BONDS AND DEBENTURES PAYABLE

Mortgage Revenue Bonds

As authorized by the initial enabling legislation, the Corporation issues revenue bonds to assist in the financing of housing needs in the State of Louisiana. The bonds are limited obligations of the Corporation, 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 Corporation is subject to the approval of the Louisiana State Bond Commission. Bonds are issued under various bond resolutions adopted by the Corporation to provide financing for qualified single family and multifamily projects. The Corporation's publicly offered and private placement multifamily bonds are considered conduit debt obligations and are secured by several forms of credit enhancement, including FNMA and FHLMC credit enhancement agreements, FHA-insured mortgage loans, GNMA-guaranteed certificates and letters of credit from financial institutions including collateralized, insured, and uncollateralized and uninsured arrangements.

The assets generated with the proceeds of each series of bonds issued (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.

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds (continued)

The following table is a list of outstanding notes, debentures and bonds payable:

Single Family Mortgage Revenue Bonds:

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

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2002 A_1-A_2: Dated June 13, 2002, due serially and term from December 1, 2004 to June 1, 2034, bearing interest at 2.90% to 6.40%	$3,110	$ -	$(995)	$ -	$2,115	$51
Series 2004 A_1-A_2: Dated March 30, 2004, due serially and term from December 1, 2004 to December 1, 2035, bearing interest at 4.75% to 5.15%	4,517	-	(965)	(48)	3,504	83
Series 2004 B_1-B_2: Dated June 30, 2004, due serially and term from December 1, 2004, to June 1, 2036, bearing interest at 1.85% to 5.80%	2,982	-	(555)	(20)	2,407	83
Series 2004 C_1-C_2: Dated December 1, 2004, due serially and term from December 1, 2006, to June 1, 2036, bearing interest at 2.25% to 5.55%	4,227	-	(870)	(37)	3,320	79
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% to 5.80%	4,946	-	(650)	(23)	4,273	93
Series 2006 A: Dated March 1, 2006, due serially and term from December 1, 2006, to June 1, 2038, bearing interest at 3.30% to 4.60%	17,040	-	(3,400)	-	13,640	213
Series 2006 B: Dated June 1, 2006, due serially and term from December 1, 2007 to December 1, 2038, bearing interest at 5.00%	13,551	-	(3,265)	(99)	10,187	214

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Single Family Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2006 C: Dated July 18, 2006, term due serially and term from December 1, 2006 to December 1, 2038, bearing interest at 5.05%	$17,319	-	$(4,265)	$(184)	$12,870	$19
Series 2006 D: Dated October 25, 2006, term due serially and term from December 1, 2007 to December 1, 2038, bearing interest at 4.70% to 6.15%	35,312	-	(10,880)	(381)	24,051	36
Series 2007 A: Dated March 13, 2007, due serially and term from December 1, 2008, to December 1, 2038, bearing interest at 3.50% to 5.95%	33,250	-	(7,215)	(449)	25,586	570
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 5.80%	43,220	-	(9,936)	(475)	32,809	1,103
Series 2007 C: Dated November 1, 2007, due serially and term from December 1, 2009, to June 1, 2039, bearing interest at 3.60% to 6.00%	47,507	-	(13,235)	(420)	33,852	593
Series 2008 A: Dated September 1, 2008, due serially and term from June 1, 2010, to June 1, 2040, bearing interest at 2.40% to 6.55%	21,955	-	(3,650)	(135)	18,170	315
Series 2008 B: Dated December 1, 2008, due serially and term from June 1, 2010 to June 1, 2040, bearing interest at 3.00% to 6.30%	16,085	-	(3,040)	-	13,045	802

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Single Family Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2009 A: Dated September 1, 2009, due serially and term from June 1, 2011, to June 1, 2041, bearing interest at 1.25% to 5.25%	$21,881	-	$(2,990)	$(45)	$18,846	$6
Series 2010 A: Dated November 1, 2010, term bonds due from June 1, 2027, to December 1, 2041, bearing interest at 3.01% to 4.75%	46,262	-	(3,080)	(134)	43,048	918
Series 2011 A: Dated August 25, 2011, due serially and term from December 1, 2011, to June 1, 2041, bearing interest at 0.35% to 4.60%	47,468	-	(7,560)	(112)	39,796	28
Series 2012 A: Dated December 1, 2012, term bonds due from December 1, 2027, to December 1, 2041, bearing interest at 2.75% to 3.40% serial refunding bonds due from December 1, 2013 to December 31, 2012, bearing interest at 0.35% to 2.80%	30,061	-	(2,215)	(25)	27,821	810
Series 2013 A: Refunding bonds dated May 1, 2013; due September 1, 2034, bearing interest at 2.35%	11,991	-	(2,132)	-	9,859	-
Total single family mortgage revenue bonds	$422,684	-	$(80,898)	$(2,587)	$339,199	$6,016

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
General Fund Bonds and Debentures:						
Series 2010 General Revenue Office Building Refunding Bonds: Bonds due serially from December 1, 2010 to December 1, 2016, bearing interest at various rates from 2.0% to 3.25%	$3,200	$ -	$ (765)	-	$ 2,435	$ 790
Series 2013 Multifamily Mortgage Revenue Refunding Bonds: Dated May 17, 2013, term bonds due December 1, 2031, bearing interest at 2.5%	9,995	-	(2,060)	-	7,935	-
Debentures Payable: Dated April 28, 2006, due May 28, 2012 June 28, 2012 and October 28, 2012 bearing interest at 4.5%	13,714	-	-	-	13,714	13,714
Total general fund bonds and debentures	26,909	-	(2,825)	-	24,084	14,504
Multifamily Mortgage Revenue Bonds:						
Series 1988 Preservation Homes: Dated December 1, 1988, term bonds due December 21, 2028, bearing interest at 8.00%	935	-	(30)	-	905	35
Series 2003 Woodward Wight: Dated September 1, 2003, due September 11, 2033, bearing interest at its own weekly rate determined by the remarketing agent	8,955	-	-	-	8,955	-
Series 2002 Melrose: Dated October 1, 2002, term bonds due October 15, 2029, bearing interest at 5.65%	3,901	24	-	-	3,925	579

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
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	$2,050	-	-	-	$2,050	-
Series 2003 Galilee City: Dated June 1, 2003, term bonds due July 20, 2044, bearing interest at 4.25% to 5.05%	3,020	-	(40)	-	2,980	40
Series 2004 A & B Azalea Estates: Dated September 1, 2004, due serially April 20, 2005 and October 20, 2039, bearing interest at 5.38% to 6.25%	14,430	-	(235)	-	14,195	260
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	4,935	-	(105)	-	4,830	-
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	2,940	-	-	-	2,940	-
Series 2005 Peppermill I & II: Dated August 1, 2005, term bonds due April 1, 2008 and April 1, 2038, bearing interest at 4.75% to 5.125%	4,272	-	(75)	-	4,197	80
Series 2006 Meadowbrook: Dated June 1, 2006, due serially September 1, 2009 to March 1, 2027, bearing interest at 5.25%	4,904	-	(80)	(5)	4,819	89
Series 2006 The Crossing: Dated May 1, 2006, term bonds due May 1, 2046, bearing interest at 6.15%	7,340	-	(55)	-	7,285	58

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
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%	$950	-	$(17)	-	$933	$19
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	15,470	-	-	-	15,470	-
Series 2007 Hooper Pointe Residences: Dated May 1, 2007, due serially May 1, 2009 to April 1, 2049, bearing interest at 5.75%	9,940	-	(86)	-	9,854	91
Series 2007 Plantation: Dated March 1, 2007, due serially October 15, 2007 and April 15, 2017, bearing interest at 4.10% and 5.25%	5,150	-	(120)	-	5,030	130
Series 2007 Ridgefield: Dated June 1, 2006, due serially September 1, 2009, to March 1, 2027, bearing interest at 5.25%	7,506	-	(200)	3	7,309	197
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	-
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	4,630	-	-	-	4,630	-
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%	8,132	-	(80)	6	8,058	75

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
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	7,910	-	(110)	-	7,800	-
Series 2008 The Reserve at Jefferson Crossing: Dated December 1, 2008, term bonds due July 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	8,795	-	(185)	-	8,610	-
Series 2009 Louisiana Chateau: Dated August 1, 2009, term bonds due from September 1, 2017 to September 1, 2039, bearing interest at 6.0% and 8.0%	54,929	-	(640)	55	54,344	655
Series 2010 Muses II: Dated April 1, 2010, term bonds due May 1, 2027 bearing interest at 7.0% until May 1, 2015; thereafter, interest at the 5-year T-Bill rate, changing every 5 years	2,142	-	(24)	-	2,118	27
Series 2011 Blue Plate Lofts: Dated March 1, 2011, term bonds due September 1, 2031, bearing interest at 3.5% to 6.25%	1,194	-	(14)	-	1,180	15

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2011 Garden Oaks Apartments: Dated November 1, 2011, term bonds due November 1, 2016, bearing interest at a variable rate determined by the remarketing agent	$7,350	-	$(7,350)	-	-	-
Series 2011 Mallard Crossing Apartments: Dated October 1, 2011, term bonds due from October 1, 2022 to October 1, 2029, bearing interest at 4.00% - 4.75%	11,300	-	(720)	-	10,580	56
Series 2011 Woodcrest Apartments: Dated December 1, 2011, draw down bonds due February 1 2015, bearing interest at applicable tax exempt rate	717	-	(717)	-	-	-
Series 2012 Elysian Project Apartments: Dated April 1, 2012, draw down bonds due October 1, 2032, bearing interest at 2.95% during construction phase and permanent interest rate of 5.15%	7,152	648	(4,103)		3,697	40
1501 Canal Senior Housing Project: Dated November 1, 2012, draw down bonds due November 1, 2033, construction phase bearing interest at a variable rate; permanent interest rate of 4.9%	13,829	4,171	-	-	18,000	15,279
Garden Senior Apartments: Dated July 1, 2012, term bonds due from July 1, 2015 to July 1, 2030, bearing interest at 1.30% to 3.60%	4,000	-	-	-	4,000	-
Renaissance Gateway Apartments: Dated April 1, 2013, draw down bonds due from June 1, 2015 to June 1, 2050, bearing interest at 6.0% to 12.0%	2,875	9,185	-	-	12,060	2,875

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2013 B.W. Cooper: Dated August 29, 2013, draw down bonds due September 1, 2015, bearing interest at LIBOR + 2.25%. Initial amount authorized $20,000,000 for issuance in incremental draws. Approximately $17,233,148 drawn to date, $2,766,852 available for issuance.	-	$17,233	-	-	$17,233	-
Series 2013 Cyrus Homes: Dated December 30, 2013, draw down bonds due June 1, 2031, bearing interest at greater of the prime rate or 5.0% until June 1, 2016 and 6.5% thereafter. Initial amount authorized $4,100,000 for issuance in incremental draws. Approximately $50,000 drawn to date, $4,050,000 available for issuance.	-	50	-	-	50	-
Series 2013 Elm Drive: Dated December 5, 2013, term bond due December 1, 2017, bearing interest at 0.35% until December 1, 2014, and at its own weekly rate determined by the remarketing agent thereafter.	-	3,500	-	-	3,500	-
Series 2013 Guste III: Dated November 14, 2013, draw down bond due November 14, 2015, bearing interest at 1.0%. Initial amount authorized $25,600,000 for issuance in incremental draws. Approximately $7,235,040 drawn to date, $18,364,960 available for issuance.	-	7,235	-	-	7,235	-
Series 2013 New Zion: Dated December 11, 2013, term bond due December 1, 2016, bearing interest at 0.65% until December 1, 2015. and at its own weekly rate determined by the remarketing agent.	-	4,200	-	-	4,200	-

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

Multifamily Mortgage Revenue Bonds: (continued)

	(as restated) 2013	Additions	Payments	Amortization	2014	Due Within One Year (Net of Amortization)
Series 2013 Windsor Place: Dated November 27, 2013, draw down ;bond due November 1, 2015, bearing interest at one month LIBOR + 2.5%. Initial amount authorized $8,500,000 for issuance in incremental draws. Approximately $1,768,797 drawn to date, $6,731,203 available for issuance.	-	$2,419	-	-	$2,419	-
Series 2014 Canaan Village: Dated May 29, 2014, term bond due June 1, 2017, bearing interest at 0.35% until June 1, 2015, and at its own weekly rate determined by the remarketing agent thereafter.	-	5,500	-	-	5,500	-
Series 2014 Holy Family: Dated April 29, 2014, term bond due October 1, 2015, bearing interest at 0.60%.	-	9,600	-	-	9,600	-
Series 2014 Tangi Village: Dated January 24, 2014, term bond due February 1, 2018, bearing interest at 0.35% until February 1, 2015, and at its own weekly rate determined by the remarketing agent thereafter.	-	6,000	-	-	6,000	-
Total multifamily mortgage revenue bonds	$ 261,143	$ 69,765	$ (14,986)	$ 59	$ 315,981	$ 20,600
Total mortgage revenue notes debentures, bonds payable	$ 710,736	$ 69,765	$ (98,709)	$ (2,528)	$ 679,264	$ 41,120

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

Mortgage Revenue Bonds: (continued)

On May 1, 2013, the entity issued $12,079 of Single Family Mortgage Revenue Refunding Bonds, Series 2013 for the purpose of currently refunding the Single Family Mortgage Revenue bonds, Series 2002B, 2003 A-1, 2003 A-2, and 2003 B-2. Interest rates on the Series 2013 bonds are 2.35%, whereas interest rates on the Series 2002B, 2003 A-1, 2003 A-2 and 2003 B-2 bonds ranged from 3.55% to 5.625%. This decrease in interest rates resulted in an economic gain on the current refunding of $3,615 (the difference between the present values of the Series 2002B, 2003 A-1, 2003 A-2 and 2003 B-2 cash flows and the Series 2013 cash flows). The current refunding results in a decrease of debt service payments in the amount of $4,810 through the maturity of the bonds in September 2034.

On December 20, 2012, the entity issued $10,465 of Single Family Mortgage Revenue Refunding Bonds, Series 2012 A-1 and 2012 A-2 for the purpose of currently refunding the Single Family Mortgage Revenue bonds, Series 1999 A1-A2, 1999 B1-B2, 2001 A1, 2001 B1, 2001 C, and 2001 D1-D2. Interest rates on the Series 2012 A1 and 2012 A2 bonds range from 0.35% to3.65% whereas interest rates on the Series 1999 A1-A2, 1999 B1-B2, 2001 A1, 2001B1, 2001 C1 and 2001 D1-D2 bonds ranged from 4.4% to 5.625%. This decrease in interest rates resulted in an economic gain on the current refunding of $2,093 (the difference between the present values of the Series 1999 A1-A2, 1999 B1-B2, 2001 A1, 2001 B1, 2001 C1 and 2001 D1-D2 cash flows and the Series 2012 A1 and A2 cash flows). The current refunding results in a decrease of debt service payments in the amount of $3,198 through the maturity of the bonds in December 1, 2032.

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. Future interest payments for variable interest rate bonds were calculated using the rate of interest in effect at the end of the fiscal year.

Year Ending June 30,	Single Family Mortgage Revenue Bonds		Multifamily Mortgage Revenue Bonds		Combined Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 6,016	$ 11,212	$ 20,600	$ 9,135	$ 26,616	$ 20,347
2016	5,607	11,513	41,223	9,641	46,830	21,154
2017	5,965	11,805	11,987	8,901	17,952	20,706
2018	6,660	12,115	16,360	8,695	23,020	20,810
2019	6,668	12,428	2,364	8,657	9,032	21,085
2020-2024	41,429	11,686	14,147	7,966	55,576	19,652
2025-2029	53,544	11,832	23,601	7,552	77,145	19,384
2030-2034	67,623	10,982	51,637	6,896	119,236	17,878
2035-2039	127,100	9,823	52,187	5,485	179,287	15,308
2040-2044	18,587	5,852	63,509	5,841	82,096	11,693
2045-2049	--	--	9,181	1,435	9,181	1,435
2050-2054	--	--	9,185	257	9,185	257
	$ 339,199	$ 109,248	$ 315,981	$ 80,461	$ 655,180	$ 189,709

5. BONDS AND DEBENTURES PAYABLE (continued)

General Obligations

On June 30, 2010, the Corporation issued $5,330 of General Revenue Office Building Refunding Bonds, Series 2010 for the purpose of currently refunding the General Revenue Office Building Bonds, Series 2001. The bonds are general obligations of the Corporation, secured by and payable from any and all funds of the Corporation not otherwise required to be irrevocably dedicated to other purposes. The bonds mature serially December 1, 2010 through December 1, 2016. The bonds bear interest at various rates, ranging from 2.00% to 3.25% per annum. At June 30, 2014 and 2013, $2,435 and $3,200 respectively, of the bonds were outstanding.

Interest rates on the Series 2010 bonds range from 2.00% to 3.250%, whereas interest rates on the series 2001 bonds ranged from 3.5% to 8.00%. This decrease in interest rates resulted in an economic gain on the current refunding of $244 (the difference between the present values of the Series 2001 and Series 2010 cash flows). The current refunding results in a reduction of debt service payments in the amount of $270 through the maturity of the bonds in December 2016.

On May 17, 2013, the Corporation issued $9,995 of Multifamily Mortgage Revenue Refunding Bonds, Series 2013 for the purpose of currently refunding the Multifamily Mortgage Revenue Refunding Bonds, Series 2006A. The bonds are general obligations of the Corporation, secured by and payable from any and all funds of the Corporation not otherwise required to be irrevocably dedicated to other purposes. The bonds mature on December 1, 2031. The bonds bear interest at 2.50% per annum. At June 30, 2014 and 2013, $7,935 and $9,995, respectively, of the bonds were outstanding.

Interest rates on the Series 2013 bonds are 2.50%, whereas interest rates on the Series 2006A bonds ranged from 3.85% to 4.75%. This decrease in interest rates resulted in an economic gain on the current refunding of $1,296 (the difference between the present values of the Series 2001 and Series 2010 cash flows). The current refunding results in an increase of debt service payments in the amount of $1,582 through the maturity of the bonds in December 2031.

The Corporation issued $20,600 of Series 2006A Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted – 2002 Elderly Projects) to advance refund $20,600 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 Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds had been redeemed, due to the redemption structure of the bonds 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. The Series 2006A bonds bore interest at various rates, ranging from 3.85% to 4.75% per annum. At June 30, 2014 and June 30, 2013, $0 and $0, respectively, of the Series 2006A bonds were outstanding. The Series 2006A bonds were currently refunded by the Multifamily Mortgage Revenue Refunding Bonds, Series 2013 on May 17, 2013.

The reacquisition price in the advance refunding of the Series 2003A bonds by the Series 2006A bonds was $405 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.

(Amounts in Thousands)

5. BONDS AND DEBENTURES PAYABLE (continued)

General Obligations (continued)

Issuance of the Series 2006A refunding bonds resulted in net proceeds of $20,253 (after payment of issuance costs plus $2,063 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 2003A series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the Corporation. At June 30, 2014 and 2013, no balances of the defeased bonds were outstanding. The bonds were paid off during the 2013 fiscal year.

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

Year Ended June 30,	Principal	Interest	Total
2015	$ 790	$ 257	$ 1,047
2016	810	237	1,047
2017	835	212	1,047
2018	--	198	198
2019	--	198	198
2020-2024	--	992	992
2025-2029	--	992	992
2030-2033	7,935	496	8,431
	$ 10,370	$ 3,582	$ 13,952

Debentures Payable

On April 28, 2006, the Corporation issued $29,020 of debentures payable to the Department of Housing and Urban Development (HUD). The debentures were issued in conjunction with the claim for mortgage insurance payment made by HUD under the Corporation's Risk-Sharing Program for mortgage loans. Several of the 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 five outstanding debentures bear interest at the rate of 4.5% and interest is due annually. As of June 30, 2014, all of the debentures were past due; however, HUD has not demanded payment. Therefore, the debentures are classified as current. As of the date of this report, the Corporation is attempting to get the debentures' maturity dates extended. Pursuant to the Risk-Sharing Agreement, the Corporation'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
2015	$ 13,714	$ 3,506	$ 17,220

(Amounts in Thousands)

6. LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations for the year ended June 30, 2014:

	Balance at July 1, 2013	Additions	Payments	Balance at June 30, 2014
Compensated absences	$ 955	$ 115	$ -	$ 1,070
Other Postemployment Benefit Plan Payable	5,723	582	-	6,305
Notes Payable	3,479	36,488	(111)	39,856
	$ 10,157	$ 37,185	$ (111)	$ 47,231

7. 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, and any assets held in relation to the programs are restricted. Receivables are established when eligible expenditures are incurred. The grants normally 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.

In the normal course of operations, grant funds are received 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 Corporation having to make restitution to the federal agency as a result of noncompliance.

During the years ended June 30, 2014 and 2013, the following amounts were expended under various grants and entitlements:

	2014	2013
Community Development Block Grant	$ --	$ 9,407
Emergencies Solutions Grant	2,264	605
HOME Investment Partnerships	15,751	20,276
Low Income Housing Energy Assistance	44,486	45,039
National Foreclosure Mitigation Counseling	87	58
Comprehensive Housing Counseling Funds	218	--
Section 8 Housing Assistance Programs	88,274	85,491
Section 8 Housing Choice Vouchers	11,564	6,424
Shelter Plus Care	8,533	4,330
Weatherization Assistance	1,721	4,332
	$ 172,898	$ 175,962

(Amounts in Thousands)

8. BOARD OF COMMISSIONERS EXPENSES

The appointed members of the Corporation'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, 2014 and 2013, the following per diem payments were made to the members of the Board and are included in general and administrative expenses:

	2014	2013
Michael Airhart	$ 600	$ 600
Barbara Anderson	--	--
Jerome Boykin, Sr.	--	--
Larry Ferinand	500	100
Mayson Foster	600	650
Allison Jones	--	--
Ellen Lee	550	650
Matthew Ritchie	350	650
Joseph Scontrino, III	--	--
Donald Vallee	--	--
Willie Spears	550	650
Guy Williams	--	--
Alberta Young	--	--
	$ 3,150	$ 3,300

9. RETIREMENT BENEFITS

Substantially all of the employees of the Corporation 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 Corporation 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 benefit 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, hired before June 30, 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, vested employees have the option of reduced benefits at any age with 20 years of service. Vested employees hired on or after July 1, 2006 are entitled to a retirement benefit payable monthly for life at age 60 with 5 years of service. In addition, theses vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

9. 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 Corporation is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rates were 31.3%, 29.1% and 25.6% for the years ended June 2014, 2013 and 2012, respectively. The Corporation contributions to the System for the years ended June 30, 2014, 2013 and 2012 were $2,120, $2,286 and $1,593, respectively, equal to the required contributions for each year.

The State Employees Retirement 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.

10. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the Corporation. 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 Corporation. For each of the years ended June 30, 2014 and 2013, respectively, thirteen and twelve retirees were receiving post-employment benefits.

Plan Description

Employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan though the Office of Group Benefits (OGB). 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). A copy of the CAFR may be obtained on the Office of Statewide Reporting and Accounting Policy's website at www.doa.louisiana.gov/osrap.

(Amounts in Thousands)

10. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Funding Policy (in actual amounts)

The contribution requirements of plan members and the employers are established and may be amended by LRS 42:801-883. Active employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving postemployment benefits. The retirees contribute to the cost of their postemployment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Commencing on July 1, 2011, the OGB offered three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) plan and the Consumer-Directed Health Plan with Health Savings Account (CDHP with HAS) Plan. The plan is currently financed on a pay-as-you-go method. Depending upon the plan selected, during the years ended June 30, 2014 and 2013, premiums for retirees were as follows:

	Retiree Monthly Premium Range 2014	Retiree Monthly Premium Range 2013
Unmarried retiree with Medicare	$330-$342	$208-$222
Unmarried retiree without Medicare	$998-$1,053	$630-$702
Retiree and spouse with Medicare	$592-$1,206	$372-$844
Retiree and spouse without Medicare	$1,761-$1,858	$1,106-$1,241

	Employer Monthly Premium Range 2014	Employer Monthly Premium Range 2013
Unmarried retiree with Medicare	$256-$269	$256-$268
Unmarried retiree without Medicare	$904-$957	$878-$950
Retiree and spouse with Medicare	$461-$995	$450-$989
Retiree and spouse without Medicare	$1,389-$1,469	$1,342-$1,459

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment (AD&D) 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 AD&D coverage ceasing at age 70 for retirees.

(Amounts in Thousands)

10. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Annual OPEB Cost

The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented prospectively during the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The total ARC for the fiscal year beginning July 1, 2014 and 2013 was $664 and $553, respectively.

The following schedule presents the components of the Corporation's OPEB cost for the years ended June 30, 2014 and 2013, the amount actually contributed to the plan, and changes in the OPEB Obligation:

	2014	2013
Annual required contribution	$ 664	$ 553
Interest on net OPEB Obligation	229	210
ARC adjustment	(219)	(201)
Annual OPEB cost	674	562
Contributions made	(92)	(96)
Increase in Net OPEB Obligation	582	466
Beginning Net OPEB Obligation	5,723	5,257
Ending Net OPEB Obligation	$ 6,305	$ 5,723

The Corporation'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 2014, 2013 and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	$ 674	13.6%	$ 6,305
June 30, 2013	$ 562	17.1%	$ 5,723
June 30, 2012	$ 640	15.7%	$ 5,257

(Amounts in Thousands)

10. 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 with an effective date of July 1, 2008. However, neither the Corporation nor the State of Louisiana has contributed to it as of June 30, 2014. Since the plan has not been funded, the entire actuarial accrued liability of $5,741 and $5,095 at June 30, 2014 and 2013, respectively, was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2013 and 2012, was as follows:

	July 01, 2013	July 01, 2012
Actuarial accrued liability (AAL)	$ 5,741	$ 5,095
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	$ 5,741	$ 5,095
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employee covered by the plan)	$ 6,404	$ 6,583
UAAL as a percentage of covered payroll	89.7%	77.4%

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.

In the July 1, 2013 and 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses). Initial annual healthcare cost trend rate of 8% and 6% for pre-Medicare and Medicare eligible, respectively were assumed for the July 1, 2013 and 2012 valuation. 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, 2014 and 2013 was 23 and 24 years, respectively.

(Amounts in Thousands)

11. CAPITAL ASSETS

	Balance June 30, 2013	Additions	Deletions and Adjustments	Completed Construction	Balance June 30, 2014
Capital assets not being depreciated:					
Land	$ 712	$ 310	$ -	$ -	$ 1,022
Construction in progress	62	51	-	-	113
	774	361	-	-	1,135
Capital assets being Depreciated:					
Equipment	2,914	225	(36)	-	3,103
Building	106,144	806	-	-	106,950
Land improvements	131	-	-	-	131
	109,189	1,031	(36)	-	110,184
Accumulated depreciation:					
General	(4,213)	(377)	36	-	(4,554)
HUD Disposition	(7,737)	(2,434)	-	-	(10,171)
Mid-City Gardens	(365)	(500)	-	-	(865)
	$ 97,648	$ (1,919)	$ -	$ -	$ 95,729

	Balance June 30, 2012	Additions	Deletions and Adjustments	Completed Construction	Balance June 30, 2013
Capital assets not being depreciated:					
Land	$ 712	$ -	$ -	$ -	$ 712
Construction in progress	12,345	1,699	-	(13,982)	62
	13,057	1,699	-	(13,982)	774
Capital assets being Depreciated:					
Equipment	2,544	487	(117)	-	2,914
Building	92,162	-	-	13,982	106,144
Land improvements	131	-	-	-	131
	94,837	487	(117)	13,982	109,189
Accumulated depreciation:					
General	(4,004)	(326)	117	-	(4,213)
HUD Disposition	(5,285)	(2,452)	-	-	(7,737)
Mid-City Gardens	-	(365)	-	-	(365)
	$ 98,605	$ (957)	$ -	$ -	$ 97,648

11. CAPITAL ASSETS (continued)

Included in capital assets at June 30, 2014 and 2013 is $84,438 and $84,428, respectively, of costs related to the two HUD disposition properties owned by the Corporation. These buildings were heavily damaged by Hurricane Katrina (see Note 15). Reconstruction of the first property (Willowbrook) was completed during the year ended June 30, 2008, and its operations commenced in May 2008. Reconstruction of the second property (Village de Jardin) was completed during the year ended June 30, 2012, and its operation commenced in April 2012.

Included in restricted capital assets at June 30, 2014 and 2013, is $13,399 and $13,825, respectively, related to the Mid-City Gardens (formerly Capital City South) project. This project is restricted because it is funded by the Neighborhood Stabilization Program and any net income is currently expected to be recognized as program income to be used within the program. The property was acquired by the Corporation in 2010 through the foreclosure of a loan funded with HOME funds. The Corporation used the NSP funds and HOME funds to renovate and rehabilitate the property and place it into service. The property commenced operations in December 2012.

12. COMMITMENTS AND CONTENGENCIES

In the ordinary course of business, the Corporation has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. In addition, the Corporation 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 potential liability, if any, of these matters is not known.

13. CONCENTRATION OF CREDIT RISK

The Corporation'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.

In the normal course of operations, the Corporation 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. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

14. RISK MANAGEMENT

The Corporation 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 Corporation 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. An annual premium is paid to ORM for this coverage.

15. HUD DISPOSITION PROPERTIES

The Corporation 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 cost of $1 (actual amount) each. The Corporation 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, 2014 and 2013, both properties were fully renovated and occupied. The completed properties are recorded within capital assets on the Statement of Net Position.

The properties were purchased in 1995. If the properties are sold, the sales proceeds less certain costs and expenses shall be assigned to HUD in the following amounts:

a) 75%, if sold between fifteen and twenty years from the purchase date;
b) 50%, if sold between twenty and thirty years from the purchase date; or
c) 25%; if sold over thirty years from the purchase date.

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

16. PENDING CLAIM

The Corporation is a party to various legal proceedings and claims arising in the ordinary course of business. Of note, the Corporation is involved in an on-going 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 is claiming that the Corporation (or its trust account which no longer exists) was overpaid by $804,434. Management of the Corporation, in consultation with counsel, believes that the reserves it has established for these proceedings and claims are adequate and is of the opinion that these matters will not have a material adverse effect on its financial position, results of operations or cash flows.

17. RELATED PARTY TRANSACTION

During the years ended June 30, 2014 and 2013, the Corporation transferred $27,000 and $11,000, respectively, to the state of Louisiana Treasury. The transfer was required as a result of recently enacted State of Louisiana legislation.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the basic financial statements were available to be issued September 30, 2014, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR

LHC'S OPEB PLAN

JUNE 30, 2014

LOUISIANA HOUSING CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR LHC'S OPEB PLAN

JUNE 30, 2007 THROUGH JUNE 30, 2014

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}
7/1/13	-	$ 5,741,300	$ 5,741,300	-	$ 6,404,000	89.7%
7/1/12	-	$ 5,094,900	$ 5,094,900	-	$ 6,583,334	77.4%
7/1/11	-	$ 4,982,700	$ 4,982,700	-	$ 6,484,872	76.9%
7/1/10	-	$ 6,411,000	$ 6,411,000	-	$ 5,335,000	120.0%
7/1/09	-	$ 7,204,000	$ 7,204,000	-	$ 5,646,700	128.0%
7/1/08	-	$11,200,300	$11,200,300	-	$ 4,655,200	241.0%
7/1/07	-	$ 8,130,400	$ 8,130,400	-	$ 4,885,853	166.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage of Annual OPEB Costs Contributed
7/1/13	$ 553,100	$ 96,143	17.4%
7/1/12	$ 631,300	$ 100,495	15.9%
7/1/11	$ 868,800	$ 84,162	9.7%
7/1/10	$ 971,700	$ 90,363	9.3%
7/1/09	$ 1,647,800	$ 91,669	5.6%
7/1/08	$ 1,579,400	$ 99,151	6.3%
7/1/07	$ -	$ -	-

SUPPLEMENTARY COMBINING INFORMATION

JUNE 30, 2014

LOUISIANA HOUSING CORPORATION

COMBINING STATEMENT OF NET POSITION
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

A S S E T S AND DEFERRED OUTFLOWS

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
UNRESTRICTED ASSETS				
CASH AND CASH EQUIVALENTS	$ 1,499	$ -	$ -	$ 1,499
INVESTMENTS	11,207	-	-	11,207
MORTGAGE LOANS RECEIVABLE				
Multifamily	1,129	-	-	1,129
ACCRUED INTEREST RECEIVABLE	100	-	-	100
CAPITAL ASSETS (net of accumulated depreciation of $14,725)	82,329	-	-	82,329
OTHER ASSETS	507	-	-	507
DUE FROM GOVERNMENTS	2,381	-	-	2,381
DUE FROM OTHER FUNDS	107	-	(107)	-
TOTAL UNRESTRICTED ASSETS	99,259	-	(107)	99,152
RESTRICTED ASSETS				
CASH AND CASH EQUIVALENTS	23,420	$ 86,689	-	110,109
INVESTMENTS	11,444	2,386	-	13,830
MORTGAGE LOANS RECEIVABLE				
Single Family, net of reserve	2,059	381,618	-	383,677
Multifamily, net of reserve	124,165	296,079	-	420,244
ACCRUED INTEREST RECEIVABLE	51,276	6,487	-	57,763
OTHER ASSETS	-	1	-	1
CAPITAL ASSETS (net of accumulated depreciation of $865)	13,400	-	-	13,400
TOTAL RESTRICTED ASSETS	225,764	773,260	-	999,024
TOTAL ASSETS	325,023	773,260	(107)	1,098,176
DEFERRED OUTFLOWS	-	1,240	-	1,240
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 325,023	$ 774,500	$ (107)	$ 1,099,416

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 2,225	$ 427	$ -	$ 2,652
ACCRUED INTEREST PAYABLE	3,522	7,732	-	11,254
DUE TO GOVERNMENTS	31	-	-	31
UNEARNED INCOME	6,627	-	-	6,627
COMPENSATED ABSENCES	1,070	-	-	1,070
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE	6,305	-	-	6,305
DEBENTURES AND BONDS PAYABLE				
Amounts due within one year	14,504	26,616	-	41,120
Amounts due after one year	9,580	628,564	-	638,144
NOTES PAYABLE	-	39,856	-	39,856
DUE TO OTHER FUNDS	-	107	(107)	-
AMOUNTS HELD IN ESCROW	8,100	-	-	8,100
TOTAL LIABILITIES	51,964	703,302	(107)	755,159
DEFERRED INFLOWS	281	178	-	459
NET POSITION				
Net invested in capital assets	79,894	-	-	79,894
Restricted	187,623	71,020	-	258,643
Unrestricted	5,261	-	-	5,261
TOTAL NET POSITION	272,778	71,020	-	343,798
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 325,023	$ 774,500	$ (107)	$ 1,099,416

LOUISIANA HOUSING CORPORATION

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION SUPPLEMENTARY COMBINING INFORMATION YEAR ENDED JUNE 30, 2014 (THOUSANDS OF DOLLARS)

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
REVENUES				
Investment income	$ 3,417	$ 234	$ -	$ 3,651
Mortgage loan interest income	92	31,107	-	31,199
Net increase (decrease) in fair value of investments	(1,586)	28,146	-	26,560
MRB program issuer fees	1,702	-	(1,702)	-
Federal program administrative fees	6,481	-	-	6,481
Low income housing tax credit program fees	1,439	-	-	1,439
Compliance and application fees	5	-	-	5
Single family turnkey program fees	334	-	-	334
Other income	9	292	-	301
Total revenues	11,893	59,779	(1,702)	69,970
EXPENSES				
Interest	75	24,833	-	24,908
Personnel services	10,845	-	-	10,845
Supplies	375	-	-	375
Travel	320	-	-	320
Operating services	1,343	-	-	1,343
Professional services	2,147	-	-	2,147
Depreciation	362	-	-	362
General and administrative	-	2,317	(1,702)	615
Project costs	-	5,976	-	5,976
Total expenses	15,467	33,126	(1,702)	46,891
Operating Income	(3,574)	26,653	-	23,079
NON-OPERATING REVENUES (EXPENSES)				
Restricted mortgage loan interest income	5,836	-	-	5,836
Restricted investment income	(191)	-	-	(191)
Restricted bond interest expense	(825)	-	-	(825)
Program income - HOME	134	-	-	134
Federal grants drawn	164,921	-	-	164,921
Federal grant funds disbursed	(163,157)	-	-	(163,157)
Provision for loan losses on grant loans	1,446	-	-	1,446
Net loss from rental property	(538)	-	-	(538)
Transfer to the Sate of Louisiana Treasury	(27,000)	-	-	(27,000)
Other non-operating expenses	(704)	-	-	(704)
	(20,078)	-	-	(20,078)
Income (loss) before transfers and contributions	$ (23,652)	$ 26,653	$ -	$ 3,001

LOUISIANA HOUSING CORPORATION

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Totals
Income (loss) before transfers and contributions (continued)	$ (23,652)	$ 26,653	$ -	$ 3,001
Transfers (out) in	28	(28)	-	-
Contributions from external parties	-	6,547	-	6,547
CHANGE IN NET POSITION	(23,624)	33,172	-	9,548
NET POSITION - beginning of year, as previously reported	296,652	47,425	-	344,077
Adoption of new standard (note 1)	(250)	(9,577)	-	(9,827)
NET POSITION - beginning of year, as restated	296,402	37,848	-	334,250
NET POSITION - end of year	$ 272,778	$ 71,020	$ -	$ 343,798

LOUISIANA HOUSING CORPORATION

COMBINING STATEMENTS OF CASH FLOWS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	General Fund	Combined Mortgage Revenue Bond Programs	Combined Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from:			
Investment and mortgage loan income	$ 2,598	$ 30,778	$ 33,376
Mortgage principal repayments	27	85,290	85,317
Fee revenue	11,518	-	11,518
Cash paid to:			
Suppliers of services	(3,753)	(7,658)	(11,411)
Employees and benefit providers	(10,107)	-	(10,107)
Mortgage purchases	-	(70,170)	(70,170)
Bondholders and creditors for interest	(74)	(26,621)	(26,695)
Net cash provided by operating activities	209	11,619	11,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other assets	-	(1)	(1)
Investment purchases	(22,444)	(17,205)	(39,649)
Investment redemptions	49,266	20,805	70,071
Net cash flow from rental properties	1,262	-	1,262
Net cash provided by investing activities	28,084	3,599	31,683
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net transfers/contributions	28	6,519	6,547
Cash receipts from federal grants	164,680	-	164,680
Cash disbursements from federal grants	(163,111)	-	(163,111)
Mortgage collections	4,332	-	4,332
Mortgage purchases	(3,571)	-	(3,571)
Proceeds from bond issues and notes payable	-	106,229	106,229
Interest on bonds and debentures payable	(210)	-	(210)
Retirement of notes and bonds payable	-	(95,984)	(95,984)
Net change in escrow accounts	(92)	-	(92)
Other non-operating income	(22,942)	-	(22,942)
Net cash (used in) provided by noncapital financing activities	$ (20,886)	$ 16,764	$ (4,122)

LOUISIANA HOUSING CORPORATION

COMBINING STATEMENTS OF CASH FLOWS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	General Fund	Combined Mortgage Revenue Bond Programs	Combined Totals
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Retirement of bonds payable	$ (2,825)	$ -	$ (2,825)
Sale of equipment	35	-	35
Purchase of property and equipment	(1,392)	-	(1,392)
Net cash used in capital financing activities	(4,182)	-	(4,182)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,225	31,982	35,207
CASH AND CASH EQUIVALENTS, beginning of year	21,694	54,707	76,401
CASH AND CASH EQUIVALENTS, end of year	$ 24,919	$ 86,689	$ 111,608
Reconciliation of Operating Income (loss) to Cash Provided by Operating Activities:			
Operating income (loss)	$ (3,574)	$ 26,653	23,079
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Amortization of mortgage loan discount	-	203	203
Amortization of bond discount/premium	-	(2,449)	(2,449)
Amortization of deferred (income) losses	-	39	39
Depreciation	362	-	362
Unrealized (gain) loss on investments	2,159	(28,146)	(25,987)
Changes in:			
Accrued interest receivable	94	(855)	(761)
Accrued interest payable		706	706
Accounts payable and accrued expenses	474	334	808
OPEB payable	582	-	582
Due from governments	(242)	-	(242)
Deferred income	-	-	-
Mortgage loans, net	27	15,124	15,151
Other assets	201	-	201
Compensated absences payable	115	-	115
Net change in interfund accounts and other	11	10	21
Net cash provided by operating activities	$ 209	$ 11,619	$ 11,828

SUPPLEMENTARY MORTGAGE REVENUE BONDS

COMBINING INFORMATION

JUNE 30, 2014

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	$ 104	$ 888	$ 53	$ -	$ 107
INVESTMENTS - at cost	118	-	-	-	-
MORTGAGE LOANS RECEIVABLE	856	8,955	3,925	2,050	2,993
ACCRUED INTEREST RECEIVABLE	7	-	939	1	13
OTHER ASSETS	-	-	-	-	-
TOTAL ASSETS	1,085	9,843	4,917	2,051	3,113
DEFERRED OUTFLOWS	-	132	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,085	$ 9,975	$ 4,917	$ 2,051	$ 3,113
LIABILITIES					
ACCRUED LIABILITIES AND UNEARNED INCOME	$ -	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	6	-	948	1	75
BONDS PAYABLE	905	8,955	3,925	2,050	2,980
NOTES PAYABLE	17	888	26	-	-
TOTAL LIABILITIES	928	9,843	4,899	2,051	3,055
DEFERRED INFLOWS	-	-	-	-	-
NET POSITION	157	132	18	-	58
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 1,085	$ 9,975	$ 4,917	$ 2,051	$ 3,113

2004 Azalea Estates Multifamily Mortgage	2004 Walmsley Multifamily Mortgage	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage
$ 288	$ 95	$ 90	$ 88	$ 145	$ 149	$ 5	$ 557
-	-	-	-	-	-	-	-
14,654	4,830	2,940	4,181	4,744	7,280	928	15,470
66	-	-	16	21	-	5	-
-	-	-	-	-	-	-	-
15,008	4,925	3,030	4,285	4,910	7,429	938	16,027
865	-	-	-	-	-	-	-
$ 15,873	$ 4,925	$ 3,030	$ 4,285	$ 4,910	$ 7,429	$ 938	$ 16,027
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
146	-	-	52	83	36	5	-
14,195	4,830	2,940	4,197	4,819	7,285	933	15,470
-	94	90	19	-	95	-	557
14,341	4,924	3,030	4,268	4,902	7,416	938	16,027
-	-	-	-	-	-	-	-
1,532	1	-	17	8	13	-	-
$ 15,873	$ 4,925	$ 3,030	$ 4,285	$ 4,910	$ 7,429	$ 938	$ 16,027

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2007 Hooper Pointe Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	$ 157	$ 56	$ 252	$ 1,138	$ 386
INVESTMENTS - at cost	-	-	-	-	-
MORTGAGE LOANS RECEIVABLE	9,861	5,008	7,758	14,900	4,632
ACCRUED INTEREST RECEIVABLE	47	18	31	1	-
OTHER ASSETS	-	-	-	-	-
TOTAL ASSETS	10,065	5,082	8,041	16,039	5,018
DEFERRED OUTFLOWS	-	31	-	-	122
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 10,065	$ 5,113	$ 8,041	$ 16,039	$ 5,140
LIABILITIES					
ACCRUED LIABILITIES AND UNEARNED INCOME	$ -	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	47	43	130	1	-
BONDS PAYABLE	9,854	5,030	7,309	14,900	4,630
NOTES PAYABLE	157	-	-	1,137	386
TOTAL LIABILITIES	10,058	5,073	7,439	16,038	5,016
DEFERRED INFLOWS	-	-	-	-	-
NET POSITION	7	40	602	1	124
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 10,065	$ 5,113	$ 8,041	$ 16,039	$ 5,140

2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage
$ 201	$ 353	$ 46	$ 348	$ 28	$ 5,104	$ 15	$ 364
-	-	-	-	-	-	-	-
8,722	6,400	7,800	8,190	8,610	49,841	2,104	1,180
37	-	1	1	-	3,528	-	6
-	-	-	-	-	-	-	-
8,960	6,753	7,847	8,539	8,638	58,473	2,119	1,550
-	-	-	-	-	-	-	-
$ 8,960	$ 6,753	$ 7,847	$ 8,539	$ 8,638	$ 58,473	$ 2,119	$ 1,550
$ -	$ -	$ -	$ -	$ -	$ 14	$ -	$ 361
117	-	1	1	-	4,394	11	6
8,058	6,400	7,800	8,190	8,610	54,344	2,118	1,180
-	353	46	348	28	-	-	-
8,175	6,753	7,847	8,539	8,638	58,752	2,129	1,547
-	-	-	-	-	-	-	-
785	-	-	-	-	(279)	(10)	3
$ 8,960	$ 6,753	$ 7,847	$ 8,539	$ 8,638	$ 58,473	$ 2,119	$ 1,550

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2011 Garden Oaks Apartments Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage	2011 Woodcrest Apartments Multifamily Mortgage	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	$ 4	$ 128	$ -	$ -	$ -
INVESTMENTS - at cost	-	-	-	-	-
MORTGAGE LOANS RECEIVABLE	-	10,580	-	3,697	18,000
ACCRUED INTEREST RECEIVABLE	-	-	-	6	69
OTHER ASSETS	-	-	-	-	-
TOTAL ASSETS	4	10,708	-	3,703	18,069
DEFERRED OUTFLOWS	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 4	$ 10,708	$ -	$ 3,703	$ 18,069
LIABILITIES					
ACCRUED LIABILITIES AND UNEARNED INCOME	$ 4	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	-	124	-	6	69
BONDS PAYABLE	-	10,580	-	3,697	18,000
NOTES PAYABLE	-	4	-	-	-
TOTAL LIABILITIES	4	10,708	-	3,703	18,069
DEFERRED INFLOWS	-	-	-	-	-
NET POSITION	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 4	$ 10,708	$ -	$ 3,703	$ 18,069

2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 B.W. Cooper Multifamily Mortgage	2013 Cyrus Homes Multifamily Mortgage	2013 Elm Drive Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2013 New Zion Multifamily Mortgage	2013 Windsor Place Apartments Multifamily Mortgage
$ 1,200	$ 530	$ 15,343	$ -	$ 3,507	$ 7,278	$ 4,288	$ 1
-	-	-	-	-	-	-	-
3,641	12,060	17,233	50	2,105	7,235	2,952	2,419
43	81	31	-	1	6	2	5
-	-	-	-	-	-	-	-
4,884	12,671	32,607	50	5,613	14,519	7,242	2,425
-	-	-	-	-	-	-	-
$ 4,884	$ 12,671	$ 32,607	$ 50	$ 5,613	$ 14,519	$ 7,242	$ 2,425
$ -	$ -	$ -	$ -	$ 7	$ -	$ -	$ 1
43	81	31	-	1	6	2	5
4,000	12,060	17,233	50	3,500	7,235	4,200	2,419
-	160	15,340	-	2,105	7,278	3,040	-
4,043	12,301	32,604	50	5,613	14,519	7,242	2,425
-	-	-	-	-	-	-	-
841	370	3	-	-	-	-	-
$ 4,884	$ 12,671	$ 32,607	$ 50	$ 5,613	$ 14,519	$ 7,242	$ 2,425

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014 Canaan Village Apartments Multifamily Mortgage	2014 Holy Family Multifamily Mortgage	2014 Tangi Village Multifamily Mortgage	Total Multifamily Mortgage
RESTRICTED ASSETS				
CASH AND CASH EQUIVALENTS	$ 5,531	$ 9,932	$ 6,041	$ 64,800
INVESTMENTS - at cost	-	-	-	118
MORTGAGE LOANS RECEIVABLE	2,418	3,090	1,787	296,079
ACCRUED INTEREST RECEIVABLE	2	5	9	4,998
OTHER ASSETS	-	-	-	-
TOTAL ASSETS	7,951	13,027	7,837	365,995
DEFERRED OUTFLOWS	-	-	-	1,150
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 7,951	$ 13,027	$ 7,837	$ 367,145
LIABILITIES				
ACCRUED LIABILITIES AND UNEARNED INCOME	$ -	$ -	$ -	$ 387
ACCRUED INTEREST PAYABLE	2	5	9	6,487
BONDS PAYABLE	5,500	9,600	6,000	315,981
NOTES PAYABLE	2,438	3,422	1,828	39,856
TOTAL LIABILITIES	7,940	13,027	7,837	362,711
DEFERRED INFLOWS	-	-	-	-
NET POSITION	11	-	-	4,434
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 7,951	$ 13,027	$ 7,837	$ 367,145

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2002 A1-A3 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family	2004 C1-C2 Single Family	2005 A1-A2 Single Family
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	$ 317	$ 3	$ 1	$ 155	$ 87
INVESTMENTS - at cost	-	141	182	-	-
MORTGAGE LOANS RECEIVABLE	4,962	4,083	2,992	3,693	5,227
ACCRUED INTEREST RECEIVABLE	21	16	13	15	21
OTHER ASSETS	-	-	-	-	-
TOTAL ASSETS	5,300	4,243	3,188	3,863	5,335
DEFERRED OUTFLOWS	1	10	6	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 5,301	$ 4,253	$ 3,194	$ 3,863	$ 5,335
LIABILITIES					
ACCRUED LIABILITIES AND DEFERRED INCOME	$ -	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	10	14	11	14	17
BONDS PAYABLE	2,115	3,504	2,407	3,320	4,273
NOTES PAYABLE	-	-	-	-	-
DUE TO (FROM) OTHER FUNDS	2	1	1	1	1
TOTAL LIABILITIES	2,127	3,519	2,419	3,335	4,291
DEFERRED INFLOWS	-	-	-	-	6
NET POSITION	3,174	734	775	528	1,038
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 5,301	$ 4,253	$ 3,194	$ 3,863	$ 5,335

	2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family	2006 D Single Family	2007 A Single Family	2007 B Single Family	2007 C Single Family	2008 A Single Family
	$ 1,764	$ 962	$ 632	$ -	$ 1,992	$ 2,108	$ 2,294	$ 931
	-	-	-	1,945	-	-	-	-
	14,761	12,137	14,534	27,875	27,667	34,924	36,379	19,871
	57	48	57	113	110	146	153	92
	-	-	-	-	-	-	-	-
	16,582	13,147	15,223	29,933	29,769	37,178	38,826	20,894
	14	11	13	14	21	-	-	-
	$ 16,596	$ 13,158	$ 15,236	$ 29,947	$ 29,790	$ 37,178	$ 38,826	$ 20,894
	$ 5	$ 18	$ -	$ -	$ -	$ 17	$ -	$ -
	50	42	52	93	110	148	153	80
	13,640	10,187	12,870	24,051	25,586	32,809	33,852	18,170
	-	-	-	-	-	-	-	-
	4	2	3	5	5	7	8	6
	13,699	10,249	12,925	24,149	25,701	32,981	34,013	18,256
	-	-	-	-	-	66	106	-
	2,897	2,909	2,311	5,798	4,089	4,131	4,707	2,638
	$ 16,596	$ 13,158	$ 15,236	$ 29,947	$ 29,790	$ 37,178	$ 38,826	$ 20,894

LOUISIANA HOUSING CORPORATION
COMBINING BALANCE SHEETS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2008 B Single Family	2009 A Single Family	2010 A Single Family	2011 A Single Family	2012 A Single Family
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	$ 1,004	$ 857	$ 1,309	$ 1,127	$ 5,499
INVESTMENTS - at cost	-	-	-	-	-
MORTGAGE LOANS RECEIVABLE	14,115	20,501	44,943	46,056	34,623
ACCRUED INTEREST RECEIVABLE	68	82	152	156	121
OTHER ASSETS	-	-	-	-	1
TOTAL ASSETS	15,187	21,440	46,404	47,339	40,244
DEFERRED OUTFLOWS	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 15,187	$ 21,440	$ 46,404	$ 47,339	$ 40,244
LIABILITIES					
ACCRUED LIABILITIES AND DEFERRED INCOME	$ -	$ -	$ -	$ -	$ -
ACCRUED INTEREST PAYABLE	62	74	128	104	64
BONDS PAYABLE	13,045	18,846	43,048	39,796	27,821
NOTES PAYABLE	-	-	-	-	-
DUE TO (FROM) OTHER FUNDS	-	6	22	18	11
TOTAL LIABILITIES	13,107	18,926	43,198	39,918	27,896
DEFERRED INFLOWS	-	-	-	-	-
NET POSITION	2,080	2,514	3,206	7,421	12,348
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 15,187	$ 21,440	$ 46,404	$ 47,339	$ 40,244

2013 A Single Family		Total Single Family		Total All Mortgage Revenue Bond Issues
$	847	$ 21,889	$	86,689
	-	2,268		2,386
	12,275	381,618		677,697
	48	1,489		6,487
	-	1		1
	13,170	407,265		773,260
	-	90		1,240
$	13,170	$ 407,355	$	774,500
$	-	$ 40		427
	19	1,245		7,732
	9,859	339,199		655,180
	-	-		39,856
	4	107		107
	9,882	340,591		703,302
	-	178		178
	3,288	66,586		71,020
$	13,170	$ 407,355	$	774,500

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage
REVENUES:					
Interest income -					
Investments	$ 10	$ -	$ -	$ -	$ -
Mortgage loans	67	5	198	14	158
Net increase (decrease) in fair value of investments	-	-	-	-	21
Other	70	9	4	-	-
Total revenues	147	14	202	14	179
EXPENSES:					
Interest	73	12	207	14	151
General and administrative	2	9	4	-	9
Project costs	-	-	-	-	-
Total expenses	75	21	211	14	160
OPERATING INCOME (LOSS)	72	(7)	(9)	-	19
Capital Contributions	-	-	-	-	-
Interfund transfers	-	-	-	-	-
CHANGE IN NET POSITION	72	(7)	(9)	-	19
NET POSITION - Beginning of year	85	197	200	203	212
Adoption of new standard (note 1)	-	(58)	(173)	(203)	(173)
NET POSITION - Beginning of year, as restated	85	139	27	-	39
NET POSITION - End of year	$ 157	$ 132	$ 18	$ -	$ 58

	2004 Azalea Estates Multifamily Mortgage	2004 Walmsley Multifamily Mortgage	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	789	6	3	200	260	450	63	9
	525	-	-	-	-	-	-	-
	-	-	3	4	-	7	-	2
	1,314	6	6	204	260	457	63	11
	832	8	3	208	247	450	63	9
	18	5	4	4	8	7	-	16
	-	-	-	-	-	-	-	13
	850	13	7	212	255	457	63	38
	464	(7)	(1)	(8)	5	-	-	(27)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	464	(7)	(1)	(8)	5	-	-	(27)
	1,068	189	412	332	281	304	26	228
	-	(181)	(411)	(307)	(278)	(291)	(26)	(201)
	1,068	8	1	25	3	13	-	27
	$ 1,532	$ 1	$ -	$ 17	$ 8	$ 13	$ -	$ -

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2007 Hooper Pointe Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
REVENUES:					
Interest income -					
Investments	$ -	$ -	$ -	$ -	$ -
Mortgage loans	521	209	375	16	5
Net increase (decrease) in fair value of investments	-	-	423	-	-
Other	-	5	34	-	5
Total revenues	521	214	832	16	10
EXPENSES:					
Interest	569	222	366	16	10
General and administrative	-	5	11	-	5
Project costs	-	-	-	-	-
Total expenses	569	227	377	16	15
OPERATING INCOME (LOSS)	(48)	(13)	455	-	(5)
Capital Contributions	-	-	-	-	-
Interfund transfers	-	-	-	-	-
CHANGE IN NET POSITION	(48)	(13)	455	-	(5)
NET POSITION - Beginning of year	366	53	509	322	469
Adoption of new standard (note 1)	(311)	-	(362)	(321)	(340)
NET POSITION - Beginning of year, as restated	55	53	147	1	129
NET POSITION - End of year	$ 7	$ 40	$ 602	$ 1	$ 124

2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
441	7	9	7	6	4,018	151	75
568	-	-	-	-	-	-	-
-	6	8	8	9	82	6	-
1,009	13	17	15	15	4,100	157	75
433	7	9	7	6	4,074	151	75
12	6	8	8	9	190	6	-
-	-	-	-	-	-	-	-
445	13	17	15	15	4,264	157	75
564	-	-	-	-	(164)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
564	-	-	-	-	(164)	-	-
1,036	631	264	-	-	(115)	(10)	9
(815)	(631)	(264)	-	-	-	-	(6)
221	-	-	-	-	(115)	(10)	3
$ 785	$ -	$ -	$ -	$ -	$ (279)	$ (10)	$ 3

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2011 Garden Oaks Apartments Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage	2011 Woodcrest Apartments Multifamily Mortgage	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage
REVENUES:					
Interest income -					
Investments	$ -	$ -	$ -	$ -	$ -
Mortgage loans	4	511	2	181	486
Net increase (decrease) in fair value of investments	-	-	-	-	-
Other	-	11	-	-	3
Total revenues	4	522	2	181	489
EXPENSES:					
Interest	4	511	2	181	486
General and administrative	-	11	-	-	3
Project costs	-	425	-	-	-
Total expenses	4	947	2	181	489
OPERATING INCOME (LOSS)	-	(425)	-	-	-
Capital Contributions	-	425	-	-	-
Interfund transfers	-	-	-	-	-
CHANGE IN NET POSITION	-	-	-	-	-
NET POSITION - Beginning of year	202	435	-	-	-
Adoption of new standard (note 1)	(202)	(435)	-	-	-
NET POSITION - Beginning of year, as restated	-	-	-	-	-
NET POSITION - End of year	$ -	$ -	$ -	$ -	$ -

2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 B.W. Cooper Multifamily Mortgage	2013 Cyrus Homes Multifamily Mortgage	2013 Elm Drive Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2013 New Zion Multifamily Mortgage	2013 Windsor Place Apartments Multifamily Mortgage
$ -	$ 1	$ 3	$ 1	$ -	$ -	$ -	$ -
87	731	246	-	7	29	15	17
-	-	-	-	-	-	-	-
-	10	-	-	-	-	-	6
87	742	249	1	7	29	15	23
87	731	246	1	7	29	15	17
19	10	-	-	-	-	-	6
384	4,507	-	-	-	-	-	-
490	5,248	246	1	7	29	15	23
(403)	(4,506)	3	-	-	-	-	-
408	4,876	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5	370	3	-	-	-	-	-
836	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
836	-	-	-	-	-	-	-
$ 841	$ 370	$ 3	$ -	$ -	$ -	$ -	$ -

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014 Canaan Village Apartments Multifamily Mortgage	2014 Holy Family Multifamily Mortgage	2014 Tangi Village Multifamily Mortgage	Total Multifamily Mortgage
REVENUES:				
Interest income -				
Investments	$ -	$ -	$ -	$ 15
Mortgage loans	2	10	9	10,399
Net increase (decrease) in fair value of investments	-	-	-	1,537
Other	-	-	-	292
Total revenues	2	10	9	12,243
EXPENSES:				
Interest	2	10	9	10,560
General and administrative	180	-	-	575
Project costs	-	647	-	5,976
Total expenses	182	657	9	17,111
OPERATING INCOME (LOSS)	(180)	(647)	-	(4,868)
Capital Contributions	191	647	-	6,547
Interfund transfers	-	-	-	-
CHANGE IN NET POSITION	11	-	-	1,679
NET ASSETS - Beginning of year	-	-	-	8,744
Adoption of new standard (note 1)	-	-	-	(5,989)
NET POSITION - Beginning of year, as restated	-	-	-	2,755
NET POSITION - End of year	$ 11	$ -	$ -	$ 4,434

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2002 A1-A3 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family	2004 C1-C2 Single Family	2005 A1-A2 Single Family
REVENUES:					
Interest income -					
Investments	$ -	$ 17	$ 12	$ -	$ -
Mortgage loans	358	230	175	179	327
Net increase (decrease) in fair value of investments	456	371	299	343	529
Other	-	-	-	-	-
Total revenues	814	618	486	522	856
EXPENSES:					
Interest	158	151	134	159	218
General and administrative	24	12	11	12	12
Project costs	-	-	-	-	-
Total expenses	182	163	145	171	230
OPERATING INCOME (LOSS)	632	455	341	351	626
Capital Contributions	-	-	-	-	-
Interfund transfers	-	-	-	-	-
CHANGE IN NET POSITION	632	455	341	351	626
NET POSITION - Beginning of year, as previously reported	2,568	328	470	223	454
Adoption of new standard (note 1)	(26)	(49)	(36)	(46)	(42)
NET POSITION - Beginning of year, as restated	2,542	279	434	177	412
NET POSITION - End of year	$ 3,174	$ 734	$ 775	$ 528	$ 1,038

2006 A1-A2 Single Family	2006 B1-B2 Single Family	2006 C Single Family	2006 D Single Family	2007 A Single Family	2007 B Single Family	2007 C Single Family	2008 A Single Family
$ -	$ -	$ -	$ 189	$ -	$ -	$ -	$ -
656	668	651	1,246	1,665	1,920	2,011	1,408
1,163	1,121	1,351	2,573	2,205	3,000	3,269	1,878
-	-	-	-	-	-	-	-
1,819	1,789	2,002	4,008	3,870	4,920	5,280	3,286
667	481	548	1,007	1,106	1,544	1,690	948
57	30	50	82	70	98	118	83
-	-	-	-	-	-	-	-
724	511	598	1,089	1,176	1,642	1,808	1,031
1,095	1,278	1,404	2,919	2,694	3,278	3,472	2,255
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,095	1,278	1,404	2,919	2,694	3,278	3,472	2,255
1,933	1,728	1,027	3,096	1,637	1,170	1,588	590
(131)	(97)	(120)	(217)	(242)	(317)	(353)	(207)
1,802	1,631	907	2,879	1,395	853	1,235	383
$ 2,897	$ 2,909	$ 2,311	$ 5,798	$ 4,089	$ 4,131	$ 4,707	$ 2,638

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2008 B Single Family	2009 A Single Family	2010 A Single Family	2011 A Single Family	2012 A Single Family
REVENUES:					
Interest income -					
Investments	$ -	$ -	$ -	$ -	$ 1
Mortgage loans	1,041	1,176	1,955	2,783	1,644
Net increase (decrease) in fair value of investments	1,214	1,548	1,917	1,578	662
Other	-	-	-	-	-
Total revenues	2,255	2,724	3,872	4,361	2,307
EXPENSES:					
Interest	844	891	1,472	1,236	771
General and administrative	5	85	291	239	389
Project costs	-	-	-	-	-
Total expenses	849	976	1,763	1,475	1,160
OPERATING INCOME (LOSS)	1,406	1,748	2,109	2,886	1,147
Capital Contributions	-	-	-	-	-
Interfund transfers	-	-	-	-	(16)
CHANGE IN NET POSITION	1,406	1,748	2,109	2,886	1,131
NET POSITION - Beginning of year, as previously reported	856	1,073	1,392	4,912	11,562
Adoption of new standard (note 1)	(182)	(307)	(295)	(377)	(345)
NET POSITION - Beginning of year, as restated	674	766	1,097	4,535	11,217
NET POSITION - End of year	$ 2,080	$ 2,514	$ 3,206	$ 7,421	$ 12,348

2013 A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
$ -	$ 219	$ 234
615	20,708	31,107
1,132	26,609	28,146
-	-	292
1,747	47,536	59,779
248	14,273	24,833
74	1,742	2,317
-	-	5,976
322	16,015	33,126
1,425	31,521	26,653
-	-	6,547
(12)	(28)	(28)
1,413	31,493	33,172
2,074	38,681	47,425
(199)	(3,588)	(9,577)
1,875	35,093	37,848
$ 3,288	$ 66,586	$ 71,020

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from:					
Investment and mortgage loan income	$ 76	$ 5	$ (55)	$ 14	$ 158
Mortgage principal repayments	26	-	-	-	37
Cash paid to:					
Suppliers of services	68	-	-	-	(9)
Mortgage purchases	-	-	-	-	-
Bondholders for interest	(73)	(5)	55	(14)	(151)
Net cash provided by (used) in operating activities	97	-	-	-	35
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in other assets	-	-	-	-	-
Investments purchased	-	-	-	-	-
Investment redemptions	-	-	-	-	-
Net cash provided by (used) in investing activities	-	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net transfers/contributions	-	-	-	-	-
Proceeds from notes payable	-	218	-	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-
Retirement of notes and bonds payable	(30)	-	-	-	(40)
Net cash provided by (used in) financing activities	(30)	218	-	-	(40)
NET INCREASE (DECREASE) IN CASH	67	218	-	-	(5)
CASH BALANCES, beginning of year	37	670	53	-	112
CASH BALANCES, end of year	$ 104	$ 888	$ 53	$ -	$ 107

2004 Azalea Estates Multifamily Mortgage	2004 Walmsley Multifamily Mortgage	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage
$ 791	$ 6	$ 3	$ 200	$ 260	$ 450	$ 63	$ 9
238	105	-	77	82	55	18	-
(18)	(5)	(1)	-	(8)	-	-	(14)
-	-	-	-	-	-	-	-
(774)	(8)	(3)	(209)	(253)	(450)	(63)	(9)
237	98	(1)	68	81	55	18	(14)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	50	-	-	-	-	142
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(235)	(105)	-	(78)	(80)	(59)	(17)	-
(235)	(104)	50	(78)	(80)	(59)	(17)	142
2	(6)	49	(10)	1	(4)	1	128
286	101	41	98	144	153	4	429
$ 288	$ 95	$ 90	$ 88	$ 145	$ 149	$ 5	$ 557

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2007 Hooper Pointe Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from:					
Investment and mortgage loan income	$ 521	$ 209	$ 376	$ 17	$ -
Mortgage principal repayments	79	122	193	-	5
Cash paid to:					
Suppliers of services	-	-	23	-	-
Mortgage purchases	-	-	-	-	-
Bondholders for interest	(569)	(210)	(366)	(17)	(5)
Net cash provided by (used) in operating activities	31	121	226	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in other assets	-	-	-	-	-
Investments purchased	-	-	-	-	-
Investment redemptions	-	-	-	-	-
Net cash provided by (used) in investing activities	-	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net transfers/contributions	-	-	-	-	-
Proceeds from notes payable	6	-	-	217	81
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-
Retirement of notes and bonds payable	(86)	(120)	(200)	-	-
Net cash provided by (used in) financing activities	(80)	(120)	(200)	217	81
NET INCREASE (DECREASE) IN CASH	(49)	1	26	217	81
CASH BALANCES, beginning of year	206	55	226	921	305
CASH BALANCES, end of year	$ 157	$ 56	$ 252	$ 1,138	$ 386

2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage
$ 441	$ 7	$ 9	$ 7	$ 6	$ 3,096	$ 151	$ 75
75	-	110	-	185	622	25	14
(12)	-	-	-	-	(121)	-	361
-	-	-	-	(6)	-	-	-
(428)	(7)	(9)	(7)	-	(3,352)	(151)	(75)
76	-	110	-	185	245	25	375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	61	2	90	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(80)	-	(110)	-	(277)	(640)	(25)	(14)
(80)	61	(108)	90	(277)	(640)	(25)	(14)
(4)	61	2	90	(92)	(395)	-	361
205	292	44	258	120	5,499	15	3
$ 201	$ 353	$ 46	$ 348	$ 28	$ 5,104	$ 15	$ 364

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2011 Garden Oaks Apartments Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage	2011 Woodcrest Apartments Multifamily Mortgage	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from:					
Investment and mortgage loan income	$ 4	$ 643	$ 3	$ 186	$ 435
Mortgage principal repayments	-	720	668	4,103	-
Cash paid to:					
Suppliers of services	(4)	(425)	(6)	-	-
Mortgage purchases	-	(414)	(3)	(648)	(4,171)
Bondholders for interest	(12)	(519)	-	(186)	(435)
Net cash provided by (used) in operating activities	(12)	5	662	3,455	(4,171)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in other assets	-	-	-	-	-
Investments purchased	-	-	-	-	-
Investment redemptions	-	-	-	-	-
Net cash provided by (used) in investing activities	-	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net transfers/contributions	-	425	-	-	-
Proceeds from notes payable	-	4	-	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue	-	-	-	648	4,171
Retirement of notes and bonds payable	(7,350)	(720)	(718)	(4,103)	-
Net cash provided by (used in) financing activities	(7,350)	(291)	(718)	(3,455)	4,171
NET INCREASE (DECREASE) IN CASH	(7,362)	(286)	(56)	-	-
CASH BALANCES, beginning of year	7,366	414	56	-	-
CASH BALANCES, end of year	$ 4	$ 128	$ -	$ -	$ -

2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 B.W. Cooper Multifamily Mortgage	2013 Cyrus Homes Multifamily Mortgage	2013 Elm Drive Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2013 New Zion Multifamily Mortgage	2013 Windsor Place Apartments Multifamily Mortgage
$ 87	$ 709	$ 218	$ 1	$ 6	$ 35	$ 13	$ 12
-	-	-	-	-	-	-	-
(407)	(4,507)	-	-	-	-	-	1
(1,205)	(10,249)	(17,233)	(50)	(2,105)	(7,235)	(2,952)	(2,419)
(87)	(708)	(215)	(1)	(6)	(35)	(13)	(12)
(1,612)	(14,755)	(17,230)	(50)	(2,105)	(7,235)	(2,952)	(2,418)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
408	4,876	-	-	-	-	-	-
-	158	15,340	-	2,112	7,278	3,040	-
-	-	-	-	-	-	-	-
-	9,185	17,233	50	3,500	7,235	4,200	2,419
-	-	-	-	-	-	-	-
408	14,219	32,573	50	5,612	14,513	7,240	2,419
(1,204)	(536)	15,343	-	3,507	7,278	4,288	1
2,404	1,066	-	-	-	-	-	-
$ 1,200	$ 530	$ 15,343	$ -	$ 3,507	$ 7,278	$ 4,288	$ 1

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014 Canaan Village Apartments Multifamily Mortgage	2014 Holy Family Multifamily Mortgage	2014 Tangi Village Multifamily Mortgage	Total Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from:				
Investment and mortgage loan income	$ -	$ 5	$ -	$ 9,252
Mortgage principal repayments	-	-	-	7,559
Cash paid to:				
Suppliers of services	(180)	(647)	-	(5,911)
Mortgage purchases	(2,418)	(3,090)	(1,787)	(55,985)
Bondholders for interest	-	(5)	-	(9,387)
Net cash provided by (used) in operating activities	(2,598)	(3,737)	(1,787)	(54,472)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in other assets	-	-	-	-
Investments purchased	-	-	-	-
Investment redemptions	-	-	-	-
Net cash provided by (used) in investing activities	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net transfers/contributions	191	647	-	6,547
Proceeds from notes payable	2,438	3,422	1,828	36,488
Proceeds from fees	-	-	-	-
Proceeds from bond issue	5,500	9,600	6,000	69,741
Retirement of notes and bonds payable	-	-	-	(15,087)
Net cash provided by (used in) financing activities	8,129	13,669	7,828	97,689
NET INCREASE (DECREASE) IN CASH	5,531	9,932	6,041	43,217
CASH BALANCES, beginning of year	-	-	-	21,583
CASH BALANCES, end of year	$ 5,531	$ 9,932	$ 6,041	$ 64,800

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2002 A1-A3 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family	2004 C1-C2 Single Family	2005 A1-A2 Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from:					
Investment and Mortgage Loan Income	$ 286	$ 218	$ 181	$ 196	$ 389
Mortgage principal repayments	879	728	647	729	474
Cash paid to:					
Suppliers of services	(24)	(12)	(11)	(12)	(12)
Mortgage purchases	-	-	-	(13)	(60)
Bondholders for interest	(162)	(199)	(155)	(200)	(246)
Net cash provided by (used) in operating activities	979	735	662	700	545
CASH FLOWS FROM INVESTING ACTIVITIES:					
(Increase) decrease in other assets	-	-	-	-	-
Investments purchased	-	(1,489)	(1,389)	-	-
Investment redemptions	-	1,722	1,279	-	-
Net cash provided by (used in) investing activities	-	233	(110)	-	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Net transfers/contributions	-	-	-	-	-
Proceeds from notes payable	-	-	-	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-
Retirement of notes and bonds payable	(995)	(965)	(555)	(870)	(650)
Net cash provided by (used in) financing activities	(995)	(965)	(555)	(870)	(650)
NET INCREASE (DECREASE) IN CASH	(16)	3	(3)	(170)	(105)
CASH BALANCES, beginning of year	333	-	4	325	192
CASH BALANCES, end of year	$ 317	$ 3	$ 1	$ 155	$ 87

2006 A1-A2 Single Family	2006 B Single Family	2006 C Single Family	2006D Single Family	2007A Single Family	2007B Single Family	2007C Single Family	2008A Single Family
$ 749	$ 663	$ 800	$ 1,677	$ 1,552	$ 2,038	$ 2,193	$ 1,212
3,006	3,140	4,042	7,438	7,866	10,250	12,807	3,669
(56)	(30)	(51)	(84)	(71)	(101)	(120)	(84)
(83)	-	(131)	(200)	-	(71)	(122)	-
(676)	(589)	(745)	(1,428)	(1,582)	(2,091)	(2,219)	(1,101)
2,940	3,184	3,915	7,403	7,765	10,025	12,539	3,696
-	-	-	-	-	-	-	-
-	-	-	(14,327)	-	-	-	-
-	-	-	17,804	-	-	-	-
-	-	-	3,477	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(3,400)	(3,265)	(4,265)	(10,880)	(7,215)	(9,935)	(13,235)	(3,650)
(3,400)	(3,265)	(4,265)	(10,880)	(7,215)	(9,935)	(13,235)	(3,650)
(460)	(81)	(350)	-	550	90	(696)	46
2,224	1,043	982	-	1,442	2,018	2,990	885
$ 1,764	$ 962	$ 632	$ -	$ 1,992	$ 2,108	$ 2,294	$ 931

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2008B Single Family	2009A Single Family	2010A Single Family	2011A Single Family	2012A Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from:					
Investment and Mortgage Loan Income	$ 946	$ 1,295	$ 2,022	$ 1,997	$ 2,484
Mortgage principal repayments	3,548	3,246	3,413	6,916	2,798
Cash paid to:					
Suppliers of services	(5)	(84)	(291)	(243)	(382)
Mortgage purchases	-	(104)	(57)	-	(13,340)
Bondholders for interest	(857)	(948)	(1,616)	(1,367)	(801)
Net cash provided by (used) in operating activities	3,632	3,405	3,471	7,303	(9,241)
CASH FLOWS FROM INVESTING ACTIVITIES:					
(Increase) decrease in other assets	-	-	-	-	(1)
Investments purchased	-	-	-	-	-
Investment redemptions	-	-	-	-	-
Net cash provided by (used in) investing activities	-	-	-	-	(1)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Net transfers/contributions	-	-	-	-	(16)
Proceeds from notes payable	-	-	-	-	-
Proceeds from fees	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-
Retirement of notes and bonds payable	(3,040)	(2,990)	(3,080)	(7,560)	(2,215)
Net cash provided by (used in) financing activities	(3,040)	(2,990)	(3,080)	(7,560)	(2,231)
NET INCREASE (DECREASE) IN CASH	592	415	391	(257)	(11,473)
CASH BALANCES, beginning of year	412	442	918	1,384	16,972
CASH BALANCES, end of year	$ 1,004	$ 857	$ 1,309	$ 1,127	$ 5,499

2013A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
$ 628	$ 21,526	$ 30,778
2,135	77,731	85,290
(74)	(1,747)	(7,658)
(4)	(14,185)	(70,170)
(252)	(17,234)	(26,621)
2,433	66,091	11,619
-	(1)	(1)
-	(17,205)	(17,205)
-	20,805	20,805
-	3,599	3,599
(12)	(28)	6,519
-	-	36,488
-	-	-
-	-	69,741
(2,132)	(80,897)	(95,984)
(2,144)	(80,925)	16,764
289	(11,235)	31,982
558	33,124	54,707
$ 847	$ 21,889	$ 86,689

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	1988 Preservation Homes Multifamily Mortgage	1993/2003 Woodward Wight Multifamily Mortgage	2002 Melrose Multifamily Mortgage	2002 Restoration Multifamily Mortgage	2003 Galilee City Multifamily Mortgage
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating Income (Loss)	$ 72	$ (7)	$ (9)	$ -	$ 19
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:					
Amortization of mortgage loan/ investment (discount) premium	-	-	-	-	-
Amortization of bond discount (premium)	-	-	-	-	-
Amortization of deferred (income) losses	-	7	-	-	-
Unrealized (gain) loss on investments	-	-	-	-	(21)
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Change in:					
Accrued interest receivable	(1)	-	(253)	-	-
Accrued interest payable	-	-	262	-	-
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	-	-	-	-
Mortgage loan principal payments received	26	-	-	-	37
Net cash provided by (used in) operating activities	$ 97	$ -	$ -	$ -	$ 35
Supplemental disclosure:					
Non-cash investing and financing activities:					
Transfer of deferred gain (losses) between funds	-	-	-	-	-

2004 Azalea Estates Multifamily Mortgage	2004 Walmsley Multifamily Mortgage	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2006 Restoration BR V & VI Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage
$ 464	$ (7)	$ (1)	$ (8)	$ 5	$ -	$ -	$ (27)
-	-	-	-	-	-	-	-
-	-	-	-	(5)	-	-	-
56	-	-	-	-	-	-	-
(525)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
2	-	-	(1)	(1)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	13
-	-	-	-	-	-	-	-
238	105	-	77	82	55	18	-
$ 237	$ 98	$ (1)	$ 68	$ 81	$ 55	$ 18	$ (14)
-	-	-	-	-	-	-	-

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2007 Hooper Pointe Residences Multifamily Mortgage	2007 Plantation Apartments Multifamily Mortgage	2007 Ridgefield Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating Income (Loss)	$ (48)	$ (13)	$ 455	$ -	$ (5)
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:					
Amortization of mortgage loan/ investment (discount) premium	-	-	-	-	-
Amortization of bond discount (premium)	-	-	3	-	-
Amortization of deferred (income) losses	-	13	-	-	5
Unrealized (gain) loss on investments	-	-	(423)	-	-
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Change in:					
Accrued interest receivable	-	-	1	1	-
Accrued interest payable	-	(1)	(3)	(1)	-
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	-	-	-	-
Mortgage loan principal payments received	79	122	193	-	-
Net cash provided by (used in) operating activities	$ 31	$ 121	$ 226	$ -	$ -
Supplemental disclosure:					
Non-cash investing and financing activities:					
Transfer of deferred gain (losses) between funds	-	-	-	-	-

2007 Spanish Arms Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage
$ 564	$ -	$ -	$ -	$ -	$ (164)	$ -	$ -
-	-	-	-	-	-	-	-
6	-	-	-	-	55	-	-
-	-	-	-	-	-	-	-
(568)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(922)	-	-
(1)	-	-	-	-	667	-	-
-	-	-	-	-	(13)	-	361
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
75	-	110	-	185	622	25	14
$ 76	$ -	$ 110	$ -	$ 185	$ 245	$ 25	$ 375
-	-	-	-	-	-	-	-

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2011 Garden Oaks Apartments Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage	2011 Woodcrest Apartments Multifamily Mortgage	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating Income (Loss)	$ -	$ (425)	$ -	$ -	$ -
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:					
Amortization of mortgage loan/ investment (discount) premium	-	-	-	-	-
Amortization of bond discount (premium)	-	-	-	-	-
Amortization of deferred (income) losses	-	-	-	-	-
Unrealized (gain) loss on investments	-	-	-	-	-
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Change in:					
Accrued interest receivable	-	132	1	5	(51)
Accrued interest payable	(8)	(8)	(1)	(5)	51
Accounts payable	(4)	-	(6)	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	(414)	-	(648)	(4,171)
Mortgage loan principal payments received	-	720	668	4,103	-
Net cash provided by (used in) operating activities	$ (12)	$ 5	$ 662	$ 3,455	$ (4,171)
Supplemental disclosure:					
Non-cash investing and financing activities:					
Transfer of deferred gain (losses) between funds	-	-	-	-	-

	2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 B.W. Cooper Multifamily Mortgage	2013 Cyrus Homes Multifamily Mortgage	2013 Elm Drive Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2013 New Zion Multifamily Mortgage	2013 Windsor Place Apartments Multifamily Mortgage
	$ (403)	$ (4,506)	$ 3	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	(23)	(31)	-	(1)	(6)	(2)	(5)
	-	23	31	-	1	6	2	5
	(4)	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-
	(1,205)	(10,249)	(17,233)	(50)	(2,105)	(7,235)	(2,952)	(2,419)
	-	-	-	-	-	-	-	-
	$ (1,612)	$ (14,755)	$ (17,230)	$ (50)	$ (2,105)	$ (7,235)	$ (2,952)	$ (2,418)
	-	-	-	-	-	-	-	-

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014 Canaan Village Apartments Multifamily Mortgage	2014 Holy Family Multifamily Mortgage	2014 Tangi Village Multifamily Mortgage	Total Multifamily Mortgage
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating Income (Loss)	$ (180)	$ (647)	$ -	$ (4,868)
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:				
Amortization of mortgage loan/ investment (discount) premium	-	-	-	-
Amortization of bond discount (premium)	-	-	-	59
Amortization of deferred (income) losses	-	-	-	81
Unrealized (gain) loss on investments	-	-	-	(1,537)
(Gain) Loss on sale of securities	-	-	-	-
Provisions for loan losses	-	-	-	-
Change in:				
Accrued interest receivable	(2)	(5)	(9)	(1,169)
Accrued interest payable	2	5	9	1,036
Accounts payable	-	-	-	335
Interfund account and other assets	-	-	-	13
Mortgage loans purchased	(2,418)	(3,090)	(1,787)	(55,976)
Mortgage loan principal payments received	-	-	-	7,554
Net cash provided by (used in) operating activities	$ (2,598)	$ (3,737)	$ (1,787)	$ (54,472)
Supplemental disclosure:				
Non-cash investing and financing activities:				
Transfer of deferred gain (losses) between funds	-	-	-	-

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2002 A1-A3 Single Family	2004 A1-A2 Single Family	2004 B1-B2 Single Family	2004 C1-C2 Single Family	2005 A1-A2 Single Family
Reconciliation of operating income (loss) to Net cash provided by (used in) operating activities					
Operating Income (Loss)	$ 632	$ 455	$ 341	$ 351	$ 626
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:					
Amortization of mortgage loan/ investment (discount) premium	(76)	(32)	(9)	14	60
Amortization of bond discount (premium)	-	(48)	(20)	(37)	(24)
Amortization of deferred (income) losses	1	3	2	-	(1)
Unrealized (gain) loss on investments	(456)	(371)	(299)	(343)	(529)
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Change in:					
Accrued interest receivable	4	3	3	3	2
Accrued interest payable	(5)	(3)	(3)	(4)	(3)
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	-	-	-	-
Mortgage loans purchased	-	-	-	(13)	(60)
Mortgage loan principal payments received	879	728	647	729	474
Net cash provided by (used in) operating activities	$ 979	$ 735	$ 662	$ 700	$ 545
Supplemental disclosure:					
Non-cash investing and financing activities:					
Transfer of deferred gain (losses) between funds	-	-	-	-	-

2006 A1-A2 Single Family	2006 B Single Family	2006 C Single Family	2006 D Single Family	2007 A Single Family	2007 B Single Family	2007 C Single Family	2008 A Single Family
$ 1,095	$ 1,278	$ 1,404	$ 2,919	$ 2,694	$ 3,278	$ 3,472	$ 2,255
-	(20)	131	200	(146)	71	122	(213)
81	(98)	(184)	(381)	(449)	(476)	(420)	(135)
4	4	5	7	7	(25)	(49)	-
(1,163)	(1,121)	(1,351)	(2,573)	(2,205)	(3,000)	(3,269)	(1,878)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12	14	18	42	33	47	60	17
(13)	(14)	(18)	(47)	(34)	(46)	(60)	(18)
-	-	-	-	-	(1)	-	-
1	1	(1)	(2)	(1)	(2)	(2)	(1)
(83)	-	(131)	(200)	-	(71)	(122)	-
3,006	3,140	4,042	7,438	7,866	10,250	12,807	3,669
$ 2,940	$ 3,184	$ 3,915	$ 7,403	$ 7,765	$ 10,025	$ 12,539	$ 3,696
-	-	-	-	-	-	-	-

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
MORTGAGE REVENUE BONDS
SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2008 B Single Family	2009 A Single Family	2010 A Single Family	2011 A Single Family	2012 A Single Family
Reconciliation of operating income (loss) to Net cash provided by (used in) operating activities					
Operating Income (Loss)	$ 1,406	$ 1,748	$ 2,109	$ 2,886	$ 1,147
Adjustments to reconcile Operating Income (Loss) to net cash provided by operating activities:					
Amortization of mortgage loan/ investment (discount) premium	(114)	105	57	(808)	857
Amortization of bond discount (premium)	-	(46)	(134)	(112)	(25)
Amortization of deferred (income) losses	-	-	-	-	-
Unrealized (gain) loss on investments	(1,214)	(1,548)	(1,917)	(1,578)	(662)
(Gain) Loss on sale of securities	-	-	-	-	-
Provisions for loan losses	-	-	-	-	-
Change in:					
Accrued interest receivable	19	14	10	22	(18)
Accrued interest payable	(13)	(11)	(10)	(19)	(5)
Accounts payable	-	-	-	-	-
Interfund account and other assets	-	1	-	(4)	7
Mortgage loans purchased	-	(104)	(57)	-	(13,340)
Mortgage loan principal payments received	3,548	3,246	3,413	6,916	2,798
Net cash provided by (used in) operating activities	$ 3,632	$ 3,405	$ 3,471	$ 7,303	$ (9,241)
Supplemental disclosure:					
Non-cash investing and financing activities:					
Transfer of deferred gain (losses) between funds	-	-	-	-	-

2013 A Single Family	Total Single Family	Total Mortgage Revenue Bond Issues
$ 1,425	$ 31,521	$ 26,653
4	203	203
-	(2,508)	(2,449)
-	(42)	39
(1,132)	(26,609)	(28,146)
-	-	-
-	-	-
9	314	(855)
(4)	(330)	706
-	(1)	334
-	(3)	10
(4)	(14,185)	(70,161)
2,135	77,731	85,285
$ 2,433	$ 66,091	$ 11,619
-	-	-