10603

FINANCIAL REPORT

LOUISIANA HOUSING CORPORATION

JUNE 30, 2013 AND 2012

LOUISIANA HOUSING CORPORATION

INDEX TO REPORT

JUNE 30, 2013 AND 2012

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INDEPENDENT AUDITOR'S REPORT

August 30, 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Housing Corporation's General Fund, (the Corporation), a component unit of the State of Louisiana, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements which collectively comprise the Corporation's basic financial statements as listed in the index to report.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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

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internal control relevant to the Corporation'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 Corporation's internal 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation's General Fund as of June 30, 2013 and June 30, 2012, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), as listed in the index to report, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Louisiana Housing Corporation's basic financial statements. The required supplementary information other than MD&A, as listed in the index to report, is presented for additional analysis as required by Governmental Accounting Standards Board (GASB) and is not a required part of the basic financial statements. The required supplementary information other than MD&A 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. We have applied certain limited procedures to the required supplementary information other than MD&A 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.

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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the Annual Financial Statement Reporting Packet 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 August 30, 2013, 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.

Duplantier, Hrapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

The Management's Discussion and Analysis of the Louisiana Housing Corporation's (LHC) financial performance presents a narrative overview and analysis of LHC's financial activities for the year ended June 30, 2013 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 10

FINANCIAL HIGHLIGHTS

2013

★ Assets exceeded liabilities at the close of fiscal year 2013 by $296,651,891, which represents a 6% decrease from last fiscal year

★ Total revenues before transfers decreased by $99,178,217, or 35%, total expenses before transfers decreased by $48,724,262, or 19%, and consequently the net income before transfers decreased by $50,453,955, a decrease of 214%.

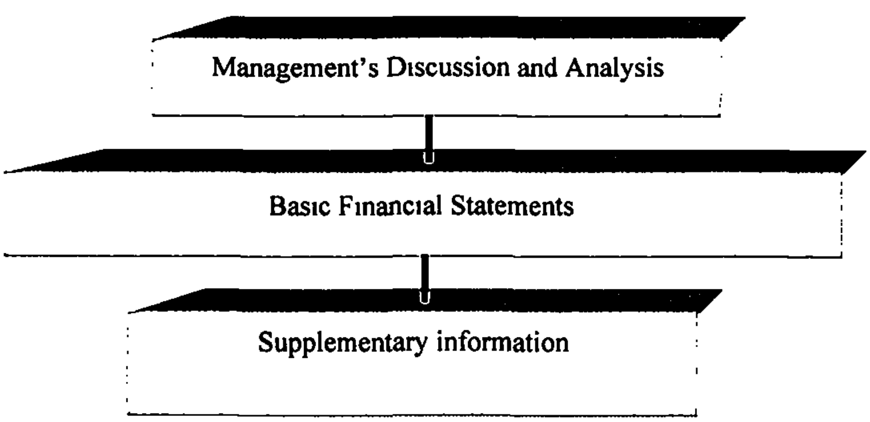
2012

★ Assets exceeded liabilities at the close of fiscal year 2013 by $317,066,792, which represents an 11% increase from last fiscal year

★ Total revenues before transfers decreased by $94,368,691, or 25%, total expenses before transfers decreased by $58,104,845, or 18%, and consequently the net income before transfers decreased by $36,263,846, a decrease of 61%.

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

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

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 Fund Net Position, and the Statements of Cash Flows

The Statements of Net Position (page 10) 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 Fund Net Position (page 10) 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 11 - 12) 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 Positions
June 30, 2013, June 30, 2012 and June 30, 2011
(in thousands)

	2013	2012	2011
Current and other assets	$ 50,191	$ 56,183	$ 53,702
Restricted assets	215,992	229,788	208,858
Capital assets	83,823	86,260	81,130
Total assets	350,006	372,231	343,690
Other liabilities	40,643	39,822	35,783
Long-term debt outstanding	12,711	15,342	21,092
Total liabilities	53,354	55,164	56,875
Net position·			
Investment in Capital Assets, net of related debt	80,673	82,320	76,465
Restricted	174,660	187,151	165,736
Unrestricted	41,319	47,596	44,614
Total net position	$ 296,652	$ 317,067	$ 286,815

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

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

2013

Net position decreased by $20,414,901, 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.

2012

Net position increased by $30,251,966, or 11%, from June 30, 2011 to June 30, 2012. This increase in net position can be attributed to an increase in capital assets, mortgage loans receivable, and accrued interest receivable

Statements of Revenues, Expenses, and Changes in Fund Net Position
for the years ended June 30, 2013, June 30, 2012, and June 30, 2011
(in thousands)

	Total				
	2013		2012		2011
Operating revenues	12,302	$	14,691	$	14,520
Operating expenses	13,713		11,822		13,693
Operating income (loss)	(1,411)		2,869		827
Non-operating revenues(expenses)	(25,466)		20,708		59,013
Income (loss) before transfers	(26,877)		23,577		59,841
Transfers (to) from MRB Programs	6,462		6,675		(669)
Increase (decrease) in net position	(20,415)	$	30,252	$	59,172

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

2013

Total revenues decreased by $99,178,217, or 35%, primarily as a result of a decrease in federal grants drawn, and a decrease in income from rental property Total expenses decreased by $48,724,262, or 19%, 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.

2012

Total revenues decreased by $94,368,691, or 25%, primarily as a result of a decrease in federal grants drawn, and a decrease in income from rental property because of the work being done by the Office of Facility Planning on Village De Jardin which is booked as income during the construction phase; this property is being funded and constructed by FEMA through the Office of Facility Planning Total expenses decreased by $58,104,845, or 18%, primarily as a result of a decrease in operating expenses, a decrease in federal grant funds disbursed, and a decrease in the provision for loan losses, the majority of which was due to a decrease in the recording amounts for 100% conditional loans

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2013, the Louisiana Housing Corporation had $97.6 million invested in a broad range of capital assets, including a three story building facility 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 $957,337, or a 1% decrease over last year.

	2013	2012	2011
Land	$ 712	$ 712	$ 712
Land Improvements (net of accum. dep)	61	67	73
Building (net of accumulated depreciation)	96,021	84,978	36,822
Equipment (net of accumulated depreciation)	792	502	326
Construction in Progress	62	12,345	46,453
Total	$ 97,648	$ 98,605	$ 84,386

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

This year's changes included (in thousands):

• Equipment acquisitions and replacements	$ 490
• Depreciation	(3,147)
• Rehab of Agency Properties – Decrease in Construction in Progress	(12,282)
• Rehab of Agency Properties – Increase in Buildings	13,982

Debt

The Louisiana Housing Corporation had $27,206,454 in bonds and notes outstanding at year-end, compared to $30,702,672 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)

	2013	2012	2011
General Revenue Office Building Bonds (2010)	$ 3,200	$ 3,940	$ 4,665
Multi Family MR Bonds (Section 8 Assisted - 202 Elderly Projects), 2006A	-	12,735	14,470
Multi Family MR Refunding Bonds (2013)	9,995	-	-
Debentures payable	13,714	13,714	13,714
Deferred amount on Refunding	297	314	330
Totals	$ 27,206	$ 30,703	$ 33,179

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 a 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

2012

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 a Aaa rating
The LHC has accounts payable and accrued interest payable of $3,480,035 outstanding at year-end compared with $3,604,817 last year Other obligations include accrued vacation pay and sick leave, deferred revenue, and other post employment benefits payable

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013 AND 2012

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 continue to assess bringing on appropriate new programs for fiscal '14
- Single Family Issuer Fees are down due to the size of the portfolio decreasing, but this will be offset somewhat by an increase in Multifamily Issuer Fees, due to bond issue activity increasing.
- While interest rates are expected to slowly increase, the Corporation's investments have decreased, therefore Corporation investment income will likely be steady
- The HUD Disposition properties were damaged during Hurricane Katrina Willowbrook has been on-line now for five years, with an average occupancy rate of approximately 95%. Village De Jardin came on-line mid-fiscal '12 ramped up to an average occupancy rate of approximately 77% for fiscal '13. As Village De Jardin's occupancy rate improves, the rental income provided by the properties will increase

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

- Investments decreased with a transfer of $11 million to the state's medical assistance fund The LHC is also expecting to transfer an additional $2 million to the treasury during fiscal '14. This will cause a reduction in the Corporation's investment income.
- The Section 8 revenues will decrease during fiscal '14 HUD has accepted applications for awarding new Section 8 contracts during fiscal '14, and has lowered the fees slightly in the interim. The entity has been informed that it was not selected for the contract but the courts have stayed the decision, pending appeal.
- The entity's tax credit revenue is expected to remain steady in fiscal '14 as the tax credit award for the year is expected to compare to the Corporation's current allocation.
- The entity expects overall operating expenses to increase due to added programs, but will be offset somewhat due to streamlining of staffing levels, enhanced technological advancements, less travel, 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 René Landry, C F O, 2415 Quail Drive, Baton Rouge, LA 70808

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
CASH AND CASH EQUIVALENTS	$ 1,010,556	$ 1,653,987
INVESTMENTS	44,614,958	48,627,286
MORTGAGE LOANS	1,155,747	1,181,627
ACCRUED INTEREST RECEIVABLE	194,140	228,195
DUE FROM GOVERNMENTS	2,139,351	3,825,119
DUE FROM MRB PROGRAMS	117,878	139,198
CAPITAL ASSETS (net of accumulated depreciation of $11,949,956 and $9,288,550 respectively)	83,822,598	86,260,128
OTHER ASSETS	958,334	527,050
	134,013,562	142,442,590
RESTRICTED ASSETS		
Cash and cash equivalents	20,683,905	19,905,769
Investments	7,212,263	6,881,304
Mortgage loans receivable (net of allowance for loan losses of $269,936,430 and $250,702,443, respectively)	127,088,329	147,172,053
Accrued interest receivable	47,182,486	42,172,713
Advances to subrecipients	-	1,311,637
Capital assets (net of accumulated depreciation of $364,851)	13,825,049	12,344,856
	215,992,032	229,788,332
TOTAL ASSETS	$ 350,005,594	$ 372,230,922

See accompanying notes

LIABILITIES AND NET POSITION

	2013	2012
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 1,750,078	$ 1,161,142
ACCRUED INTEREST PAYABLE	2,907,740	2,318,893
DUE TO GOVERNMENTS	77,421	1,336,246
OTHER POSTEMPLOYMENT BENEFIT PLAN PAYABLE	5,723,056	5,256,698
COMPENSATED ABSENCES PAYABLE	955,348	884,608
UNEARNED INCOME	6,541,706	5,119,785
AMOUNTS HELD IN ESCROW	8,191,900	8,384,086
	26,147,249	24,461,458
BONDS AND DEBENTURES PAYABLE:		
Due within one year	14,495,346	15,360,346
Due in more than one year	12,711,108	15,342,326
	27,206,454	30,702,672
Total liabilities	53,353,703	55,164,130
NET POSITION:		
Investment in capital assets, net of related debt	80,672,781	82,320,129
Restricted	174,660,438	187,150,511
Unrestricted	41,318,672	47,596,152
Total net position	296,651,891	317,066,792
TOTAL LIABILITES AND FUND NET POSITION	$ 350,005,594	$ 372,230,922

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES		
MRB program issuer fees	$ 1,762,882	$ 2,235,624
Low income housing tax credit program fees	1,117,710	1,972,969
Compliance and application fees	34,103	19,900
Federal program administrative fees	7,715,711	6,432,672
Mortgage loan interest income	102,759	100,222
Investment income	1,441,188	3,794,203
Other income	127,592	135,721
	12,301,945	14,691,311
OPERATING EXPENSES		
Personnel services	9,915,112	9,010,048
Supplies	432,311	168,327
Travel	279,925	139,500
Operating services	1,335,953	1,067,912
Professional services	1,329,196	992,917
Interest expense	93,588	113,953
Depreciation	326,496	329,730
	13,712,581	11,822,387
Operating income (loss)	(1,410,636)	2,868,924
NON-OPERATING REVENUES (EXPENSES)		
Bond interest expense	(1,143,409)	(1,118,676)
Federal grants drawn	164,216,587	250,999,128
Federal grant funds disbursed	(160,391,949)	(164,930,777)
Net income from rental property	(1,030,570)	5,861,486
Other contributions and grants for Louisiana Housing Trust Funds	-	1,078,682
Other non-operating expenses	(1,949,704)	(2,288,706)
Provision for loan losses	(23,050,364)	(53,453,587)
Program income - HOME	2,155,200	2,699,296
Restricted mortgage loan interest income	6,601,898	6,659,681
Restricted investment income	125,701	301,258
Transfer to the State of Louisiana treasury	(11,000,000)	(25,100,000)
	(25,466,610)	20,707,785
(Loss) income before transfers	(26,877,246)	23,576,709
Transfers (to) from MRB Programs	6,462,345	6,675,257
CHANGE IN NET POSITION	(20,414,901)	30,251,966
NET POSITION - Beginning of year	317,066,792	286,814,826
NET POSITION - End of year	$ 296,651,891	$ 317,066,792

See accompanying notes.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from		
Fee revenue collected	$ 12,061,279	$ 11,561,895
Investment and mortgage loan income	2,241,657	2,991,913
Mortgage collections	25,880	25,265
Cash paid to.		
Suppliers of service	(3,024,403)	(2,966,820)
Employees and benefit providers	(9,378,014)	(8,481,457)
Bondholders and creditors for interest	(76,861)	(97,226)
Net cash provided by operating activities	1,849,538	3,033,570
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES·		
Net transfers from (to) MRB programs	6,462,345	6,675,257
Receipts of federal grants	165,084,055	253,678,788
Disbursements of federal grants	(159,050,110)	(166,445,579)
Mortgage collections	2,333,659	2,821,845
Mortgage purchases	(8,617,698)	(81,360,032)
Issuance of bonds	9,995,000	-
Repayment/redemption of bonds	(12,735,000)	(1,735,000)
Net change in escrow accounts	(192,186)	381,132
Interest paid on bonds and debentures payable	(616,633)	(616,195)
Other non-operating expenses	(7,631,347)	(22,603,590)
Net cash used in noncapital financing activities	(4,967,915)	(9,203,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchased	(33,522,951)	(90,660,960)
Investments redeemed	36,654,848	104,404,458
Net cash from rental properties	1,410,021	556,742
Net cash provided by investing activities	4,541,918	14,300,240
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of property and equipment	(548,836)	(9,229,296)
Repayment of bonds	(740,000)	(725,000)
Net cash used in capital financing activities	(1,288,836)	(9,954,296)

Continued

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 134,705	$ (1,823,860)
CASH AND CASH EQUIVALENTS, beginning of year	21,559,756	23,383,616
CASH AND CASH EQUIVALENTS, end of year	$ 21,694,461	$ 21,559,756
PRESENTED ON THE STATEMENT OF NET POSITION AS:		
Unrestricted	$ 1,010,556	$ 1,653,987
Restricted	20,683,905	19,905,769
	$ 21,694,461	$ 21,559,756
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (1,410,636)	$ 2,868,924
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	326,496	329,730
Loss on disposal		
Net change in fair value	663,655	(941,832)
Amortization of bond issuance costs	16,727	16,727
Change in accrued interest receivable	34,055	39,320
Change in due from governments	1,655,566	549,715
Change in due from MRB programs	21,320	(1,973)
Change in accounts payable and accrued liabilities	588,936	(623,094)
Change in OPEB payable	466,358	539,241
Change in compensated absences payable	70,740	(10,650)
Change in other assets	(609,559)	242,197
Change in mortgage loans	25,880	25,265
Net cash provided by operating activities	$ 1,849,538	$ 3,033,570
SUPPLEMENTAL DISCLOSURES:		
NONCASH FINANCING ACTIVITY:		
Construction in progress paid by contributions from the State of Louisiana	$ -	$ 6,616,654

See accompanying notes.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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 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 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 Authorities Law, R.S. 40:381 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

New Accounting Pronouncements.

These financial statements include the implementation of GASB Statement 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Both of these statements were effective for financial reporting periods beginning after December 15, 2011. GASB Statement 62

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

New Accounting Pronouncements: (Continued)

supersedes GASB Statement 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* Implementation of the two pronouncements had no effect on the July 1, 2012 beginning balance of the Corporation's fund net position.

Reporting Entity:

GASB Statement No. 14 *The Financial Reporting Entity* has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

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

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

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

2. Organizations which are fiscally dependent.

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

Due to the nature and significance of the relationship between the 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 Programs

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity: (Continued)

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 assets is necessary or useful for sound financial administration. The GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Since the business of the 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

Investments:

GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, requires certain types of investment securities to be carried at fair value. In accordance with this statement, 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.

LOUISIANA HOUSING CORPORATION
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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
Automobiles	5	years

Bond Issuance Costs:

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

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 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

LOUISIANA HOUSING CORPORATION
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Compensated Absences: (Continued)

As the Corporation is 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.

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.

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:

Investment 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 "

2. ESTIMATES:

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

LOUISIANA HOUSING CORPORATION
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3. 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 accounts 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 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, 2013 and 2012 are as follows:

	2013	2012	Rating
Petty cash	$ 1,150	$ 300	N/A
Demand deposits	11,071,628	9,338,593	N/A
Federal Home Loan Bank deposits	4,818	4,818	N/A
Money market funds	10,616,865	12,216,045	AAA
	$ 21,694,461	$ 21,559,756	

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 States Treasury which are backed by the full faith and credit of the United States government.

LOUISIANA HOUSING CORPORATION
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NOTES TO FINANCIAL STATEMENTS
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3. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments:

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

Investment Type	Fair Value	Investments Maturities (in Years) Less than 1	1 to 5	6 to 10	≥ 10
U S Treasury Notes	$ 738,500	$ -	$ 738,500	$ -	$ -
U S 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

As of June 30, 2012, the Corporation had the following investments and maturities (in years):

Investment Type	Fair Value	Investments Maturities (in Years) Less than 1	1 to 5	6 to 10	≥ 10
U S Treasury Notes	$ 1,772,117	$ -	$ 763,987	$ 1,008,130	$ -
U S Sponsored Agencies	33,552,381	-	2,631,588	7,351,846	23,568,947
State of Louisiana Bonds	650,149	-	-	650,149	-
GNMAs	19,533,943	-	148,972	724,828	18,660,143
Total	$ 55,508,590	$ -	$ 3,544,547	$ 9,734,953	$ 42,229,090

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 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 by Nationally Recognized Statistical Ratings Organizations As of June 30, 2013 and 2012, all of the investments were rated AA or AA+ by Standard & Poor's

LOUISIANA HOUSING CORPORATION
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NOTES TO FINANCIAL STATEMENTS
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3. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

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, 2013 and 2012, investments of the following issuers represented more than 5 percent of total investments:

	2013	2012
Federal National Mortgage Association	41%	49%
Federal Home Loan Mortgage Corporation	14%	9%

The net unrealized appreciation on investment securities was $4,175,018 and $4,724,490 at June 30, 2013 and 2012, respectively. The increase (decrease) in unrealized appreciation of $(549,472) and $1,226,835 was included in investment income for the years ended June 30, 2013 and 2012, respectively.

4. BONDS AND DEBENTURES PAYABLE:

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 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
	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	$30,702,672	$ 9,995,000	$ (13,491,218)	$27,206,454	$ 14,495,346

LOUISIANA HOUSING CORPORATION
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4. BONDS AND DEBENTURES PAYABLE: (Continued)

Bonds and debentures payable activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds					
Series 2010 General Revenue Office Building Refunding Bonds	$ 4,665,000	$ --	$ (725,000)	$ 3,940,000	$ 740,000
Series 2006A Multifamily Mortgage Revenue Refunding Bonds	14,470,000	--	(1,735,000)	12,735,000	890,000
Debentures payable	13,714,128	--	--	13,714,128	13,714,128
	32,849,128	--	(2,460,000)	30,389,128	15,344,128
Plus deferred amount on refunding	329,762	--	(16,218)	313,544	16,218
Total bonds and debentures payable	$ 33,178,890	$ --	$ (2,476,218)	$ 30,702,672	$ 15,360,346

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 obligations, 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. At June 30, 2013 and 2012, there were approximately $683 million and $835 million of such bonds outstanding in 52 and 66 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, 2013 and 2012, $3,200,000 and $3,940,000, respectively, of the bonds were outstanding.

LOUISIANA HOUSING CORPORATION
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4 BONDS AND DEBENTURES PAYABLE: (Continued)

General Obligation Bonds Payable: (Continued)

Interest rates on the Series 2010 bonds range from 2.00% to 3.250%, whereas interest rates on the Series 2001 bonds ranged from 3.50% to 8 00%. This decrease in interest rates resulted in an economic gain on the current refunding of $244,385 (the difference between the 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 $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, 2013 and 2012, $9,995,000 and $-0-, 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 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 2003A Multifamily Mortgage Revenue Bonds (Section 8 Assisted - 202 Elderly Projects) This refunding became necessary when, in 2005, Hurricane Katrina severely damaged eleven of the eighteen projects financed with the Series 2003A bonds. The distribution resulted in an extraordinary mandatory redemption of the Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds had been redeemed, due to the redemption structure of the bonds and loss of expected surplus revenues on the projects, cash flows for the Series 2003A bonds no longer provided assurance that principal and interest on the bonds would be paid when due. The Series 2006A bonds bore interest at various rates, ranging from 3.85% to 4.75% per annum. At June 30, 2013 and June 30, 2012, $-0- and $12,735,000, 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.

LOUISIANA HOUSING CORPORATION
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4. BONDS AND DEBENTURES PAYABLE. (Continued)

General Obligation Bonds Payable: (Continued)

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 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, 2013 and 2012, $-0- and $7,130,000, respectively, of the defeased bonds were outstanding. The bonds were paid off during fiscal year 2013.

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

Year Ended June 30,	Principal	Interest	Total
2014	$ 765,000	$ 324,713	$ 1,089,713
2015	790,000	308,175	1,098,175
2016	810,000	288,150	1,098,150
2017	835,000	263,444	1,098,444
2018	-	249,875	249,875
2019-2023	-	1,249,375	1,249,375
2024-2028	-	1,249,375	1,249,375
2029-2033	9,995,000	874,563	10,869,563
	$ 13,195,000	$ 4,807,670	$ 18,002,670

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 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.

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4. BONDS AND DEBENTURES PAYABLE: (Continued)

Debentures Payable

The five outstanding debentures bear interest at the rate of 4.50% and interest is due annually. As of June 30, 2013, 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
2014	$ 13,714,128	$ 2,907,740	$ 16,621,868

5. FEDERAL FINANCIAL ASSISTANCE:

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

In the normal course of operations, 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 restitution to the federal agency as a result of noncompliance.

During the years ended June 30, 2013 and 2012, the following amounts were expended under the various grants.

	2013	2012
Community Development Block Grant	$ 9,407,149	$ 9,294,610
Emergency Solutions Grant	605,357	--
HOME Investment Partnerships	20,275,630	26,409,668
Low Income Housing Energy Assistance	45,038,752	39,674,599
National Foreclosure Mitigation Counseling	58,087	109,771
Neighborhood Stabilization Program	--	15,891,322
Section 8 Housing Assistance Payments	85,491,175	82,001,438
Section 8 Housing Choice Vouchers	6,424,176	--
Shelter Plus Care	4,330,470	--
Tax Credit Assistance Program	--	7,691,818
Weatherization Assistance	4,331,475	18,455,638
	$ 175,962,271	$ 199,528,864

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6. 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, 2013 and 2012, the following per diem payments were made to the members of the board and are included in general and administrative expenses:

	2013	2012
Michael Airhart	$ 600	$ 700
Barbara Anderson	-	300
Jerome Boykin, Sr.	-	200
Larry Ferdinand	100	-
Mayson Foster	650	700
Allison Jones	-	250
Ellen Lee	650	300
Matthew Ritchie	650	300
Joseph Scontrino, III	-	400
Donald Vallee	-	450
Willie Spears	650	-
Guy Williams	-	300
Alberta Young	-	250
	$ 3,300	$ 4,150

7. 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

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7 RETIREMENT BENEFITS: (Continued)

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.S. 11:102 The contribution rates were 29.1%, 25.6% and 22% for the years ended June 30, 2013, 2012 and 2011, respectively. The Corporation's contributions to the System for the years ended June 30, 2013, 2012 and 2011 were $2,286,255, $1,592,704 and $1,468,158, 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) 922-0608 or (800) 256-3000.

8. 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, 2013 and 2012, 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 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 la gov/osrap.

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NOTES TO FINANCIAL STATEMENTS
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8. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

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 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 HSA) Plan. Depending upon the plan selected, during the years ended June 30, 2013 and 2012, premiums for a single retiree ranged from $208 to $228 and $85 to $89 per month, respectively, for those with Medicare coverage or from $630 to $702 and $138 to $147 per month, respectively, for those without Medicare coverage. The premiums for a retiree and spouse for the year ended June 30, 2013 and 2012 range from $372 to $844 and $150 to $330 per month, respectively, for those with Medicare coverage or from $1,106 to $1,241 and $441 to $479 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 $128 to $140 and $256 to $268 per month for a single retiree with Medicare coverage or from $386 to $431 and $878 to $950 per month for a single retiree without Medicare coverage during the years ended June 30, 2013 and 2012, respectively. Also, the Corporation's contributions range from $228 to $517 and $450 to $989 per month for a retiree and spouse with Medicare coverage or $678 to $760 and $1,342 to $1,459 for a retiree and spouse without Medicare coverage during the years ended June 30, 2013 and 2012, respectively

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

Annual OPEB Cost

The Corporation's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. 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, 2012 and 2011 was $553,100 and $631,300, respectively.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Annual OPEB Cost (Continued)

The following schedule presents the components of the Corporation's OPEB cost for the years ended June 30, 2013 and 2012, the amount actually contributed to the plan, and changes in the Corporation's net OPEB Obligation.

	2013	2012
Annual required contribution	$ 553,100	$ 631,300
Interest on net OPEB obligation	210,268	188,697
ARC adjustment	(200,867)	(180,262)
Annual OPEB Cost	562,501	639,735
Contributions made	(96,143)	(100,495)
Increase in Net OPEB Obligation	466,358	539,240
Beginning Net OPEB Obligation	5,256,698	4,717,458
Ending Net OPEB Obligation	$ 5,723,056	$ 5,256,698

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, 2011 through 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 562,501	17.09%	$5,723,056
June 30, 2012	639,735	15.71%	5,256,698
June 30, 2011	875,821	9.61%	4,717,458

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, 2013. Since the plan has not been funded, the entire actuarial accrued liability of $5,094,900 and $4,982,700 at June 30, 2013 and 2012, respectively, was unfunded.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Funded Status and Funding Progress (Continued)

The funded status of the plan, as determined by an actuary as of July 1, 2012 and 2011, was as follows.

	July 1, 2012	July 1, 2011
Actuarial accrued liability (AAL)	$ 5,094,900	$ 4,982,700
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	$ 5,094,900	$ 4,982,700
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 6,583,334	$ 6,484,872
UAAL as a percentage of covered payroll	77.4%	76.9%

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, 2012 and 2011, actuarial valuations, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses). Initial annual healthcare cost trend rates of 8% and 6% for pre-Medicare and Medicare eligibles, respectively, were assumed for the July 1, 2012 valuation. Initial annual healthcare cost trend rates of 7.5% and 8.6% for pre-Medicare and Medicare eligibles, respectively, were assumed for the July 1, 2011 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, 2013 and 2012 was 24 and 25 years, respectively.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

9 CAPITAL ASSETS.

A summary of changes in capital assets is as follows:

	Balance June 30, 2012	Additions	Deletions and Adjustments	Completed Construction	Balance June 30, 2013
Capital assets not being depreciated					
Land	$ 712,338	$ --	$ --	$ --	$ 712,338
Construction in progress	12,344,856	1,699,223	-	(13,981,751)	62,328
	13,057,194	1,699,223	-	(13,981,751)	774,666
Capital assets being depreciated					
Equipment	2,544,124	486,507	(116,810)	--	2,913,821
Building	92,161,276	--	--	13,981,751	106,143,027
Land improvements	130,940	--	--	--	130,940
	94,836,340	486,507	(116,810)	13,981,751	109,187,788
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)
	$ 98,604,984	$ (957,337)	$ --	$ --	$ 97,647,647

	Balance June 30, 2011	Additions	Deletions and Adjustments	Completed Construction	Balance June 30, 2012
Capital assets not being depreciated					
Land	$ 712,338	$ --	$ --	$ --	$ 712,338
Construction in progress	46,452,510	15,705,020	(49,812,674)	--	12,344,856
	47,164,848	15,705,020	(49,812,674)	--	13,057,194
Capital assets being depreciated					
Equipment	2,221,170	322,954	--	--	2,544,124
Building	42,348,602	49,812,674	--	--	92,161,276
Land improvements	130,940	--	--	--	130,940
	44,700,712	50,135,628	--	--	94,836,340
Accumulated depreciation					
General	(3,673,830)	(329,730)	--		(4,003,560)
HUD Disposition	(3,805,661)	(1,479,329)	--	--	(5,284,990)
	$ 84,386,069	$ 64,031,589	$ (49,812,674)	$ --	$ 98,604,984

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

9. CAPITAL ASSETS: (Continued)

Included in capital assets at June 30, 2013 and 2012 is $84,428,353 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 11). 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, 2013 and 2012, is $13,825,049 and $12,344,856, 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. The property commenced operations in December 2012

10. COMMITMENTS AND CONTINGENCIES:

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 15, the ultimate disposition and liability, if any, of these matters is not known at this time

11 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 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, 2013 and 2012, both properties were fully renovated and occupied. The completed properties are recorded within capital assets on the Corporation's 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).

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

12 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 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 of 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 financed at a 0% interest rate 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 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 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.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

12. RESTRICTED LOANS: (Continued)

The loan portfolio at June 30, 2013 and 2012 was as follows:

	2013	2012	Interest Rate
HOME Multifamily Mortgage Loans	$ 111,408,704	$ 109,290,574	1% – 6%
HOME Single Family Mortgage Loans	3,898,900	4,251,317	0%
202 Elderly Project Mortgage Loans	25,267,751	27,160,809	6%
Conditional HOME Loans	2,006,605	1,901,242	0%
1602 Sub Award Multifamily Loans	185,245,255	185,245,255	0%
TCAP Multifamily Mortgage Loans	38,217,193	39,244,961	4%
Neighborhood Stabilization Program Loans	10,700,359	10,763,111	0% - 2%
Louisiana Housing Trust Fund Loans	20,279,992	20,017,227	0%
	397,024,759	397,874,496	
Reserve for loan losses	(269,936,430)	(250,702,443)	
	$ 127,088,329	$ 147,172,053	

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 4). 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 $19,233,987 and $52,413,314 to the provision for loan losses account for the years ended June 30, 2013 and 2012, respectively

13. CONCENTRATION OF CREDIT RISK:

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

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, 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

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

15. PENDING CLAIM.

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

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

16. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2013 and June 30, 2012, the Corporation transferred $11,000,000 and $25,100,000, respectively, to the State of Louisiana Treasury. The transfer was required as a result of recently-enacted State of Louisiana legislation.

17. RECLASSIFICATIONS

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

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

LOUISIANA HOUSING CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
LOUISIANA HOUSING CORPORATION'S OPEB PLAN
JUNE 30, 2011 THROUGH 2013

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]
7/1/12	-0-	$ 5,094,900	$ 5,094,900	0%	$6,583,334	77.4%
7/1/11	-0-	$ 4,982,700	$ 4,982,700	0%	$6,484,872	76.9%
7/1/10	-0-	$ 6,411,000	$ 6,411,000	0%	$5,334,859	120%

OTHER SUPPLEMENTARY INFORMATION

Louisiana Housing Corporation
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2013

CONTENTS

Schedules

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

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2013

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

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

LLAFileroom@lla.la.gov.

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Rene Landry, Chief Fiscal Officer of Louisiana Housing Corporation who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position at June 30,2013 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 30th day of August, 2013

Signature of Agency Official

NOTARY PUBLIC
LORETTA WALLACE ID #053916

Prepared by: Rene John Landry

Title: Chief Fiscal Officer

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

Date: August 30, 2013

Email Address: rlandry@lhc.la.gov

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, 2013.

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Statement A

ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	$	1,010,556
Restricted Cash and Cash Equivalents		
Investments		44,614,958
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		194,140
Due from other funds (Note Y)		117,878
Due from federal government		2,139,351
Inventories		
Prepayments		
Notes Receivable		1,155,747
Other Current Assets		958,334
Total current assets		50,190,964
NONCURRENT ASSETS		
Restricted assets (Note F)		
Cash		20,683,905
Investments		7,212,263
Receivables		47,182,486
Capital assets net of depreciation		13,825,049
Notes Receivable		127,088,329
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		712,338
Depreciable land improvements		60,283
Buildings and improvements		82,195,743
Machinery and equipment		791,906
Intangible assets		-
Construction/Development-in-progress		62,328
Other noncurrent assets		
Total noncurrent assets		299,814,630
Total assets	$	350,005,594
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	$	
Total assets and deferred outflow of resources	$	350,005,594

STATE OF LOUISIANA **Statement A**
LOUISIANA HOUSING CORPORATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals (Note V)	$	1,750,078
Liabilities payable from restricted assets (Note Z)		17,641,346
Due to other funds (Note Y)		
Due to federal government		77,421
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities (Note K)		
Contracts payable		
Compensated absences payable		955,348
Capital lease obligations		
Claims and litigation payable		
Notes payable (debentures)		13,714,128
Pollution remediation obligation		
Bonds payable (include unamortized costs)		781,218
Other long-term liabilities		
Total current liabilities		34,919,539
NONCURRENT LIABILITIES		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		12,711,108
OPEB payable		5,723,056
Other long-term liabilities		
Total noncurrent liabilities		18,434,164
Total liabilities		53,353,703
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivatives	$	
Deferred service concession arrangement receipts		
Total deferred inflows of resources		-
NET POSITION		
Net investment in capital assets		80,672,781
Restricted for		
Capital projects		
Debt sesrvice		
Unemployment compensation		
Other specific purposes		174,660,438
Unrestricted		41,318,672
Total net position		296,651,891
Total liabilities, deferred inflows of resources, and net position	$	350,005,594

The accompanying notes are an integral part of this financial statement

STATE OF LOUISIANA **Statement B**

LOUISIANA HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUE	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	10,630,406
Federal grants and contracts	
State, local and nongovernmental grants and contracts	
Other	1,671,539
Total operating revenues	12,301,945
OPERATING EXPENSES	
Cost of sales and services	
Administrative	13,292,497
Depreciation	326,496
Interest	93,588
Total operating expenses	13,712,581
Operating income(loss)	(1,410,636)
NON-OPERATING REVENUES(EXPENSES)	
Transfer to state treasury	(11,000,000)
Federal grants drawn	164,216,587
Program income	2,155,200
Restricted interest and investment income	6,727,599
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grant funds disbursed	(160,391,949)
Interest expense	(1,143,409)
Other revenue	
Other expense	(26,030,638)
Total non-operating revenues(expenses)	(25,466,610)
Income(loss) before contributions, extraordinary items, & transfers	(26,877,246)
Capital contributions	
Extraordinary item	
Transfers in	6,462,345
Transfers out	
Change in net assets	(20,414,901)
Total net assets – beginning	317,066,792
Total net assets – ending	$ 296,651,891

The accompanying notes are an integral part of this financial 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 directly 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 13th period, plus 14th 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 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

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Statement C

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Entity	$ 209,298,303	$ 10,630,406	$ 166,371,787	$	$ (32,296,110)
General revenues					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					8,271,546
Miscellaneous expenses					(2,852,682)
Special items					
Extraordinary item					
Transfers					6,462,345
Total general revenues, special items, and transfers					11,881,209
Change in net assets					(20,414,901)
Net position - beginning as restated					317,066,792
Net position - ending					$ 296,651,891

The accompanying notes are an integral part of this statement

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Statement D

Cash flows from operating activities		
Cash receipts from fee revenue collected	$ 12,061,279	
Cash receipts from investment and mortgage loan income	2,241,657	
Cash receipts from mortgage collections	25,880	
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(3,024,403)	
Cash payments to employees for services	(9,378,014)	
Cash payments to bondholders and creditors for interest	(76,861)	
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		1,849,538
Cash flows from non-capital financing activities		
Net transfers from (to) MRB programs	6,462,345	
Federal receipts	165,084,055	
Federal disbursements	(159,050,110)	
Mortgage collections	2,333,659	
Mortgage purchases	(8,617,698)	
Issuance of bonds	9,995,000	
Repayment/redemption of bonds	(12,735,000)	
Net change in escrow accounts	(192,186)	
Interest paid on bonds and debentures payable	(616,633)	
Other non-operating income	(7,631,347)	
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		(4,967,915)
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds	(740,000)	
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(548,836)	
Loss on disposal of equipment		
Capital contributions		
Deposits with trustees		
Other (*** provide explanation)		
Net cash provided(used) by capital and related financing activities		(1,288,836)
Cash flows from investing activities		
Purchases of investment securities	(33,522,951)	
Proceeds from sale of investment securities	36,654,848	
Net cash from rental properties	1,410,021	
Net cash provided(used) by investing activities		4,541,918
Net increase(decrease) in cash and cash equivalents		134,705
Cash and cash equivalents at beginning of year		21,559,756
Cash and cash equivalents at end of year		$ 21,694,461

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Statement D
(concluded)

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

Operating income(loss)		$ (1,410,636)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities		
Depreciation/amortization	326,496	
Net change in fair value	663,655	
Other	16,727	
Changes in assets and liabilities		
(Increase)decrease in accrued interest receivable	34,055	
(Increase)decrease in due from governments	1,655,566	
(Increase)decrease in due from MRB programs	21,320	
(Increase)decrease in inventories		
(Increase)decrease in other assets	(609,559)	
Increase(decrease) in accounts payable and accruals	588,936	
Increase(decrease) in compensated absences payable	70,740	
Increase(decrease) in due to other funds		
Increase(decrease) in mortgage loans	25,880	
Increase(decrease) in OPEB payable	466,358	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ 1,849,538

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:	$ -

The accompanying notes are an integral part of this statement

LOUISIANA HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

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)**

There are none; therefore, not applicable.

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

Amount includes $1,603,644 of receipts from investments and interest, $3,317,399 of net mortgage write-offs offset by an $11,000,000 transfer to the State of LA and $1,552,390 of other operating disbursements for a total of $7,631,347.

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

There are none; therefore, not applicable.

STATE OF LOUISIANA
Louisiana Housing Corporation
Notes to the Financial Statement
As of and for the year ended June 30, 2013

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 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.

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 Authorities Law, R.S. 40 381 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 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 principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles

The accompanying financial statements of the 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. BUDGETARY 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 entity 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 Statutes, the entity 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.

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 entity'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 entity 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 States Treasury which are backed by the full faith and credit of the United States government.

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

The deposits at June 30, 2013, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Money market funds)	Total
Deposits per statement of net position (Reconciled bank balance)	$ 11,076,446	$	$ 10,616,865	$ 21,693,311
Deposits in bank accounts per bank	$ 11,626,792	$	$ 10,616,865	$ 22,243,657
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	$ 11,266,728
2	Capital One Bank	General	355,246
3	Federal Home Loan Bank	General	4,818
4	Whitney Bank	General and Elderly	10,616,865
	Total		$ 22,243,657

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	$	1,150

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 investment 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 agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. <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>

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
Type of Investment	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept or Agent Not in Entity's Name	Reported Amount Per Statement of Net Position	Fair Value
Negotiable CDs	$	$	$	$
Repurchase agreements				
U S Government Obligations **			738,500	738,500
U S Agency Obligations***			28,139,449	28,139,449
Common & preferred stock				
Mortgages (including CMOs & MBSs)			22,166,235	22,166,235
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other (Whole loans)			146,056	146,056
Other (State of LA bonds)			636,981	636,981
Total investments	$ -	$ -	$ 51,827,221	$ 51,827,221

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

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U S government (See 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 credit 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 Investments

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

Standard and Poor's	AA	$	51,827,221
	Total	$	51,827,221

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	$ 738,500	$	$ 738,500	$	$
U.S. Agency obligations	28,139,449		230,162	8,198,617	19,710,670
Mortgage backed securities	22,166,235		102,884	553,220	21,510,131
Collateralized mortgage obligations	-				
Corporate bonds	-				
Other bonds (State of LA)	636,981			636,981	
Mutual bond funds	-				
Other	146,056		146,056		
Total debt investments	$ 51,827,221	$ -	$ 1,217,602	$ 9,388,818	$ 41,220,801

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 represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

Issuer		Amount	% of Total Investments
Federal National Mortgage Association	$	21,235,810	41%
Federal Home Loan Mortgage Corporation		6,903,639	14%
Total	$	28,139,449	

D. Foreign Currency Risk

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

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

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 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 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 It is the entity's policy to limit its investments to those issued 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.

STATE OF LOUISIANA
Louisiana Housing Corporation
Notes to the Financial Statement
As of and for the year ended June 30, 2013

Schedule of Capital Assets (includes capital leases)

Agency	Balance 6/30/2012	Prior Period Adjustments	Restated Balance 6/30/2012	Additions	* Reclassification of CIP	** Retirements	Balance 6/30/2013
Capital assets not depreciated							
Land	$ 712,338	$	$ 712,338	$ -	$ -	$ -	$ 712,338
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress	12,344,856		12,344,856	1,699,223	(13,981,751)	-	62,328
Total capital assets not depreciated	$ 13,057,194	$ -	$ 13,057,194	$ 1,699,223	$ (13,981,751)	$ -	$ 774,666
Other capital assets							
Depreciable land improvements	$ 130,940	$ -	$ 130,940	$ -	$ -	$ -	$ 130,940
** Accumulated depreciation	(64,111)		(64,111)	(6,546)	-	-	(70,657)
Total land improvements	66,829	-	66,829	(6,546)	-	-	60,283
Buildings	92,161,276	-	92,161,276	-	13,981,751	-	106,143,027
** Accumulated depreciation	(7,182,738)	-	(7,182,738)	(2,939,497)	-	-	(10,122,235)
Total buildings	84,978,538	-	84,978,538	(2,939,497)	13,981,751	-	96,020,792
Machinery & equipment	2,544,124	-	2,544,124	486,507	-	(116,810)	2,913,821
** Accumulated depreciation	(2 041,701)	-	(2,041,701)	(197,024)	-	116,810	(2,121,915)
Total machinery & equipment	502,423	-	502,423	289,483	-	-	791,906
Infrastructure			-				-
** Accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 85,547,790	$ -	$ 85,547,790	$ (2,656,560)	$ 13,981,751	$ -	$ 96,872,981
Capital asset summary							
Capital assets not depreciated	$ 13,057,194	$ -	$ 13,057,194	$ 1,699,223	$ (13,981,751)	$ -	$ 774,666
Other capital assets, book value	94,836,340	-	94,836,340	486,507	13,981,751	(116,810)	109,187,788
Total cost of capital assets	107,893,534	-	107,893,534	2,185,730	-	(116,810)	109,962,454
Accumulated depreciation/amortization	(9,288,550)	-	(9,288,550)	(3,143,067)	-	116,810	(12,314,807)
Capital assets, net	$ 98,604,984	$ -	$ 98,604,984	$ (957,337)	$ -	$ -	$ 97,647,647

* 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, their cost, and accumulated amortization for each type of intangible assets reported.

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E. INVENTORIES-N/A

F. RESTRICTED ASSETS

Restricted assets in the Corporation at June 30, 2013, reflected at $215,992,032 in the non-current assets section on Statement A, consist of $20,683,905 in cash and cash equivalents, $7,212,263 in investments, 47,182,486 in accrued interest receivable, $13,825,049 in capital assets and $127,088,329 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: (Describe leave policy.)

An example disclosure follows:
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 or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2013 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $955,348 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 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.S. 11:102 The contribution rates were 29.1%, 25.6% and 22% for the years ended June 30, 2013, 2012 and 2011, respectively. The Corporation contributions to the System for the years ended June 30, 2013, 2012 and 2011 were $2,286,255, $1,592,704 and $1,468,158, 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) 922-0608 or (800) 256-3000

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 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, 2012, to be used for fiscal year ending June 30, 2013." Report note disclosures for other plans, not administrated by OGB, separately.

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	6/30/2013
1 * ARC	553,100 00
2 * Interest on NOO	210,268 00
3 * ARC adjustment	(200,867 00)
4 * Annual OPEB Expense (1 + 2 - 3)	562,501 00
5 Contributions (employer pmts to OGB for retirees' cost of 2013 insurance premiums)	(96,143 00)
6 Increase in Net OPEB Obligation (4 - 5)	466,358 00
7 *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	5,256,698 00
8 **NOO, end of year (6 + 7)	5,723,056 00

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending June 30, 2013."

**This should be the same amount as that shown on the statement of net position for the year ended June 30, 2013 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, 2013:

	Year ended June 30, 2013				
	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 13,714,128	$ -	$	$ 13,714,128	$ 13,714,128
Bonds payable	16,988,544	9,995,000	13,491,218	13,492,326	781,218
Total notes and bonds	30,702,672	9,995,000	13,491,218	27,206,454	14,495,346
Other liabilities:					
Contracts payable				-	
Compensated absences payable				-	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	5,256,698	466,358	-	5,723,056	-
Other long-term liabilities				-	
Total other liabilities	5,256,698	466,358	-	5,723,056	-
Total long-term liabilities	$ 35,959,370	$ 10,461,358	$ 13,491,218	$ 32,929,510	$ 14,495,346

(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 <u>not</u> 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 event 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 not 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 to determine outcome)	$ 1,000,000.00	$ 0
			$ 1,000,000 00	$ 0

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

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

<u>Note</u>: 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 even if there is only a remote chance that the government will be called on to honor its guarantee. ______________________________

____

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. <u>Show each possible disallowance on a separate line in the chart</u>.

	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, 2013, the Corporation transferred $11,000,000 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:

These financial statements include the implementation of GASB Statement 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Both of these statements were effective for financial reporting periods beginning after December 15, 2011. GASB Statement 62 supersedes GASB Statement 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* Implementation of the two pronouncements had no effect on the July 1, 2012 beginning balance of the Corporation's fund net position

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 2003A Multifamily Mortgage Revenue Bonds (Section 8 Assisted - 202 Elderly Projects). This refunding became necessary when, in 2005, Hurricane Katrina severely damaged eleven of the eighteen projects financed with the Series 2003A bonds. The distribution resulted in an extraordinary mandatory redemption of the Series 2003A bonds from casualty proceeds. Once the Series 2003A bonds had been redeemed, due to the redemption structure of the bonds and loss of expected surplus revenues on the projects, cash flows for the Series 2003A bonds no longer provided assurance that principal and interest on the bonds would be paid when due. 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 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 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, 2013 and 2012, $-0- and $7,130,000, respectively, 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 TRANSACTIONS (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, 2013, were as follows.

Fund (gen fund, gas tax fund, etc)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General fund	$	$	$	$ 194,140	$ 194,140
Gross receivables	$ -	$ -	$ -	$ 194,140	$ 194,140
Less allowance for uncollectible accounts					
Receivables, net	$ -	$ -	$ -	$ 194,140	$ 194,140
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2013, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	$ 1,404,368	$ 133,123	$	$ 212,587	$ 1,750,078
					-
Total payables	$ 1,404,368	$ 133,123	$ -	$ 212,587	$ 1,750,078

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	$117,878
Total due from other funds		$117,878

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

Type of Fund	Name of Fund	Amount
NA		$
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	$6,462,345
Total transfers from other funds		$6,462,345

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, 2013 reflected at $17,641,346 in the liabilities section on Statement A, consist of $2,907,740 interest payable, $6,541,706 in deferred revenue, and $8,191,900 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 2013 on a full accrual basis:
$2,687,323

Provide your entity's ARRA expenses in FY 2013 on a full accrual basis:
$2,687,323

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	174,660,438
Public Safety	
Transportation and Development	

HH. SERVICE CONCESSION ARRANGEMENTS-N/A

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2013

Name	Amount
Michael Airhart	$ 600
Larry Ferdinand	100
Mayson Foster	650
Ellen Lee	650
Matthew Ritchie	650
Willie Spears	650
Total	$ 3,300

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.

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2013

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/12	Redeemed (Issued)	Principal Outstanding 6/30/2013	Interest Rates	Interest Outstanding 6/30/13
HUD Debentures	4-28-06	$29,020,292	$13,714,128	$-0-	$13,714,128	4.5%	$2,907,740
Total		$29,020,292	$13,714,128	$-0-	$13,714,128		$2,907,740

*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2013

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/12	Redeemed (Issued)	Principal Outstanding 6/30/13	Interest Rates	Interest Outstanding 6/30/13
Series:							
2003A deferred amount	11/1/06	$405,445	$313,544	$(16,218)	$297,326	NA	NA
2006A	11/1/06	20,600,000	12,735,000	(12,735,000)	-0-	NA	NA
2010	6/30/10	5,330,000	3,940,000	(740,000)	3,200,000	2-3.25%	-0-
2013	5-17-13	9,995,000	-0-	9,995,000	9,995,000	2.5%	-0-
Total		$36,330,445	$16,988,544	$3,496,218	$13,492,326		$-0-

***Note: Principal outstanding (bond series minus unamortized costs) at 6/30/13 should agree to bonds payable on the statement of net position.**

Send copies of new amortization schedules for bonds and unamortized costs.

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2013

Fiscal Year Ending:	Principal	Interest
2014	$ 13,714,128.00	$ 2,907,740.00
2015		
2016		
2017		
2018		
2019-2023		
2024-2028		
2029-2033		
2034-2038		
Total	$ 13,714,128.00	$ 2,907,740.00

STATE OF LOUISIANA
LOUISIANA HOUSING CORPORATION
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2013

Fiscal Year Ending:	Principal	Interest
2014	$ 765,000	$ 340,931
2015	790,000	324,393
2016	810,000	304,368
2017	835,000	279,662
2018		266,093
2019		266,093
2020		266,093
2021		266,093
2022		266,093
2023		266,093
2024		266,093
2025		266,093
2026		266,093
2027		266,093
2028		266,093
2029		266,093
2030		266,093
2031		266,093
2032	9,995,000	130,340
2033		
2034		
2035		
2036		
2037		
2038		
Subtotal	13,195,000	5,104,996
Unamortized Discounts/Premiums		
Total	$ 13,195,000	$ 5,104,996

***Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/13 should agree to bonds payable on the statement of net position.**

STATE OF LOUISIANA

LOUISIANA HOUSING CORPORATION

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below If the change is greater than **$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	2013	2012	Difference	Percentage Change
1) Revenues	$ 185,401,331	$ 284,579,548	$ (99,178,217)	$ (34.9)%
Expenses	212,278,577	261,002,839	(48,724,262)	(18.7)%
2) Capital assets	97,647,647	98,604,984	(957,337)	(1.0)%
Long-term debt	27,206,454	30,702,672	(3,496,218)	(11 4)%
Net position	296,651,891	317,066,792	(20,414,901)	(6.4)%

Explanation for change:

Revenues: Revenues dropped due to a decrease in federal grants received.

Expenses: Expenses dropped due to a decrease in federal grants disbursed and a decrease in amounts transferred to the State of Louisiana.

Net postion: Net position dropped due to an increase in non-operating expenses. Federal grant disbursements, the provision for loan losses and the transfer to the State of Louisiana exceeded Federal grants received.

SCHEDULED BOND DEBT SERVICE REPORT

Louisiana Housing Finance Agency
Multifamily Housing Revenue Bonds
(Section 8 Assisted - 202 Elderly Projects)
Refunding of 2006A
Series 2013 (Non-AMT)
$9,995,000 Final Cash Flows

	Bond Debt Service				Bond Valuation	
Date	Maturing Principal	Interest Paid	Total Debt Serv	Total Bond Payment	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	9,995,000	9,995,000
Jun 1, 2014	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2014	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2015	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2015	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2016	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2016	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2017	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2017	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2018	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2018	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2019	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2019	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2020	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2020	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2021	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2021	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2022	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2022	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2023	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2023	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2024	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2024	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2025	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2025	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2026	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2026	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2027	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2027	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2028	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000

SCHEDULED BOND DEBT SERVICE REPORT

Louisiana Housing Finance Agency
Multifamily Housing Revenue Bonds
(Section 8 Assisted - 202 Elderly Projects)
Refunding of 2006A
Series 2013 (Non-AMT)
$9,995,000 Final Cash Flows

	Bond Debt Service				Bond Valuation	
Date	Maturing Principal	Interest Paid	Total Debt Serv	Total Bond Payment	Bond Balance	Accreted Bond-Value
Dec 1, 2028	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2029	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2029	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2030	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2030	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Jun 1, 2031	-	124,938	124,937 52	124,937 52	9,995,000	9,995,000
Dec 1, 2031	9,995,000	124,938	10,119,937 52	10,119,937 52	-	-
	9,995,000	4,632,406	14,627,405 60	14,627,405 60		

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

LOUISIANA HOUSING CORPORATION
(STATE OF LOUISIANA)

JUNE 30, 2013

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA

INDEX TO REPORT

JUNE 30, 2013

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

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MEMBERS
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A.J DUPLANTIER JR, C P.A. (1919-1985)
FELIX J HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

August 30, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing* Standards, issued by the Comptroller General of the United States, the financial statements of the Louisiana Housing Corporation, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Louisiana Housing Corporation's basic financial statements, and have issued our report thereon dated August 30, 2013.

Internal Control over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Housing 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

Duplantier, Hrapmann, Hogan & Maher, LLP

WILLIAM G STAMM, C P.A.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

August 30, 2013

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

Report on Compliance for Each Major Federal Program

We have audited Louisiana Housing Corporation's compliance with the types of compliance requirements described in the *U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Louisiana Housing Corporation's major federal programs for the year ended June 30, 2013. Louisiana Housing 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Louisiana Housing 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 Louisiana Housing Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances

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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 Louisiana Housing Corporation's compliance

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the 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, 2013.

Report on Internal Control Over Compliance

Management of the Louisiana Housing 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 Louisiana Housing 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 Louisiana Housing 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Louisiana Housing Corporation as of and for the year ended June 30, 2013, and have issued our report thereon dated August 30, 2013 which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Louisiana Housing Corporation's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the 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 basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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	LA800CC0001	$ 82,845,642
	14 195	Housing Assistance Payments	Admin		2,645,533
		Total Section 8 Funds			85,491,175
HUD	14 239	HOME Investment Partnerships Program		None	20,275,630
HUD	14 188	Housing Finance Agency Risk Sharing Program (Amount of outstanding loan guarantees)		None	11,548,873
HUD	14 231	Emergency Solutions Grant	2011 Funds	E-11-DC-22-0001	296,801
	14 231	Emergency Solutions Grant	2012 Funds	E-11-DC-22-0001	196,499
	14 231	Emergency Solutions Grant	Admin		112,057
		Total Emergency Solutions Funds			605,357
HUD	14 238	Shelter Plus Care		LA0001C6H99081	4,261,468
	14 238	Shelter Plus Care	Admin		69,002
		Total Shelter Plus Care Funds			4,330,470
HUD	14 871	Section 8 Housing Choice Vouchers		LA903VO0031	6,267,165
	14 871	Section 8 Housing Choice Vouchers	Admin		157,011
		Total Section 8 Housing Choice Voucher Funds			6,424,176
DHHS	93 568	Low Income Housing Energy Assistance Program (LIHEAP)	2011 Funds	2011 – G-11B1LALIEA	4,731,083
			2012 Funds	2012 – G-12B1LALIEA	18,450,746
			2013 Funds	2013 – G-1301LALIEA	21,283,072
			Admin		611,591
			Refunds received		(37,740)
		Total LIHEAP Funds			45,038,752
HUD	14 228	Neighborhood Stabilization Program (NSP)	2009 Funds	None	7,064,508
	14 228	Neighborhood Stabilization Program (NSP)	Admin		866,575
	14 228	CDBG - Disaster Recovery Funds	2006 Funds	B-06-DG-22-0001	45,219
			Admin		4,857
	14 228	CDBG - Non-Profit Rebuilding Pilot Program (NRPP)	2009 Funds	B-08-DI-22-0001	1,292,975
			Admin		133,015
		Total CDBG Funds			9,407,149

Continued

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Name of Agency or Department	CFDA or Other No	Name of Program	Name of Grant	Federal Grant Contract #	Total Awards Expended
Dept of Treasury	21 000	National Foreclosure Mitigation Counseling Program (NFMC)	2010 Funds	PL112-1095X1350	3,187
			2011 Funds	None	54,900
		Total NFMC Funds			58,087
DOE	81 042	ARRA – Weatherization Assistance Program		DE-EE0000122	$ 2,574,288
			Admin	None	113,035
	81 042	Weatherization Assistance Program (WAP)	Refunds received		(123,314)
			2012 Funds	DE-EE0000201	242,406
			2013 Funds	DE-EE0000201	1,342,960
			Admin	None	83,698
			PVE Funds	None	98,402
		Total WAP Funds			4,331,475
		Total expenditures			$ 187,511,144

See accompanying notes to the schedule of expenditures of federal awards

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided
Low Income Housing Energy Assistance Program (LIHEAP)	93.568	$ 44,427,161
Weatherization Assistance Program (WAP)	81 042	1,462,051
WAP Express (Petroleum Violation Fund)	N/A	98,402
ARRA – Weatherization Assistance Program	81.042	2,574,288
		$ 48,561,902

NOTE C – PROGRAM INCOME

In accordance with terms of the loans funded under the HOME Program, program income totaling $1,525,158 was collected That amount was used to reduce the amount of federal funds that would have been drawn to fund various single family and multifamily projects. The income was comprised of mortgage loan collections of principal and interest. The expenditure of the program income is included in the accompanying schedule of expenditures of federal awards.

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE D – RECONCILIATION TO THE FINANCIAL STATEMENTS

Per financial statements:	
Federal awards expensed (nonoperating)	$ 160,391,949
Mortgage loans issued (capitalized)	6,217,715
Capital asset additions (capitalized)	1,636,895
HUD Risk Sharing Mortgage Loans	11,548,873
Administrative costs within operating expenses	7,715,712
Per schedule of expenditures of federal awards	$ 187,511,144

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

A Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

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

Federal Awards

Internal control over major programs:

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

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

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

LOUISIANA HOUSING FINANCE AGENCY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Identification of major programs:

CFDA Numbers	Name of Federal Program
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
81.042	Weatherization Assistance for Low-Income Persons
93.568	Low-Income Home Energy Assistance

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

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

LOUISIANA HOUSING CORPORATION
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

None noted.