

REPORT
LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS

INDEX TO REPORT

JUNE 30, 2018

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	4 - 9
FINANCIAL STATEMENTS:	
Combined Statement of Net Position.....	10 - 11
Combined Statement of Revenues, Expenses and Changes in Net Position	12 - 13
Combined Statement of Cash Flows	14 - 15
Notes to Combined Financial Statements.....	16 - 56
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the Corporation's Proportionate Share of Collective Total OPEB Liability	57
Schedule of the Corporation's Proportionate Share of Net Pension Liability	58
Schedule of the Corporation's Pension Contributions	59
Notes to Required Supplementary Information.....	60 - 61
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Per Diem Paid to Board Members.....	62

(Continued)

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS

INDEX TO REPORT

JUNE 30, 2018

	<u>PAGE</u>
SUPPLEMENTARY COMBINING INFORMATION:	
Combining Statement of Net Position	63 - 64
Combining Statement of Revenues, Expenses and Changes in Net Position	65 - 66
Combining Statement of Cash Flows	67 - 68
SUPPLEMENTARY MORTGAGE REVENUE BOND PROGRAMS COMBINING INFORMATION:	
Combining Statements of Net Position.....	69 - 75
Combining Statements of Revenues, Expenses and Changes in Net Position.....	76 - 82
Combining Statements of Cash Flows.....	83 - 96
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 <i>GOVERNMENT AUDITING STANDARDS</i>	97 - 98
SCHEDULE OF FINDINGS	99 - 100



Duplantier
Hrapmann
Hogan &
Maher, LLP

INDEPENDENT AUDITOR'S REPORT

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

September 17, 2018

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

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the Louisiana Housing Corporation (the Corporation), which comprise the combined financial statement of net position as of June 30, 2018, and the related combined statement of revenues, expenses and changes in net position, and combined cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. 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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the Corporation as of June 30, 2018, and the respective changes in combined financial position and combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 16 for the year ended June 30, 2018, the Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard required the Corporation to record its proportionate share of OPEB amounts related to its participation in a multiple-employer defined benefit OPEB plan, restating the earliest year presented. As a result of the adoption of the new accounting standard, the Corporation's beginning net position decreased by \$3.2 million, beginning collective total OPEB liability increased by \$3.4 million and beginning deferred outflows increased by \$161 thousand for the year ended June 30, 2018.

Other Matters

Required Supplementary Information

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

assurance on the information 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 an opinion on the combined financial statements as a whole. The Schedule of Per Diem Paid to Board Members, the supplementary combining information, and the supplementary mortgage revenue bond programs combining information, as listed in the index to the report, are presented for purposes of additional analysis and are not a required part of the basic combined financial statements.

The Schedule of Per Diem Paid to Board Members, the supplementary combining information, and the supplementary mortgage revenue bond programs combining information, as listed in the index to the report, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of the 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 the Louisiana Housing Corporation's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Management's Discussion and Analysis of the Louisiana Housing Corporation's (the Corporation) financial performance presents a narrative overview and analysis of the Corporation's financial activities for the year ended June 30, 2018. This document focuses on the Corporation's current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. The results used in this analysis are rounded to the nearest thousandth or millionth, as indicated. Please read this document in conjunction with the Corporation's combined financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$367.5 million, which represents a 0.6% increase from last fiscal year.
- Total operating revenues increased by \$3.3 million, or 15.2%, primarily due to an increase in the mortgage loan interest on existing accounts with the agency.
- Total operating expenses decreased by \$1.2 million, or 3.9%, primarily due to economies of scales from operations.

OVERVIEW OF THE COMBINED FINANCIAL STATEMENTS

The combined financial statements present information for the Corporation as a whole, in a format designed to make the statements easier for the reader to understand. The combined financial statements comprise three components 1) Management's Discussion and Analysis, 2) Basic Financial Statements (including the notes to the combined financial statements), and 3) Required Supplementary Information. This report also contains other supplementary information in addition to the combined financial statements themselves.

Basic Financial Statements

The basic financial statements include the Combined Statement of Net Position, the Combined Statement of Revenues, Expenses and Changes in Net Position and the Combined Statement of Cash Flows.

The Combined Statement of Net Position presents information on all of the Corporation's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may provide a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

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

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

OVERVIEW OF THE COMBINED FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

The Combined Statement of Cash Flows presents information showing how the Corporation'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 *Government Accounting Standards*.

The notes to the combined financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Combined Statements of Net Position
June 30, 2018 and 2017
(In Thousands)

	2018	2017
Unrestricted assets	\$ 14,834	\$ 14,055
Restricted assets	785,888	864,909
Capital assets	71,323	74,109
Total assets	872,045	953,073
Deferred outflows of resources	4,903	5,498
Total assets and deferred outflows of resources	\$ 876,948	\$ 958,571
Other liabilities	\$ 13,751	\$ 13,653
Long-term obligations	487,949	570,740
Total liabilities	501,700	584,393
Deferred inflows of resources	7,782	8,941
Net position:		
Net investment in capital assets	71,324	74,109
Restricted	324,701	318,898
Unrestricted	(28,559)	(27,770)
Total net position	367,466	365,237
Total liabilities, deferred inflows of resources and net position	\$ 876,948	\$ 958,571

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Amounts invested in capital assets represent the carrying amount of property and equipment less depreciation. Restricted net position represents those assets that are not available for spending as a result of legal restraints and grant requirements. Unrestricted net position represents unrestricted assets, net of obligations, to support the general operations and investments of the Corporation.

Net position increased by \$2.2 million, or 0.6%, from June 30, 2017, to June 30, 2018. This increase in net position can be primarily attributed to an increase in mortgage loans.

Condensed Combined Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2018 and 2017
(In Thousands)

	2018	2017
Operating revenues	\$ 25,267	\$ 21,929
Operating expenses	30,307	31,555
Operating income (loss)	(5,040)	(9,626)
Non-operating revenues	10,816	23,846
Income before transfers and contributions	5,776	14,220
Distributions to third parties	(304)	(500)
Increase in net position	\$ 5,472	\$ 13,720

Total operating revenues increased by \$3.3 million, which represents a 15.2% increase from last fiscal year. This increase was primarily as a result of mortgage loan interest on existing accounts with the agency.

Total operating expenses decreased by \$1.2 million, which represents a 3.9% decrease from last fiscal year. This decrease was primarily a result of economies of scales from operations.

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the Corporation had \$83 million invested in a broad range of capital assets, including two facilities located in Baton Rouge, two completed apartment complexes in New Orleans, and an apartment complex in Baton Rouge (see table below). This amount represents a net decrease (including additions and deductions) of \$3.3 million, or a 4% decrease compared to the prior year.

Capital Assets at Year-End

	(in thousands)	
	June 30	
	2018	2017
Land	\$ 1,022	\$ 1,022
Land improvements (net of accumulated depreciation)	28	34
Building (net of accumulated depreciation)	81,525	84,587
Equipment (net of accumulated depreciation)	191	287
Construction in Progress	-	89
	\$ 82,766	\$ 86,019

Changes in capital assets for the years ended June 30, 2018 and 2017 include:

	(in thousands)	
	2018	2017
Equipment acquisitions and replacements	\$ 103	\$ 19
Depreciation (net of disposals)	(3,267)	(3,361)
Disposals	(89)	-

Debt Administration

The Corporation had \$427.2 million in bonds and debentures outstanding at year-end, compared to \$476.1 million at the end of last fiscal year, a decrease of \$48.8 million, or a 10.3% decrease, as shown in the table below. This decline was primarily due to paydown of balances from refinancing.

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt Administration (Continued)

Outstanding Debt at Year-end

	(in thousands)	
	June 30	
	2018	2017
Mortgage Revenue Bonds	\$ 423,853	\$ 469,201
General Obligation Bonds Series 2013	1,045	1,495
Debentures payable	2,325	5,362
Total outstanding debt	\$ 427,223	\$ 476,058

The Corporation's Moody's bond rating was A1 for the general revenue bonds and the 202 Elderly MR Bonds. The Corporation's Single Family Mortgage Revenue Bonds carry an AAA rating.

The Corporation has accounts payable and accrued interest payable of \$11.3 million outstanding at year-end compared with \$11.2 million last year, an increase of \$0.1 million, or an increase of 0.9% compared to the prior year.

Long-term obligations consist of accrued vacation pay and sick leave, debentures and bonds payable, the net pension liability, other postemployment benefits payable and amounts held in escrow.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- The Corporation's administration of its current sustainable housing programs, as well as the addition of programs related to the 2016 Flood Recovery activities, will generate additional administrative revenue for the Corporation.
- It is anticipated that the Corporation will recognize additional HOME program income that will provide added programmatic funding, as well as administrative revenue.
- The Single Family programs continue to be successful in generating added loans, along with related administrative fee revenues.
- The HUD Disposition properties continue to provide several units of affordable housing, as well as related equity returns to the Corporation.

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

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

- HUD plans to move forward with a competitive process to award new Section 8 Contract Administration contracts. The Corporation anticipates that it will seek to continue to be a participant in the program, and will likely continue to operate the current contract through at least December 31, 2018, with a possibility of continuing through the end of fiscal year 2019. The fiscal year 2019 operating budget reflects revenues through December 31, 2018, in an effort to reflect a conservative revenue estimate.
- The Corporation expects that net results from operations will have a slight increase due to the recovery program year over year, so in that the increase in operating revenues will be mostly offset by increases in operating expenditures.
- Investment earnings are not relied upon as part of operating receipts in the fiscal year 2018 operating budget. The Corporation's operating budget contains only operating receipts and expenditures that reflect the operation of programs and the HUD Disposition properties.
- The Corporation continues to monitor the housing bond market, as well as current and developing trends in the affordable housing finance arena. The Corporation will continue work with its finance team and other partners in endeavoring to increase revenues and minimize expenses, while continuing to accomplish the mission of the Corporation.

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 Corporation's accountability for the funds it receives. If there are questions about this report, or if additional financial information is desired, contact Carlos Dickerson, C.F.O., 2415 Quail Drive, Baton Rouge, LA 70808.

LOUISIANA HOUSING CORPORATION
 COMBINED STATEMENT OF NET POSITION
JUNE 30, 2018

(In Thousands)

ASSETS:

Unrestricted Assets:

Cash and cash equivalents	\$	1,170
Cash and cash equivalents - Work Force Initiative		414
Investments		5,050
Investments - Work Force Initiative		3,811
Mortgage loans receivable		989
Accrued interest receivable		70
Other receivables		921
Due from other governments		2,245
Capital assets (net of accumulated depreciation of \$26,041)		71,323
Other assets		164
		86,157
Total Unrestricted Assets		86,157

Restricted Assets:

Cash and cash equivalents		109,876
Investments		28,821
Mortgage loans receivable and mortgage backed securities		
Single Family (net of allowance for loan losses of \$1,465)		203,050
Multifamily (net of allowance for loan losses of \$196,763)		364,789
Accrued interest receivable		67,909
Other assets		1
Capital assets (net of accumulated depreciation of \$2,863)		11,442
		785,888
Total Restricted Assets		785,888

Total Assets		872,045
--------------	--	---------

DEFERRED OUTFLOWS OF RESOURCES:

Deferred losses on mortgage revenue bonds		103
Deferred outflows of resources related to pensions		4,656
Deferred outflows of resources related to OPEB		144
		4,903
Total Deferred Outflows of Resources		4,903

TOTAL ASSETS AND DEFERRED OUTFLOWS
 OF RESOURCES

	\$	876,948
--	----	---------

(Continued)

LOUISIANA HOUSING CORPORATION
 COMBINED STATEMENT OF NET POSITION
JUNE 30, 2018

(In Thousands)

LIABILITIES:

Accounts payable and accrued liabilities	\$	3,040
Accrued interest payable		8,243
Amounts held in escrow		24,187
Bonds and debentures payable		427,223
Compensated absences		1,178
Due to other governments		2,468
Net pension liability		24,138
Other postemployment benefits payable		11,223
		<hr/>
Total Liabilities		501,700
		<hr/>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources related to debt refunding		1,215
Deferred inflows of resources related to unearned income		4,010
Deferred inflows of resources related to pensions		1,802
Deferred inflows of resources related to OPEB		755
		<hr/>
Total Deferred Inflows of Resources		7,782
		<hr/>

NET POSITION:

Net investment in capital assets		71,324
Restricted		324,701
Unrestricted		(28,559)
		<hr/>
Total Net Position		367,466
		<hr/>

TOTAL LIABILITIES, DEFERRED INFLOWS
 OF RESOURCES, AND NET POSITION

\$ 876,948

The accompanying notes are integral to these financial statements

LOUISIANA HOUSING CORPORATION
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

OPERATING REVENUES:

Low income housing tax credit program fees	\$	2,311
Federal program administrative fees		9,264
Interest and dividend income		21,353
Gain (loss) on investments/mortgage-backed securities		(8,786)
Single family turnkey program fees		600
Other		525
Total Operating Revenues		25,267

OPERATING EXPENSES:

Personnel services		9,919
Supplies		351
Travel		250
Operating services		1,565
Professional services		2,103
Interest		15,715
General and administrative		39
Depreciation		365
Total Operating Expenses		30,307
Operating Loss		(5,040)

NON-OPERATING REVENUES (EXPENSES):

Amortization of gain on refunding		155
Federal grants drawn		185,182
Federal grant funds disbursed		(176,703)
Interest expense		(32)
Net loss from rental property		(438)
Net loss from rental property - restricted		(648)
Provision for loan losses		(2,655)
Program income - HOME		84
Program income - 2016 Floods		627
Program income - CDBG		61
Program income - NRPP		39
Program income - HRP		7
Restricted mortgage loan interest income		5,481
Restricted investment income		14
Restricted unrealized loss		(428)
Investment income - Work Force Initiative		154
Unrealized loss - Workforce Initiative		(84)
Total Non-Operating Revenues (Expenses)		10,816

(Continued)

LOUISIANA HOUSING CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

Income before distributions to third parties	\$ 5,776
Distributions to third parties	<u>(304)</u>
Change in Net Position	5,472
NET POSITION - beginning of year, before restatement	365,237
Net effect of change in accounting principle	<u>(3,243)</u>
NET POSITION - end of year	<u>\$ 367,466</u>

The accompanying notes are integral to these financial statements.

LOUISIANA HOUSING CORPORATION
 COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from:

Fee revenue collected	\$	11,290
Interest and dividend income		20,750
Mortgage collections and mortgage-backed securities redeemed		125,821
Other		339

Cash paid to:

Suppliers of services		(5,782)
Mortgage loans and mortgage-backed securities purchased - MRB programs		(46,353)
Interest paid on bonds - MRB programs		(15,493)
Other operating expenses		(11)
Employees and benefit providers		(11,062)

Net cash provided by operating activities		79,499
---	--	--------

CASH FLOWS FROM NONCAPITAL
 FINANCING ACTIVITIES:

Net transfers/distributions		(304)
Receipt of federal grants		187,579
Disbursement of federal grants		(176,704)
Mortgage collections		5,371
Mortgage purchases		(10,202)
Other non-operating income		1,286
Issuance of bonds		54,544
Repayment of bonds		(102,800)
Net change in escrow accounts		(36,165)
Interest paid on bonds and debentures payable		(32)

Net cash used in noncapital financing activities		(77,427)
---	--	----------

CASH FLOWS FROM INVESTING ACTIVITIES:

Investments purchased		(26,014)
Investments redeemed		44,055
Interest payments received		661
Net change in activity of investment in rental properties		1,987

Net cash provided by investing activities		20,689
---	--	--------

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Purchase of property and equipment		(44)
Repayment of bonds		(450)

Net cash used in capital financing activities		(494)
---	--	-------

(Continued)

LOUISIANA HOUSING CORPORATION
 COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

NET INCREASE IN CASH AND CASH EQUIVALENTS:	\$ 22,267
CASH AND CASH EQUIVALENTS, beginning of year	89,193
CASH AND CASH EQUIVALENTS, end of year	\$ 111,460
Presented on Combined Statement of Net Position as:	
Unrestricted	\$ 1,584
Restricted	109,876
	\$ 111,460
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (5,040)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Amortization of bond discount/premium	(129)
Amortization of unearned (income) losses	(295)
Depreciation	365
(Gain) loss on investments/mortgage-backed securities	10,205
Change in net pension liability	(1,164)
Change in pension deferred inflows/outflows	(523)
Change in mortgage loans and mortgage-backed securities	78,049
Change in accrued interest receivable	(603)
Change in accrued interest payable	646
Change in due from governments	(2,102)
Change in accounts payable and accrued liabilities	(159)
Change in OPEB payable	(494)
Change in OPEB deferred inflows/outflows	772
Change in compensated absences payable	73
Change in other receivables	(86)
Change in other assets	(16)
Net cash provided by operating activities	\$ 79,499

The accompanying notes are integral to these financial statements

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

ORGANIZATION OF THE CORPORATION:

Louisiana Housing Corporation (the Corporation) 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.

Programs implemented by the Corporation consist of Mortgage Revenue Bond Programs, the Low Income Housing Tax Credit Program, the Louisiana Housing Trust Fund Program, the Neighborhood Stabilization Program, and various federal award programs including the Low Income Housing Energy Assistance Program, the Weatherization Assistance Program, HOME Investment Partnerships, Housing Choice Vouchers Program, Emergency Solutions Grant Program, Continuum of Care Program, Section 811 Program, Comprehensive Housing Counseling Program, and Section 8 Contract Administration. The powers of the Corporation are vested in a Board of Directors which is empowered to contract with outside parties to conduct the operations of programs it initiates. For the Mortgage Revenue Bond Programs it initiates, the Corporation utilizes mortgage lenders to originate and service mortgage and construction loans acquired under its single family and multi-family programs. The Corporation also utilizes various financial institutions to serve as trustees for each of its programs. The trustees administer the assets of the Mortgage Revenue Bond Programs held under trust pursuant to the trust indentures.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

The combined 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.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity:

The Corporation's combined financial statements include the activity of the General Fund and the Mortgage Revenue Bond Program Fund.

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

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

Due to the nature and significance of the relationship between the Corporation's General Fund and the State of Louisiana, the financial statements of the State would be misleading if the Corporation's General Fund financial statements were excluded. Accordingly, the State of Louisiana has determined that only the Corporation's General Fund is a component unit. The term "General Fund" refers to the fund that accounts for the Corporation's general operating activities and is not meant to denote a governmental type General Fund of a primary government. Separate financial statements for the General Fund were issued and can be found on the Louisiana Legislative Auditor's website.

Basis of Accounting:

The Corporation is considered a proprietary fund and is presented as a business type activity. Proprietary fund types use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. All assets and liabilities associated with the operations of the Corporation are included in the combined statement of net position. The combined statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its activities. Proprietary funds also distinguish operating revenue and expenses from non-operating items. Since the business of the Corporation is essentially that of a financial institution having a business cycle greater than one year, the combined statement of net position is not presented in a classified format.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

The following funds are maintained by the Corporation:

General Fund

The General Fund provides for the accounting of the Corporation, any allowable transfers from other funds, investments, and income there on and federal program transactions.

Mortgage Revenue Bond Program Funds

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

Single-family Mortgage Revenue Bond Program Funds - These funds are established under the single-family mortgage revenue bond trust indentures to account for the proceeds from the issuance of the single-family mortgage revenue bonds, the debt service requirements of the bond indebtedness, and mortgage loans purchased with bond proceeds. The single-family mortgage revenue bond programs promote residential home ownership for low and moderate income persons through the funding of low-interest mortgage loans and down-payment assistance.

Investments:

As required by GASB 72, *Fair Value and Measurement Application*, investments are reported at fair value. Fair value is described as an exit price. GASB 72 requires the Corporation to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. GASB 72 also establishes a hierarchy of inputs to valuation techniques used to measure fair value which has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Level 3 inputs are unobservable inputs, such as management's assumptions of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Program Mortgage Loans and Mortgage-Backed Securities:

Certain loans of the Mortgage Revenue Bond Program Fund programs have been pooled and packaged into mortgage-backed securities which were then purchased by the funds. The mortgage-backed securities consist of Government National Mortgage Association (GNMA) certificates, Federal National Mortgage Association (FNMA) certificates, Federal Home Loan Bank (FHLB) certificates, and Federal Home Loan Mortgage Corporation (FHLMC) certificates. The certificates are carried at fair market value.

Allowance for Loan Losses:

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

Capital Assets:

Capital assets are stated at cost less accumulated depreciation. All property and equipment with initial, individual costs of greater than \$5,000 is capitalized. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings	40	years
Equipment	3 - 7	years

Deferred Outflows and Inflows of Resources:

In addition to assets, the combined statement of net position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The Corporation has three items that qualify for reporting in this category, which are deferred amounts related to pensions, deferred amounts related to other postemployment benefits, and amounts related to deferred losses on mortgage revenue bonds.

In addition to liabilities, the combined statement of net position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Outflows and Inflows of Resources: (Continued)

that time. The Corporation has four items that meet the criterion for this category, amortized gains on bond refundings, deferred amounts related to unearned income, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits.

Pensions:

For the purposes of measuring net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and changes in the LASERS's fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bond Issuance Costs:

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

Debt Refundings:

Debt refundings are accounted for in accordance with GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement requires accounting for gains and losses that result from debt refundings to be deferred and amortized over the life of the new debt or the retired debt, whichever is the shorter period. The deferred refunding amounts are classified as either a deferred inflow or outflow in the financial statements.

Revenues and Expenses:

Operating revenues consist of program administration fees, bond issue fees, and investment income as these revenues are generated from operations and 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.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenues and Expenses: (Continued)

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.

Statement of Cash Flows:

For purposes of the combined 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 combined statement of net position, the difference between the Corporation's assets, deferred outflows, liabilities, and deferred inflows is recorded as net position. The three components of net position are as follows:

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

Restricted net position – Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law are reported separately as restricted net position. Restricted net position results primarily from the Mortgage Revenue Bond Programs.

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

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

2. ESTIMATES:

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

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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 authorized to conduct business in the State of Louisiana. The Corporation may purchase time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana. The Corporation may also invest in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or State chartered credit unions.

Under Louisiana Revised Statutes, the 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, 2018, are as follows:

	<u>(in thousands)</u>	<u>Rating</u>
<u>Unrestricted:</u>		
Petty cash	\$ 1	N/A
Demand deposits	855	N/A
Money market funds	728	AAA
Total unrestricted	<u>\$ 1,584</u>	
<u>Restricted:</u>		
Demand deposits	\$ 18,560	N/A
Money market funds	91,316	AAA
Total restricted	<u>\$ 109,876</u>	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

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

Cash and Cash Equivalents: (Continued)

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. At June 30, 2018, the Corporation's demand deposits (bank balances) were in excess of FDIC insurance or pledged collateral held by the Federal Reserve Bank in the amount of \$2.6 million.

The money market accounts are invested in short-term money market instruments issued by the United States Treasury which are backed by the full faith and credit of the United States Government.

Investments:

The Corporation categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The Corporation had recurring fair value measurements of its investments at June 30, 2018 as follows:

	(in thousands)			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mortgage-backed securities	\$ 9,527	\$ -	\$ 9,527	\$ -
U.S. Government obligations	25,975	25,975	-	-
Collateralized mortgage obligations	1,533	-	1,533	-
Municipal obligations	647	-	647	-
Total	<u>\$ 37,682</u>	<u>\$ 25,975</u>	<u>\$ 11,707</u>	<u>\$ -</u>

U.S. Government obligations classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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

There were no investments classified in Level 3 of the fair value hierarchy as of June 30, 2018.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

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

Investments: (Continued)

Interest Rate Risk: Interest rate risk is defined as the risk that changes in interest rates, in the general market, will adversely affect the fair value of an investment. The Corporation does not have an interest rate risk policy. As of the fiscal year ended June 30, 2018, the Corporation had the following investments and maturities (in years):

Investment Type	Amount	(in thousands)			
		Investment Maturities			
		Less than 1 Year	1 to 5 Years	6 to 10 Years	>10 Years
Mortgage-backed securities	\$ 9,527	\$ 1	\$ 312	\$ 3,102	\$ 6,112
U.S. Government obligations	25,975	19,734	6,241	-	-
Collateralized mortgage obligations	1,533	-	-	911	622
Municipal obligations	647	-	647	-	-
Total investments	\$ 37,682	\$ 19,735	\$ 7,200	\$ 4,013	\$ 6,734

Credit Risk: Credit Risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Corporation's policy to limit its investments to those issued a top rating by Nationally Recognized Statistical Ratings Organizations. As of June 30, 2018, all of the investments were rated AA, AA- or AA+ by Standard & Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the value of investments or collateral securities that are in the possession of an outside party will not be able to be recovered. The Corporation does not have a custodial credit risk policy. 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: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Corporation's investments in a single issuer. The Corporation does not have a concentration of credit risk policy. As of June 30, 2018, investments of the following issuers represented more than 5% of total investments:

Federal National Mortgage Association	19%
Government National Mortgage Association	13%
U.S. Treasuries	52%
Federal Home Loan Mortgage Corporation	8%

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

4. MORTGAGE-BACKED SECURITIES AND MORTGAGE LOANS:

Mortgage-backed securities and mortgage loans reported in the combined financial statements consist of the following as of June 30, 2018:

	(in thousands)		
	Single Family	Multi- Family	Total
General Fund:			
Unrestricted loans	\$ -	\$ 989	\$ 989
Restricted program loans	2,513	345,546	348,059
	2,513	346,535	349,048
Less: reserve for loan losses	(1,465)	(196,763)	(198,228)
Total General Fund	1,048	149,772	150,820
Mortgage Revenue Bond Programs:			
Mortgage-backed securities	202,002	-	202,002
Restricted program loans	-	216,006	216,006
Total Mortgage Revenue Bond Programs	202,002	216,006	418,008
Total Mortgage-backed Securities and Mortgage Loans Receivable	\$ 203,050	\$ 365,778	\$ 568,828

Restricted Program Mortgage Loans – General Fund:

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. The multi-family loans are financed at interest rates ranging from 1% to 6% and are uninsured. The single-family loans are financed at 0% interest and are uninsured.

Conditional HOME loans include compliance requirements associated with the loan agreement. As long as the property owner complies with the agreement the debt will be reduced by a predetermined rate at the end of each affordability period. The entire principal balance will be forgiven on the maturity date. In the event the owner is found to be out of compliance, the total principal balance will be due upon demand.

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

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

4. MORTGAGE-BACKED SECURITIES AND MORTGAGE LOANS: (Continued)

Restricted Program Mortgage Loans – General Fund: (Continued)

The loans are collateralized by a security interest in the property with principal and interest payments due monthly through 2022. These loans are financed at 6% interest. 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. The Corporation began loaning these funds to qualified multi-family 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 are financed at an interest 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, multi-family rental projects. These loans are financed at a 0% interest rate and will mature at the end of the 15-year affordability period. The debt will be forgiven at the end of the affordability period, if certain conditions have been met. These loans are uninsured.

As part of the Community Development Block Grant Piggyback Program, funds are loaned to qualified borrowers to provide needed residential rental property assistance for qualified projects to remedy the loss of such residential rental property due to the damage caused by Hurricane Katrina and Hurricane Rita. These loans are financed at interest rates between 0% and 3.5% and are either payable upon demand or from surplus cash generated by the projects. These loans are uninsured.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

4. MORTGAGE-BACKED SECURITIES AND MORTGAGE LOANS: (Continued)

Restricted Program Mortgage Loans – General Fund: (Continued)

The General Fund restricted program loan portfolio at June 30, 2018 was as follows:

	Amount (in thousands)
HOME Multifamily Mortgage Loans	\$ 136,202
HOME Single Family Mortgage Loans	2,513
202 Elderly Project Mortgage Loans	3,582
Conditional HOME Loans	1,581
1602 Sub Award Multifamily Loans	123,999
TCAP Multifamily Mortgage Loans	38,517
Neighborhood Stabilization Program Loans	7,845
Louisiana Housing Trust Fund Loans	20,306
CDBG - Piggyback	13,248
EBR 2016 Flood Landlord Loans	58
CDBG 2016 Flood Landlord Loans	88
OCD Small Rental Property Program Loans	120
	348,059
Reserve for loan losses	(198,228)
Total restricted program loans	\$ 149,831

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

The reserve for loan losses changed due to charges of \$2.7 million and increases of \$8.1 million to the provision for loan losses account for the year ended June 30, 2018.

Mortgage-Backed Securities - Mortgage Revenue Bond Programs:

With certain exceptions, loans acquired under the Mortgage Revenue Bond Program for single families are pooled and packaged into GNMA, FNMA, FHLB, or FHLMC securities. The GNMA securities are guaranteed by the full faith and credit of the U.S. Government while the FNMA, FHLB, and FHLMC securities are limited obligations of the U.S. Government. These securities have interest rates of 1.49% - 7.65%. The underlying loans backing the securities must be conventional mortgage loans or FHA insured, VA guaranteed or RD guaranteed.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

4. MORTGAGE-BACKED SECURITIES AND MORTGAGE LOANS: (Continued)

Mortgage-Backed Securities - Mortgage Revenue Bond Programs: (Continued)

The fair value of the mortgage-backed securities by contractual maturity as of June 30, 2018 is shown below. Expected maturities as listed in the following table will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

(in thousands)

	Maturities				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	> 10 Years
GNMA	\$ 155,944	\$ -	\$ -	\$ 718	\$ 155,226
FNMA	10,311	-	-	467	9,844
FHLMC	32,391	-	-	-	32,391
FHLB	3,356	-	3,356	-	-
	\$ 202,002	\$ -	\$ 3,356	\$ 1,185	\$ 197,461

Mortgage Loans – Mortgage Revenue Bond Programs:

Multi-family bond programs are designed to finance the construction of multi-family housing units in the State of Louisiana. The operating performance or financial condition of the multi-family properties financed by bonds are not actively monitored, as the Corporation principally functions as a conduit to provide tax-exempt financing. Multi-family mortgage loans are collateralized by varying methods, including first-liens on multi-family residential rental properties, pledge of rental receipts, and letters of credit. Certain multi-family mortgage loans are insured by the Federal Housing Administration. Interest rates on these multi-family loans range from 0.04% to 7.65% with maturities ranging from 5 to 29 years.

5. LONG-TERM LIABILITIES:

The Corporation has the following long-term liabilities at June 30, 2018:

(in thousands)

	Beginning			Ending		Amounts
	Balance	Additions	(Reductions)	Balance	One Year	Due Within
General obligation bonds	\$ 1,495	\$ -	\$ (450)	\$ 1,045	\$ -	-
Debentures payable	5,362	-	(3,037)	2,325	2,325	2,325
Mortgage revenue bonds	469,201	54,544	(99,892)	423,853	49,095	49,095
Amounts held in escrow	60,352	16,683	(52,848)	24,187	-	-
Compensated absences	1,105	133	(60)	1,178	73	73
Pension liability	25,303	4,039	(5,204)	24,138	-	-
Other postemployment benefit plan payable	8,311	4,045	(1,133)	11,223	-	-
	\$ 571,129	\$ 79,444	\$ (162,624)	\$ 487,949	\$ 51,493	\$ 51,493

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

General Obligation Bonds and Debentures Payable:

On May 17, 2013, the Corporation issued \$9.9 million of Multi-family Mortgage Revenue Refunding Bonds, Series 2013 for the purpose of currently refunding the Multi-family 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, 2018, \$1 million of the bonds were outstanding.

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

The one remaining debenture, out of eleven original debentures, is past due; therefore, debentures payable are classified as current as of June 30, 2018. The Corporation has requested an official extension letter from HUD and anticipates the debenture will be refinanced during the fiscal year ended June 30, 2019. The one outstanding debenture bears interest at the rate of 4.50% and interest is due annually. Pursuant to the Risk-Sharing Agreement, the Corporation's percentage share of the face amount of the debentures is 50%. As of June 30, 2018, the outstanding balance of the debenture is \$2.3 million.

The following table is a list of outstanding general obligation bonds and debentures payable at June 30, 2018:

	(in thousands)				
	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year (Net of Amortization)
General Obligation Bonds					
Series 2013 Multifamily Mortgage Revenue Refunding Bonds Dated May 17, 2013, term bonds due December 1, 2031, bearing interest at 2.5%	\$ 1,495	\$ -	\$ (450)	\$ 1,045	\$ -
Debentures Payable					
Dated April 28, 2006, due between July 2018 and June 2019, bearing interest at 4.5%	5,362	-	(3,037)	2,325	2,325
Total general obligation bonds and debentures payable	\$ 6,857	-	\$ (3,487)	\$ 3,370	\$ 2,325

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

General Obligation Bonds and Debentures Payable: (Continued)

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

Year Ended	(in thousands)		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 26	\$ 26
2020	-	26	26
2021	-	26	26
2022	-	26	26
2023	-	26	26
2024-2028	-	131	131
2029-2033	1,045	92	1,137
	<u>\$ 1,045</u>	<u>\$ 353</u>	<u>\$ 1,398</u>

Mortgage Revenue Bonds:

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

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

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

The following table is a list of outstanding mortgage revenue bonds at June 30, 2018:

<u>Single-Family Programs:</u>	(in thousands)					Ending Balance	Amounts Due Within One Year (Net of Amortization)
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>	<u>Amortization</u>		
Series 2008 A Dated September 1, 2008, due serially and term from December 1, 2018, to June 1, 2040, bearing interest at 4.25% to 5.50%	\$ 9,050	\$ -	\$ (3,240)	\$ 4	\$ 5,814	\$ 145	
Series 2008 B Dated December 1, 2008, due serially and term from December 1, 2018, to June 1, 2040, bearing interest at 3.00% to 6.30%	6,270	-	(900)	-	5,370	385	
Series 2009 A Dated September 1, 2009, due serially and term from December 1, 2018, to June 1, 2041, bearing interest at 3.90% to 5.25%	9,137	-	(1,850)	(26)	7,261	301	
Series 2010 A Dated November 1, 2010, term bonds due from June 1, 2027, to December 1, 2041, bearing interest at 3.01% to 4.75%	28,447	-	(3,875)	(82)	24,490	714	
Series 2011 A Dated August 25, 2011, due serially and term from December 1, 2018, to June 1, 2041, bearing interest at 3.00% to 4.60%	21,283	-	(4,925)	(78)	16,280	317	
Series 2012 A Dated December 1, 2012, term bonds due from December 1, 2027, to December 1, 2041, bearing interest at 2.75% to 3.65%; serial refunding bonds due from December 1, 2018, to December 31, 2022, bearing interest at 1.5% to 2.80%	19,628	-	(2,111)	(11)	17,506	596	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

	(in thousands)						Amounts Due Within One Year (Net of Amortization)
<u>Single-Family Programs:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>	<u>Ending Balance</u>		
Series 2013 A Refunding bonds dated May 1, 2013; due September 1, 2034, bearing interest at 2.35%	\$ 7,018	\$ -	\$ (838)	\$ -	\$ 6,180	\$ -	
Series 2015 A Refunding bonds dated August 27, 2015; due December 1, 2038, bearing interest at 3.05%	27,775	-	(3,184)	-	24,591	-	
Series 2016 A Refunding bonds dated August 1, 2016; due December 1, 2038, bearing interest at 2.10%	21,096	-	(5,011)	-	16,085	-	
Series 2017 A Refunding bonds dated June 1, 2017; due November 1, 2038, bearing interest at 2.875%	26,898	-	(4,896)	-	22,002	745	
Total single-family mortgage revenue bond programs	176,602	-	(30,830)	(193)	145,579	3,203	

Multi-Family Programs

Series 2004 Palmetto Dated October 1, 2004, term bonds due March 15, 2037, bearing interest at its own weekly rate determined by the remarketing agent	2,740	-	(100)	-	2,640	-	
Series 2005 Peppermill I & II Dated August 1 2005, term bonds due April 1, 2038, bearing interest at 4.75% to 5.125%	3,942	-	(94)	-	3,848	104	
Series 2006 The Crossing Dated May 1, 2006, term bonds due May 1, 2048, bearing interest at 6.15%	7,099	-	(70)	-	7,029	75	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					<u>Ending Balance</u>	<u>Amounts Due Within One Year (Net of Amortization)</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>			
Series 2007 Canterbury House							
Dated March 1, 2007, term bonds due September 15, 2040, bearing interest at its own weekly rate determined by the remarketing agent	\$ 15,470	\$ -	\$ -	\$ -	\$ 15,470	\$ -	
Series 2007 Hooper Pointe Residences							
Dated May 1, 2007, due serially May 1, 2019, to April 1, 2049, bearing interest at 5.75%	9,563	-	(108)	-	9,455	115	
Series 2007 Jefferson Lakes							
Dated October 1, 2007, term bonds due October 1, 2037, bearing interest at a variable rate determined by the remarketing agent	13,340	-	(230)	-	13,110	-	
Series 2007 Emerald Point							
Dated December 1, 2007, term bonds due July 15, 2040, bearing interest at a weekly rate determined by the remarketing agent	4,630	-	-	-	4,630	-	
Series 2007 Lapalco Court							
Dated October 1, 2007, term bonds due November 15, 2037, bearing interest at a weekly rate determined by the remarketing agent	6,400	-	-	-	6,400	-	
Series 2008 Arbor Place							
Dated March 1, 2008, term bonds due March 1, 2043, bearing interest at a weekly rate determined by the remarketing agent	7,435	-	(135)	-	7,300	145	
Series 2008 The Reserve at Jefferson Crossing							
Dated December 1, 2008, term bonds due July 1, 2040, bearing interest at a variable rate determined by the remarketing agent	8,190	-	-	-	8,190	-	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					<u>Ending Balance</u>	<u>Amounts Due Within One Year (Net of Amortization)</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>			
Series 2009 Belmont Village Dated April 1, 2009, term bonds due May 1, 2044, bearing interest at a variable rate determined by the remarketing agent	\$ 8,290	\$ -	\$ (120)	\$ -	\$ 8,170	\$ 125	
Series 2009 Louisiana Chateau Dated August 1, 2009, term bonds due from September 1, 2020, to September 1, 2040, bearing interest at 6.0% and 8.0%	52,224	-	(865)	64	51,423	871	
Series 2010 Muses II Dated April 1, 2010, term bonds due May 1, 2027, bearing interest at the 5- year T-Bill rate, changing every 5 years	2,032	-	(33)	-	1,999	35	
Series 2011 Blue Plate Lofts Dated March 1, 2011, term bonds due September 1, 2031, bearing interest at 6.25%	1,132	-	(19)	-	1,113	19	
Series 2011 Mallard Crossing Apartments Dated October 1, 2011, term bonds due from October 1, 2022, to October 1, 2029, bearing interest at 4.00% to 4.75%	10,320	-	(115)	-	10,205	115	
Series 2012 Elysian Project Apartments Dated April 1, 2012, draw down bonds due October 1, 2032, bearing interest at permanent interest rate of 5.15%	3,551	-	(60)	-	3,491	64	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					<u>Ending Balance</u>	<u>Amounts Due Within One Year (Net of Amortization)</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>			
1501 Canal Senior Housing Project Dated November 1, 2012, draw down bonds due November 1, 2033, bearing interest at a permanent interest rate of 4.9%	\$ 2,609	\$ -	\$ (62)	\$ -	\$ 2,547	\$ 66	
Garden Senior Apartments Dated July 1, 2012, term bonds due July 1, 2030, bearing interest 3.60%	1,470	-	(15)	-	1,455	15	
Renaissance Gateway Apartments Dated April 1, 2013, draw down bonds due June 1, 2050 bearing interest at 6.0%	11,295	-	(113)	-	11,182	119	
Series 2013 Guste III Dated November 14, 2013, draw down bond due January 14, 2018, bearing interest at 1.0%. Initial amount authorized \$25,600 for issuance in incremental draws.	25,600	-	(25,600)	-	-	-	
Series 2014 Choctaw Lodge Dated September 10, 2014, draw down bond due February 10, 2032, bearing interest at 5.00% until February 1, 2017, and at 6.00% thereafter.	3,050	-	(3,050)	-	-	-	
Series 2015 Iberville On-Site Phase IV Dated November 19, 2015, draw down bond in the amount of \$22,000, due serially June 10, 2033, and May 1, 2018, bearing interest at 1 month LIBOR plus 2% and 4.69% post conversion.	21,998	2	(22,000)	-	-	-	
Series 2015 Port Royal Apartments Dated November 1, 2015, term bond in the amount of \$16,000, due October 1, 2057, bearing interest at 4.7% per annum.	16,000	-	(350)	-	15,650	80	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					<u>Ending Balance</u>	<u>Amounts Due Within One Year (Net of Amortization)</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>			
Series 2016 Artspace Bell School Lofts Dated June 7, 2016, draw down bond due December 7, 2018, bearing interest at one month LIBOR + 2.85%. Initial amount authorized \$18,300 for issuance in incremental draws.	\$ 11,403	\$ 6,897	\$ -	\$ -	\$ 18,300	\$ 18,300	
Series 2016 Bastion - New Orleans Partners I Project Dated June 1, 2016, draw down bond in the amount of \$4,200, due serially June 1, 2036, bearing interest at 3.75%.	3,805	395	(2,164)	-	2,036	29	
Series 2016 Village of Versailles Dated July 29, 2016, term bond in the amount of \$25,610, due March 1, 2019; remarketed on March 1, 2018 end of remarketing period September 1, 2018, remarketing interest rate 1.66%.	25,610	-	-	-	25,610	25,610	
Series 2016 Twin Lakes of Leesville Dated September 14, 2016, term bond in the amount of \$11,200, due September 1, 2019, bearing interest at 1.0%; Mandatory redemption on May 1, 2018.	11,200	-	(11,200)	-	-	-	
Series 2017 Gabriel Villa Dated June 1, 2016, draw down bonds in the amount of \$1,300 and \$2,100, due serially September 1, 2039, and September 1, 2019, bearing interest at variable rates until the Amortization Commencement Date and at 4.52% after the Stabilized Occupancy Date.	2,201	1,199	(2,430)	-	970	5	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					<u>Ending Balance</u>	<u>Amounts Due Within One Year (Net of Amortization)</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Amortization</u>	<u>Balance</u>		
Series 2018 Harmony Gardens Dated December 28, 2017, term bond in the amount of \$13,500, due December 1, 2020, bearing interest at 1.86% per annum to but excluding the Initial Mandatory Tender Date and thereafter, the applicable remarketing rate.	\$ -	\$ 13,500	\$ -	\$ -	\$ 13,500	\$ -	
Series 2018 Iberville Phase VII Dated December 15, 2017, draw down bond in the amounts of \$1,000 and \$8,500 due June 1, 2036, and December 1, 2019, bearing interest at variable LIBOR based rated in accordance with the Indenture and at 5.68% on or after the conversion date.	-	9,500	-	-	9,500	-	
Series 2018 Meadows at Nicholson Dated December 15, 2017, term bond in the amount of \$19,000, due May 1, 2020, bearing interest at 1.83% per annum to but excluding the Initial Mandatory Tender Date and thereafter, the applicable remarketing rate.	-	19,000	-	-	19,000	-	
Series 2018 Robinson Place II Dated April 30, 2018, draw down bond due May 1, 2035, bearing interest at a variable rate equal 1 month LIBOR +3.50%, reset each month during the Construction Phase and at the Permanent Phase Interest Rate during the Permanent Phase. Initial maximum authorized is \$5,000.	-	51	-	-	51	-	

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Mortgage Revenue Bonds: (Continued)

<u>Multi-Family Programs</u>	(in thousands)					Amounts Due Within One Year (Net of Amortization)
	Beginning Balance	Additions	(Reductions)	Amortization	Ending Balance	
Series 2018 Beau Sejour Dated September 18, 2017, term bond in the amount of \$4,000, due September 1, 2019, bearing interest at 1.99% per annum.	\$ -	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -
Total multifamily mortgage revenue bond programs	292,599	54,544	(68,933)	64	278,274	45,892
Total combined mortgage revenue bond programs	\$469,201	\$ 54,544	\$ (99,763)	\$ (129)	\$ 423,853	\$ 49,095

Debt Service – Mortgage Revenue Bonds:

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

Year Ending June 30,	(in thousands)					
	Single Family Mortgage Revenue Bonds		Multi-family Mortgage Revenue Bonds		Combined Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 3,203	\$ 4,677	\$ 45,892	\$ 10,405	\$ 49,095	\$ 15,082
2020	3,218	4,579	33,782	9,049	37,000	13,628
2021	3,288	4,478	16,030	8,308	19,318	12,786
2022	3,393	4,376	2,681	8,051	6,074	12,427
2023	3,493	4,272	2,833	7,911	6,326	12,183
2024-2028	18,787	19,649	19,429	37,015	38,216	56,664
2029-2033	24,176	16,926	35,339	30,015	59,515	46,941
2034-2038	30,618	13,143	49,303	21,157	79,921	34,300
2039-2043	55,403	1,437	46,262	10,223	101,665	11,660
2044-2048	-	-	17,562	4,172	17,562	4,172
2049-2053	-	-	5,006	1,521	5,006	1,521
2054-2058	-	-	4,155	595	4,155	595
2059-2063	-	-	-	-	-	-
	\$ 145,579	\$ 73,537	\$ 278,274	\$ 148,422	\$ 423,853	\$ 221,959

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

5. LONG-TERM LIABILITIES: (Continued)

Debt Refunding:

On August 31, 2016, the Corporation issued \$24.8 million of Single Family Mortgage Revenue Refunding Bonds, Series 2016A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2006D and advance refunding the Series 2007A bonds. The interest rate on the Series 2016A bond is 2.10%, whereas the interest rates on the Series 2006D and 2007A bonds ranged from 3.50% to 6.15%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of \$6 thousand through the maturity of the bonds on December 1, 2038. The refunding resulted in an economic gain of \$1.1 million (the difference between the present value of the Series 2006D and 2007A cash flows and the Series 2016A cash flows) which is reported as a deferred inflow of resources and amortized over 22 years.

On April 27, 2017, the Corporation issued \$27.1 million of Single Family Mortgage Revenue Refunding Bonds, Series 2017A for the purpose of currently refunding the Single Family Mortgage Revenue Bonds, Series 2007B and 2007C bonds. The interest rate on the Series 2017A bond is 2.875%, whereas the interest rates on the Series 2007B and 2007C bonds ranged from 3.60% to 6.00%. The decrease in interest rate resulted in a decrease of debt service payments in the amount of \$9.6 million through the maturity of the bonds on November 1, 2038. The refunding resulted in an economic gain of \$8.1 million (the difference between the present value of the Series 2007B and 2007C cash flows and the Series 2017A cash flows) which is reported as a deferred inflow of resources and amortized over 21 years.

Amounts Held in Escrow:

Properties with outstanding loans or other obligations through the Corporation have surplus amounts set aside from principal and interest payments held in escrow to be used for insurance, taxes, and expenses. Amounts held in escrow offset corresponding cash account balances. As of June 30, 2018, the outstanding balance of the amounts held in escrow is \$24.2 million.

Compensated Absences:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service.

The cost of leave privileges, computed in accordance with GASB Codification C60, *Accounting for Compensated Absences*, is recognized as a current year expense when the leave is earned. The Corporation had paid compensated absences of \$50 thousand during the year ended June 30, 2018. Compensated absences payable as of June 30, 2018 was \$1.2 million.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

6. FEDERAL FINANCIAL ASSISTANCE:

Federal grant programs represent an important source of funding to finance housing programs which are beneficial to the State of Louisiana. These grants are recorded as non-operating income and expense, 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

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 non-compliance.

7. RETIREMENT BENEFITS:

Plan Description:

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

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The following is a brief description of the Plan and its benefits. Participants should refer to the appropriate statutes for more complete information.

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third-party provider with oversight from LASERS's Board of Trustees. Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member's working lifetime. ORP balances are held by the provider in each participant's name. These balances are included in LASERS's total investments on the Statement of Fiduciary Net Position. The ORP was closed to new members on December 7, 2007. However, members in the ORP as of December 31, 2007 were granted the option by Act 718 of the 2012 Louisiana Regular Legislative Session to regain membership in the defined benefit plan.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Benefits Provided:

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of the rank-and-file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants-at-arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Benefits Provided: (Continued)

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification, but generally is 10 years of service.

Deferred Retirement Benefits:

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked.

For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS's Self-Directed Plan (SDP) which is administered by a third-party provider.

The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Initial Benefit Obligation Benefits:

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Benefits Provided: (Continued)

Disability Benefits:

All members of LASERS with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits:

Certain eligible surviving dependents of LASERS receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Permanent Benefit Increases/Cost-of-Living Adjustments:

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions:

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 and 8.0% of their annual covered salaries if hired after July 1, 2006. The Corporation is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2018, was 37.9% of annual covered payroll. The Corporation's contribution to LASERS for the year ended June 30, 2018, was \$2.8 million.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2018, the Corporation reported a liability for LASERS of \$24.1 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Corporation's proportion was 0.343%. This reflects an increase of 0.021% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Corporation recognized pension expense of \$1.1 million.

At June 30, 2018, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	(in thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 443
Changes of assumptions	95	-
Net difference between projected and actual earnings on pension plan investments	785	-
Changes in proportion	959	1,239
Differences between employer contributions and proportionate share of contributions	34	120
Employer contributions subsequent to the measurement date	2,783	-
Total	\$ 4,656	\$ 1,802

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date in the amount of \$2.8 million will be recognized as a reduction of the net pension liability during the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense benefit are as follows:

Year Ended June 30	Amount (in thousands)
2019	\$ (883)
2020	1,125
2021	315
2022	(486)
2023	-
Thereafter	-
Total	<u>\$ 71</u>

Actuarial Assumptions:

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation dates	June 30, 2017
Actuarial cost method	Entry Age Normal
Expected remaining service lives	3 years
Investment rate of return	7.70% per annum
Inflation rate	2.75% per annum
Period of experience study	2009 - 2013
Mortality Rates	Non-disabled members - Based on the RP-2000 Combined Healthy Mortality Table with improvement projected to 2015
	Disabled members - Based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Termination, Disability, and Retirements	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study for LASERS's members.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Actuarial Assumptions: (Continued)

Salary increases Salary increases were projected based on a 2009-2013 experience study of the LASERS's members. The salary increase ranges for specific members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost-of-living adjustments The present value of future retirement benefits is based on benefits currently being paid by LASERS and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 3.25% for 2017. The resulting expected long-term rate of return is 8.69% for 2017. The target allocation and best estimates of geometric long-term expected real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Geometric)</u>
Cash	0%	-0.24%
Domestic Equity	25%	4.31%
International Equity	32%	5.35%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Asset Allocation	7%	2.84%
Total	<u>100%</u>	

LOUISIANA HOUSING CORPORATION
 NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

7. RETIREMENT BENEFITS: (Continued)

Actuarial Assumptions: (Continued)

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the pension plan. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates:

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.70%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.70%) or one percentage-point higher (8.70%) than the current rate:

(in thousands)		
1.0% Decrease 6.70%	Current Discount Rate 7.70%	1.0% Increase 8.70%
\$ 30,303	\$ 24,138	\$ 18,897

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued 2017 Comprehensive Annual Financial Reports for LASERS at www.lasersonline.org or on the Louisiana Legislative Auditor's website at www.la.gov.

Payables to the Pension Plan:

As of June 30, 2018, the Corporation reported a payable of \$111 thousand for outstanding contributions due to LASERS.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Substantially all employees become eligible for postemployment 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, 2018, nineteen retirees were receiving postemployment benefits.

LOUISIANA HOUSING CORPORATION
 NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Plan Description:

Employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), a benefits multiple-employer self-insured, self-funded 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

Benefits Provided:

The OPEB Plan provides benefits such as; death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment. The OPEB plan does not provide termination benefits or termination payments for sick leave.

Contributions:

The contribution requirements of plan members and the District are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and District contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving post-employment 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. Employer contributions to the OPEB Plan from the Corporation were \$144 thousand for the year ended June 30, 2018.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>OGB</u> <u>Participation</u>	<u>Retiree</u> <u>Share</u>	<u>State</u> <u>Share</u>
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Contributions: (Continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The total monthly premium is approximately \$1 per thousand dollars of coverage of which the employer pays 50% of the individual retiree's premium.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB:

At June 30, 2018, the Corporation reported a liability of \$11.2 million for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date. The Corporation's proportion of the total OPEB liability was based on a projection of the Corporation's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. As of July 1, 2017, the Corporation's proportion was 0.1291%.

For the year ended June 30, 2018, the Corporation recognized OPEB expense of \$422 thousand. As of June 30, 2018, the Corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	(in thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes of assumptions	\$ -	\$ 593
Differences between employer contributions and proportionate share of contributions	-	162
Employer contributions subsequent to the measurement date	144	-
Total	<u>\$ 144</u>	<u>\$ 755</u>

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$144 thousand will be recognized as a reduction of the collective total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) shown in the following table.

LOUISIANA HOUSING CORPORATION
 NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB: (Continued)

Future amortization of deferred outflows of resources and deferred inflow of resources related to OPEB is as follows:

(in thousands)	
June 30	Amount
2019	\$ (217)
2020	(217)
2021	(217)
2022	(104)
2023	-
Thereafter	-
Total	\$ (755)

Actuarial Assumptions:

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.8%
Salary Increases	Consistent with the pension valuation assumptions
Investment Rate of Return	3.13%, based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare Cost Trend	7% - 4.5%
Mortality Rates	For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2016 to December 31, 2017. As a result of the 2017 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2017 actuarial valuation to more closely reflect actual experience.

LOUISIANA HOUSING CORPORATION
 NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Discount Rate:

The discount rate used to measure the total OPEB liability was 3.13%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was increased to 3.13% in the July 1, 2017 valuation from 2.71% as of July 1, 2016. The discount rate in the current valuation reflects that the Bond Buyers' 20-Year General Obligation Municipal Bond Index rate was unchanged from the prior year.

Sensitivity of the Corporation's Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate:

The following presents the Corporation's proportionate share of the collective total OPEB liability, as well as what the Corporation's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.13%) or 1% higher (4.13%) than the current discount rate:

	(in thousands)		
	1.0% Decrease (2.13%)	Current Discount Rate (3.13%)	1.0% Increase (4.13%)
Corporation's proportionate share of the collective total OPEB liability	<u>\$ 13,177</u>	<u>\$ 11,223</u>	<u>\$ 9,680</u>

Sensitivity of the Corporation's Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the Corporation's proportionate share of the collective total OPEB liability, as well as what the Corporation's proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Sensitivity of the Corporation's Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: (Continued)

	(in thousands)		
	1.0% Decrease	Healthcare Cost Trend Rate	1.0% Increase
Corporation's proportionate share of the collective total OPEB liability	\$ 9,673	\$ 11,223	\$ 13,208

Payables to the OPEB Plan:

As of June 30, 2018, the Corporation reported a payable of \$32,000 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2018.

9. CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	(in thousands)			
	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated				
Land	\$ 1,022	\$ -	\$ -	\$ 1,022
Construction in progress	89	-	(89)	-
Total capital assets not being depreciated	1,111	-	(89)	1,022
Capital assets being depreciated				
Buildings	107,005	18	-	107,023
Equipment	3,409	84	-	3,493
Land improvements	131	-	-	131
Total capital assets being depreciated	110,545	102	-	110,647
Accumulated depreciation:				
General	(5,815)	(365)	-	(6,180)
HUD disposition	(17,460)	(2,401)	-	(19,861)
Mid-City Gardens	(2,362)	(501)	-	(2,863)
Total accumulated depreciation	(25,637)	(3,267)	-	(28,904)
Total capital assets being depreciated, net	84,908	(3,165)	-	81,743
Total capital assets, net	\$ 86,019	\$ (3,165)	\$ (89)	\$ 82,765

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

9. CAPITAL ASSETS: (Continued)

Included in capital assets at June 30, 2018 is \$84.5 million of costs related to the two HUD disposition properties owned by the Corporation. These buildings were heavily damaged by Hurricane Katrina (see Note 4). 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. The depreciation expense related to these properties is recorded within the net loss from rental property on the combined statement of revenues, expenses, and changes in net position.

Included in restricted capital assets at June 30, 2018 is \$14.3 million 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 program funds. The Corporation used the NSP funds and HOME program funds to renovate and rehabilitate the property. The property commenced operations in December 2012. The depreciation expense related to these properties is recorded within the net loss from rental property on the combined statement of revenues, expenses and changes in net position.

10. HUD DISPOSITION PROPERTIES:

The Corporation is the owner of two low-income, multi-family rental properties that were originally purchased from the U. S. Department of Housing and Urban Development (HUD) at a cost of \$1 each. The Corporation funded renovations to the properties totaling approximately \$3.3 million through June 30, 2005. On August 29, 2005, the properties were heavily damaged by Hurricane Katrina. The properties were insured by the State of Louisiana Office of Risk Management. The State of Louisiana assumed responsibility for the reconstruction of the properties. Both properties are fully renovated and occupied. The completed properties are recorded within capital assets on the Corporation's combined 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 15 and 20 years from the purchase date;
- b) 50%, if sold between 20 and 30 years from the purchase date; or
- c) 25%, if sold over 30 years from the purchase date

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

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

11. CONCENTRATION OF CREDIT RISK:

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

12. RISK MANAGEMENT:

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

13. COMMITMENTS AND CONTINGENCIES:

The Corporation receives significant financial assistance from the Federal Government Department of Housing and Urban Development (HUD) in the form of grants and entitlements, which are conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations. During fiscal year ended June 30, 2017, HUD performed a review of the HOME program and issued a complaint letter concerning the Corporation's administration of the HOME Investment Partnership Programs. As a result of the review HUD is demanding reimbursement of funds due to a foreclosure on property that received HUD funding. The reimbursement demanded by HUD in the amount of \$2.5 million is reported as a contingent liability in the due to other governments in the combined statement of net position.

14. UNRESTRICTED NET POSITION – DEFICIT BALANCE:

The General Fund has a deficit of \$28 million in unrestricted net position as of June 30, 2018. This is primarily due to the recording of a net pension liability of \$24.1 million as of June 30, 2018, and implementation of GASB 75 which required the Corporation to record an increase to the OPEB liability in the amount of \$3.4 million for the year ended June 30, 2018. Additionally, the Corporation's General Fund incurred an operating loss of approximately \$455 thousand for the year ended June 30, 2018, which further reduced unrestricted net position. Although the Corporation's General Fund has a deficit in unrestricted net position, the Corporation's overall net position is a surplus of approximately \$367 million. Management is currently evaluating the deficit in unrestricted position in order to develop a plan to increase the Corporation's profits.

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

15. RESTRICTED NET POSITION:

Net position is reported as restricted when constraints placed on the use of net position are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

At June 30, 2018, the combined statement of net position reports the following restricted net position:

	(in thousands)		
	General	Combined Mortgage Revenue Bond	Total
	<u>Fund</u>	<u>Programs</u>	<u>Total</u>
Restricted to fund future lending programs:			
Cash and cash equivalents	\$ -	\$ 88,305	\$ 88,305
Investments	-	17,438	17,438
Mortgage loans and mortgage backed securities	348,059	418,008	766,067
Accrued interest receivable	60,716	7,193	67,909
Other	-	1	1
Deferred losses on mortgage revenue bonds	-	103	103
Less: provision for loan losses	(198,228)	-	(198,228)
Less: accounts payable	-	(350)	(350)
Less: accrued interest payable	-	(8,243)	(8,243)
Less: bonds payable	-	(423,853)	(423,853)
Less: amounts due to other funds	-	(72)	(72)
Less: amounts held in escrow	-	(22,009)	(22,009)
Less: deferred income	-	(929)	(929)
Total restricted to fund future lending programs	210,547	75,592	286,139
Restricted for use in federal grant programs:			
Cash and cash equivalents	21,571	-	21,571
Investments	11,383	-	11,383
Mid-City Gardens	11,442	-	11,442
Less: bond and debentures payable	(3,370)	-	(3,370)
Less: amounts held in escrow	(2,178)	-	(2,178)
Less: deferred income	(286)	-	(286)
Total restricted for use in future grant programs	38,562	-	38,562
Restricted Net Position	\$ 249,109	\$ 75,592	\$ 324,701

LOUISIANA HOUSING CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018

16. CHANGE IN ACCOUNTING PRINCIPLE:

The Corporation adopted Governmental Accounting Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard required the Corporation to record its proportionate share of OPEB amounts related to its participation in a multiple employer defined benefit OPEB plan. As a result of the adoption of the new accounting standard, the Corporation's beginning net position decreased by \$3.2 million, beginning collective total OPEB liability increased by \$3.4 million and beginning deferred outflows increased by \$161 thousand for the year ended June 30, 2018. The Corporation did not restate beginning balances for all other deferred inflows of resources or deferred outflows of resources related to OPEB as it was not practical to determine these amounts.

LOUISIANA HOUSING CORPORATION BOND PROGRAM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CORPORATION'S PROPORTIONATE
 SHARE OF COLLECTIVE TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

<u>Fiscal Year*</u>	Proportion of the Collective Total OPEB <u>Liability</u>	Proportionate Share of the Collective Total <u>OPEB Liability</u>	Covered Employee <u>Payroll</u>	Proportionate Share of the Collective Total OPEB Liability as a % of its Covered- <u>Employee Payroll</u>
2018	0.1291%	\$ 11,222,480	\$ 5,781,619	194%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CORPORATION'S PROPORTIONATE
 SHARE OF NET PENSION LIABILITY
FOR THE FOUR YEARS ENDED JUNE 30, 2018

<u>Fiscal Year*</u>	Proportion of the Net Pension <u>Liability</u>	Proportionate Share of the Net Pension <u>Liability</u>	Covered Employee <u>Payroll</u>	Proportionate Share of the Net Pension Liability as a % of its Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a % of the Total Pension <u>Liability</u>
2018	0.34293 %	\$ 24,138,414	\$ 5,966,126	405%	62.5%
2017	0.32222 %	\$ 25,302,649	\$ 6,496,374	389%	57.7%
2016	0.37644 %	\$ 25,603,670	\$ 7,562,192	339%	62.7%
2015	0.39100 %	\$ 24,448,743	\$ 6,772,968	361%	65.0%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CORPORATION'S PENSION CONTRIBUTIONS
FOR THE FOUR YEARS ENDED JUNE 30, 2018

<u>Fiscal Year*</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2018	\$ 2,781,622	\$ 2,782,983	\$ (1,361)	\$ 7,339,373	37.9%
2017	\$ 2,135,873	\$ 2,135,701	\$ 172	\$ 5,966,126	35.8%
2016	\$ 2,416,651	\$ 2,416,651	\$ -	\$ 6,496,374	37.2%
2015	\$ 2,798,011	\$ 2,798,011	\$ -	\$ 7,562,192	37.0%

*The amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

1. Schedule of the Corporation's Proportionate Share of the Collective Total Other Postemployment Benefit Liability in the State of Louisiana Postemployment Benefits Plan:

This schedule reflects the participation of the Corporation's employees in the State of Louisiana Postemployment Benefits Plan and its proportionate share of the collective total other postemployment liability, and the proportionate share of the collective total other postemployment benefits liability as a percentage of its covered employee payroll. The employers' collective total other postemployment benefit liability is the liability of the Corporation's employees for benefits provided through the State of Louisiana Postemployment Benefits Plan. Covered employee payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior fiscal year ended.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

2. Schedule of the Corporation's Proportionate Share of the Net Pension Liability in the Louisiana State Employees' Retirement System:

This schedule reflects the participation of the Corporation's employees in Louisiana State Employees' Retirement System and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability. The employers' net pension liability is the liability of the Corporation's employees for benefits provided through Louisiana State Employees' Retirement System. Covered employee payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior fiscal year ended.

3. Schedule of the Corporation's Pension Contributions:

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered payroll, is presented in this schedule. The amounts presented in the schedule were determined as of the end of each fiscal year.

4. Changes in Benefit Terms:

Pension Plan:

During the reporting period 2017, a Cost of Living Adjustment (COLA) was granted by LASERS of 1.5%.

OPEB Plan:

There were no changes in benefit terms for the State of Louisiana OPEB Plan.

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

5. Changes in Assumptions:

Pension Plan:

Amounts reported in the actuary valuation dated June 30, 2017 for LASERS reflect an adjustment in the discount rate, inflation rate and salary increases used to value the projected benefit payments attributed to past periods of service. The discount rate for LASERS was decreased by 0.05% to 7.70% in 2017. Other changes were as follows:

Valuation Date	June 30, 2017	June 30, 2016
Inflation Rate	2.75%	3.00%
Project Salary Increases	2.80% - 14.30%	3.00% - 14.50%

OPEB Plan:

The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017, for the State of Louisiana OPEB Plan.

LOUISIANA HOUSING CORPORATION
 COMBINED FINANCIAL STATEMENTS
 OTHER SUPPLEMENTARY INFORMATION
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2018

	<u>2018</u>
Thorf Anderson	\$ 250
Tammy Earls	650
Larry Ferdinand	400
Elton Lagasse	250
Byron Lee	200
Willie Rack	600
Lloyd Spillers	650
Jennifer Vidrine	450
Gillis Windham	<u>450</u>
	<u>\$ 3,900</u>

* Director Donald Vallee, Derrick Edwards, and State Treasurer are absent from the above schedule, as they elected to not receive meeting fees.

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENT OF NET POSITION
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	<u>General Fund</u>	<u>Combined Mortgage Revenue Bond Programs</u>	<u>Eliminations</u>	<u>Combined Total</u>
ASSETS:				
Unrestricted Assets:				
Cash and cash equivalents	\$ 1,170	\$ -	\$ -	\$ 1,170
Cash and cash equivalents - Work Force Initiative	414	-	-	414
Investments	5,050	-	-	5,050
Investments - Work Force Initiative	3,811	-	-	3,811
Mortgage loans receivable	989	-	-	989
Accrued interest receivable	70	-	-	70
Other receivables	921	-	-	921
Due from other governments	2,245	-	-	2,245
Due from MRB programs	72	-	(72)	-
Capital assets (net of accumulated depreciation of \$26,041)	71,323	-	-	71,323
Other assets	164	-	-	164
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Assets	86,229	-	(72)	86,157
Restricted Assets:				
Cash and cash equivalents	21,571	88,305	-	109,876
Investments	11,383	17,438	-	28,821
Mortgage loans and mortgage-backed securities Single Family (net of allowance for loan losses of \$1,465)	1,048	202,002	-	203,050
Multifamily (net of allowance for loan losses of \$196,763)	148,783	216,006	-	364,789
Accrued interest receivable	60,716	7,193	-	67,909
Other assets	-	1	-	1
Capital assets (net of accumulated depreciation of \$2,863)	11,442	-	-	11,442
	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Assets	254,943	530,945	-	785,888
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	341,172	530,945	(72)	872,045
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred losses on mortgage revenue bonds	-	103	-	103
Deferred outflows of resources related to pensions	4,656	-	-	4,656
Deferred outflows of resources related to OPEB	144	-	-	144
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	4,800	103	-	4,903
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 345,972</u>	<u>\$ 531,048</u>	<u>\$ (72)</u>	<u>\$ 876,948</u>

(Continued)

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENT OF NET POSITION
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	General Fund	Combined Mortgage Revenue Bond Programs	Eliminations	Combined Total
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 2,690	\$ 350	\$ -	\$ 3,040
Accrued interest payable	-	8,243	-	8,243
Amounts held in escrow	2,178	22,009	-	24,187
Bonds and debentures payable	3,370	423,853	-	427,223
Compensated absences	1,178	-	-	1,178
Due to other governments	2,468	-	-	2,468
Due to other funds	-	72	(72)	-
Net pension liability	24,138	-	-	24,138
Other postemployment benefits payable	11,223	-	-	11,223
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	47,245	454,527	(72)	501,700
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources related to debt refunding	286	929	-	1,215
Deferred inflows of resources related to unearned income	4,010	-	-	4,010
Deferred inflows of resources related to pensions	1,802	-	-	1,802
Deferred inflows of resources related to OPEB	755	-	-	755
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	6,853	929	-	7,782
NET POSITION:				
Net investment in capital assets	71,324	-	-	71,324
Restricted	249,109	75,592	-	324,701
Unrestricted	(28,559)	-	-	(28,559)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position	291,874	75,592	-	367,466
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 345,972	\$ 531,048	\$ (72)	\$ 876,948

LOUISIANA HOUSING CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SUPPLEMENTARY COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

	<u>General Fund</u>	<u>Combined Mortgage Revenue Bond Programs</u>	<u>Eliminations</u>	<u>Combined Total</u>
OPERATING REVENUES:				
MRB program issuer fees	\$ 1,105	\$ -	\$ (1,105)	\$ -
Low income housing tax credit program fees	2,311	-	-	2,311
Federal program administrative fees	9,264	-	-	9,264
Interest and dividend income	721	20,632	-	21,353
Gain (loss) on investments/mortgage-backed securities	(88)	(8,698)	-	(8,786)
Single family turnkey program fees	600	-	-	600
Other	185	340	-	525
Total Operating Revenues	14,098	12,274	(1,105)	25,267
OPERATING EXPENSES:				
Personnel services	9,919	-	-	9,919
Supplies	351	-	-	351
Travel	250	-	-	250
Operating services	1,565	-	-	1,565
Professional services	2,103	-	-	2,103
Interest expense	-	15,715	-	15,715
General and administrative	-	1,144	(1,105)	39
Depreciation	365	-	-	365
Total Operating Expenses	14,553	16,859	(1,105)	30,307
Operating Loss	(455)	(4,585)	-	(5,040)
NON-OPERATING REVENUES (EXPENSES):				
Amortization of gain on refunding	155	-	-	155
Federal grants drawn	185,182	-	-	185,182
Federal grant funds disbursed	(176,703)	-	-	(176,703)
Interest expense	(32)	-	-	(32)
Net loss from rental property	(438)	-	-	(438)
Net loss from rental property - restricted	(648)	-	-	(648)
Provision for loan losses	(2,655)	-	-	(2,655)
Program income - HOME	84	-	-	84
Program income - 2016 Floods	627	-	-	627
Program income - CDBG	61	-	-	61
Program income - NRPP	39	-	-	39
Program income - HRP	7	-	-	7
Restricted mortgage loan interest income	5,481	-	-	5,481
Restricted investment income	14	-	-	14
Restricted unrealized gain (loss)	(428)	-	-	(428)
Investment income - Work Force Initiative	154	-	-	154
Unrealized gain (loss) - Workforce Initiative	(84)	-	-	(84)
Total Non-operating Revenues (Expenses)	10,816	-	-	10,816

(Continued)

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 SUPPLEMENTARY COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

	<u>General Fund</u>	<u>Combined Mortgage Revenue Bond Programs</u>	<u>Eliminations</u>	<u>Combined Total</u>
Income (loss) before transfers and distributions	\$ 10,361	\$ (4,585)	\$ -	\$ 5,776
Transfers from MRB Programs	172	-	(172)	-
Transfers to General Fund	-	(172)	172	-
Distributions to third parties	-	(304)	-	(304)
Change in Net Position	10,533	(5,061)	-	5,472
NET POSITION - beginning of year, before restatement	284,584	80,653	-	365,237
Net effect of change in accounting principle	(3,243)	-	-	(3,243)
NET POSITION - end of year	<u>\$ 291,874</u>	<u>\$ 75,592</u>	<u>\$ -</u>	<u>\$ 367,466</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENT OF CASH FLOWS
 SUPPLEMENTARY COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

	<u>General Fund</u>	<u>Combined Mortgage Revenue Bond Programs</u>	<u>Combined Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from:			
Fee revenue collected	\$ 11,290	\$ -	\$ 11,290
Interest and dividend income	721	20,029	20,750
Mortgage collections and mortgage-backed securities redeemed	40	125,781	125,821
Other operating income	-	339	339
Cash paid to:			
Suppliers of services	(4,630)	(1,152)	(5,782)
Mortgage loans issued and mortgage-backed securities purchased	-	(46,353)	(46,353)
Interest paid on bonds	-	(15,493)	(15,493)
Other operating expenses	-	(11)	(11)
Employees and benefit providers	(11,062)	-	(11,062)
	(3,641)	83,140	79,499
Net cash provided by (used in) operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Distributions to third parties	-	(304)	(304)
Net transfers to/from MRB programs	172	(172)	-
Receipt of federal grants	187,579	-	187,579
Disbursement of federal grants	(176,704)	-	(176,704)
Mortgage collections	5,371	-	5,371
Mortgage purchases	(10,202)	-	(10,202)
Other non-operating income	1,286	-	1,286
Issuance of bonds	-	54,544	54,544
Repayment of bonds	(3,036)	(99,764)	(102,800)
Net change in escrow accounts	(1,261)	(34,904)	(36,165)
Interest paid on bonds and debentures payable	(32)	-	(32)
	3,173	(80,600)	(77,427)
Net cash provided by (used in) noncapital financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments purchased	(4,822)	(21,192)	(26,014)
Investments redeemed	3,543	40,512	44,055
Interest payments received	661	-	661
Net change in activity of investment in rental properties	1,987	-	1,987
	1,369	19,320	20,689
Net cash provided by (used in) investing activities			
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Purchase of property and equipment	(44)	-	(44)
Repayment of bonds	(450)	-	(450)
	(494)	-	(494)
Net cash used in capital financing activities			

(Continued)

LOUISIANA HOUSING CORPORATION
STATEMENTS OF CASH FLOWS
SUPPLEMENTARY COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

	<u>General Fund</u>	<u>Combined Mortgage Revenue Bond Programs</u>	<u>Combined Total</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 407	\$ 21,860	\$ 22,267
CASH AND CASH EQUIVALENTS, beginning of year	22,748	66,445	89,193
CASH AND CASH EQUIVALENTS, end of year	\$ 23,155	\$ 88,305	\$ 111,460
Presented on Combined Statement of Net Position as:			
Unrestricted	\$ 1,584	\$ -	\$ 1,584
Restricted	21,571	88,305	109,876
	\$ 23,155	\$ 88,305	\$ 111,460
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating loss	\$ (455)	\$ (4,585)	\$ (5,040)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Amortization of bond discount/premium	-	(129)	(129)
Amortization of unearned (income) losses	-	(295)	(295)
Depreciation	365	-	365
(Gain) loss on investments/mortgage-backed securities	88	10,117	10,205
Change in net pension liability	(1,164)	-	(1,164)
Change in pension deferred inflows/outflows	(523)	-	(523)
Change in mortgage loans and mortgage-backed securities	40	78,009	78,049
Change in accrued interest receivable	-	(603)	(603)
Change in accrued interest payable	-	646	646
Change in due from governments	(2,102)	-	(2,102)
Change in due to/from MRB programs	12	(12)	-
Change in accounts payable and accrued liabilities	(151)	(8)	(159)
Change in OPEB payable	(494)	-	(494)
Change in OPEB deferred inflows/outflows	772	-	772
Change in compensated absences payable	73	-	73
Change in other receivables	(86)	-	(86)
Change in other assets	(16)	-	(16)
Net cash provided by (used in) operating activities	\$ (3,641)	\$ 83,140	\$ 79,499

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
RESTRICTED ASSETS:								
Cash and cash equivalents	\$ 24	\$ 80	\$ -	\$ 207	\$ 1,237	\$ 238	\$ 336	\$ 763
Investments	-	-	-	-	-	-	-	-
Mortgage loans and mortgage backed securities	2,640	3,821	-	7,023	15,470	9,455	13,110	4,632
Accrued interest receivable	1	15	-	-	9	45	16	3
Other assets	-	-	-	-	-	-	-	-
Total Restricted Assets	<u>2,665</u>	<u>3,916</u>	<u>-</u>	<u>7,230</u>	<u>16,716</u>	<u>9,738</u>	<u>13,462</u>	<u>5,398</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred losses on mortgage revenue bonds	-	-	-	-	-	-	-	103
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,665</u>	<u>\$ 3,916</u>	<u>\$ -</u>	<u>\$ 7,230</u>	<u>\$ 16,716</u>	<u>\$ 9,738</u>	<u>\$ 13,462</u>	<u>\$ 5,501</u>
LIABILITIES:								
Accounts payable	\$ 4	\$ 37	\$ -	\$ 2	\$ -	\$ -	\$ 195	\$ 4
Accrued interest payable	1	47	-	36	9	45	16	3
Amounts held in escrow	20	-	-	163	1,237	238	136	759
Bonds payable	2,640	3,848	-	7,029	15,470	9,455	13,110	4,630
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,665</u>	<u>3,932</u>	<u>-</u>	<u>7,230</u>	<u>16,716</u>	<u>9,738</u>	<u>13,457</u>	<u>5,396</u>
DEFERRED INFLOWS OF RESOURCES:								
Deferred inflows related to debt refunding	-	-	-	-	-	-	-	-
NET POSITION - RESTRICTED:								
Net position - restricted for bond programs	-	(16)	-	-	-	-	5	105
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 2,665</u>	<u>\$ 3,916</u>	<u>\$ -</u>	<u>\$ 7,230</u>	<u>\$ 16,716</u>	<u>\$ 9,738</u>	<u>\$ 13,462</u>	<u>\$ 5,501</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage
RESTRICTED ASSETS:								
Cash and cash equivalents	\$ 660	\$ 56	\$ 785	\$ 35	\$ 5,346	\$ 5	\$ 531	\$ 215
Investments	-	-	-	-	-	-	-	-
Mortgage loans and mortgage backed securities	6,400	7,300	8,190	8,170	46,607	1,986	1,113	10,130
Accrued interest receivable	8	9	9	9	6,040	-	6	-
Other assets	-	-	-	-	-	-	-	-
Total Restricted Assets	<u>7,068</u>	<u>7,365</u>	<u>8,984</u>	<u>8,214</u>	<u>57,993</u>	<u>1,991</u>	<u>1,650</u>	<u>10,345</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred losses on mortgage revenue bonds	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
	<u>\$ 7,068</u>	<u>\$ 7,365</u>	<u>\$ 8,984</u>	<u>\$ 8,214</u>	<u>\$ 57,993</u>	<u>\$ 1,991</u>	<u>\$ 1,650</u>	<u>\$ 10,345</u>
LIABILITIES:								
Accounts payable	\$ 10	\$ 6	\$ -	\$ 3	\$ 18	\$ -	\$ -	\$ 18
Accrued interest payable	8	9	9	9	7,049	3	6	120
Amounts held in escrow	650	50	799	32	-	-	529	-
Bonds payable	6,400	7,300	8,190	8,170	51,423	1,999	1,113	10,205
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>7,068</u>	<u>7,365</u>	<u>8,998</u>	<u>8,214</u>	<u>58,490</u>	<u>2,002</u>	<u>1,648</u>	<u>10,343</u>
DEFERRED INFLOWS OF RESOURCES:								
Deferred inflows related to debt refunding	-	-	-	-	-	-	-	-
NET POSITION - RESTRICTED:								
Net position - restricted for bond programs	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>(497)</u>	<u>(11)</u>	<u>2</u>	<u>2</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION								
	<u>\$ 7,068</u>	<u>\$ 7,365</u>	<u>\$ 8,984</u>	<u>\$ 8,214</u>	<u>\$ 57,993</u>	<u>\$ 1,991</u>	<u>\$ 1,650</u>	<u>\$ 10,345</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
 JUNE 30, 2018

(In Thousands)

	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage	2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2014 Choctaw Lodge Multifamily Mortgage	2015 Port Royal Multifamily Mortgage	2015 Iberville IV Multifamily Mortgage
RESTRICTED ASSETS:								
Cash and cash equivalents	\$ 763	\$ 254	\$ 37	\$ 256	\$ -	\$ -	\$ 1,125	\$ -
Investments	-	-	-	-	-	-	-	-
Mortgage loans and mortgage backed securities	3,485	2,547	1,449	11,174	-	-	15,642	-
Accrued interest receivable	-	10	-	-	-	-	61	-
Other assets	-	-	-	-	-	-	-	-
Total Restricted Assets	<u>4,248</u>	<u>2,811</u>	<u>1,486</u>	<u>11,430</u>	<u>-</u>	<u>-</u>	<u>16,828</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred losses on mortgage revenue bonds	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,248</u>	<u>\$ 2,811</u>	<u>\$ 1,486</u>	<u>\$ 11,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,828</u>	<u>\$ -</u>
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ 5	\$ 39	\$ -	\$ -	\$ 4	\$ -
Accrued interest payable	15	10	26	56	-	-	61	-
Amounts held in escrow	742	254	-	148	-	-	1,048	-
Bonds payable	3,491	2,547	1,455	11,182	-	-	15,650	-
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>4,248</u>	<u>2,811</u>	<u>1,486</u>	<u>11,425</u>	<u>-</u>	<u>-</u>	<u>16,763</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:								
Deferred inflows related to debt refunding	-	-	-	-	-	-	-	-
NET POSITION - RESTRICTED:								
Net position - restricted for bond programs	-	-	-	5	-	-	65	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 4,248</u>	<u>\$ 2,811</u>	<u>\$ 1,486</u>	<u>\$ 11,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,828</u>	<u>\$ -</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2016 Bastion Multifamily Mortgage	2016 Artspace Multifamily Mortgage	2016 Villages of Versailles Multifamily Mortgage	2016 Twin Lakes of Leesville Multifamily Mortgage	2017 Gabriel Villa Multifamily Mortgage	2018 Harmony Gardens Multifamily Mortgage	2018 Iberville Phase VII Multifamily Mortgage	2018 Meadows at Nicholson Multifamily Mortgage
RESTRICTED ASSETS:								
Cash and cash equivalents	\$ -	\$ 2	\$ 25,940	\$ -	\$ -	\$ 365	\$ 9,519	\$ 19,616
Investments	-	-	-	-	-	13,433	-	-
Mortgage loans and mortgage backed securities	2,036	18,300	-	-	970	3,230	3,071	4,004
Accrued interest receivable	6	76	31	-	-	21	36	44
Other assets	-	-	-	-	-	-	-	-
Total Restricted Assets	2,042	18,378	25,971	-	970	17,049	12,626	23,664
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred losses on mortgage revenue bonds	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,042	\$ 18,378	\$ 25,971	\$ -	\$ 970	\$ 17,049	\$ 12,626	\$ 23,664
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest payable	6	76	142	-	-	21	36	44
Amounts held in escrow	-	2	-	-	-	3,608	3,035	4,512
Bonds payable	2,036	18,300	25,610	-	970	13,500	9,500	19,000
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	2,042	18,378	25,757	-	970	17,129	12,571	23,556
DEFERRED INFLOWS OF RESOURCES:								
Deferred inflows related to debt refunding	-	-	-	-	-	-	-	-
NET POSITION - RESTRICTED:								
Net position - restricted for bond programs	-	-	214	-	-	(80)	55	108
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 2,042	\$ 18,378	\$ 25,971	\$ -	\$ 970	\$ 17,049	\$ 12,626	\$ 23,664

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2018 Robinson Place II Multifamily Mortgage	2018 Beau Sejour Multifamily Mortgage	Total Multifamily Mortgage
RESTRICTED ASSETS:			
Cash and cash equivalents	\$ 7	\$ 54	\$ 68,456
Investments	-	4,005	17,438
Mortgage loans and mortgage backed securities	51	4,000	216,006
Accrued interest receivable	-	7	6,462
Other assets	-	-	-
Total Restricted Assets	<u>58</u>	<u>8,066</u>	<u>308,362</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred losses on mortgage revenue bonds	-	-	103
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 58</u>	<u>\$ 8,066</u>	<u>\$ 308,465</u>
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 350
Accrued interest payable	-	7	7,870
Amounts held in escrow	-	4,047	22,009
Bonds payable	51	4,000	278,274
Due to other funds	-	-	-
Total Liabilities	<u>51</u>	<u>8,054</u>	<u>308,503</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to debt refunding	-	-	-
NET POSITION - RESTRICTED:			
Net position - restricted for bond programs	<u>7</u>	<u>12</u>	<u>(38)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 58</u>	<u>\$ 8,066</u>	<u>\$ 308,465</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2006D Single Family	2007B Single Family	2007C Single Family	2008A Single Family	2008B Single Family	2009A Single Family	2010A Single Family	2011A Single Family
RESTRICTED ASSETS:								
Cash and cash equivalents	\$ -	\$ 44	\$ 51	\$ 256	\$ 618	\$ 281	\$ 940	\$ 1,365
Investments	-	-	-	-	-	-	-	-
Mortgage loans and mortgage-backed securities	-	-	-	9,675	6,456	10,037	28,292	26,826
Accrued interest receivable	-	-	-	40	28	36	92	84
Other assets	-	-	-	-	-	-	-	-
Total Restricted Assets	<u>-</u>	<u>44</u>	<u>51</u>	<u>9,971</u>	<u>7,102</u>	<u>10,354</u>	<u>29,324</u>	<u>28,275</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred losses on mortgage revenue bonds	<u>-</u>							
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 51</u>	<u>\$ 9,971</u>	<u>\$ 7,102</u>	<u>\$ 10,354</u>	<u>\$ 29,324</u>	<u>\$ 28,275</u>
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest payable	-	-	-	6	27	30	72	41
Amounts held in escrow	-	-	-	-	-	-	-	-
Bonds payable	-	-	-	5,814	5,370	7,261	24,490	16,280
Due to other funds	-	-	-	3	-	3	13	10
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,823</u>	<u>5,397</u>	<u>7,294</u>	<u>24,575</u>	<u>16,331</u>
DEFERRED INFLOWS OF RESOURCES:								
Deferred inflows related to debt refunding	<u>-</u>							
NET POSITION - RESTRICTED:								
Net position - restricted for bond programs	<u>-</u>	<u>44</u>	<u>51</u>	<u>4,148</u>	<u>1,705</u>	<u>3,060</u>	<u>4,749</u>	<u>11,944</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION								
	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 51</u>	<u>\$ 9,971</u>	<u>\$ 7,102</u>	<u>\$ 10,354</u>	<u>\$ 29,324</u>	<u>\$ 28,275</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2012A Single Family	2013A Single Family	2015A Single Family	2016A Single Family	2017A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
RESTRICTED ASSETS:							
Cash and cash equivalents	\$ 9,747	\$ 471	\$ 1,761	\$ 2,749	\$ 1,566	\$ 19,849	\$ 88,305
Investments	-	-	-	-	-	-	17,438
Mortgage loans and mortgage-backed securities	25,137	9,395	34,214	22,094	29,876	202,002	418,008
Accrued interest receivable	78	34	130	85	124	731	7,193
Other assets	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Restricted Assets	<u>34,963</u>	<u>9,900</u>	<u>36,105</u>	<u>24,928</u>	<u>31,566</u>	<u>222,583</u>	<u>530,945</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred losses on mortgage revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 34,963</u>	<u>\$ 9,900</u>	<u>\$ 36,105</u>	<u>\$ 24,928</u>	<u>\$ 31,566</u>	<u>\$ 222,583</u>	<u>\$ 531,048</u>
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350
Accrued interest payable	41	12	63	28	53	373	8,243
Amounts held in escrow	-	-	-	-	-	-	22,009
Bonds payable	17,506	6,180	24,591	16,085	22,002	145,579	423,853
Due to other funds	<u>7</u>	<u>1</u>	<u>14</u>	<u>9</u>	<u>12</u>	<u>72</u>	<u>72</u>
Total Liabilities	17,554	6,193	24,668	16,122	22,067	146,024	454,527
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows related to debt refunding	<u>-</u>	<u>-</u>	<u>45</u>	<u>208</u>	<u>676</u>	<u>929</u>	<u>929</u>
NET POSITION - RESTRICTED:							
Net position - restricted for bond programs	<u>17,409</u>	<u>3,707</u>	<u>11,392</u>	<u>8,598</u>	<u>8,823</u>	<u>75,630</u>	<u>75,592</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 34,963</u>	<u>\$ 9,900</u>	<u>\$ 36,105</u>	<u>\$ 24,928</u>	<u>\$ 31,566</u>	<u>\$ 222,583</u>	<u>\$ 531,048</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage	2007 Emerald Point Apartments Multifamily Mortgage
OPERATING REVENUES:								
Interest and dividend income	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -
Gain (loss) on investments/mortgage backed securities	-	-	-	-	-	-	-	-
Mortgage loan interest	31	183	-	434	178	547	166	58
Other	5	4	-	12	-	-	13	5
Total operating revenues	<u>37</u>	<u>188</u>	<u>-</u>	<u>446</u>	<u>178</u>	<u>547</u>	<u>181</u>	<u>63</u>
OPERATING EXPENSES:								
Interest expense	32	192	-	434	178	547	166	63
General and administrative	5	5	4	13	-	-	12	5
Total operating expenses	<u>37</u>	<u>197</u>	<u>4</u>	<u>447</u>	<u>178</u>	<u>547</u>	<u>178</u>	<u>68</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>(9)</u>	<u>(4)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>(5)</u>
Interfund transfers	-	-	-	-	-	-	-	-
Contributions from (distributions to) external parties	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>-</u>	<u>(9)</u>	<u>(4)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>(5)</u>
NET POSITION - RESTRICTED, beginning of year	<u>-</u>	<u>(7)</u>	<u>4</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>110</u>
NET POSITION - RESTRICTED, end of year	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 105</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage	2011 Blue Plate Lofts Multifamily Mortgage	2011 Mallard Crossing Apartments Multifamily Mortgage
OPERATING REVENUES:								
Interest and dividend income	\$ -	\$ -	\$ -	\$ -	\$ 25	\$ -	\$ -	\$ 1
Gain (loss) on investments/mortgage backed securities	-	-	-	-	-	-	-	-
Mortgage loan interest	82	93	96	97	3,823	31	71	483
Other	6	7	8	8	-	6	-	5
Total operating revenues	<u>88</u>	<u>100</u>	<u>104</u>	<u>105</u>	<u>3,848</u>	<u>37</u>	<u>71</u>	<u>489</u>
OPERATING EXPENSES:								
Interest expense	82	93	96	97	3,892	31	71	483
General and administrative	6	7	10	8	1	6	-	4
Total operating expenses	<u>88</u>	<u>100</u>	<u>106</u>	<u>105</u>	<u>3,893</u>	<u>37</u>	<u>71</u>	<u>487</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>2</u>
Interfund transfers	-	-	-	-	-	-	-	-
Contributions from (distributions to) external parties	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>2</u>
NET POSITION - RESTRICTED, beginning of year	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>(452)</u>	<u>(11)</u>	<u>2</u>	<u>-</u>
NET POSITION - RESTRICTED, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ -</u>	<u>\$ (497)</u>	<u>\$ (11)</u>	<u>\$ 2</u>	<u>\$ 2</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2012 Elysian Project Apartments Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage	2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2014 Choctaw Lodge Multifamily Mortgage	2015 Port Royal Multifamily Mortgage	2015 Iberville IV Multifamily Mortgage
OPERATING REVENUES:								
Interest and dividend income	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ 1	\$ 59
Gain (loss) on investments/mortgage backed securities	-	-	-	-	-	-	-	-
Mortgage loan interest	184	128	53	675	79	33	811	390
Other	-	-	1	1	-	-	-	22
Total operating revenues	<u>184</u>	<u>128</u>	<u>54</u>	<u>676</u>	<u>105</u>	<u>33</u>	<u>812</u>	<u>471</u>
OPERATING EXPENSES:								
Interest expense	184	128	53	674	233	33	749	492
General and administrative	-	-	2	-	3	-	23	23
Total operating expenses	<u>184</u>	<u>128</u>	<u>55</u>	<u>674</u>	<u>236</u>	<u>33</u>	<u>772</u>	<u>515</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>2</u>	<u>(131)</u>	<u>-</u>	<u>40</u>	<u>(44)</u>
Interfund transfers	-	-	-	-	-	-	-	-
Contributions from (distributions to) external parties	-	-	-	-	-	-	(304)	-
CHANGE IN NET POSITION	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>2</u>	<u>(131)</u>	<u>-</u>	<u>(264)</u>	<u>(44)</u>
NET POSITION - RESTRICTED, beginning of year	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>131</u>	<u>-</u>	<u>329</u>	<u>44</u>
NET POSITION - RESTRICTED, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ -</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2016 Bastion Multifamily Mortgage	2016 Artspace Multifamily Mortgage	2016 Villages of Versailles Multifamily Mortgage	2016 Twin Lakes of Leesville Multifamily Mortgage	2017 Gabriel Villa Multifamily Mortgage	2018 Harmony Gardens Multifamily Mortgage	2018 Iberville Phase VII Multifamily Mortgage	2018 Meadows at Nicholson Multifamily Mortgage
OPERATING REVENUES:								
Interest and dividend income	\$ -	\$ -	\$ 182	\$ -	\$ -	\$ 26	\$ 55	\$ 102
Gain (loss) on investments/mortgage backed securities	-	-	-	-	-	-	-	-
Mortgage loan interest	119	796	154	93	94	128	223	191
Other	-	-	-	-	-	-	-	21
Total operating revenues	<u>119</u>	<u>796</u>	<u>336</u>	<u>93</u>	<u>94</u>	<u>154</u>	<u>278</u>	<u>314</u>
OPERATING EXPENSES:								
Interest expense	119	796	295	93	94	128	223	191
General and administrative	-	-	-	1	-	106	-	15
Total operating expenses	<u>119</u>	<u>796</u>	<u>295</u>	<u>94</u>	<u>94</u>	<u>234</u>	<u>223</u>	<u>206</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>41</u>	<u>(1)</u>	<u>-</u>	<u>(80)</u>	<u>55</u>	<u>108</u>
Interfund transfers	-	-	-	-	-	-	-	-
Contributions from (distributions to) external parties	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>-</u>	<u>-</u>	<u>41</u>	<u>(1)</u>	<u>-</u>	<u>(80)</u>	<u>55</u>	<u>108</u>
NET POSITION - RESTRICTED, beginning of year	<u>-</u>	<u>-</u>	<u>173</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - RESTRICTED, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80)</u>	<u>\$ 55</u>	<u>\$ 108</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2018 Robinson Place II Multifamily Mortgage	2018 Beau Sejour Multifamily Mortgage	Total Multifamily Mortgage
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES:			
Interest and dividend income	\$ -	\$ 12	\$ 493
Gain (loss) on investments/mortgage backed securities	-	-	-
Mortgage loan interest	-	63	10,587
Other	7	-	131
Total operating revenues	<u>7</u>	<u>75</u>	<u>11,211</u>
OPERATING EXPENSES:			
Interest expense	-	63	11,005
General and administrative	-	-	259
Total operating expenses	<u>-</u>	<u>63</u>	<u>11,264</u>
OPERATING INCOME (LOSS)	<u>7</u>	<u>12</u>	<u>(53)</u>
Interfund transfers	-	-	-
Contributions from (distributions to) external parties	<u>-</u>	<u>-</u>	<u>(304)</u>
CHANGE IN NET POSITION	<u>7</u>	<u>12</u>	<u>(357)</u>
NET POSITION - RESTRICTED, beginning of year	<u>-</u>	<u>-</u>	<u>319</u>
NET POSITION - RESTRICTED, end of year	<u>\$ 7</u>	<u>\$ 12</u>	<u>\$ (38)</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2006D Single Family	2007B Single Family	2007C Single Family	2008A Single Family	2008B Single Family	2009A Single Family	2010A Single Family	2011A Single Family
OPERATING REVENUES:								
Interest and dividend income	\$ -	\$ 15	\$ -	\$ 538	\$ 361	\$ 467	\$ 1,163	\$ 1,128
Gain (loss) on investments/mortgage-backed securities	-	-	-	(527)	(214)	(435)	(1,203)	(1,128)
Mortgage loan interest	-	-	-	-	-	-	-	-
Other	-	49	56	45	33	26	-	-
Total operating revenues	<u>-</u>	<u>64</u>	<u>56</u>	<u>56</u>	<u>180</u>	<u>58</u>	<u>(40)</u>	<u>-</u>
OPERATING EXPENSES:								
Interest expense	-	-	-	394	351	379	841	508
General and administrative	-	-	-	35	3	44	176	139
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>429</u>	<u>354</u>	<u>423</u>	<u>1,017</u>	<u>647</u>
OPERATING INCOME (LOSS)	<u>-</u>	<u>64</u>	<u>56</u>	<u>(373)</u>	<u>(174)</u>	<u>(365)</u>	<u>(1,057)</u>	<u>(647)</u>
Interfund transfers	(2)	(51)	(119)	-	-	-	-	-
Contributions from (distributions to) external parties	<u>-</u>							
CHANGE IN NET POSITION	<u>(2)</u>	<u>13</u>	<u>(63)</u>	<u>(373)</u>	<u>(174)</u>	<u>(365)</u>	<u>(1,057)</u>	<u>(647)</u>
NET POSITION - RESTRICTED, beginning of year	<u>2</u>	<u>31</u>	<u>114</u>	<u>4,521</u>	<u>1,879</u>	<u>3,425</u>	<u>5,806</u>	<u>12,591</u>
NET POSITION - RESTRICTED, end of year	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 51</u>	<u>\$ 4,148</u>	<u>\$ 1,705</u>	<u>\$ 3,060</u>	<u>\$ 4,749</u>	<u>\$ 11,944</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
YEAR ENDED JUNE 30, 2018

(In Thousands)

	2012A Single Family	2013A Single Family	2015A Single Family	2016A Single Family	2017A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
OPERATING REVENUES:							
Interest and dividend income	\$ 1,068	\$ 426	\$ 1,649	\$ 1,113	\$ 1,624	\$ 9,552	\$ 10,045
Gain (loss) on investments/mortgage-backed securities	(865)	(393)	(1,336)	(1,092)	(1,505)	(8,698)	(8,698)
Mortgage loan interest	-	-	-	-	-	-	10,587
Other	-	-	-	-	-	209	340
Total operating revenues	<u>203</u>	<u>33</u>	<u>313</u>	<u>21</u>	<u>119</u>	<u>1,063</u>	<u>12,274</u>
OPERATING EXPENSES:							
Interest expense	512	153	781	279	512	4,710	15,715
General and administrative	46	33	134	114	161	885	1,144
Total operating expenses	<u>558</u>	<u>186</u>	<u>915</u>	<u>393</u>	<u>673</u>	<u>5,595</u>	<u>16,859</u>
OPERATING INCOME (LOSS)	<u>(355)</u>	<u>(153)</u>	<u>(602)</u>	<u>(372)</u>	<u>(554)</u>	<u>(4,532)</u>	<u>(4,585)</u>
Interfund transfers	-	-	-	-	-	(172)	(172)
Contributions from (distributions to) external parties	-	-	-	-	-	-	(304)
CHANGE IN NET POSITION	<u>(355)</u>	<u>(153)</u>	<u>(602)</u>	<u>(372)</u>	<u>(554)</u>	<u>(4,704)</u>	<u>(5,061)</u>
NET POSITION - RESTRICTED, beginning of year	<u>17,764</u>	<u>3,860</u>	<u>11,994</u>	<u>8,970</u>	<u>9,377</u>	<u>80,334</u>	<u>80,653</u>
NET POSITION - RESTRICTED, end of year	<u>\$ 17,409</u>	<u>\$ 3,707</u>	<u>\$ 11,392</u>	<u>\$ 8,598</u>	<u>\$ 8,823</u>	<u>\$ 75,630</u>	<u>\$ 75,592</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2004 Palmetto Multifamily Mortgage	2005 Peppermill I & II Multifamily Mortgage	2006 Meadowbrook Multifamily Mortgage	2006 The Crossing Multifamily Mortgage	2007 Canterbury House Apartments Multifamily Mortgage	2007 Hooper Point Residences Multifamily Mortgage	2007 Jefferson Lakes Apartments Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from:							
Interest and dividend income	\$ 32	\$ 184	\$ -	\$ 434	\$ 175	\$ 548	\$ 163
Mortgage loan collections and mortgage-backed securities redeemed	100	98	-	71	-	108	230
Other	5	4	-	12	-	-	13
Cash paid to:							
Suppliers of services	(7)	1	(4)	(67)	-	-	6
Mortgage loans issued and mortgage-backed securities purchased	-	-	-	-	-	-	-
Interest paid on bonds	(32)	(192)	-	(434)	(175)	(548)	(161)
Other	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>98</u>	<u>95</u>	<u>(4)</u>	<u>16</u>	<u>-</u>	<u>108</u>	<u>251</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Net residual equity transfers and contributions	-	-	-	-	-	-	-
Net change in escrow accounts	(35)	-	-	86	194	12	16
Issuance of bonds	-	-	-	-	-	-	-
Repayment of bonds	(100)	(95)	-	(70)	-	(108)	(230)
Net cash provided by (used in) noncapital financing activities	<u>(135)</u>	<u>(95)</u>	<u>-</u>	<u>16</u>	<u>194</u>	<u>(96)</u>	<u>(214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investments purchased	-	-	-	-	-	-	-
Investments redeemed	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37)	-	(4)	32	194	12	37
CASH AND CASH EQUIVALENTS, beginning of year	<u>61</u>	<u>80</u>	<u>4</u>	<u>175</u>	<u>1,043</u>	<u>226</u>	<u>299</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 24</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ 1,237</u>	<u>\$ 238</u>	<u>\$ 336</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2007 Emerald Point Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from:							
Interest and dividend income	\$ 57	\$ 79	\$ 90	\$ 93	\$ 94	\$ 3,140	\$ 31
Mortgage loan collections and mortgage-backed securities redeemed	-	-	135	-	120	830	33
Other	5	6	7	8	8	-	6
Cash paid to:							
Suppliers of services	(5)	(6)	(7)	(10)	(11)	17	(6)
Mortgage loans issued and mortgage-backed securities purchased	-	-	-	-	-	-	-
Interest paid on bonds	(57)	(79)	(90)	(93)	(94)	(3,165)	(31)
Other	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>135</u>	<u>(2)</u>	<u>117</u>	<u>822</u>	<u>33</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Net residual equity transfers and contributions	-	-	-	-	-	-	-
Net change in escrow accounts	106	87	2	122	2	25	-
Issuance of bonds	-	-	-	-	-	-	-
Repayment of bonds	-	-	(135)	-	(120)	(865)	(33)
Net cash provided by (used in) noncapital financing activities	<u>106</u>	<u>87</u>	<u>(133)</u>	<u>122</u>	<u>(118)</u>	<u>(840)</u>	<u>(33)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investments purchased	-	-	-	-	-	-	-
Investments redeemed	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106	87	2	120	(1)	(18)	-
CASH AND CASH EQUIVALENTS, beginning of year	<u>657</u>	<u>573</u>	<u>54</u>	<u>665</u>	<u>36</u>	<u>5,364</u>	<u>5</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 763</u>	<u>\$ 660</u>	<u>\$ 56</u>	<u>\$ 785</u>	<u>\$ 35</u>	<u>\$ 5,346</u>	<u>\$ 5</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2011 Blue Plate Lofts Multifamily Mortgage	2011 Mallard Crossing Multifamily Mortgage	2012 Elysian Project Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage	2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 Guste III Multifamily Mortgage	2014 Choctaw Lodge Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from:								
Interest and dividend income	\$ 71	\$ 484	\$ 184	\$ 129	\$ 53	\$ 675	\$ 105	\$ 46
Mortgage loan collections and mortgage-backed securities redeemed	19	125	61	62	15	112	25,600	3,050
Other	-	5	-	-	1	1	-	-
Cash paid to:								
Suppliers of services	-	1	-	-	(2)	10	(3)	-
Mortgage loans issued and mortgage-backed securities purchased	-	-	-	-	-	-	-	-
Interest paid on bonds	(71)	(484)	(184)	(129)	(53)	(674)	(254)	(46)
Other	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>19</u>	<u>131</u>	<u>61</u>	<u>62</u>	<u>14</u>	<u>124</u>	<u>25,448</u>	<u>3,050</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Net residual equity transfers and contributions	-	-	-	-	-	-	-	-
Net change in escrow accounts	69	-	2	26	-	64	(25,696)	-
Issuance of bonds	-	-	-	-	-	-	-	-
Repayment of bonds	(19)	(115)	(60)	(62)	(15)	(113)	(25,600)	(3,050)
Net cash provided by (used in) noncapital financing activities	<u>50</u>	<u>(115)</u>	<u>(58)</u>	<u>(36)</u>	<u>(15)</u>	<u>(49)</u>	<u>(51,296)</u>	<u>(3,050)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Investments purchased	-	-	-	-	-	-	-	-
Investments redeemed	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69	16	3	26	(1)	75	(25,848)	-
CASH AND CASH EQUIVALENTS, beginning of year	462	199	760	228	38	181	25,848	-
CASH AND CASH EQUIVALENTS, end of year	\$ <u>531</u>	\$ <u>215</u>	\$ <u>763</u>	\$ <u>254</u>	\$ <u>37</u>	\$ <u>256</u>	\$ <u>-</u>	\$ <u>-</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2015 Port Royal Multifamily Mortgage	2015 Iberville IV Multifamily Mortgage	2016 Bastion Multifamily Mortgage	2016 Artspace Multifamily Mortgage	2016 Villages of Versailles Multifamily Mortgage	2016 Twin Lakes of Leesville Multifamily Mortgage	2017 Gabriel Villa Multifamily Mortgage	2018 Harmony Gardens Multifamily Mortgage
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from:								
Interest and dividend income	\$ 814	\$ 505	\$ 113	\$ 720	\$ 420	\$ 131	\$ 98	\$ 133
Mortgage loan collections and mortgage-backed securities redeemed	350	21,998	2,164	-	25,610	11,200	3,400	-
Other	-	22	-	-	-	-	-	-
Cash paid to:								
Suppliers of services	(19)	(23)	-	-	5	(1)	-	(106)
Mortgage loans issued and mortgage-backed securities purchased	-	-	(395)	(6,897)	(16,521)	(6,015)	(2,169)	(3,230)
Interest paid on bonds	(751)	(548)	(125)	(720)	(268)	(131)	(98)	(107)
Other	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>394</u>	<u>21,954</u>	<u>1,757</u>	<u>(6,897)</u>	<u>9,246</u>	<u>5,184</u>	<u>1,231</u>	<u>(3,310)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Net residual equity transfers and contributions	(304)	-	-	-	-	-	-	-
Net change in escrow accounts	668	(11,000)	-	(129)	(9,359)	(5,368)	-	3,608
Issuance of bonds	-	2	395	6,897	-	-	1,199	13,500
Repayment of bonds	(350)	(22,000)	(2,164)	-	-	(11,200)	(2,430)	-
Net cash provided by (used in) noncapital financing activities	<u>14</u>	<u>(32,998)</u>	<u>(1,769)</u>	<u>6,768</u>	<u>(9,359)</u>	<u>(16,568)</u>	<u>(1,231)</u>	<u>17,108</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Investments purchased	-	-	-	-	-	(3,754)	-	(13,433)
Investments redeemed	-	-	-	-	25,591	14,921	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,591</u>	<u>11,167</u>	<u>-</u>	<u>(13,433)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	408	(11,044)	(12)	(129)	25,478	(217)	-	365
CASH AND CASH EQUIVALENTS, beginning of year	<u>717</u>	<u>11,044</u>	<u>12</u>	<u>131</u>	<u>462</u>	<u>217</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 25,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2018 Iberville Phase VII Multifamily Mortgage	2018 Meadows at Nicholson Multifamily Mortgage	2018 Robinson Place II Multifamily Mortgage	2018 Beau Sejour Multifamily Mortgage	Total Multifamily
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from:					
Interest and dividend income	\$ 242	\$ 249	\$ -	\$ 68	\$ 10,360
Mortgage loan collections and mortgage-backed securities redeemed	-	-	-	-	95,491
Other	-	21	7	-	131
Cash paid to:					
Suppliers of services	-	(15)	-	-	(252)
Mortgage loans issued and mortgage-backed securities purchased	(3,071)	(4,004)	(51)	(4,000)	(46,353)
Interest paid on bonds	(187)	(147)	-	(56)	(10,184)
Other	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(3,016)</u>	<u>(3,896)</u>	<u>(44)</u>	<u>(3,988)</u>	<u>49,193</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Net residual equity transfers and contributions	-	-	-	-	(304)
Net change in escrow accounts	3,035	4,512	-	4,047	(34,904)
Issuance of bonds	9,500	19,000	51	4,000	54,544
Repayment of bonds	-	-	-	-	(68,934)
Net cash provided by (used in) noncapital financing activities	<u>12,535</u>	<u>23,512</u>	<u>51</u>	<u>8,047</u>	<u>(49,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investments purchased	-	-	-	(4,005)	(21,192)
Investments redeemed	-	-	-	-	40,512
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,005)</u>	<u>19,320</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,519	19,616	7	54	18,915
CASH AND CASH EQUIVALENTS, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,541</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 9,519</u>	<u>\$ 19,616</u>	<u>\$ 7</u>	<u>\$ 54</u>	<u>\$ 68,456</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2006D Single Family	2007B Single Family	2007C Single Family	2008A Single Family	2008B Single Family	2009A Single Family	2010A Single Family	2011A Single Family
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from								
Interest and dividend income	\$ -	\$ 15	\$ -	\$ 549	\$ 364	\$ 473	\$ 1,175	\$ 1,146
Mortgage loan collections and mortgage-backed securities redeemed	-	-	-	2,330	613	1,456	3,701	5,175
Other	-	49	56	44	33	26	-	-
Cash paid to								
Suppliers of services	-	(15)	-	(35)	(3)	(44)	(176)	(139)
Mortgage loans issued and mortgage-backed securities purchased	-	-	-	-	-	-	-	-
Interest paid on bonds	-	-	-	(424)	(355)	(412)	(935)	(600)
Other	-	-	-	-	-	-	(1)	(2)
Net cash provided by (used in) operating activities	<u>-</u>	<u>49</u>	<u>56</u>	<u>2,464</u>	<u>652</u>	<u>1,499</u>	<u>3,764</u>	<u>5,580</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Net residual equity transfers and contributions	(2)	(51)	(119)	-	-	-	-	-
Net change in escrow accounts	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-	-	-
Repayment of bonds	-	-	-	(3,240)	(900)	(1,850)	(3,875)	(4,925)
Net cash provided by (used in) noncapital financing activities	<u>(2)</u>	<u>(51)</u>	<u>(119)</u>	<u>(3,240)</u>	<u>(900)</u>	<u>(1,850)</u>	<u>(3,875)</u>	<u>(4,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Investments purchased	-	-	-	-	-	-	-	-
Investments redeemed	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>							
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2)	(2)	(63)	(776)	(248)	(351)	(111)	655
CASH EQUIVALENTS, beginning of year	<u>2</u>	<u>46</u>	<u>114</u>	<u>1,032</u>	<u>866</u>	<u>632</u>	<u>1,051</u>	<u>710</u>
CASH EQUIVALENTS, end of year	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 51</u>	<u>\$ 256</u>	<u>\$ 618</u>	<u>\$ 281</u>	<u>\$ 940</u>	<u>\$ 1,365</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2012A Single Family	2013A Single Family	2015A Single Family	2016A Single Family	2017A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from							
Interest and dividend income	\$ 1,077	\$ 429	\$ 1,664	\$ 1,130	\$ 1,647	\$ 9,669	\$ 20,029
Mortgage loan collections and mortgage-backed securities redeemed	2,994	872	3,783	4,074	5,292	30,290	125,781
Other	-	-	-	-	-	208	339
Cash paid to							
Suppliers of services	(46)	(33)	(134)	(114)	(161)	(900)	(1,152)
Mortgage loans issued and mortgage-backed securities purchased	-	-	-	-	-	-	(46,353)
Interest paid on bonds	(528)	(155)	(798)	(387)	(715)	(5,309)	(15,493)
Other	(1)	(2)	(1)	(2)	(2)	(11)	(11)
Net cash provided by (used in) operating activities	<u>3,496</u>	<u>1,111</u>	<u>4,514</u>	<u>4,701</u>	<u>6,061</u>	<u>33,947</u>	<u>83,140</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Net residual equity transfers and contributions	-	-	-	-	-	(172)	(476)
Net change in escrow accounts	-	-	-	-	-	-	(34,904)
Issuance of bonds	-	-	-	-	-	-	54,544
Repayment of bonds	(2,111)	(838)	(3,184)	(5,011)	(4,896)	(30,830)	(99,764)
Net cash provided by (used in) noncapital financing activities	<u>(2,111)</u>	<u>(838)</u>	<u>(3,184)</u>	<u>(5,011)</u>	<u>(4,896)</u>	<u>(31,002)</u>	<u>(80,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investments purchased	-	-	-	-	-	-	(21,192)
Investments redeemed	-	-	-	-	-	-	40,512
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,320</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,385	273	1,330	(310)	1,165	2,945	21,860
CASH EQUIVALENTS, beginning of year	<u>8,362</u>	<u>198</u>	<u>431</u>	<u>3,059</u>	<u>401</u>	<u>16,904</u>	<u>66,445</u>
CASH EQUIVALENTS, end of year	<u>\$ 9,747</u>	<u>\$ 471</u>	<u>\$ 1,761</u>	<u>\$ 2,749</u>	<u>\$ 1,566</u>	<u>\$ 19,849</u>	<u>\$ 88,305</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2007</u>	<u>2007</u>
	Palmetto Multifamily Mortgage	Peppermill I & II Multifamily Mortgage	Meadowbrook Multifamily Mortgage	The Crossing Multifamily Mortgage	Canterbury House Apartments Multifamily Mortgage	Hooper Point Residences Multifamily Mortgage	Jefferson Lakes Apartments Multifamily Mortgage
RECONCILIATION OF OPERATING INCOME (LOSS)							
TO NET CASH PROVIDED BY (USED IN)							
OPERATING ACTIVITIES:							
Operating income (loss)	\$ -	\$ (9)	\$ (4)	\$ (1)	\$ -	\$ -	3
Adjustments to reconcile operating income (loss)							
to net cash provided by (used in) operating activities:							
Amortization of bond discount (premium)	-	-	-	-	-	-	-
Amortization of deferred (income) losses	-	-	-	-	-	-	-
(Gain) loss on investments / mortgage-backed securities	-	-	-	-	-	-	-
Changes in:							
Mortgage loans and mortgage-backed securities	100	98	-	71	-	108	230
Accrued interest receivable	-	-	-	-	(3)	1	(5)
Accounts payable	(2)	6	-	(54)	-	-	18
Accrued interest payable	-	-	-	-	3	(1)	5
Due to other funds	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 98</u>	<u>\$ 95</u>	<u>\$ (4)</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 251</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2007 Emerald Point Apartments Multifamily Mortgage	2007 Lapalco Court Apartments Multifamily Mortgage	2008 Arbor Place Apartments Multifamily Mortgage	2008 Jefferson Crossing Multifamily Mortgage	2009 Belmont Village Multifamily Mortgage	2009 Louisiana Chateau Multifamily Mortgage	2010 The Muses II Multifamily Mortgage
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ (5)	\$ -	\$ -	\$ (2)	\$ -	\$ (45)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Amortization of bond discount (premium)	-	-	-	-	-	64	-
Amortization of deferred (income) losses	5	-	-	-	-	-	-
(Gain) loss on investments / mortgage-backed securities	-	-	-	-	-	-	-
Changes in:							
Mortgage loans and mortgage-backed securities	-	-	135	-	120	830	33
Accrued interest receivable	(1)	(3)	(3)	(3)	(3)	(708)	-
Accounts payable	-	-	-	-	(3)	18	-
Accrued interest payable	1	3	3	3	3	663	-
Due to other funds	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ (2)</u>	<u>\$ 117</u>	<u>\$ 822</u>	<u>\$ 33</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2011 Blue Plate Lofts Multifamily Mortgage	2011 Mallard Crossing Multifamily Mortgage	2012 Elysian Project Multifamily Mortgage	2012 1501 Canal Senior Multifamily Mortgage	2012 Garden Senior Multifamily Mortgage	2013 Renaissance Gateway Multifamily Mortgage	2013 Guste III Multifamily Mortgage
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ -	\$ 2	\$ -	\$ -	\$ (1)	\$ 2	\$ (131)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Amortization of bond discount (premium)	-	-	-	-	-	-	-
Amortization of deferred (income) losses	-	-	-	-	-	-	-
(Gain) loss on investments / mortgage-backed securities	-	-	-	-	-	-	-
Changes in:							
Mortgage loans and mortgage-backed securities	19	125	61	62	15	112	25,600
Accrued interest receivable	-	-	-	1	-	-	-
Accounts payable	-	5	-	-	-	10	-
Accrued interest payable	-	(1)	-	(1)	-	-	(21)
Due to other funds	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 19</u>	<u>\$ 131</u>	<u>\$ 61</u>	<u>\$ 62</u>	<u>\$ 14</u>	<u>\$ 124</u>	<u>\$ 25,448</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2014 Choctaw Lodge Multifamily Mortgage	2015 Port Royal Multifamily Mortgage	2015 Iberville IV Multifamily Mortgage	2016 Bastion Multifamily Mortgage	2016 Artspace Multifamily Mortgage	2016 Villages of Versailles Multifamily Mortgage	2016 Twin Lakes of Leesville Multifamily Mortgage	2017 Gabriel Villa Multifamily Mortgage
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:								
Operating income (loss)	\$ -	\$ 40	\$ (44)	\$ -	\$ -	\$ 41	\$ (1)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Amortization of bond discount (premium)	-	-	-	-	-	-	-	-
Amortization of deferred (income) losses	-	-	-	-	-	-	-	-
(Gain) loss on investments / mortgage-backed securities	-	-	-	-	-	-	-	-
Changes in:								
Mortgage loans and mortgage-backed securities	3,050	350	21,998	1,769	(6,897)	9,089	5,185	1,231
Accrued interest receivable	13	2	56	(6)	(76)	84	38	4
Accounts payable	-	4	-	-	-	5	-	-
Accrued interest payable	(13)	(2)	(56)	(6)	76	27	(38)	(4)
Due to other funds	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 3,050	\$ 394	\$ 21,954	\$ 1,757	\$ (6,897)	\$ 9,246	\$ 5,184	\$ 1,231

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
June 30, 2018

(In Thousands)

	2018 Harmony Gardens Multifamily Mortgage	2018 Iberville Phase VII Multifamily Mortgage	2018 Meadows at Nicholson Multifamily Mortgage	2018 Robinson Place II Multifamily Mortgage	2018 Beau Sejour Multifamily Mortgage	Total Multifamily
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ (80)	\$ 55	\$ 108	\$ 7	\$ 12	\$ (53)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Amortization of bond discount (premium)	-	-	-	-	-	64
Amortization of deferred (income) losses	-	-	-	-	-	5
(Gain) loss on investments / mortgage-backed securities	-	-	-	-	-	-
Changes in:						
Mortgage loans and mortgage-backed securities	(3,230)	(3,071)	(4,004)	(51)	(4,000)	49,138
Accrued interest receivable	(21)	(36)	(44)	-	(7)	(720)
Accounts payable	-	-	-	-	-	7
Accrued interest payable	21	36	44	-	7	752
Due to other funds	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (3,310)</u>	<u>\$ (3,016)</u>	<u>\$ (3,896)</u>	<u>\$ (44)</u>	<u>\$ (3,988)</u>	<u>\$ 49,193</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2006D Single Family	2007B Single Family	2007C Single Family	2008A Single Family	2008B Single Family	2009A Single Family	2010A Single Family	2011A Single Family
RECONCILIATION OF OPERATING INCOME (LOSS)								
TO NET CASH PROVIDED BY (USED IN)								
OPERATING ACTIVITIES:								
Operating income (loss)	\$ -	\$ 64	\$ 56	\$ (373)	\$ (174)	\$ (365)	\$ (1,057)	\$ (647)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Amortization of bond discount (premium)	-	-	-	4	-	(26)	(82)	(78)
Amortization of deferred (income) losses	-	-	-	-	-	-	-	-
(Gain) loss on investments/mortgage-backed securities	-	-	-	707	218	642	1,531	1,465
Changes in:								
Mortgage loans and mortgage-backed securities	-	-	-	2,150	609	1,249	3,373	4,838
Accrued interest receivable	-	-	-	11	3	6	12	18
Accounts payable	-	(15)	-	-	-	-	-	-
Accrued interest payable	-	-	-	(34)	(4)	(7)	(12)	(14)
Due to other funds	-	-	-	(1)	-	-	(1)	(2)
	<u>-</u>	<u>49</u>	<u>56</u>	<u>2,464</u>	<u>652</u>	<u>1,499</u>	<u>3,764</u>	<u>5,580</u>
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 56</u>	<u>\$ 2,464</u>	<u>\$ 652</u>	<u>\$ 1,499</u>	<u>\$ 3,764</u>	<u>\$ 5,580</u>

LOUISIANA HOUSING CORPORATION
 COMBINING STATEMENTS OF CASH FLOWS
 MORTGAGE REVENUE BONDS
 SUPPLEMENTARY COMBINING INFORMATION
JUNE 30, 2018

(In Thousands)

	2012A Single Family	2013A Single Family	2015A Single Family	2016A Single Family	2017A Single Family	Total Single Family	Total All Mortgage Revenue Bond Issues
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ (355)	\$ (153)	\$ (602)	\$ (372)	\$ (554)	\$ (4,532)	\$ (4,585)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Amortization of bond discount (premium)	(11)	-	-	-	-	(193)	(129)
Amortization of deferred (income) losses	-	-	(9)	(99)	(192)	(300)	(295)
(Gain) loss on investments/mortgage backed-securities	1,105	386	1,354	1,054	1,655	10,117	10,117
Changes in:							
Mortgage loans and mortgage-backed securities	2,754	879	3,765	4,112	5,142	28,871	78,009
Accrued interest receivable	9	3	15	17	23	117	(603)
Accounts payable	-	-	-	-	-	(15)	(8)
Accrued interest payable	(5)	(2)	(8)	(9)	(11)	(106)	646
Due to other funds	(1)	(2)	(1)	(2)	(2)	(12)	(12)
Net cash provided by (used in) operating activities	<u>\$ 3,496</u>	<u>\$ 1,111</u>	<u>\$ 4,514</u>	<u>\$ 4,701</u>	<u>\$ 6,061</u>	<u>\$ 33,947</u>	<u>\$ 83,140</u>



Duplantier
Hrapmann
Hogan &
Maher, LLP

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

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

September 17, 2018

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the governmental activities of the Louisiana Housing Corporation (the Corporation), as of and for the year ended June 30, 2018, and the related notes to the combined financial statements, which collectively comprise the Corporation's basic combined financial statements, and have issued our report thereon dated September 17, 2018.

Internal Control Over Financial Reporting

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

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies in internal control, described in the accompanying schedule of findings as items 18-01 and 18-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as item 18-03.

Purpose of this Report

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

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the combined financial statements of Louisiana Housing Corporation for the year ended June 30, 2018 was unmodified.

2. Internal Control:

Material weaknesses: none noted

Significant deficiency: See 18-01 and 18-02

3. Compliance and Other Matters:

Noncompliance material to financial statements: see 18-03

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

Significant Deficiencies in Internal Control:

18-01 General Fund – General Ledger

During the audit, we noted a number of loan schedules and investment statements were not properly reconciled to the general ledger and various transactions were routinely mis-posted to the general ledger. Not properly reconciling the loan schedules and the investment statements to the general ledger could result in errors occurring and not being detected timely. In addition, routine mis-posting of transactions in the general ledger results in incorrect financial statements. In order to ensure accurate financial reporting, the Corporation should accurately post loan and investment activity and reconcile the loan schedules and investment statements to the general ledger on a timely basis. Investment and loan reconciliations between the source documents and the general ledger, assist the Corporation to ensure all transactions are recorded properly and to discover any errors. We recommend all loan and investment activity, in addition to other routine transactions be posted accurately; investment statements and loan schedules reconciled on a timely basis to the general ledger; and review of the reconciliations be performed by management.

LOUISIANA HOUSING CORPORATION
COMBINED FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

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

Significant Deficiencies in Internal Control: (Continued)

18-02 Mortgage Revenue Bond Programs – General Ledgers

During the audit, we noted that the activity of five multi-family Mortgage Revenue Bond Programs was not accounted for timely. As a result, the final closing of the combined financial statements was delayed. Not recording the activity of bond programs timely could result in errors or non-compliance occurring and not being detected. We recommend that the activity of Mortgage Revenue Bond Programs be posted and reconciled on a timely basis to the trustee statements. We also recommend that management review the reconciliations of the Mortgage Revenue Bond Programs timely.

Compliance with Laws and Regulations:

18-03 FDIC and Pledged Collateral Coverage

During the audit of the Corporation, it was noted that \$2,654,706 of cash balances at year end held were not fully covered by FDIC insurance and pledged securities. The insufficient collateral was due to incorrect account set up at the financial institution. Louisiana Revised Statute 49:321 requires that all cash balances held in the bank should be fully collateralized or otherwise secured throughout the year. Cash balances held in the bank that are not fully collateralized could result in a loss of funds. We recommend the Corporation monitor cash bank balances and obtain additional pledge securities when necessary to secure cash balances at all times.

STATUS OF PRIOR YEAR FINDINGS:

Not Applicable