

OFFICIAL  
FILE COPY  
DO NOT SEND OUT  
(When necessary  
order from this  
copy and PLEASE  
PLEASE REE)

RECEIVED  
LEGISLATIVE AUDITOR  
00 APR 19 AM 8:32

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY  
JEFFERSON PARISH, LOUISIANA**

Financial Statements and Schedules

December 31, 1999 and 1998

With Independent Auditors' Report Thereon

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 26 2000



**Postlethwaite & Netterville**

*A Professional Accounting Corporation*

2324 Severn Avenue, Suite A • Metairie, Louisiana 70001-1977

Telephone (504) 837-5990 • FAX (504) 834-3609

www.pncpa.com

**Independent Auditors' Report**

The Board of Trustees  
Parish of Jefferson Home Mortgage Authority:

We have audited the balance sheets of the Parish of Jefferson Home Mortgage Authority (the Authority), a component unit of the Parish of Jefferson, as of December 31, 1999 and the related statements of revenues, expenses and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements and supplementary information of the Authority as of December 31, 1998, were audited by other auditors whose report dated February 24, 1999, was qualified due to the inability to examine evidence relating to Year 2000 disclosures.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 1999 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2000 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the 1999 financial statements taken as a whole. The 1999 supplementary information included in Schedules 1 through 4 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Postlethwaite & Netterville*

Metairie, Louisiana  
February 23, 2000



**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Balance Sheets  
(in thousands)

December 31, 1999 and 1998

Assets	1999	1998
Cash and cash equivalents (notes 2 and 6)	\$ 9,233	28,058
Investment securities at fair value (notes 2 and 6)	62,261	47,927
Mortgage loans receivable and mortgage-backed securities (note 3)	127,956	131,999
Real estate owned (note 1(i))	79	8
Accrued interest receivable	1,065	1,080
Bond issuance costs, net (note 1 (f))	3,235	3,193
Prepaid assets	-	4
Other assets	6	128
	<u>\$ 203,835</u>	<u>212,397</u>
<b>Liabilities and Retained Earnings</b>		
Liabilities:		
Bonds payable, net (notes 1(g), 4 and 7)	\$ 189,690	171,895
Line of credit payable to bank (note 4 and 7)	4,970	21,632
Accrued interest payable	2,116	3,103
Deferred commitment fees (note 5)	121	125
Other liabilities	3	124
	<u>196,900</u>	<u>196,879</u>
Retained earnings:		
Unreserved	4,511	3,400
Reserved	2,424	12,118
	<u>6,935</u>	<u>15,518</u>
	<u>\$ 203,835</u>	<u>212,397</u>

See accompanying notes to financial statements.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Statements of Revenues, Expenses  
and Changes in Retained Earnings  
(in thousands)

For the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Investment income on mortgage loans	\$ 9,793	13,301
Net decrease in fair value of mortgage-backed and investment securities	(7,834)	(25)
Investment income on investments	4,298	2,725
Commitment fees	4	5
Other, including loss on sale of program	(32)	(567)
Total operating revenues	<u>6,229</u>	<u>15,439</u>
Operating expenses:		
Interest on debt (note 1(g))	12,056	13,444
Amortization of bond issuance costs and other costs	746	1,315
Servicing fees	554	740
Bond insurance costs	1	4
Mortgage loan insurance costs	49	56
Trustee fees	108	63
Other operating expenses	1,298	332
Total operating expenses	<u>14,812</u>	<u>15,954</u>
Operating loss	(8,583)	(515)
Retained earnings at beginning of year	<u>15,518</u>	<u>16,033</u>
Retained earnings at end of year	<u>\$ 6,935</u>	<u>15,518</u>

See accompanying notes to financial statements.



**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Statements of Cash Flows  
(in thousands)

For the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Cash receipts for:		
Investment income on mortgage loans	\$ 9,763	13,420
Investment income on investments	4,326	2,338
Cash payments for:		
Interest on bonds	(13,153)	(14,059)
Servicing fees	(554)	(740)
Insurance	(46)	(47)
Other operating expenses	(1,335)	(401)
Net cash provided by (used in) operating activities	<u>(999)</u>	<u>511</u>
Cash flows from capital financing activities - purchase of other assets	<u>(1)</u>	<u>(2)</u>
Cash flows from noncapital financing activities:		
Bonds redeemed	(35,537)	(48,693)
Bond proceeds	52,995	37,500
Proceeds from line of credit	(16,661)	18,073
Bond issuance costs and underwriter fees	(560)	(610)
Net cash provided by noncapital financing activities	<u>237</u>	<u>6,270</u>
Cash flows from investing activities:		
Proceeds from sale of investments	38,279	21,850
Acquisition of investments	(54,621)	(41,917)
Acquisition of mortgage loans	19,600	(16,787)
Principal receipts from mortgage loans	(21,261)	52,509
Proceeds (purchase) from real estate owned, net	(59)	86
Net cash provided by (used in) investing activities	<u>(18,062)</u>	<u>15,741</u>
Net increase (decrease) in cash and cash equivalents	<u>(18,825)</u>	<u>22,520</u>
Cash and cash equivalents at beginning of year	<u>28,058</u>	<u>4,971</u>
Cash and cash equivalents at end of year	<u>\$ 9,233</u>	<u>27,491</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Net loss	\$ (8,583)	(515)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of bond issuance and bond discount costs	746	1,315
Net decrease in fair value of mortgage-backed and investment securities	7,834	25
Change in assets and liabilities:		
Decrease in accrued interest receivable	12	344
Decrease in prepaid insurance	4	12
Increase in real estate owned related receivable	(12)	(10)
(Increase) decrease in other assets	106	(53)
Increase (decrease) in other liabilities	(148)	18
Decrease in accrued interest payable	(987)	(620)
Increase (decrease) in deferred liabilities	29	(5)
Net cash provided by operating activities	<u>\$ (999)</u>	<u>511</u>

See accompanying notes to financial statements.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

(1) Organization and Summary of Significant Accounting Policies

(a) Authorizing Legislation

The Parish of Jefferson Home Mortgage Authority (the Authority) is a public trust, created pursuant to the Constitution and Laws of the State of Louisiana, particularly Chapter 2-A of Title 9 of Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated February 9, 1979, with Jefferson Parish, Louisiana as beneficiary. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing and development of home ownership in the public interest within the boundaries of Jefferson Parish, Louisiana.

The Authority has the power to designate its management, the ability to significantly influence its operations and primary accountability for its fiscal matters. However, the Council of the Parish of Jefferson has the ability to remove members of the Authority's Board at will. Consequently, the financial statements of the Authority are included as a component unit of the Parish of Jefferson, Louisiana. This report includes all of the funds of the Authority.

The Authority began operations on August 1, 1979 and currently has separate bond programs as shown with original issuance amounts as shown below:

<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
September 1, 1982	Single Family Mortgage Revenue Bonds, Series 1982 (1982 Program); final payment in 1999	\$ <u>19,175</u>
September 1, 1984	Single Family Mortgage Revenue Bonds, Series 1984 (1984 Program); sold in 1999	\$ <u>31,750</u>
May 1, 1985	Single Family Mortgage Revenue Bonds (except Compound Bonds, Series 1985 interest bonds dated May 21, 1985) (1985 Program) Partially defeased in 1994	\$ <u>26,000</u>
October 18, 1994	Taxable Compound Interest Bonds, Series 1994 (partially refunded/ defeased 1985/1994R Program)	\$ <u>26,250</u>
August 24, 1987	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A (1987 Program) (defeased in 1998)	\$ <u>38,600</u>



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
October 1, 1988	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A (1988 Program) (defeased in 1998)	\$ <u>50,000</u>
June 1, 1989	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A (1989 Program)	\$ <u>50,000</u>
September 1, 1990	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990A (1990 Program)	\$ <u>25,000</u>
December 20, 1991	Collateralized Mortgage Obligations, Series 1991A (1991 Program)	\$ <u>59,485</u>
December 1, 1993	Single Family Mortgage Revenue Bonds, Series 1993A and 1993B (Refunding) - (1993 Program)	\$ <u>28,350</u>
November 30, 1994	Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A (1994 Program)	\$ <u>11,835</u>
August 11, 1995	Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A (1995 Program)	\$ <u>12,500</u>
November 26, 1996	Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A (1996 Program)	\$ <u>18,425</u>
May 27, 1997	Single Family Mortgage Revenue Refunding Bonds Securities, Series 1997B (refunded by 1997A program)	\$ <u>2,705</u>



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
August 28, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A (1997A Program)	\$ <u>17,395</u>
November 25, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997E (1997E Program)	\$ <u>15,000</u>
September 1, 1998	Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A1 and A2 and Refunding Securities 1998C1 and C2 (1998AC Program)	\$ <u>37,110</u>
September 1, 1998	Single Family Mortgage Revenue Refunding Bonds, Series 1998D (1998D Program)	\$ <u>70,000</u>
July 1, 1999	Single Family Mortgage-Backed Securities, Series 1999A1 and A2 and Refunding Securities 1999B1 and B2 (1999AB Program)	\$ <u>51,955</u>
December 1, 1999	Single Family Mortgage Revenue Refunding Bonds, Series 1999C (1999C Program) (authorized but not issued as of December 31, 1999)	\$ <u>75,000</u>

The 1985 Program was partially defeased in 1994; refunded 1985 bonds were issued in conjunction with the defeasance. Consequently, the 1985 Program title has been changed to 1985/1994R Program.

Bonds and other obligations issued under the provisions of the Trust Indenture are not a debt or liability of the State of Louisiana, the Parish of Jefferson, or any other political subdivision.

The Authority's Board of Trustees is empowered under the Trust Indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the bond programs it initiates. In connection with the programs, the Authority utilizes area financial institutions to originate and service the mortgage notes acquired. In addition, a local area bank has been designated as trustee of the individual bond programs and has the fiduciary responsibility for the custody and investment of funds.





# PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

December 31, 1999 and 1998

**(b) *Basis of Presentation - Fund Accounting***

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

**(c) *Basis of Accounting***

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. The accounting and financial treatment applied to the fund of the Authority is the accrual basis of accounting and the flow of economic resources measurement focus. Under this method, revenues are recognized when they are earned, and expenses are recognized when incurred. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict with or contradict GASB pronouncements.

**(d) *Cash Equivalents***

Cash equivalents consist of all money market accounts and highly-liquid investments with a maturity of three months or less at date of purchase.

**(e) *Investment Securities***

Investments are reported at fair value except for money market accounts and short-term investments, consisting primarily of financial instruments with a maturity of one year or less at time of purchase, which are reported at cost. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. The investment securities are restricted for the use of the respective programs with the exception of the investment securities in the 1991 CMO Residual Account, which are unrestricted.

**(f) *Bond Issuance Costs***

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the term of the bonds.

**(g) *Refinancing Gains (Losses)***

Beginning with fiscal years 1993 and thereafter, gains and losses associated with refundings and advance refundings are deferred and amortized as a component of interest expense based upon the methods used to approximate the interest method over the term of the new bonds or the remaining term on any refunded bond, whichever is shorter. The new debt is reported net of the deferred amount on the refunding.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

(h) *Commitment Fees*

The Authority receives commitment fees from lenders for designating certain funds for the purchase of mortgage loans originated by the lenders. These nonrefundable fees are deferred, and if the commitment is exercised, recognized over the life of the loan as an adjustment of yield, or if the commitment expires unexercised, it is recognized in income upon the expiration of the commitment.

(i) *Real Estate Owned*

Real estate owned, comprised of real estate acquired in partial settlement of loans, is recorded at the related unpaid loan principal balance at the time of foreclosure. Substantially all costs of maintaining real estate owned are reimbursed under various insurance coverages. The excess of the unpaid principal and accrued interest balances over sales proceeds realized is also reimbursed under various insurance coverages.

(j) *Estimates*

The Authority has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the balance sheet in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(2) **Cash, Cash Equivalents and Investment Securities**

Cash deposits and cash equivalents of \$9,233,000 and \$28,058,000 at December 31, 1999 and 1998, respectively, are held in financial institutions. The December 31, 1999 and 1998 balances were comprised of cash equivalents that were invested in money market funds, of which the underlying assets are guaranteed by the U.S. Government. At December 31, 1999 and 1998, investments were held as specifically required under terms of the Trust Indentures. These investments include U.S. Treasury bills, U.S. Treasury notes, and guaranteed investment contracts.

The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name.

The fair values of investment securities and cost values of Guaranteed Investment Contracts (GICs) and their category classification at December 31 are as follows:

	<u>1999</u>		<u>1998</u>	
	<u>Fair Value</u>	<u>Category</u>	<u>Fair Value</u>	<u>Category</u>
	(in thousands)		(in thousands)	
U.S. Government Securities - 1991 Program	\$ <u>1,435</u>	3	\$ <u>2,420</u>	3



**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Notes to Financial Statements

December 31, 1999 and 1998

	<u>1999</u>		<u>1998</u>	
	<u>Fair Value</u>	<u>Category</u>	<u>Fair Value</u>	<u>Category</u>
	(in thousands)		(in thousands)	
GICs:				
1982 Program	\$ 20	-	\$ 16	-
1984 Program	-	-	278	-
1985/1994R Program	50	-	8	-
1989 Program	862	-	2,197	-
1990 Program	736	-	1,104	-
1991 Program	1,225	-	1,142	-
1993 Program	714	-	1,248	-
1994 Program	260	-	570	-
1995 Program	187	-	589	-
1996 Program	267	-	745	-
1997A Program	364	-	5	-
1998AC Program	4,945	-	37,605	-
1999AB Program	51,076	-	-	-
1999C Program	120	-	-	-
	<hr/>		<hr/>	
Subtotal	60,826		45,507	
	<hr/>		<hr/>	
Total investment securities	\$ <u>62,261</u>		\$ <u>47,927</u>	

Collateral on the guaranteed investment contracts is not required unless the financial institution does not meet certain investment-rating requirements. These investments are unsecured, and the redemption depends solely on the financial condition of the companies which provided the contracts and their ability to pay. At December 31, 1999, the financial institutions met the investment rating requirements and, as a result, no collateral is currently pledged for any program.

**(3) Mortgage Loans Receivable and Mortgage-backed Securities**

Mortgage loans receivable for the 1982, 1984, 1985/1994R and 1991 Programs are secured by first liens on single family residential property. Mortgage loans receivable for the 1993 program consists of the mortgage loans receivable remaining from the 1983 Program and include mortgage loans represented by fully modified mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. Mortgage loans for the 1989 and 1990 Programs represent fully-modified mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single family residences located within the Parish of Jefferson. Mortgage loan receivable for the 1994, 1995, 1996, 1997A, 1998AC, and 1999AB programs represents mortgage pass-through certificates (GNMA and FNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. The GNMA certificates of the 1993, 1994, 1995, 1996, 1997A, 1998AC, and 1999AB loans are fully guaranteed by the United States government; the Authority is not responsible for mortgage loan insurance. The FNMA certificates of the 1994, 1995, 1996, 1997A, and 1998AC loans are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. As of December 31, 1999 no loans have been issued for the 1997B, 1997E, 1998D or 1999C programs.



# PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

December 31, 1999 and 1998

In the 1982, 1984, 1985, 1991 and 1993 Programs, each mortgage loan purchased by the Authority is insured for mortgage default under various policies. Additionally, mortgage loans are insured under a master policy of supplemental mortgage insurance and under a master policy of special hazard insurance.

Each participating mortgage lender services those loans purchased from it by the Authority and receives compensation for services rendered.

The mortgage loans have stated interest rates to the Authority as follows:

1982 Program	12.990%
1984 Program	10.800%
1985/1994R Program	10.220%
1987 Program	9.125%
1988 Program	8.800%
1989 Program	8.500%
1990 Program	8.450%
1991 Program	7.625%
1993 Program-GNMA	5.900%
1993 Program-First Lien	7.750%
1994 Program	7.990%
1995 Program	7.190%
1996 Program	6.730%
1997A Program	6.580%
1998AC Program	6.220%
1999AB Program	6.745%



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

The fair values of GNMA and FNMA certificates, their category classification, and mortgage loans receivable at amortized cost at December 31 are as follows:

		1999			
		Mortgage-backed Securities	Mortgage Loans Receivable		
		Fair Value	Category	Amortized Cost	Total
		(amounts in thousands)			
GNMA Certificates:					
1982 Program	\$	-	-	\$ 93	93
1985/1994R Program		-	-	1,314	1,314
1989 Program		16,792	1	-	16,792
1990 Program		8,036	1	-	8,036
1991 Program		-	-	17,631	17,631
1993 Program		12,954	1	3,411	16,365
1994 Program		6,149	1	-	6,149
1995 Program		8,283	1	-	8,283
1996 Program		13,579	1	-	13,579
1997A Program		12,679	1	-	12,679
1998AC Program		18,008	1	-	18,008
1999AB Program		1,824	1	-	1,824
		<u>98,304</u>		<u>22,449</u>	<u>120,753</u>
FNMA Certificates:					
1994 Program		1,203	1	-	1,203
1995 Program		1,296	1	-	1,296
1996 Program		1,286	1	-	1,286
1997A Program		2,370	1	-	2,370
1998AC Program		1,048	1	-	1,048
		<u>7,203</u>		<u>-</u>	<u>7,203</u>
	\$	<u>105,507</u>		\$ <u>22,449</u>	<u>127,956</u>



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

		1998			
		Mortgage-backed Securities	Mortgage Loans Receivable		
		Fair Value	Category	Amortized Cost	Total
		(amounts in thousands)			
GNMA Certificates:					
1982 Program	\$	-	-	\$ 127	127
1984 Program		-	-	2,463	2,463
1985/1994R Program		-	-	1,653	1,653
1989 Program		21,604	1	-	21,604
1990 Program		10,582	1	-	10,582
1991 Program		-	-	22,053	22,053
1993 Program		15,313	1	4,232	19,545
1994 Program		7,202	1	-	7,202
1995 Program		9,623	1	-	9,623
1996 Program		15,820	1	-	15,820
1997A Program		14,367	1	-	14,367
		<u>94,511</u>		<u>30,528</u>	<u>125,039</u>
FNMA Certificates:					
1994 Program		1,397	1	-	1,397
1995 Program		1,457	1	-	1,457
1996 Program		1,559	1	-	1,559
1997A Program		2,547	1	-	2,547
		<u>6,960</u>		<u>-</u>	<u>6,960</u>
	\$	<u>101,471</u>		\$ <u>30,528</u>	<u>131,999</u>



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

(4) Bonds Payable

Bonds payable are as follows at December 31:

	<u>1999</u>	<u>1998</u>
Single Family Mortgage Revenue Bonds, Series 1982 dated September 1, 1982 - called in 1998	\$ -	2
Single Family Mortgage Revenue Bonds, Series 1984 dated September 1, 1984 - \$615 due serially from March 1, 1998 to September 1, 1999 at interest rates of 9.8% to 9.90%, and \$424 due serially from March 1, 2000 to September 1, 2015; sold in 1999	-	444
Taxable Compound Interest Refunding 1985 Bonds, Series 1994 dated October 18, 1994 - \$1,932 compounding interest at approximately 9.5% due May 1, 2017	657	1,005
GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A dated June 1, 1989 - \$2,460 due serially from June 1, 1998 to December 1, 2003 at interest rates of 7.15% to 7.40%, \$4,400 due December 1, 2009 at 7.65%, and \$19,225 due December 1, 2021 at 7.875%	15,975	23,260
GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990A dated September 1, 1990 - \$1,390 due serially from March 1, 1998 to September 1, 2005 at interest rates of 7.0% to 7.50%, \$4,025 due March 1, 2019 at 7.875%, and \$7,370 due September 1, 2023 at 8.10%	8,020	10,995
Collateralized Mortgage Obligations, Series 1991A dated December 20, 1991 - \$25,839 (net of \$1,267 in bond discount) due September 15, 2012 at interest rates of 6.35% to 6.90%, and \$274 due September 15, 2012 at 8.29%	17,371	21,903



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

Single Family Mortgage Revenue Bonds, Series 1993A and Series 1993B dated December 1, 1993 - \$3,815 due serially from June 1, 1998 to June 1, 2005 at interest rates of 4.45% to 5.45%, \$11,114 (net of \$59 in bond discount) due serially from June 1, 2014 to December 1, 2024 at 6.00%, \$6,190 due June 1, 2013 at 4.50%, and \$1,000 due December 1, 2013 at 6.00%	\$	17,943	21,106
Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A dated November 30, 1994 - \$730 due December 1, 2008 at 6.75%, \$3,145 due December 1, 2016 at 7.35%, and \$5,495 due December 1, 2026 at 7.55%		7,600	9,090
Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A dated August 29, 1995 - \$2,085 due December 1, 2008 at 5.45%, \$3,235 due December 1, 2016 at 5.90%, \$2,000 due December 1, 2020 at 6.20%, and \$4,300 due December 1, 2026 at 6.65%		9,995	11,380
Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A dated November 26, 1996 - \$1,640 due June 1, 2006 at 5.25%, \$1,750 due December 1, 2009 at 5.35%, \$875 due December 1, 2011 at 5.45%, \$6,000 due June 1, 2020 at 5.8%, and \$8,000 due June 1, 2028 at 6.15%		16,140	18,000
Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A dated August 1, 1997 - \$2,450 due June 1, 2007 at 4.90%, \$1,650 due December 1, 2011 at 5.05%, \$3,000 due December 1, 2017 at 5.20%, \$5,000 due June 1, 2023 at 5.63%, and \$5,295 due December 1, 2028 at 5.85%		16,575	17,070





PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

<p>Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A-1 dated September 1, 1998 - \$7,300 due December 1, 2029 at 5.25%; Series 1998A-2 dated September 1, 1998 - \$5,620 due September 1, 1999 at 3.625%; Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 1998C-1 dated September 1, 1998 - \$3,730 due December 1, 2023 at 5.00%, \$9,750 due December 1, 2024 at 5.40%, \$5,220 due June 1, 2026 at 5.20%; Series 1998C-2 dated September 1, 1998 - \$5,490 due September 1, 1999 at 3.625%; (plus premium on bonds of \$390)</p>	\$	26,273	37,500
<p>Tax-Exempt Agency Mortgage-Backed Securities, Series 1999A-1 dated July 1, 1999 - \$4,745 due June 1, 2031 at 5.72%; Series 1999A-2 dated July 1, 1999 - \$7,255 due June 30, 2000 at 3.65%; Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 1999B-1 dated July 1, 1999 - \$3,000 due December 1, 2012 at 5.00%, \$6,950 due June 1, 2026 at 5.72%, \$11,305 due June 1, 2030 at 6.75%; Series 1999B-2 dated July 1, 1999 - \$18,700 due June 30, 2000 at 3.65%; (plus premium on bonds of \$1,040)</p>		52,995	-
<p>Total bonds payable</p>		189,544	171,755
<p>Deferred gain on the 1985 (1985/1994R Program) advance refunding</p>		203	227
<p>Deferred loss on the 1983 (1993 Program) current refunding</p>		(57)	(87)
	\$	<u>189,690</u>	<u>171,895</u>

The Authority is in compliance with its bond covenants.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

The bonds in the 1982, 1984, 1985/1994R, 1991 and 1993 Programs are secured by an assignment and pledge of and security interest in: (i) all mortgage loans and the income therefrom (including all insurance proceeds with respect to the mortgage loans), (ii) the Authority's rights and interests in and to the agreement and (iii) all monies and securities held under the Trust Indentures, including monies in the funds and accounts created pursuant thereto (excluding certain monies representing excess investment earnings, if any, required to be remitted to the United States Government in accordance with the Trust Indentures).

The bonds in the 1989, 1990, 1993, 1994, 1995, 1996, 1997A, 1998AC and 1999AB Programs are secured by an assignment and pledge of and security interest in: (i) all GNMA and/or FNMA Certificates and the income therefrom, (ii) the rights and interest of the Issuer in the Origination Agreements, the GNMA and/or FNMA Guaranty Agreement and the Servicing Agreement and (iii) all money and securities held under the Indenture except money and securities held in the Rebate Fund.

Under the Trust Indentures, the Authority has the option to redeem bonds maturing on or after December 1, 2000 (1989 Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; September 1, 2000 (1990 Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; December 15, 2001 current interest bonds (1991 Program); December 1, 2003 (1993 Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2007 (1997A Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; April 1, 2008 (1998AC Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2009 long term bonds (1999AB Program) at 102% and June 1, 2009 premium bonds (1999AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par. The Authority has no option to redeem bonds in the 1984, 1985/1994R, 1994, 1995 and 1996 programs or the compound interest bonds in the 1991 Program.

In 1999, the 1984 Program was sold resulting in a net loss of \$50,000. The 1988 and 1987 Program bonds payable were liquidated in 1998 from the proceeds of the sales of the mortgaged-backed securities owned by these programs. The sales of the securities resulted in losses of \$414,000 for the 1988 Program and \$153,000 for the 1987 Program. The losses are included in investment income on mortgage loans.

While the 1985/1994R program has no scheduled maturities until 2017 and 2019, respectively, principal and interest prepayments are made each year based on the amount of mortgage loan principal and interest payments received. Each of the other bond programs have early bond call based on the timing of the receipt of mortgage loan principal and interest payments. As excess cash is accumulated, the Authority is required to issue bond calls.

The principal balance at par on defeased bonds outstanding at December 31 are as follows:

	<u>1999</u>	<u>1998</u>
1979 Program (defeased by the 1991 Program)	\$ <u>31,305,000</u>	<u>51,550,000</u>
1985 Program (defeased by the 1994 "1985" Program)	\$ <u>17,975,000</u>	<u>32,595,000</u>



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements  
(in thousands)

December 31, 1999 and 1998

A summary of scheduled bond maturities (in thousands) as of December 31, 1999 is as follows:

	2000	2001	2002	2003	2004	2005- 2009	2010- 2014	2015- 2019	2020- 2024	2025- 2029	2030- 2034	Premiums (Discounts)	Total
<b>Principal:</b>													
1985/1994R Program	-	-	-	-	-	-	-	657	-	-	-	-	657
1989 Program	260	275	290	260	381	2,394	3,739	5,505	2,871	-	-	-	15,975
1990 Program	160	165	175	170	170	180	-	823	6,177	-	-	-	8,020
1991 Program	-	-	-	-	-	-	18,376	-	-	-	-	(1,005)	17,371
1993 Program	315	320	335	360	390	2,252	3,539	4,460	6,022	-	-	(50)	17,943
1994 Program	-	-	-	-	-	-	-	2,105	-	5,495	-	-	7,600
1995 Program	-	-	-	-	-	460	-	3,235	2,000	4,300	-	-	9,995
1996 Program	-	-	-	-	-	1,265	875	-	6,000	8,000	-	-	16,140
1997 Program	-	-	-	-	-	1,630	1,650	3,000	5,000	5,295	-	-	16,575
1998 Program	-	-	-	-	-	-	-	-	13,480	12,520	-	273	26,273
1999 Program	-	-	-	-	-	-	3,000	-	-	6,950	16,050	1,040	52,995
<b>Total</b>	<b>26,690</b>	<b>760</b>	<b>800</b>	<b>790</b>	<b>941</b>	<b>8,181</b>	<b>31,179</b>	<b>19,785</b>	<b>41,550</b>	<b>42,560</b>	<b>16,050</b>	<b>258</b>	<b>189,544</b>
<b>Interest:</b>													
1985/1994R Program	-	-	-	-	-	-	-	4,663	-	-	-	-	4,663
1989 Program	1,241	1,221	1,201	1,181	1,159	5,302	4,155	2,392	288	-	-	-	18,140
1990 Program	639	627	615	602	590	2,843	2,833	2,800	3,387	-	-	-	14,936
1991 Program	1,249	1,249	1,249	1,249	1,249	6,245	4,973	-	-	-	-	-	17,463
1993 Program	998	983	966	949	929	4,346	3,737	2,557	1,027	-	-	-	16,492
1994 Program	570	570	570	570	570	2,848	2,848	2,383	2,074	830	-	-	13,833
1995 Program	626	626	626	626	626	3,104	3,004	2,431	1,554	572	-	-	13,795
1996 Program	955	955	955	955	955	4,777	4,295	4,200	2,808	1,968	-	-	22,823
1997 Program	910	910	910	911	911	4,393	3,903	3,424	2,675	1,239	-	-	20,186
1998 Program	1,368	1,368	1,368	1,368	1,368	6,838	6,838	6,838	6,652	2,459	-	-	36,465
1999 Program	2,529	1,582	1,582	1,582	1,582	7,910	7,610	7,160	7,160	5,968	1,306	-	45,971
<b>Total due each year</b>	<b>11,085</b>	<b>10,091</b>	<b>10,042</b>	<b>9,993</b>	<b>9,939</b>	<b>48,606</b>	<b>44,196</b>	<b>38,848</b>	<b>27,625</b>	<b>13,036</b>	<b>1,306</b>	<b>-</b>	<b>224,767</b>
<b>Total due</b>	<b>\$ 37,775</b>	<b>10,851</b>	<b>10,842</b>	<b>10,783</b>	<b>10,880</b>	<b>56,787</b>	<b>75,375</b>	<b>58,633</b>	<b>69,175</b>	<b>55,596</b>	<b>17,356</b>	<b>258</b>	<b>414,311</b>

# PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

December 31, 1999 and 1998

On December 1, 1999 the Authority entered into a line of credit agreement with a local bank, with an interest rate of 5.500%, secured by the 1999C bonds.

On October 1, 1998, the Authority entered into a line of credit agreement with a local bank, with an interest rate of 5.096%, secured by the 1998D bonds and the certificate of deposit.

### (5) Deferred Commitment Fees

As of December 31, 1999 and 1998, deferred commitment fees consisted of \$121,000 and \$125,000, respectively, related to the 1993 Program.

### (6) Retained Earnings

Retained earnings is unreserved for the CMO Residual account within the 1991 Program. The unreserved funds within this account totaled \$4,488,000 and \$3,400,000 as of December 31, 1999 and 1998, respectively, and are for the benefit of all Programs and available to the Authority for its purpose of promoting and providing residential housing in the Parish of Jefferson. Although unrestricted to a particular program, this unreserved retained earnings must be maintained by the Authority until all bonds and programs are liquidated. The remaining retained earnings is reserved for specific operating uses as described in the trust indentures.

### (7) Creation of the 1998 and 1999 Programs

On September 1, 1998, the Authority issued \$37,110,000 Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A-1 and A-2, and Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 1998C-1 and C-2. \$11,000,000 will be due September 1, 1999 at 3.625%, \$3,730,000 will be due December 1, 2023 at 5.000%, \$9,750,000 will be due December 1, 2024 at 5.400%, \$5,220,000 will be due June 1, 2026 at 5.200%, and \$7,300,000 will be due December 1, 2029 at 5.250%. These bonds constitute the 1998AC Program.

The Bonds were issued in order to provide funds to finance the purchase of mortgage loans and/or mortgage-backed securities, to refund all of the outstanding GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, and a portion of the outstanding Single Family Mortgage Revenue Refunding Bond, Series 1997E.

On September 1, 1998 the Authority authorized the issuance of \$70,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 1998D to be issued as a single draw down type tax-exempt "Tender Bond". The Bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

On July 1, 1999 the Authority authorized the issuance of \$51,955,000 Tax-Exempt Agency Mortgage-Backed Securities, Series 1999A-1 and A-2, and Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 1999B-1 and B-2. \$7,255,000 will be due June 30, 2000 at 3.65%, \$18,700,000 will be due June 30, 2000 at 3.65%, \$3,000,000 will be due December 1, 2012 at 5.00%, \$6,950,000 will be due June 1, 2026 at 5.72%, \$11,305,000 will be due June 1, 2030 at 6.75%, and \$4,745,000 will be due June 1, 2031 at 5.72%. These bonds constitute the 1999AB Program.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1999 and 1998

The Bonds were issued in order to provide funds to refund certain outstanding obligations of the Authority, referred to as the Prior Bonds. The remaining funds will be used to finance the purchase of mortgage loans secured by the mortgages made to qualified individuals for single family residences located within the Parish of Jefferson, Louisiana.

On December 1, 1999 the Authority authorized the issuance of \$75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 1999C to be issued as a single draw down bond. The Bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues. These bonds were not issued as of December 31, 1999.

**(8) Commitments**

At December 31, 1996, the Authority was obligated under an operating lease for office space. The lease required a minimum annual payment of \$12,870 through May 1997. In February 1997, the Authority signed an operating lease for office space for a term of ten years, beginning on May 1, 1997 and ending on April 30, 2007. The lease requires an annual payment of \$17,160.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Assets, Liabilities and Retained Earnings (Deficit) by Program  
(in thousands)

December 31, 1999

Assets	1982	1984	1985/ 1994R	1987	1989	1990	1991	1993	1994	1995
	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program
Cash and cash equivalents	34	-	20	-	148	-	3,724	36	-	-
Investment securities, at fair value	20	-	50	-	862	736	2,660	714	260	187
Mortgage loans receivable and mortgage-backed securities	93	-	1,314	-	16,792	8,036	17,631	16,365	7,352	9,579
Real estate owned	-	-	70	-	-	-	8	1	-	-
Accrued interest receivable	1	-	11	-	114	76	139	98	47	59
Bond issuance costs, net	-	-	85	-	296	177	619	309	156	174
Other assets	-	-	-	-	-	-	6	-	-	-
	<u>\$ 148</u>	<u>-</u>	<u>1,550</u>	<u>-</u>	<u>18,212</u>	<u>9,025</u>	<u>24,787</u>	<u>17,523</u>	<u>7,815</u>	<u>9,999</u>
<b>Liabilities and Retained Earnings (Deficit)</b>										
Liabilities:										
Bonds payable, net	-	-	860	-	15,975	8,020	17,371	17,886	7,600	9,995
Line of credit payable to bank	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	433	-	104	214	306	83	48	52
Deferred commitment fees	-	-	-	-	-	-	-	121	-	-
Due to/Due from other programs	-	-	-	-	-	-	(120)	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	3
	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>-</u>	<u>16,079</u>	<u>8,234</u>	<u>17,557</u>	<u>18,090</u>	<u>7,648</u>	<u>10,050</u>
Retained earnings (deficit):										
Unreserved	148	-	257	-	2,133	791	4,511	(567)	167	(51)
Reserved	-	-	-	-	-	-	2,719	-	-	-
Total retained earnings (deficit)	<u>148</u>	<u>-</u>	<u>257</u>	<u>-</u>	<u>2,133</u>	<u>791</u>	<u>7,230</u>	<u>(567)</u>	<u>167</u>	<u>(51)</u>
Total liabilities and retained earnings	<u>\$ 148</u>	<u>-</u>	<u>1,550</u>	<u>-</u>	<u>18,212</u>	<u>9,025</u>	<u>24,787</u>	<u>17,523</u>	<u>7,815</u>	<u>9,999</u>

See accompanying independent auditors' report.

1996 Program	1997A Program	1997E Program	1998AC Program	1998D Program	1999AB Program	1999C Program	Total
-	-	7	99	4,980	124	61	9,233
267	364	-	4,945	-	51,076	120	62,261
14,865	15,049	-	19,056	-	1,824	-	127,956
-	-	-	-	-	-	-	79
90	92	-	127	-	211	-	1,065
230	307	-	322	-	560	-	3,235
-	-	-	-	-	-	-	6
<u>15,452</u>	<u>15,812</u>	<u>7</u>	<u>24,549</u>	<u>4,980</u>	<u>53,795</u>	<u>181</u>	<u>203,835</u>
16,140	16,575	-	26,273	-	52,995	-	189,690
-	-	-	-	4,970	-	-	4,970
80	76	-	114	-	606	-	2,116
-	-	-	-	-	-	-	121
-	-	-	-	-	-	120	-
-	-	-	-	-	-	-	3
<u>16,220</u>	<u>16,651</u>	<u>-</u>	<u>26,387</u>	<u>4,970</u>	<u>53,601</u>	<u>120</u>	<u>196,900</u>
(768)	(839)	7	(1,838)	10	194	61	4,511
(768)	(839)	7	(1,838)	10	194	61	2,424
<u>15,452</u>	<u>15,812</u>	<u>7</u>	<u>24,549</u>	<u>4,980</u>	<u>53,795</u>	<u>181</u>	<u>203,835</u>

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Revenues, Expenses and Changes in Retained Earnings (Deficit) by Program  
(in thousands)

For the year ended December 31, 1999

	1982	1984	1985/ 1994R	1987	1989	1990	1991	1993	1994	1995
	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program
Operating revenues:										
Investment income on mortgage loans	14	169	175	-	1,575	725	1,608	1,174	637	747
Net decrease in fair value of mortgage-backed and investment securities	-	-	-	-	(704)	(359)	(131)	(832)	(326)	(636)
Investment income on investments	2	32	13	-	245	89	314	89	42	39
Commitment fees	-	-	-	-	-	-	-	4	-	-
Other, including loss on sale of program	-	(58)	26	-	-	-	-	-	-	-
Total operating revenues	16	143	214	-	1,116	475	1,791	435	353	150
Operating expenses:										
Interest on debt	1	53	121	-	1,556	731	1,461	1,124	627	669
Amortization of bond issuance costs and other costs	-	6	10	-	78	36	431	44	11	14
Servicing fees	-	4	4	-	92	31	73	89	39	39
Bond insurance costs	-	1	-	-	-	-	-	-	-	-
Mortgage loan insurance costs	-	3	3	-	-	-	33	10	-	-
Trustee fees	5	5	4	-	6	3	29	10	7	2
Other operating expenses	-	2	2	-	-	-	1,208	4	-	-
Total operating expenses	6	74	144	-	1,732	801	3,235	1,281	684	724
Net income (loss) before other financing sources (uses)	10	69	70	-	(616)	(326)	(1,444)	(846)	(331)	(574)
Other financing sources (uses) - operating transfers	-	(1,993)	-	(1)	(39)	(7)	2,165	(16)	(10)	(39)
Net income (loss)	10	(1,924)	70	(1)	(655)	(333)	721	(862)	(341)	(613)
Retained earnings (deficit) at beginning of year	138	1,924	187	1	2,788	1,124	6,509	295	508	562
Retained earnings (deficit) at end of year	148	-	257	-	2,133	791	7,230	(567)	167	(51)

See accompanying independent auditors' report.



Schedule 2

1996 Program	1977A Program	1997E Program	1998AC Program	1998D Program	1999AB Program	1999C Program	Total
1,146	1,160	-	638	-	25	-	9,793
(1,180)	(1,307)	-	(2,206)	-	(173)	-	(7,834)
59	37	21	1,240	917	1,159	-	4,298
-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	(32)
25	(110)	21	(328)	917	1,011	-	6,229
1,016	926	16	1,704	905	1,146	-	12,056
25	35	-	56	-	-	-	746
82	41	-	59	-	1	-	554
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	49
9	6	-	7	-	15	-	108
-	3	2	46	2	21	8	1,298
1,132	1,011	18	1,872	907	1,183	8	14,812
(1,107)	(1,121)	3	(2,200)	10	(172)	(8)	(8,583)
(61)	(70)	-	(364)	-	366	69	-
(1,168)	(1,191)	3	(2,564)	10	194	61	(8,583)
400	352	4	726	-	-	-	15,518
(768)	(839)	7	(1,838)	10	194	61	6,935

	1982 Program	1984 Program	1985/ 1994R Program	1987 Program
<b>Cash flows from operating activities:</b>				
Cash receipts for:				
Investment income on mortgage loans	\$ 14	133	223	-
Investment income on investments	3	43	13	-
Cash payments for:				
Interest on debt	(14)	(954)	(192)	-
Servicing fees	-	(4)	(4)	-
Insurance	-	(1)	(3)	-
Other operating expenses	(6)	(7)	(6)	-
	<u>(3)</u>	<u>(790)</u>	<u>31</u>	<u>-</u>
Net cash provided by (used in) operating activities				
Cash flows from capital financing activities - purchase of other assets				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Bonds redeemed	(2)	(445)	(348)	-
Bond proceeds	-	-	-	-
Proceeds from line of credit	-	-	-	-
Bond issue costs	-	-	-	-
Operating transfers	-	(1,993)	-	(1)
	<u>(2)</u>	<u>(2,438)</u>	<u>(348)</u>	<u>(1)</u>
Net cash provided by (used in) noncapital financing activities				
Cash flows from investing activities:				
Proceeds from sale of investment	3	278	(42)	-
Acquisition of investments	(6)	-	-	-
Principal receipts from mortgage loans	34	2,463	340	-
Acquisition of mortgage loans	-	-	-	-
Proceeds (purchase) from real estate owned, net	-	-	(59)	-
	<u>31</u>	<u>2,741</u>	<u>239</u>	<u>-</u>
Net cash provided by (used in) investing activities				
Net increase (decrease) in cash and cash equivalents				
	26	(487)	(78)	(1)
Cash and cash equivalents at beginning of year				
	<u>8</u>	<u>487</u>	<u>98</u>	<u>1</u>
Cash and cash equivalents at end of year				
	<u>\$ 34</u>	<u>-</u>	<u>20</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Net income (loss)	\$ 10	70	70	-
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Amortization of bond issuance and other costs	-	6	10	-
Net decrease in fair value of mortgage-backed and investment securities	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accrued interest receivables	-	33	3	-
Decrease in prepaid insurance	-	4	-	-
Increase in real estate owned	-	-	(11)	-
(Increase) decrease in other assets	-	-	30	-
Decrease in other liabilities	-	-	(24)	-
Increase (decrease) in accrued interest payable	(13)	(903)	(47)	-
Increase in deferred liabilities	-	-	-	-
	<u>(13)</u>	<u>(903)</u>	<u>(47)</u>	<u>-</u>
Net cash provided by (used in) operating activities				
	<u>\$ (3)</u>	<u>(790)</u>	<u>31</u>	<u>-</u>

See accompanying independent auditors' report.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Cash Flows by Program  
(in thousands)

For the year ended December 31, 1999

<u>1989</u> <u>Program</u>	<u>1990</u> <u>Program</u>	<u>1991</u> <u>Program</u>	<u>1993</u> <u>Program</u>	<u>1994</u> <u>Program</u>	<u>1995</u> <u>Program</u>
1,605	741	1,635	1,176	642	741
266	88	322	93	46	41
(1,603)	(809)	(1,433)	(1,106)	(636)	(671)
(93)	(31)	(73)	(89)	(39)	(39)
-	-	(33)	(9)	-	-
<u>(6)</u>	<u>(3)</u>	<u>(1,283)</u>	<u>(16)</u>	<u>(7)</u>	<u>(2)</u>
169	(14)	(865)	49	6	74
-	-	(1)	-	-	-
(7,285)	(2,975)	(4,795)	(3,230)	(1,490)	(1,382)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(39)</u>	<u>(7)</u>	<u>2,246</u>	<u>(16)</u>	<u>(10)</u>	<u>(38)</u>
<u>(7,324)</u>	<u>(2,982)</u>	<u>(2,549)</u>	<u>(3,246)</u>	<u>(1,500)</u>	<u>(1,420)</u>
1,720	368	1,043	578	404	497
(386)	-	(392)	(43)	(94)	(96)
4,108	2,206	4,422	2,348	921	865
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,442	2,574	5,073	2,883	1,231	1,266
(1,713)	(422)	1,658	(314)	(263)	(80)
1,861	422	2,064	351	263	80
<u>148</u>	<u>-</u>	<u>3,722</u>	<u>37</u>	<u>-</u>	<u>-</u>
(616)	(326)	(1,528)	(845)	(331)	(574)
78	36	431	44	11	14
704	339	131	832	326	636
50	15	36	7	9	4
-	-	-	-	-	-
-	-	-	(1)	-	-
-	-	80	(4)	-	-
-	-	(43)	-	-	-
(47)	(78)	28	(13)	(9)	(6)
-	-	-	29	-	-
<u>169</u>	<u>(14)</u>	<u>(865)</u>	<u>49</u>	<u>6</u>	<u>74</u>

1996 Program	1997A Program	1997E Program	1998AC Program	1998D Program	199AB Program	1999C Program	Total
1,146	1,156	-	535	-	8	-	9,763
61	36	29	1,404	917	964	-	4,326
(1,024)	(928)	(22)	(2,106)	(992)	(659)	-	(13,153)
(82)	(41)	-	(59)	-	-	-	(554)
-	-	-	-	-	-	-	(46)
(9)	(9)	(1)	(53)	(2)	83	(8)	(1,335)
92	214	6	(279)	(77)	396	(8)	(999)
-	-	-	-	-	-	-	(1)
(1,860)	(495)	-	(11,110)	-	-	(120)	(35,537)
-	-	-	-	-	52,995	-	52,995
-	-	(974)	-	(15,687)	-	-	(16,661)
-	-	-	-	-	(560)	-	(560)
(61)	(152)	-	(364)	-	366	69	-
(1,921)	(647)	(974)	(11,474)	(15,687)	52,801	(51)	237
595	-	-	32,835	-	-	-	38,279
(116)	(359)	-	(176)	-	(53,073)	120	(54,621)
1,335	558	-	-	-	-	-	19,600
-	-	-	(21,261)	-	-	-	(21,261)
-	-	-	-	-	-	-	(59)
1,814	199	-	11,398	-	(53,073)	120	(18,062)
(15)	(234)	(968)	(355)	(15,764)	124	61	(18,825)
15	234	975	454	20,745	-	-	28,058
-	-	7	99	4,981	124	61	9,233
(1,107)	(1,039)	3	(2,200)	10	(172)	(8)	(8,583)
25	35	-	56	-	-	-	746
1,180	1,307	-	2,206	-	173	-	7,834
2	(6)	9	61	-	(211)	-	12
-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	(12)
-	(81)	-	-	-	-	-	106
(8)	(2)	(6)	(402)	(87)	606	-	(987)
-	-	-	-	-	-	-	29
92	214	6	(279)	(77)	396	(8)	(999)

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

For the years ended December 31, 1999 and 1998

The members of the Authority's Board of Trustees receive per diem payments for meetings attended and services rendered and are also reimbursed for actual expenses incurred in the performance of their duties as members of the Board of Trustees. For the years ended December 31, 1999 and 1998, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	<u>Regular Per Diems</u>	<u>Extra Per Diems</u>	<u>1999 Total</u>	<u>1998 Total</u>
Bicknell, Margaret R.	48	17	65	53
Bourg, Alton L.	47	43	90	90
Fradella, Frank	48	24	73	73
Lambert, Robert J.	51	40	91	91
Lay, Fred M.	47	58	105	104
Lewis, Joseph R.	51	19	70	70
Thomas, Anthony	51	33	84	84

Per Diem Payments:

	<u>1999</u>	<u>1998</u>
Bicknell, Margaret R.	\$ 6,500	\$ 5,300
Bourg, Alton L.	9,000	9,000
Fradella, Frank	7,300	7,300
Lambert, Robert J.	9,100	9,100
Lay, Fred M.	10,500	10,400
Lewis, Joseph R.	7,000	7,000
Thomas, Anthony	8,400	8,400
	<u>\$ 57,800</u>	<u>\$ 56,500</u>

See accompanying independent auditors' report.





**Postlethwaite & Netterville**  
*A Professional Accounting Corporation*

2324 Severn Avenue, Suite A • Metairie, Louisiana 70001-1977  
Telephone (504) 837-5990 • FAX (504) 834-3609  
www.pncpa.com

**Independent Auditors' Report on the Internal  
Control Structure at the Financial Statement Level**

The Board of Trustees  
Parish of Jefferson Home Mortgage Authority

We have audited the financial statements of the Parish of Jefferson Home Mortgage Authority (the Authority), a component unit of the Parish of Jefferson, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Trustees, management and the State of Louisiana Legislative Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

Metairie, Louisiana  
February 23, 2000



Baton Rouge • Donaldsonville • Gonzales • New Orleans • St. Francisville  
*Associated Offices in Principal Cities of the United States*