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SHREVEPORT HOME MORTGAGE AUTHORITY

Financial Statements

Year Ended December 31, 1993

(with comparative totals for December 31, 1994)

(With Independent Auditor's Report Thereon)

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-27-96

KPMG Peat Marwick LLP

1600 Commercial National Tower
501 Texas Street
Shreveport, LA 71201-0002

Independent Auditor's Report

The Board of Trustees
Shreveport Home Mortgage Authority
Shreveport, Louisiana

We have audited each of the accompanying combined balance sheets of the various funds of the Shreveport Home Mortgage Authority (a component unit of the City of Shreveport) as of December 31, 1995, and each of the related combined statements of revenue, expenses, and changes in retained earnings and cash flows for the year then ended. These combined component unit financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these combined component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 combined component unit financial statements referred to above present fairly, in all material respects, the financial position of each of the various funds of the Shreveport Home Mortgage Authority at December 31, 1995, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 18, 1996, on our consideration of the Shreveport Home Mortgage Authority's internal control structure and a report dated March 18, 1996, on its compliance with laws and regulations.

KPMG Peat Marwick LLP

March 18, 1996

INTERSTATE HOME MORTGAGE ACTIVITY

Domestic Business

December 31, 1994

(with comparisons for the twelve months ended December 31, 1994)

	1994 Year-to-Date Activity			1993 Year-to-Date Activity			1994 Year-to-Date Activity			1993 Year-to-Date Activity		
	Originations	Payoffs	Net	Originations	Payoffs	Net	Originations	Payoffs	Net	Originations	Payoffs	Net
1994 Year-to-Date Activity												
Originations	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
1993 Year-to-Date Activity												
Originations	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000
1994 Year-to-Date Activity												
Originations	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
1993 Year-to-Date Activity												
Originations	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000
1994 Year-to-Date Activity												
Originations	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 111,844	—	\$ 111,844	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719	\$ 101,719	—	\$ 101,719
1993 Year-to-Date Activity												
Originations	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000
Payoffs	—	—	—	—	—	—	—	—	—	—	—	—
Net	\$ 102,000	—	\$ 102,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000	\$ 97,000	—	\$ 97,000

Continued

UNIVERSITY MICROFILMS INTERNATIONAL

Continued Balance Sheet, Continued

Assets	2011 Annual Report Details		2011 Annual Report Details	2010 Annual Report Details	2009 Annual Report Details
	Count	Total			
Cash and cash equivalents (Note 1)	1,000	14,400	—	—	—
Accounts receivable (Note 2)	—	—	—	—	—
Prepaid expenses	—	—	—	—	—
Investment in equity securities	—	—	—	—	—
Investment in real estate	—	—	—	—	—
Investment in other equity securities	—	—	—	—	—
Other assets	—	—	—	—	—
Investment in other equity securities	—	—	—	—	—
Total assets	1,000	14,400	—	—	—
Liabilities and Equity					
Accounts payable	—	—	—	—	—
Accrued expenses	—	—	—	—	—
Other liabilities	—	—	—	—	—
Total liabilities	—	—	—	—	—
Equity					
Common stock	—	—	—	—	—
Retained earnings	—	—	—	—	—
Total equity	—	—	—	—	—
Total liabilities and equity	—	—	—	—	—

See accompanying notes to financial statements.

INVENTORY OF SOME INVESTMENTS IN TRUSTS

Combined Statements of Receipts, Expenses, and Dispositions of Income

For the Year Ending December 31, 1954

(Interim Report for the Year Ending 12/31/54)

200 New South Bank (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

200 New York (Incl. Div.)

Program
Fund Total

Operating income:
Net income from operations and
net interest
Income on investments
Dividends
Total operating income

Operating expenses:
Income tax
Administrative expenses
Investment expenses
Total operating expenses

Operating income (net of taxes)
(\$22,489,704)

Operating losses:
Loss on sale of bonds
Loss on sale of stocks
Total operating losses

Net investment income:
Total investment income
Total investment losses

Net operating income (net of taxes)
(\$22,489,704)

11,000

11,000

22,000

11,000

33,000

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UNIVERSITY MICROFILMS INTERNATIONAL

Consolidated Statement of Income, Expenses, and Changes in Retained Earnings - Continued

	1993 (in thousands)				Total Return to Shareholders
	Total Revenue	Total Expenses	Total Income	Total Assets Available for Shareholders	
Operating revenue					
From all worldwide firms and non-affiliates	\$1,722	28,122	—	—	2,722
From all subsidiaries	1,122	2,122	1,000	1,000	1,122
From all other sources	—	—	—	—	—
Total operating revenue	<u>2,844</u>	<u>29,244</u>	<u>1,000</u>	<u>1,000</u>	<u>3,844</u>
Operating expenses					
From all firms	1,011	17,122	16,111	16,111	2,022
From all subsidiaries	122	1,122	—	—	122
From all other sources	—	—	—	—	—
Total operating expenses	<u>1,133</u>	<u>18,244</u>	<u>16,111</u>	<u>16,111</u>	<u>2,144</u>
Operating income (loss) before income taxes	1,711	11,000	—	—	1,700
Schedule B loss					
Loss on international sale	—	—	—	—	—
Loss on sale of firm	—	—	—	—	—
Net income (loss)	<u>1,711</u>	<u>11,000</u>	<u>—</u>	<u>—</u>	<u>1,700</u>
Transfer to non-affiliates	11,000	(11,000)	—	—	—
Transfer to non-affiliates	(11,000)	—	—	—	—
Retained earnings at beginning of year	—	—	—	—	—
Retained earnings at end of year	<u>1,711</u>	<u>11,000</u>	<u>—</u>	<u>—</u>	<u>1,700</u>

See accompanying notes to consolidated financial statements.

**UNITED STATES OF AMERICA
 FEDERAL RESERVE SYSTEM**
Consolidated Statement of Cash Flows

For the quarter ended 31, 2007

(in billions of dollars)

	Consolidated Assets - Monthly			Consolidated Liabilities - Monthly			Consolidated Assets - Annual			Consolidated Liabilities - Annual		
	Period Ending	Total	Net	Period Ending	Total	Net	Period Ending	Total	Net	Period Ending	Total	Net
	31, 2007	2007	2007	31, 2006	2006	2006	31, 2006	2006	2006	31, 2006	2006	2006
Operating activities												
Change in reserves and deposits	—	—	—	—	—	—	—	—	—	—	—	—
Change in securities	—	—	—	—	—	—	—	—	—	—	—	—
Change in loans	—	—	—	—	—	—	—	—	—	—	—	—
Change in other assets	—	—	—	—	—	—	—	—	—	—	—	—
Change in other liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Change in other liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating activities	—	—	—	—	—	—	—	—	—	—	—	—
Financing activities												
Change in securities	—	—	—	—	—	—	—	—	—	—	—	—
Change in loans	—	—	—	—	—	—	—	—	—	—	—	—
Change in other assets	—	—	—	—	—	—	—	—	—	—	—	—
Change in other liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Change in other liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Financing activities	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—

(continued)

GREATWAY COMMERCIAL REAL ESTATE
 CONFIDENTIALITY OF CALIFORNIA CHARTERS

	All Cash Basis, Including		All Non-Cash Basis, Available		All Non-Cash Basis, Available		All Non-Cash Basis, Available			
	Year	YTD	Year	YTD	Year	YTD	Year	YTD		
\$	2014	-	2014	486,000	2013	47,970	2013	47,970	2013	47,970
11,729	-	11,729	47,440	47,440	47,970	47,970	47,970	47,970	47,970	
11,729	-	11,729	47,440	47,440	47,970	47,970	47,970	47,970	47,970	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
486,029	486,029	486,029	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
486,029	486,029	486,029	-	-	-	-	-	-	-	
1,556,265	1,556,265	1,556,265	47,970	47,970	47,970	47,970	47,970	47,970	47,970	

Reconciliation of operating income from which
 nonrecognition basis is derived: operating income
 reported in the consolidated financial statements
 for the year ended December 31, 2014
 is \$1,556,265. The following table reconciles
 operating income from which nonrecognition basis
 is derived to the nonrecognition basis from
 which the cash basis is derived. The nonrecognition
 basis is derived from the cash basis, adjusted for
 the nonrecognition basis from which the cash basis
 is derived. The nonrecognition basis from which
 the cash basis is derived is derived from the
 nonrecognition basis from which the cash basis
 is derived. The nonrecognition basis from which
 the cash basis is derived is derived from the
 nonrecognition basis from which the cash basis
 is derived. The nonrecognition basis from which
 the cash basis is derived is derived from the
 nonrecognition basis from which the cash basis
 is derived.

Continued

WESTVIEW CORPORATION'S ACTIVITY
 Cash/ Cash Equivalents/ Debt/ Equity Overhead

Account	2012 Year (Cash Basis)		2012 Impairment Loss	Cash/ Equity	Total of Cash/ Equity/ Impairment Loss
	Yearly Total	Total			
1	92,757	10,492	--	15,792	98,549
2	15,027	27,992	29,492	29,492	102,521
3	1,091,475	1,495,271	4,300,000	4,300,000	1,596,877
4	---	---	---	---	38,824
5	---	---	---	---	1,000,000
6	482,265	971,079	---	8,428	1,461,772
7	11,000	17,049	---	---	---
8	18,000	18,000	27,000	---	143,000
9	1,282,417	1,502,418	---	---	1,652,418
10	1,133,151	1,133,151	4,152,529	4,151	1,630,881

Revaluation of assets to fair value (including acquisition assets) is completed by land revaluing activities.

Specialty services from Miles subsidiary.

Subsidiary Acquisitions/Impairment Loss
 Impairment Loss
 Impairment Loss
 Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

Impairment Loss

See accompanying notes to financial statements.

SHREVEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

December 31, 1985

(B) Summary of Accounting Policies

Organization — The Shreveport Home Mortgage Authority (the "Authority") is a tax exempt public trust, created pursuant to the Constitution and laws of the State of Louisiana, particularly Chapter 3-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated October 24, 1979, with the City of Shreveport, Louisiana, as beneficiary. The Authority can transfer excess cash to the City of Shreveport. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing of housing for persons of low to moderate income in the City of Shreveport. The Authority is a component unit of the City of Shreveport.

The Authority began operations on September 14, 1979, and has since been involved in numerous bond issues ("Issues") with the following issues still outstanding:

Date	Issue Name	Amount
December 28, 1983	Multi-Family Housing Revenue Bonds (1983-B Issue)	\$ 5,300,000
November 26, 1984	Single Family Mortgage Revenue Bonds (1984 Issue)	11,250,000
April 25, 1985	Single Family Mortgage Revenue Bonds (1985 Issue)	11,000,000
July 28, 1988	Collateralized Mortgage Refunding Bonds (1988 Issue)	44,111,137
March 16, 1995	Multi-Family Housing Revenue Refunding Bonds (1995 Issue)	4,435,000
December 7, 1995	Single Family Mortgage Revenue Refunding Bonds (1995 Issue)	9,450,000

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

(Continued)

SHERBORNE HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

Basis of Presentation — The accounts of the Authority are organized on the basis of funds by issue, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues, and expenses. Amounts in the "Total All Issues (Miscellaneous Only)" columns of the combined financial statements represent a summation of the combined financial statements line items of the funds and are presented for analytical purposes only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. The following fund types are utilized by the Authority:

Mortgage Purchase Program Funds — These funds are used to account for the proceeds from mortgage revenue bonds, the debt service requirements of the bonds, and the related mortgage loans for housing in the City of Sherborne.

General Funds — These funds are the general operating funds of the issues. All income and expenses not directly attributable to the Mortgage Purchase Program Funds are accounted for in these funds.

Bond Fund — In the 1985 Multi-Family Refunding Issue, the Bond Fund is used to account for the proceeds from the sale of the bonds, principal and interest payments on the note receivable, and the debt service on the bonds.

Operating Account — The Operating Account represents funds owned by the Authority not associated with an individual issue. The primary source of these funds is the semiannual issuer's fee paid by certain issues to the Authority, transfers of excess funds in the 1988 issue, and interest on loans received in the refunding of the 1979 issue. Payments from this account are made to cover expenses of the Authority not provided for under any of the various bond indentures.

Interest earned on the investments and mortgage loans in the Mortgage Purchase Program Funds is initially accounted for in these funds. The interest is then transferred to the General Funds when collected. To the extent monies are not available from the principal payments received on the mortgage loans, the General Funds transfer monies to the Mortgage Purchase Program Funds in amounts sufficient to pay all interest and principal on the outstanding bonds.

Basis of Accounting — The Authority uses the accrual method of accounting whereby expenses are recognized when the liability is incurred, and revenues are recognized when earned. All funds are accounted for on a flow of economic resources measurement basis. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

Investment Securities — Investment securities are recorded at cost, adjusted for any discount or premium accreted to maturity. The securities are not valued at lower of cost or market because it is the Authority's intention to hold the securities to maturity. Gains or losses on the sale of investment securities are based upon the adjusted cost of the specific security sold.

(Continued)

SHEWEEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

Comparative Total Data — Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Authority's financial position and operations and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles. However, comparative data (i.e., presentation of prior year results by fund type) have not been presented in each issue, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1994 have been reclassified in the accompanying financial statements to conform with 1995 presentations.

Bond Issuance Costs and Bond Discount — Costs related to issuing bonds are capitalized. Bonds are presented net of discounts related to the sale of bonds. Bond costs and discounts are amortized on the interest method over the term of the bonds. The bond issuance cost for the 1995 Multi-Family issue were paid by the owner of the property; therefore, the receipt of bonds were shown as revenue and the payment of the issuance cost was expensed.

Mortgage Loan Discount — Discounts on the 1988 mortgage loans are amortized on the interest method over the term of the loans.

Provisions for Loan Losses — Provisions for losses on loans and accrued interest are charged to earnings when it is determined that the investment in applicable assets is greater than their estimated net realizable value. At December 31, 1995, estimated losses on loans were not material.

Cash and Cash Equivalents — For purposes of the statement of cash flows, cash and cash equivalents are defined as being cash in bank deposit accounts and short-term investments with an original maturity of ninety days or less. Investments in guaranteed investment contracts and U.S. government securities are excluded from cash and cash equivalents although such investments may mature within ninety days of their purchase.

(2) Mortgage Loans Receivable

All mortgage loans are collateralized by first liens on single family residential property. The mortgage loans have an aggregate effective interest rate to the Authority of 9.673% for the 1988 issue, 10.65% for the 1984 issue, and 7.00% for the mortgage loans held in the Operating Account.

The 1988 issue mortgage loans have a face value of \$13,849,543 which is reduced by unamortized discount of \$2,872,551 at December 31, 1995.

(Continued)

SHREVEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

All loans purchased by the Authority under the 1988 issue and the Operating Account are required to be insured by FHA or guaranteed by VA. Additionally, each mortgage loan in these issues was insured under master policies of supplemental mortgage insurance obtained from Mortgage Guaranty Insurance Corporation. These master policies insure, subject to certain conditions, each mortgage loan insured by the Authority against losses not otherwise insured, to a maximum of 80% of the aggregate initial principal balance of all mortgage loans originated. The conventional loans under the 1984 Single Family Issue are insured under master policies of mortgage pool insurance obtained from GE Capital Mortgage Insurance Corp., to a maximum of 15% of the aggregate initial principal balances of the loans, as well as being fully insured with various approved private mortgage insurers for the unamortized principal balance of the loans and accrued and unpaid interest.

(3) Note Receivable

The note receivable is a \$4,435,000 note in the 1995 Multi-Family Refunding Issue due from an investor maturing September 1, 2025. The note receivable bears interest at a fixed rate of 6.4% on \$4,350,000 of the note and 8.40% on the remaining \$75,000. The note is collateralized by land, buildings, and fixtures. The bonds payable in the 1995-A Multi-Family Refunding Issue are not a general obligation debt or liability of the Authority. Security for the bonds is the note receivable. In addition, a policy of indemnity is in place to cover nonpayment of the bonds in the event of default by the investor. Because the bonds are not a general obligation of the Authority, failure to collect all of the note would ultimately lead to a corresponding reduction in amounts paid to the bondholder. Therefore, no provision has been made to record an allowance for doubtful accounts.

(4) Cash and Cash Equivalents and Investment Securities

Investments, including cash equivalents, are made in such securities as specifically called for under terms of the Trust Indentures; these include variable rate notes, U.S. Treasury bonds, U.S. Treasury bills, U.S. government agencies, certificates of deposit, and investment agreements.

(Continued)

SHERBROOK HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

Cash and cash equivalents include the following at December 31, 1995:

Paragon Treasury Money Market Trust Fund	
1984 Issue (Single Family)	\$ 33,775
1988 Issue (Refunding)	481,968
Operating Account	<u>393,865</u>
	1,150,411
Investor Series U.S. Government Money Market Trust Fund - 1985 Issue (Single Family)	33,560
Trust Account Cash - 1985 Issue (Single Family - Refunding)	172,894
First Funds U.S. Treasury Mutual Fund - 1995 Issue (Multi-Family - Refunding)	<u>333,229</u>
Total cash and cash equivalents	\$ <u>1,629,294</u>

The above cash equivalents are not insured or collateralized and are therefore considered to be in credit risk category 3 as defined by Governmental Accounting Standards Board Statement Number 3.

Investment securities are as follows:

	Carrying Amount	Market Value
1984 Issue (Single Family) - Bank One, MBank Investment Agreements	\$ 350,557	350,557
1995 Issue (Single Family - Refunding) - Baystate Landbank Investment Agreements	9,588,419	9,588,415
1982 Issue (Single Family) - U.S. Treasury Bills dated 7/27/95, due 1/25/96	<u>1,477,821</u>	<u>1,480,288</u>
	\$ <u>11,216,797</u>	<u>11,219,270</u>

The 1984 issue (Single Family) and 1995 issue (Single Family - Refunding) investments are not collateralized and are therefore considered to be category 3 investments as defined by Governmental Accounting Standards Board Statement Number 3. The 1982 Issue (Single Family) investment is defined as a category 1 investment, which includes investments that are insured or registered or for which the securities are held by the City or its safekeeping agent in the City's name.

(Continued)

SHRINEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

(5) **Bonds Payable**

Bonds payable at December 31, 1995, consist of:

1995 Issue (Multi-Family - Refunding) — Multi-Family Housing Revenue Refunding Bonds, Series 1995A, dated March 14, 1995 — \$4,350,000 Current Interest Bonds due September 1, 2025, at an initial interest rate of 6.9% until the Initial Adjustment Date (March 1, 2006); \$75,000 Series 1995B Taxable Current Interest Bonds dated March 14, 1995, due September 1, 1998, at 8.45% interest	\$ <u>4,425,000</u>
1995 Issue (Single Family - Refunding) — Single Family Mortgage Revenue Refunding Bonds, 1995A, dated December 1, 1995 — \$1,385,000 Current Interest Bonds due serially each August 1, 1998 until 2006, at interest rates of 4.25% to 5.2%; \$6,815,000 Term Bonds due August 2018 at 6.0% interest; \$1,450,000 Term Bonds due August 1, 2019, at 5.2% interest	\$ <u>9,450,000</u>
1995 Issue (Refunding) — Taxable Collateralized Mortgage Refunding Bonds, Series 1995-A dated July 1, 1995, due in monthly installments of approximately \$259,000 including interest (based on the payments of the mortgage loan pool collateralizing the issue) at an interest rate of 6.8%	\$ 22,908,919
Unamortized discount	(2,869,283)
	\$ <u>20,039,636</u>
1994 Issue (Single Family) — Single Family Mortgage Revenue Bonds, 1994 Series A, dated November 1, 1994; \$1,831,998 Compound Interest Term Bonds due May 1, 2016, at an approximate yield of 11.25%	\$ 18,955,000
Unamortized discount	(15,123,682)
	\$ <u>3,831,318</u>

(Continued)

SIBELVEPOST HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

1985 Issue (Single Family) — Single Family Mortgage Revenue Bonds, 1985 Series A, dated April 1, 1985 — \$185,000 Current Interest Bonds due serially from April 15, 1993, to October 15, 1999, at interest rates of 8.90% to 9.4%; \$27,629 and \$28,432 Capital Appreciation Bonds due April 15, 2003, and October 15, 2003, respectively, at an approximate yield of 10.40%; \$28,899 Capital Appreciation Bonds due April 15, 2004, at an approximate yield of 10.90%; \$516,000 Current Interest Bonds due October 15, 2007, at an interest rate of 9.625%; \$654,528 Capital Appreciation Bonds due October 15, 2017, at an approximate yield of 11.00%

\$ 3,885,000

Unaccrued discount:

(5,468,458)

\$ 3,414,294

A summary of scheduled bond maturities and interest follows:

	Amounts in dollars											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bonds												
1985												
Single Family Interest	\$ 36,500	—	—	—	—	—	—	—	—	—	9,900	—
1989												
Single Family Interest	1,800	1,800	—	—	—	—	—	—	—	—	—	—
1993												
Subordinated Interest	11,908	1,340	1,440	1,638	1,678	1,698	11,729	3,700	—	—	—	—
1997												
Single Family Subordinated Interest	4,400	—	—	70	—	—	—	—	—	—	4,900	—
2000												
Single Family Subordinated Interest	3,600	—	—	—	—	—	—	—	—	—	—	64,000
Interest	54,608	9,140	1,440	1,708	1,678	1,698	12,729	3,800	1,400	14,800	4,900	64,000
Leases												
Commercial Interest	25,472	6,000	—	—	—	—	—	—	—	—	10,420	—
Net principal	28,710	7,000	1,800	1,600	1,600	1,700	10,710	1,700	1,400	1,400	7,600	6,400
Interest	28,800	7,000	1,200	2,400	2,000	1,800	31,200	2,000	1,000	1,000	7,600	6,400
Total	\$ 88,690	16,140	3,240	3,308	3,678	3,498	44,639	5,500	2,800	16,220	12,500	70,400

(Continued)

SHREVEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

Under the 1985 Bond Indenture, the Authority has the option to redeem outstanding bonds on or after April 15, 1995, at the initial redemption price of 100% and subsequently at prices declining to par. For the 1984 issue, there are no optional redemption features. The 1995 issue (Multi-Family - Refunding) may be redeemed in whole or in part on or after December 1, 2005, upon notice, at a redemption price beginning at 100% and subsequently declining to par. The 1995 issue (Single Family - Refunding) may be redeemed, in whole or part, at par, after March 1, 2006. Certain mandatory redemption provisions are described in the Bond Indentures which require redemption at a price equal to the principal and accrued interest to the redemption date.

Payments of principal on the 1988 issue are based on payments of the mortgage pool collateralizing the issue. Prepayments of these mortgage loans are used to prepay principal on the 1988 issue. Additionally, the bonds are subject to redemption at the option of the bondholder on thirty days' notification to the Authority. The redemption value would be the lesser of the then-outstanding principal and interest on the bonds or the fair market value of the mortgage loans. The Trustee is authorized to act at the direction of the bondholder to sell the mortgage loans on the redemption date.

The bonds in the 1988, 1984, 1985, and 1995 (Single Family - Refunding) issues are collateralized by and payable from the income, revenues, and receipts derived by the Authority from the mortgage loans and the funds and accounts held under or pledged to the Authority pursuant to the Trust indentures. The bonds in the 1995 (Multi-Family - Refunding) issue are collateralized by the reverses and other amounts derived by the Authority from the monies receivable and the funds and accounts established under the Trust indentures. There also exist a credit enhancer that guarantees that no loss will be incurred on the sale of the property should a default occur on the debt being serviced by the investor.

There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions.

On March 14, 1995, the Authority issued \$4,435,000 in bonds, the 1995 issue (Multi-Family - Refunding), to advance refund the \$4,960,000 1985-B issue bearing interest at 6.4%, and pay part of the issuance costs of the new bonds. The new bonds in the amount of \$4,360,000 are non-callable and bear interest at a fixed rate of 6.4% until the initial adjustment date of March 1, 2006. Bonds in the amount of \$75,000 are callable and bear interest at a fixed rate of 8.45%. In conjunction with the issue of the new bonds, the note receivable of \$4,360,000 related to the 1985-B issue was canceled and a new note receivable of \$4,435,000 issued to the investor. The scheduled payments for the note are the same as the 1995 issue (Multi-Family - Refunding) bonds and bears interest at the same rate.

(Continued)

SHREVEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

The advance refunding of the 1995 issue (Multi-Family - Refunding) was undertaken to cancel the maturity date and fix the interest rate of the bonds and related note until the initial adjustment date. Net cash flows were not affected, since the note receivable related to the refunded bond issue and the new bond issue were structured to coincide with payments on the bonds and bear the same interest rate as the bonds. There was no economic loss realized on the bonds, as the note investor was required to make contributions, which are recorded in other revenues, to offset the loss and pay all issuance costs. The investor was also required to make certain excess deposits upon issuance of the bonds and is required to make monthly excess payments as required by a separate Credit Enhancer agreement.

On December 20, 1995, the Authority issued \$9,450,000 in bonds, the 1995 issue (Single Family - Refunding), in anticipation of advance refunding the remaining \$1,434,504 of the 1995 issue (Single Family) and providing funds for new mortgage loan programs. The new bonds bear interest at the rate of 8.25% to 8 1/2%. Net proceeds in the amount of \$1,477,821 of the new bonds were used to purchase U.S. government securities, which were deposited with the Trustee to refund the 1995 issue in January of 1996. The 1995 issue was not defeased as December 31, 1995, and are therefore reflected as an indebtedness of the Authority in the December 31, 1995, financial statements.

The 1979 issue bonds are considered defeased and have been removed from the Authority's financial statements. As December 31, 1995, \$44,040,000 of bonds in the 1979 issue are still outstanding.

18) Restricted Assets

Substantially all amounts reflected in the combined balance sheet represent assets in such accounts or funds designated under the Trust indentures for each issue to be invested and/or held for subsequent disbursement in such manner and at such time as specifically defined in the respective Trust indentures.

All of the assets of the Mortgage Purchase Program Funds are restricted by, and the use thereof is governed by, the Trust Indentures.

The balance at December 31, 1995, of the restricted assets of each fund or account established under the respective Trust indentures and a reconciliation to total assets by issue is as follows:

1995 Issue (Single Family - Refunding)	
Mortgage loan account	\$ 112,844
Accrued Income Receivable	13,705
Investments	9,268,415
Total assets in restricted funds	9,394,964
Less interfund payables	(628,181)
Total restricted assets	8,766,783
Bond issuance costs, net	225,706
Total assets	\$ <u>9,000,000</u>

(Continued)

SEBEEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

1998 Issue (Multi-Family - Refunding)

Total assets, all restricted	\$ <u>4,780,170</u>
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1988 Issue (Refunding)

Mortgage loan account	\$ 20,311,994
Reserve funds	<u>424,535</u>
Total assets in restricted funds	20,736,529

Less interfund payables	<u>(814,892)</u>
Total restricted assets	19,921,637

Bond issuance costs, net	<u>150,456</u>
Total assets	\$ <u>20,073,093</u>

1984 Issue (Single Family)

Mortgage loan account	\$ 1,691,483
Reserve fund	<u>32,282</u>
Total assets in restricted funds	1,723,765

Plus interfund receivable	<u>106,953</u>
Total restricted assets	\$ <u>1,830,718</u>

1985 Issue (Single Family)

Mortgage loan account	\$ 18,183
Principal and prepayment funds	1,784
Investments	<u>1,477,833</u>
Total assets in restricted funds	1,497,760

Less interfund payables	<u>(60,456)</u>
Total restricted assets	1,437,304

Bond issuance costs, net	11,700
Other assets	<u>1,808</u>
Total assets	\$ <u>1,450,812</u>

(Continued)

SHEKEVEPORT HOME MORTGAGE AUTHORITY

Notes to Combined Financial Statements

(7) Commitments

Under the terms of the applicable Trust indentures, the Authority is required to redeem bonds prior to maturity when balances in certain funds exceed specified levels. The 1988 issue is redeemable, as described in note 5, based on mortgage prepayments or at the option of the bondholders.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Shreveport Home Mortgage Authority
Shreveport, Louisiana

We have audited each of the combined balance sheets of the various funds of the Shreveport Home Mortgage Authority (the "Authority"), a component unit of the City of Shreveport, as of December 31, 1995, and each of the related combined statements of revenues, expenses, and changes in retained earnings and cash flows for the year then ended, and have issued our report thereon dated March 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with each provision. Accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for your information, management, and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

March 18, 1996

KPMG Peat Marwick LLP

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333 Texas Street
Shreveport, LA 71201-3823

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF CRISISAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

The Board of Trustees
Shreveport Home Mortgage Authority
Shreveport, Louisiana:

We have audited each of the combined balance sheets of the various funds of the Shreveport Home Mortgage Authority (the "Authority"), a component unit of the City of Shreveport, as of December 31, 1995, and each of the related combined statements of revenue, expenses, and changes in retained earnings and cash flows for the year then ended, and have issued our report thereon dated March 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Authority for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for your information, management, and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Arthur Alan Marwood, CPA

March 28, 1996