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PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY  
Jefferson Parish, Louisiana

Financial Statements and Schedules

December 31, 1997 and 1996

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 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 MAR 25 1998**



Suite 3500 One Shell Square  
New Orleans, LA 70139-3599

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, 1997 and 1996, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 Parish of Jefferson Home Mortgage Authority as of December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 1998 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.

*KPMG Peat Marwick LLP*

February 9, 1998



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Balance Sheets  
(in thousands)

December 31, 1997 and 1996

<u>Assets</u>	<u>1997</u>	<u>1996</u>
Cash and cash equivalents (notes 2 and 6)	\$ 4,971	1,761
Investment securities (notes 2 and 6)	27,636	28,463
Mortgage loans receivable (note 3)	165,877	166,128
Real estate owned (note 1(i))	99	137
Accrued interest receivable	1,425	1,426
Bond issuance costs, net (note 1(f))	3,654	3,679
Prepaid insurance	17	22
Other assets	<u>15</u>	<u>25</u>
	\$ <u>203,694</u>	<u>201,641</u>
 <u>Liabilities and Retained Earnings</u> 		
Liabilities:		
Bonds payable, net (notes 1(g), 4 and 7)	182,834	183,965
Line of credit payable to bank (notes 4 and 7)	3,559	-
Accrued interest payable	3,724	3,957
Deferred liabilities (note 5)	130	136
Other liabilities	<u>17</u>	<u>4</u>
Total liabilities	<u>190,264</u>	<u>188,062</u>
Retained earnings (notes 6 and 8):		
Unreserved	2,447	2,641
Reserved	<u>10,983</u>	<u>10,938</u>
Total retained earnings	<u>13,430</u>	<u>13,579</u>
	\$ <u>203,694</u>	<u>201,641</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Interest on mortgage loans	\$ 13,440	13,733
Interest on investments	1,824	1,433
Commitment fees	<u>6</u>	<u>6</u>
Total operating revenues	<u>15,270</u>	<u>15,172</u>
Operating expenses:		
Interest on bonds (note 1(g))	13,311	13,354
Amortization of bond issuance costs and other costs (note 1(f))	671	703
Servicing fees	764	776
Bond insurance costs	56	67
Mortgage loan insurance costs	15	13
Trustee fees	115	116
Other operating expenses	<u>487</u>	<u>217</u>
Total operating expenses	<u>15,419</u>	<u>15,246</u>
Net loss	(149)	(74)
Retained earnings at beginning of year	<u>13,579</u>	<u>13,653</u>
Retained earnings at end of year	\$ <u>13,430</u>	<u>13,579</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Cash receipts for:		
Interest on mortgage loans	\$ 13,462	13,868
Interest on investments	1,797	1,377
Cash payments for:		
Interest on bonds	(13,552)	(13,536)
Servicing fees	(765)	(776)
Insurance	(67)	(38)
Other operating expenses	<u>(576)</u>	<u>(351)</u>
Net cash provided by operating activities	<u>299</u>	<u>544</u>
Cash flows from capital financing activities - purchase of other assets	<u>(7)</u>	<u>(9)</u>
Cash flows from noncapital financing activities:		
Bonds redeemed	(21,450)	(20,174)
Bond proceeds	20,100	18,425
Proceeds from line of credit	3,559	-
Bond issuance costs	<u>(413)</u>	<u>(309)</u>
Net cash provided by (used in) noncapital financing activities	<u>1,796</u>	<u>(2,058)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	20,384	13,265
Acquisition of investments	(19,556)	(19,081)
Acquisition of mortgage loans	(18,014)	(11,986)
Principal receipts from mortgage loans	18,263	18,783
Proceeds from real estate owned	<u>45</u>	<u>(77)</u>
Net cash provided by investing activities	<u>1,122</u>	<u>904</u>
Net increase (decrease) in cash and cash equivalents	3,210	(619)
Cash and cash equivalents at beginning of year	<u>1,761</u>	<u>2,380</u>
Cash and cash equivalents at end of year	\$ <u>4,971</u>	<u>1,761</u>

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Statements of Cash Flows, Continued  
(in thousands)

	<u>1997</u>	<u>1996</u>
Reconciliation of net loss to net cash provided by operating activities:		
Net loss	\$(149)	(74)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of bond issuance and bond discount costs	665	703
Changes in assets and liabilities:		
Decrease in accrued interest receivable	1	6
Decrease in prepaid insurance	5	40
Increase in real estate owned related receivable	(7)	(2)
Decrease in other assets	10	119
(Increase) decrease in other liabilities	13	(41)
Decrease in accrued interest payable	(233)	(202)
Increase (decrease) in deferred liabilities	<u>(6)</u>	<u>(5)</u>
Net cash provided by operating activities	\$ <u>299</u>	<u>544</u>

See accompanying notes to financial statements.



PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 1997 and 1996

(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 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)	\$ <u>19,175</u>
September 1, 1984	Single Family Mortgage Revenue Bonds, Series 1984 (1984 Program)	\$ <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)	\$ <u>38,600</u>
October 1, 1988	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A (1988 Program)	\$ <u>50,000</u>
June 1, 1989	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A (1989 Program)	\$ <u>50,000</u>

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</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>22,350</u>
November 30, 1994	Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A (1994 Program)	\$ <u>11,825</u>
August 29, 1995	Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A (1995 Program)	\$ <u>14,500</u>
November 26, 1996	Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A (1996 Program)	\$ <u>12,425</u>
May 27, 1997	Single Family Mortgage Revenue Refunding Bonds Securities, Series 1997B (refunded by 1997A issue)	\$ <u>2,765</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 (authorized but not issued as of December 31, 1997)	\$ <u>15,000</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.

(Continued)



## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

(b) Basis of Presentation - Fund Accounting

The accounts of the Authority are organized on the basis of individual 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

Investment securities are recorded at cost, adjusted for any discount accreted or premium amortized. 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 being 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. The deferred amounts are disclosed in note 4.

(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

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

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) Reclassification

Certain reclassifications have been made to the 1996 amounts to conform to the 1997 presentation.

(2) Cash, Cash Equivalents and Investment Securities

Cash deposits and cash equivalents of \$4,971,000 and \$1,761,000 at December 31, 1997 and 1996, respectively, are held in financial institutions. The December 31, 1997 balance is comprised of cash equivalents that are invested in money market funds, of which the underlying assets are guaranteed by the U.S. Government.

At December 31, 1997 and 1996, 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 approximate carrying and market values of investment securities and their category classification at December 31 are as follows:

	1997			1996		
	Carrying value	Market value	Category	Carrying value	Market value	Category
	(in thousands)			(in thousands)		
U.S. Government Securities - 1991 Program	\$ 2,034	2,367	3	\$ 2,282	2,513	3

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

	1997			1996		
	Carrying value (in thousands)	Market value (in thousands)	Category	Carrying value (in thousands)	Market value (in thousands)	Category
Guaranteed Invest- ment Contracts:						
1982 Program	\$ 16	16	-	\$ 12	12	-
1984 Program	806	806	-	921	921	-
1985/1994R Program	385	385	-	407	407	-
1988 Program	2,379	2,379	-	1,908	1,908	-
1989 Program	1,045	1,045	-	890	890	-
1990 Program	642	642	-	1,145	1,145	-
1991 Program	1,783	1,783	-	1,430	1,430	-
1993 Program	775	775	-	577	577	-
1994 Program	70	70	-	182	182	-
1995 Program	81	81	-	153	153	-
1996 Program	144	144	-	18,556	18,556	-
1997A Program	17,476	17,476	-	-	-	-
	<u>\$ 27,636</u>	<u>27,969</u>		<u>\$ 28,463</u>	<u>28,694</u>	

Collateral on the guaranteed investment contracts is not required unless the financial institution does not meet certain investment-rating requirements. Under the terms of the investment agreement, securities with a market value of \$1,263,372 at December 31, 1996 were pledged as collateral for the 1990 Program. At December 31, 1997, the financial institution met the investment rating requirements and, as a result, no collateral is currently pledged for the 1990 program.

Unrealized gross gains were \$333,000 and \$235,000 at December 31, 1997 and 1996, respectively. No unrealized losses existed at December 31, 1997. Unrealized gross losses were \$4,000 at December 31, 1996.

(3) Mortgage Loans Receivable

Mortgage loans receivable for the 1982, 1984, 1985/1994R and 1991 Programs are secured by first liens on single family residential property. Mortgage loans for the 1987, 1988, 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 1993 program consists of the mortgage loan receivable remaining from the 1983 Program and includes 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 loan receivable for the 1994, 1995 and 1996 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 and 1996 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 and 1996 loans are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. As of December 31, 1997, no loans have been issued for any of the 1997 programs.

(Continued)



## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

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%

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.

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

	1997		Category	Mortgage loans receivable at amortized cost	Total cost
	Mortgage-backed securities Carrying value	Market value (amounts in thousands)			
GNMA Certificates:					
1982 Program	\$ -	-	-	131	131
1984 Program	-	-	-	3,284	3,284
1985/1994R Program	-	-	-	2,397	2,397
1987 Program	12,595	13,349	1	-	12,595
1988 Program	21,485	22,547	1	-	21,485
1989 Program	26,049	27,216	1	-	26,049
1990 Program	12,762	13,305	1	-	12,762
1991 Program	-	-	-	26,353	26,353
1993 Program	17,122	15,569	1	4,867	21,989
1994 Program	7,682	7,967	1	-	7,682
1995 Program	9,992	10,003	1	-	9,992
1996 Program	16,430	16,357	1	-	16,430
	<u>124,117</u>	<u>126,313</u>		<u>37,032</u>	<u>161,149</u>

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

1997					
Mortgage-backed securities			Mortgage loans receivable at		Total cost
Carrying value	Market value	Category	amortized cost		
(amounts in thousands)					
FNMA Certificates:					
1994 Program	\$ 1,583	1,632	1	\$ -	1,583
1995 Program	1,561	1,560	1	-	1,561
1996 Program	1,584	1,610	1	-	1,584
	<u>4,728</u>	<u>4,802</u>		<u>-</u>	<u>4,728</u>
	\$ <u>131,115</u>			\$ <u>37,032</u>	<u>165,877</u>

1996					
Mortgage-backed securities			Mortgage loans receivable at		Total cost
Carrying value	Market value	Category	amortized cost		
(amounts in thousands)					
GNMA Certificates:					
1982 Program	\$ -	-	-	\$ 134	134
1984 Program	-	-	-	3,845	3,845
1985/1994R Program	-	-	-	3,213	3,213
1987 Program	14,298	14,940	1	-	14,298
1988 Program	24,987	25,835	1	-	24,987
1989 Program	29,548	30,369	1	-	29,548
1990 Program	13,639	13,938	1	-	13,639
1991 Program	-	-	-	30,340	30,340
1993 Program	18,648	18,647	1	5,548	24,196
1994 Program	8,291	8,402	1	-	8,291
1995 Program	10,277	10,320	1	-	10,277
	<u>119,608</u>	<u>122,451</u>		<u>43,080</u>	<u>162,768</u>
FNMA Certificates:					
1994 Program	1,776	1,794	1	-	1,776
1995 Program	1,584	1,590	1	-	1,584
	<u>3,360</u>	<u>3,384</u>		<u>-</u>	<u>3,360</u>
	\$ <u>125,835</u>			\$ <u>43,080</u>	<u>166,128</u>

Unrealized gross gains on GNMA and FNMA certificates were \$3,896,000 and \$2,792,000 at December 31, 1997 and 1996, respectively. Unrealized gross losses on GNMA certificates were \$1,626,000 and \$5,000 at December 31, 1997 and 1996, respectively.

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

(4) Bonds Payable

Bonds payable are as follows at December 31:

	<u>1997</u>	<u>1996</u>
	(in thousands)	
Single Family Mortgage Revenue Bonds, Series 1982 dated September 1, 1982 - \$3 due September 1, 2014 at 12.615%	\$ 3	5
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 at interest rates of 10.50% to 11.00%	1,039	1,793
Taxable Compound Interest Refunding 1985 Bonds, Series 1994 dated October 18, 1994 - \$1,932 compounding interest at approximately 9.5% due May 1, 2017	1,932	2,767
GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A dated August 24, 1987 - \$12,813 due August 1, 2019 at 8.595%	12,813	14,398
GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A dated October 1, 1988 - \$1,285 due serially from April 1, 1998 to October 1, 2000 at interest rates of 7.6% to 7.80%, \$320 due April 1, 2012 at 7.875%, and \$21,560 due April 1, 2020 at 8.30%	23,165	26,145
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%	26,085	29,565
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%	12,785	14,180
Collateralized Mortgage Obligations, Series 1991A dated December 20, 1991 - \$25,839 (net of \$1,511 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%	26,113	29,914

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## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

	<u>1997</u>	<u>1996</u>
	(in thousands)	
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 \$61 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%	\$ 22,119	24,298
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%	9,370	10,300
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%	11,620	12,060
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%	18,265	18,425
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%	<u>17,395</u>	<u>-</u>
Total bonds payable	182,704	183,850
Deferred gain on the 1985 (1985 Program) advance refunding	253	280
Deferred loss on the 1983 (1993 Program) current refunding	<u>(123)</u>	<u>(165)</u>
	\$ <u>182,834</u>	<u>183,965</u>

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

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## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

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).

Under the Trust Indentures, the Authority has the option to redeem bonds maturing on or after August 1, 1997 (1987 Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; October 1, 1998 (1988 Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; 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. The Authority has no option to redeem bonds in the 1984, 1985/1994R and 1994 programs or the compound interest bonds in the 1991 Program.

The Authority is in compliance with its bond covenants.

A summary of scheduled bond maturities (in thousands) as of December 31, 1997 is as follows:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003-</u> <u>2007</u>	<u>2008-</u> <u>2012</u>	<u>2013-</u> <u>2017</u>	<u>2018-</u> <u>2022</u>	<u>2023-</u> <u>2027</u>	<u>2028-</u> <u>2032</u>	<u>Less</u> <u>Dis-</u> <u>counts</u>	<u>Total</u>
<u>Principal.</u>													
1982 Program	\$ -	-	-	-	-	-	-	3	-	-	-	-	3
1984 Program	285	330	48	50	44	158	89	35	-	-	-	-	1,039
1985/1994R Program	-	-	-	-	-	-	-	1,932	-	-	-	-	1,932
1987 Program	-	-	-	-	-	-	-	-	12,813	-	-	-	12,813
1988 Program	400	431	471	17	18	117	1,124	12,278	8,309	-	-	-	23,165
1989 Program	360	390	410	435	450	3,124	4,971	7,484	8,461	-	-	-	26,085
1990 Program	160	165	165	170	180	550	-	2,526	7,009	1,860	-	-	12,785
1991 Program	-	-	-	-	-	-	27,624	-	-	-	-	(1,511)	26,113
1993 Program	460	480	495	510	530	3,188	4,090	4,522	5,310	2,595	-	(61)	22,119
1994 Program	-	-	-	-	-	-	730	3,145	-	5,495	-	-	9,370
1995 Program	-	-	-	-	-	-	2,085	3,235	2,000	4,300	-	-	11,620
1996 Program	-	-	-	-	-	1,640	2,625	-	6,000	-	8,000	-	18,265
1997 Program	-	-	-	-	-	2,450	1,650	3,000	-	5,000	5,295	-	17,395
Total	<u>1,665</u>	<u>1,796</u>	<u>1,589</u>	<u>1,182</u>	<u>1,222</u>	<u>11,227</u>	<u>44,988</u>	<u>38,160</u>	<u>49,902</u>	<u>19,250</u>	<u>13,295</u>	<u>(1,572)</u>	<u>182,704</u>
<u>Interest.</u>													
1982 Program	-	-	-	-	-	-	-	147	-	-	-	-	147
1984 Program	54	25	192	230	236	1,242	1,311	805	-	-	-	-	4,095
1985/1994R Program	-	-	-	-	-	-	-	13,713	-	-	-	-	13,713
1987 Program	1,101	1,101	1,101	1,101	1,101	5,506	5,506	5,506	2,202	-	-	-	24,225
1988 Program	1,906	1,875	1,841	1,813	1,812	9,034	8,979	6,423	1,063	-	-	-	34,746
1989 Program	2,023	1,997	1,968	1,938	1,906	8,934	7,426	5,046	1,566	-	-	-	32,804
1990 Program	1,013	1,001	990	977	965	4,643	4,570	4,331	2,473	114	-	-	21,077
1991 Program	1,887	1,887	1,887	1,887	1,887	9,436	10,662	-	-	-	-	-	29,533
1993 Program	1,196	1,175	1,152	1,127	1,101	5,061	4,232	3,090	1,693	198	-	-	20,025
1994 Program	695	695	695	695	695	3,477	3,280	2,999	2,074	1,660	-	-	16,965
1995 Program	714	714	714	714	714	3,573	3,118	2,814	1,802	1,144	-	-	16,021
1996 Program	1,067	1,067	1,067	1,067	1,067	5,251	4,579	4,201	3,504	2,460	492	-	25,822
1997 Program	950	950	950	950	950	4,754	4,070	3,737	2,957	1,830	310	-	22,408
Total due each year	<u>12,606</u>	<u>12,487</u>	<u>12,557</u>	<u>12,499</u>	<u>12,434</u>	<u>60,911</u>	<u>57,733</u>	<u>52,812</u>	<u>19,334</u>	<u>7,406</u>	<u>802</u>	<u>-</u>	<u>261,581</u>
Total due	\$ <u>14,271</u>	<u>14,283</u>	<u>14,146</u>	<u>13,681</u>	<u>13,656</u>	<u>72,138</u>	<u>102,721</u>	<u>90,972</u>	<u>69,236</u>	<u>26,656</u>	<u>14,097</u>	<u>(1,572)</u>	<u>444,265</u>

(Continued)

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

While the 1985/1994R and 1987 programs have 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 may have early bond calls based on the timing of mortgage loan principal and interest payments, as excess cost is accumulated, the Authority is required to issue bond calls.

The bonds in the 1987, 1988, 1989, 1990, 1994, 1995, 1996 and 1997A and E 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.

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

	<u>1997</u>	<u>1996</u>
1979 Program (defeased by the 1991 Program)	\$ <u>56,080,000</u>	<u>58,040,000</u>
1985 Program (defeased by the 1994 "1985" Program)	\$ <u>1,31,470</u>	<u>1,131,470</u>

On December 31, 1997, the Authority entered into a line of credit agreement with a local bank, with an interest rate of 5.44%, secured by the 1997E bonds and the certificate of deposit.

(5) Deferred Liabilities

As of December 31, 1997 and 1996, deferred liabilities consisted of \$130,000 and \$136,000, respectively, of deferred commitment fees 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 \$2,447,000 and \$2,641,000 as of December 31, 1997 and 1996, 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 1997 Program

On August 28, 1997, the Authority issued \$17,395,000 Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A. On this date, \$2,450,000 will be due June 1, 2007 at 4.90%, \$1,650,000 will be due December 1, 2011 at 5.05%, \$3,000,000 will be due December 1, 2017 at 5.20%, \$5,000,000 will be due June 1, 2023 at 5.625%, and \$5,295,000 will be due December 1, 2028 at 5.85%. These bonds constitute the 1997A Program.

(Continued)



## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Notes to Financial Statements

The 1997A bonds include \$5,395,000 to refund certain outstanding obligations of the Authority, referred to as the Prior Bonds. The remaining \$12,000,000 of proceeds will be used to purchase qualifying mortgage loans secured by the mortgages made to qualified individuals for single family residences located within the Parish of Jefferson, Louisiana. The Prior Bond refunding of \$5,395,000 was comprised of \$585,000 for the 1984 Program, \$1,615,000 for the 1988 Program, \$490,000 for the 1990 Program and \$2,705,000 for the 1997B Program. Upon receipt thereof, the Prior Bond programs transferred a like amount to the 1997A Program, thereby creating a total amount of \$17,395,000 in the 1997A Program, for the purchase GNMA and FNMA Certificates. There was no economic gain or loss associated with this issue.

On May 27, 1997, the Authority issued \$2,705,000 Single Family Mortgage Revenue Bonds, Series 1997B (1997B) which were refunded by the 1997A program as referred to above.

On November 25, 1997, the Authority issued an official statement to sell \$15,000,000 of Single Family Mortgage Revenue Refunding Bonds Series 1997E (1997E). No bond sales of this issue have occurred as of December 31, 1997.

In order to begin using the 1997E bonds for their intended purpose, the Authority obtained a line of credit for \$3,559,268 from a local bank, the proceeds of which were used to pay maturities and/or bond calls for the following programs: 1985 (\$104,000), 1989 (\$1,865,000), 1993 (\$570,000) 1994 (\$590,000), 1995 (\$270,000) and 1996 (\$160,000). The line of credit is secured by a like certificate of deposit and is backed by the future 1997E bond proceeds.

(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.

(9) Upcoming GASB Pronouncement

In March 1997, GASB issued Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which establishes fair value standards for most investments and requires the recording of investments at fair value. The provisions of the Statement are effective for periods beginning after June 15, 1997. The Authority is reviewing the impact of this statement, which will be effective in the 1998 fiscal year.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Assets, Liabilities and Retained Earnings by Program

(in thousands)

December 31, 1997

Assets	1982 Program	1984 Program	1985/1994R Program	1987 Program	1988 Program	1989 Program	1990 Program	1991 Program	1993 Program	1994 Program	1995 Program	1996 Program	1997A Program	1997B Program	1997E Program	Total
Investments	\$ -	\$ -	\$ -	\$ 308	\$ -	\$ 136	\$ -	\$ 917	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	16	806	385	12,595	2,379	1,045	642	3,817	775	70	81	4	14	6	1,559	4,911
Prepaid expenses	131	3,284	2,397	21,595	21,485	26,049	12,762	26,151	21,989	9,265	11,553	18,014	1,476	-	-	27,636
Other receivables	2	52	23	92	179	181	97	388	111	58	65	94	83	-	-	1,435
Due from other programs	-	21	105	148	388	420	244	930	320	206	221	282	379	-	-	7,654
Due from insurance	-	7	4	-	-	-	-	15	6	-	-	-	-	-	-	17
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15
<b>Total Assets</b>	<b>\$ 149</b>	<b>\$ 4,160</b>	<b>\$ 3,013</b>	<b>\$ 23,143</b>	<b>\$ 24,431</b>	<b>\$ 27,831</b>	<b>\$ 13,745</b>	<b>\$ 32,429</b>	<b>\$ 23,228</b>	<b>\$ 9,599</b>	<b>\$ 11,920</b>	<b>\$ 18,538</b>	<b>\$ 17,952</b>	<b>\$ 6</b>	<b>\$ 1,559</b>	<b>\$ 201,684</b>
<b>Liabilities and Retained Earnings</b>																
<b>Liabilities</b>																
Bonds payable	3	1,039	2,185	12,813	23,165	26,085	12,785	26,113	21,996	9,370	11,620	14,265	17,394	-	1,559	182,814
Line of credit payable to bank	-	-	-	92	479	169	318	253	100	58	60	89	79	-	-	3,559
Accrued interest payable	16	1,322	669	-	-	-	-	-	130	-	-	-	-	-	-	3,724
Deferred liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130
Other liabilities	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	17
<b>Total Liabilities</b>	<b>19</b>	<b>2,378</b>	<b>2,854</b>	<b>12,905</b>	<b>23,644</b>	<b>26,254</b>	<b>13,123</b>	<b>26,366</b>	<b>22,226</b>	<b>9,428</b>	<b>11,680</b>	<b>14,354</b>	<b>17,474</b>	<b>-</b>	<b>1,559</b>	<b>190,264</b>
<b>Retained earnings</b>																
Unreserved	130	1,782	159	238	787	1,577	622	2,447	1,002	171	240	184	478	6	-	2,447
Reserved	130	1,792	159	238	787	1,577	622	6,054	1,002	-	240	184	478	6	-	10,983
<b>Total retained earnings</b>	<b>\$ 260</b>	<b>\$ 4,160</b>	<b>\$ 3,013</b>	<b>\$ 23,143</b>	<b>\$ 24,431</b>	<b>\$ 27,831</b>	<b>\$ 13,745</b>	<b>\$ 32,429</b>	<b>\$ 23,228</b>	<b>\$ 9,599</b>	<b>\$ 11,920</b>	<b>\$ 18,538</b>	<b>\$ 17,952</b>	<b>\$ 6</b>	<b>\$ 1,559</b>	<b>\$ 94</b>

See accompanying independent auditors' report

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY  
 Schedule of Revenues, Expenses and Retained Earnings by Program  
 (in thousands)  
 For the year ended December 31, 1997

	1982	1984	1985/1994R	1987	1988	1989	1990	1991	1993	1994	1995	1996	1997A	1997B	1997E	Total
	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program
Operating revenues																
Interest on mortgage loans	\$ 18	419	295	1,241	2,093	2,408	1,118		1,461	795	859	547				13,440
Interest on investments	2	80	33	10	138	150	50		62	24	16	578	333			1,824
Commitment fees																5
Total operating revenues	20	499	328	1,251	2,231	2,558	1,168		1,529	819	875	1,125	333			15,270
Operating expenses																
Interest on bonds	3	28	256	1,172	2,039	2,213	1,052		2,081	1,310	730	1,058	338			13,311
Amortization of bond issuance costs		7	11	14	47	58	25		362	45	23	27				621
Other bond discounts		11	7	68	118	140	66		106	107	58	35				764
Insurance costs		9	5						47							56
Other expenses		2		1		9	4		54	7	3	14	12			115
Total operating expenses	3	28	279	1,255	2,204	2,420	1,148		2,093	1,475	814	1,200	350			15,419
Net income (loss) before other financing sources (uses)	11	157	49	(4)	27	138	20		(543)	54	61	(15)	(17)			(149)
Other financing sources (uses) - operating transfers		(2)		(5)	(84)	(53)	(11)		(41)	(11)	(30)	(288)	495			43
Net income (loss)	11	155	49	(9)	(57)	85	9		(584)	43	31	(363)	478			6
Retained earnings at beginning of year	119	1,627	111	248	844	1,492	613		959	173	209	547				13,579
Retained earnings at end of year	\$ 130	1,782	160	238	787	1,572	622		1,002	171	240	184	478			13,430

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, 1997

	1982	1984	1985/1994R	1987	1988	1989	1990	1991	1993	1994	1995	1996	1997A	1997B	1997E	Total
	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program
Cash flows from operating activities																
Cash received from																
Interest on mortgages	18	428	288	1,253	2,113	432	1,172	2,216	1,472	800	861	454	250	34	-	13,462
Interest on investments	2	84	35	8	13	149	11	278	62	25	16	661	661	-	-	1,797
Cash from other sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	(11)	(540)	(215)	(1,183)	(1,056)	(236)	(1,325)	(1,056)	(1,325)	(746)	(732)	(1,026)	(259)	(36)	-	(13,552)
Leasing fee	-	(11)	(7)	(68)	(106)	(140)	(107)	(47)	(107)	(48)	(58)	(35)	-	(1)	-	(765)
Insurance	-	(10)	(4)	-	-	-	(6)	(47)	(6)	-	-	-	-	-	-	(67)
Other operating expenses	(6)	(16)	-	(1)	-	(9)	(4)	(437)	(6)	(3)	(2)	(80)	(12)	-	-	(576)
Net cash provided by (used in) operating activities	3	(65)	97	9	32	196	26	(152)	90	28	85	(26)	(21)	(3)	-	299
Cash flows from capital financing activities - purchase of other assets	-	-	-	-	-	-	-	(7)	-	-	-	-	-	-	-	(7)
Cash flows from noncapital financing activities																
Bonds redeemed	(2)	(754)	(862)	(1,585)	(2,980)	(2,480)	(1,395)	(4,020)	(2,137)	(930)	(440)	(160)	-	-	-	(21,450)
Proceeds from																
Issuance of bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,100
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,559
Proceeds from sale of other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(413)
Proceeds from sale of mortgages	-	585	104	-	1,615	1,865	490	-	570	590	270	160	(379)	(34)	-	(19,559)
Proceeds from sale of other assets	-	(585)	(104)	(6)	(1,615)	(1,865)	(490)	-	(570)	(590)	(270)	(160)	5,395	2,705	-	(18,014)
Proceeds from sale of other assets	-	(2)	-	(6)	(84)	(53)	(11)	(41)	(11)	(12)	(30)	(288)	(495)	43	-	-
Net cash provided by (used in) noncapital financing activities	(2)	(756)	(862)	(1,591)	(3,064)	(3,533)	(1,406)	(4,061)	(2,148)	(942)	(470)	(448)	17,511	9	-	1,796
Cash flows from investing activities																
Proceeds from sale of investments	-	303	22	-	296	263	504	384	-	113	74	18,425	-	-	-	20,384
Proceeds from sale of other assets	(3)	(188)	-	-	(766)	(419)	(1)	(489)	(198)	(1)	(2)	(13)	(17,476)	-	-	(19,556)
Proceeds from sale of mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,014)
Proceeds from sale of other assets	2	561	816	1,703	3,502	3,499	877	3,986	2,207	802	308	118,014	-	-	-	18,263
Proceeds from real estate owned, net	-	73	(85)	-	-	-	-	57	-	-	-	-	-	-	-	45
Net cash provided by (used in) investing activities	(1)	749	753	1,703	3,032	3,343	1,380	3,938	2,009	914	380	398	(17,476)	-	-	1,122
Net increase (decrease) in cash and cash equivalents	-	(72)	(12)	121	-	6	-	(282)	(49)	-	(5)	(76)	14	6	-	3,210
Cash and cash equivalents at beginning of year	-	72	12	187	-	130	-	1,199	76	-	5	80	-	-	-	1,761
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ 308	\$ -	\$ 136	\$ -	\$ 917	\$ 27	\$ -	\$ -	\$ 4	\$ 14	\$ 6	\$ -	\$ 4,972

(Continued)

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY  
Schedule of Cash Flows by Program, Continued  
(in thousands)

Schedule 3, cont

	1982	1983	1985/1994R	1987	1988	1989	1990	1991	1993	1994	1995	1996	1997A	1997B	1997E	Total
	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program	Program
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities																
Net income (loss)	\$ 11	157	49	(4)	27	138	20	(543)	54	10	61	(75)	(17)	(37)	-	(149)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities																
Increase of bond issuance and	-	7	11	14	47	58	26	362	39	17	23	27	-	34	-	665
Decrease in accrued interest receivable	-	9	9	10	18	22	16	(9)	11	6	2	(10)	(83)	-	-	1
Increase in prepaid insurance	-	3	1	-	-	-	-	-	1	-	-	-	-	-	-	5
(Increase) decrease in real estate	-	3	(14)	-	-	-	-	4	-	-	-	-	-	-	-	(7)
(Increase) decrease in other assets	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	10
Increase (decrease) in other liabilities	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	13
Increase (decrease) accrued interest payable	(8)	(257)	41	(11)	(60)	(22)	(36)	24	(9)	(5)	(1)	32	79	-	-	(233)
Decrease (increase) in deferred liabilities	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-	-	(6)
Net cash provided by (used in) operating activities	\$ 3	(65)	97	9	32	196	26	(152)	90	28	85	(26)	(21)	(3)	-	299

See accompanying independent auditors report

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

December 31, 1997 and 1996

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, 1997 and 1996, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:		Per Diem Payments:	
Regular	Extra	1997	1996
Alstfeld, Leonard N.	-	200	200
Bicknell, Margaret R.	4	3,900	-
Bourg, Alton L.	32	8,100	6,300
Fortunato, Rocco P. (deceased)	1	900	3,500
Fraddella, Frank	27	7,700	7,300
Kelly, Daniel P. (resigned)	-	300	3,500
Lambert, Robert J.	21	7,100	5,600
Lay, Fred M.	25	6,500	-
Lewis, Joseph R.	9	6,000	4,800
Orgeron, Eugene J.	-	-	300
Thomas, Anthony	23	7,200	6,300
<b>Total</b>	<b>107</b>	<b>\$ 47,700</b>	<b>\$ 37,800</b>

See accompanying independent auditors' report.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Board of Trustees  
Parish of Jefferson Home Mortgage Authority:

We have audited the financial statements of Parish of Jefferson Home Mortgage Authority (the Authority) as of and for the year ended December 31, 1997, and have issued our report thereon dated February 9, 1998. 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, the Authority's management and the Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

*KPMG Paul Marwick LLP*

February 9, 1998