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

Financial Statements and Schedules

December 31, 2003 and 2002

With Independent Auditors' Report Thereon

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

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P&N

Postlethwaite & Netterville

A Professional Accounting Corporation
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## Independent Auditors' Report

The Board of Trustees
Parish of Jefferson Home Mortgage Authority:

We have audited the accompanying statements of net assets of the Parish of Jefferson Home Mortgage Authority (the Authority), a component unit of the Parish of Jefferson, as of December 31, 2003 and 2002, and the related statements of revenues, expenses and changes in net assets, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Authority as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 25, 2004 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.



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Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is 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 25, 2004

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2003 and 2002

This section of the Parish of Jefferson Home Mortgage Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended December 31, 2003. Please read it in conjunction with the Authority's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

The Authority implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis for the State and Local Governments*, in 2001. The Authority is a component unit of the Parish of Jefferson, Louisiana.

<u>2003</u>
The Authority's net assets represent 7% of its assets. With total assets approximating $236 million, the Authority had changes in net assets of approximately $3 million for the year ended December 31, 2003, a return of 1.3% on average assets.

The Authority's financial highlights include:

- The Authority created the 2003A Program through the issuance of $15.6 million in revenue refunding bonds.
- The Authority created the 2003B Program for use in issuing short-term line of credit facility to recycle funds for its loan programs; $24 million was funneled through this program.
- The Authority created the 2003C Program through the issuance of $31 million in revenue refunding bonds.
- The Authority's net assets decreased by $3.2 million from operations principally due to the depreciation in the fair value of its mortgage-backed investment securities.

<u>2002</u>
The Authority's equity represents 8% of its assets. With total assets approximating $253 million, the Authority had changes in net assets of approximately $7 million for the year ended December 31, 2002, a return of 2.8% on average assets.

The Authority's financial highlights include:

- The Authority liquidated its 1991 Program's mortgage loans receivable in 2002 resulting in a gain of $73,000.
- The Authority liquidated is bonds payable in the 1991 Program resulting in a loss of $668,000 principally a result of unamortized original issue bond discount. In addition, a loss on investment of $146,000 was recognized due to the transfer of the Rescrop investment securities as a part of the defeasance of the compound interest bonds.
- The Authority's mortgage loan portfolio of GNMA and FNMA certificates appreciated by $8.3 million due to favorable interest rates.
- The Authority's net assets increased by $7 million to $20.5 million as of December 31, 2002.

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Management's Discussion and Analysis

December 31, 2003 and 2002

## OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets.

The Statement of Net Assets reports the Authority's net assets. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position. The decrease in the Authority's net assets during 2003 is an indicator of a relative decrease in its financial health. The increase in the Authority's net assets during 2002 is an indicator of a relative increase in its financial health.

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2003 and 2002

## FINANCIAL ANALYSIS OF THE AUTHORITY

### Net Assets

**2003**

The Authority's total net assets at December 31, 2003 reached approximately $17.3 million, a 16% decrease from net assets as of December 31, 2002 (See Table A-1). Total assets decreased 7% to $236 million, and total liabilities decreased 6% to $219 million.

**Table A-1**
***Parish of Jefferson Home Mortgage Authority***
**(in thousands of dollars)**

| | 2003 | 2002 | Increase (Decrease) |
|---|---|---|---|
| Cash and cash equivalents | $ 3,805 | $ 9,496 | $ (5,691) |
| Investments | 100,879 | 54,906 | 45,973 |
| Loans and mortgage-backed securities | 127,705 | 184,841 | (57,136) |
| Other assets | 3,892 | 3,685 | 207 |
| **Total assets** | 236,281 | 252,928 | (16,647) |
| Other liabilities | 50,927 | 44,754 | 6,173 |
| Bonds payable | 168,035 | 187,641 | (19,606) |
| **Total liabilities** | 218,962 | 232,395 | (13,433) |
| Net assets, principally restricted for debt | 17,319 | 20,533 | (3,214) |
| **Total liabilities and net assets** | $ 236,281 | $ 252,928 | $ (16,647) |

Total assets decreased by $16.6 million due to $43.7 million accumulated in the 2002B program, offset by payments received on mortgage loans receivable and investment securities. Likewise, bonds payable decreased by payments of principal on debt of other programs. Other liabilities increased due to an increase in the line of credit by $39.1 million in the 2003B Program.

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Management's Discussion and Analysis

December 31, 2003 and 2002

**2002**

**Table A-2**
**Parish of Jefferson Home Mortgage Authority**
**(in thousands of dollars)**

| | 2002 | 2001 | Increase (Decrease) |
|---|---|---|---|
| Cash and cash equivalents | $ 9,496 | $ 4,822 | $ 4,674 |
| Investments | 54,906 | 42,541 | 12,365 |
| Loans and mortgage-backed securities | 184,841 | 193,232 | (8,391) |
| Other assets | 3,685 | 4,859 | (1,174) |
| **Total assets** | 252,928 | 245,454 | 7,474 |
| Other liabilities | 44,754 | 6,134 | 38,620 |
| Bonds payable | 187,641 | 225,780 | (38,139) |
| **Total liabilities** | 232,395 | 231,914 | 481 |
| Net assets, principally restricted for debt | 20,533 | 13,540 | 6,993 |
| **Total liabilities and net assets** | $ 252,928 | $ 245,454 | $ 7,474 |

Total assets increased by $7.5 million due to $43.7 million accumulated in the 2002B program, offset by payments received on mortgage loans receivable and investment securities. Likewise, bonds payable decreased by payments of principal on debt of other programs. Other liabilities increased due to an increase in the line of credit by $39.1 million in the 2002B Program.

**Changes in Net Assets**

The change in net assets at December 31, 2002 was approximately $7 million or 190% greater than the change at December 31, 2001. Total operating revenues increased by approximately 24% to $22 million, and total operating expenses decreased 2% to approximately $15 million. The changes in net assets are detailed in Table A-2, operating expenses are detailed in Table A-3.

The increase in net assets is primarily a result of favorable interest rate market conditions and the resulting appreciation in investments and GNMA and FNMA participation securities.

**2003**

The change in net assets at December 31, 2003 was approximately $3 million or 190% greater than the change at December 31, 2001. Total operating revenues increased by approximately 24 % to $22 million, and total operating expenses decreased 2% to approximately $15 million. The changes in net assets are detailed in Table A-2, operating expenses are detailed in Table A-3.

The increase in net assets is primarily a result of favorable interest rate market conditions and the resulting appreciation in investments and GNMA and FNMA participation securities.

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2003 and 2002

**Table A-3**
**Parish of Jefferson Home Mortgage Authority's Changes in Net Assets**
**(in thousands of dollars)**

| | 2003 | 2002 | Increase (Decrease) |
|---|---|---|---|
| **Operating revenues:** | | | |
| Investment income | $ 10,160 | $ 12,989 | $ (2,829) |
| Appreciation (depreciation) in fair value on investments | (2,344) | 8,332 | (10,676) |
| Other | 1,673 | 838 | 835 |
| Total operating revenues | 9,489 | 22,159 | (12,670) |
| **Operating expenses** | 12,703 | 15,166 | (2,463) |
| Change in net assets | (3,214) | 6,993 | (3,779) |
| **Total net assets, beginning of the year** | 20,533 | 13,540 | 6,993 |
| **Total net assets, end of the year** | $ 17,319 | $20,533 | $3,214 |

Operating revenues decreased by 57.2% to $9.5 million. The decrease in revenue by $12.7 million is primary a result of unfavorable market conditions and the resulting depreciation of $2 million in investments. Investment income on mortgage loans decreased as a result of a lower average of outstanding loan balances in 2003.

**Table A-4**
**Parish of Jefferson Home Mortgage Authority's Operating Expenses**
**(in thousands of dollars)**

| | 2003 | 2002 | Increase (Decrease) |
|---|---|---|---|
| Interest on debt | $ 10,546 | $12,736 | $ (2,190) |
| Amortization of bond issuance and other costs | 502 | 817 | (315) |
| Servicing fees | 759 | 925 | (166) |
| Other | 896 | 688 | 208 |
| **Total operating expenses** | $ 12,703 | $ 15,166 | $ (2,463) |

Operating expenses decreased due to the expected reduction in amortization of bond issuance and the decrease in other costs.

**2002**

**Table A-5**
**Parish of Jefferson Home Mortgage Authority's Changes in Net Assets**
**(in thousands of dollars)**

| | 2002 | 2001 | Increase (Decrease) |
|---|---|---|---|
| **Operating revenues:** | | | |
| Investment income | $ 12,989 | $12,744 | $ 245 |
| Appreciation in fair value on investments | 8,332 | 2,122 | 6,210 |
| Other | 838 | 3,048 | ( 2,210) |
| Total operating revenues | 22,159 | 17,914 | 4,245 |
| **Operating expenses** | 15,166 | 15,513 | ( 347) |
| Change in net assets | 6,993 | 2,401 | 4,592 |
| **Total net assets, beginning of the year** | 13,540 | 11,139 | 2,401 |
| **Total net assets, end of the year** | $ 20,533 | $13,540 | $6,993 |

Operating revenues increased by 23.7% to $22 million. The increase in revenue by $4.5 million is primary a result of favorable market conditions and the resulting appreciation of $8 million in investments. Investment income on mortgage loans increased as result of a higher average of outstanding loan balances in 2002.

**Table A-6**
**Parish of Jefferson Home Mortgage Authority's Operating Expenses**
**(in thousands of dollars)**

| | 2002 | 2001 | Increase (Decrease) |
|---|---|---|---|
| Interest on debt | $ 12,736 | $12,824 | $ (88) |
| Amortization of bond issuance and other costs | 817 | 979 | (162) |
| Servicing fees | 925 | 878 | 47 |
| Other | 688 | 832 | (144) |
| **Total operating expenses** | $ 15,166 | $ 15,513 | $ (347) |

Operating expenses decreased due to the expected reduction in amortization of bond issuance and the decrease in other costs and a one-time program in 2001 which did not repeat in 2002.

## DEBT ADMINISTRATION

### Debt Administration

<u>2003</u>
Total indebtedness for bonds payable was $168 million as of December 31, 2003 compared to $188 million in 2002. The decrease in bonds payable is the result of ordinary payments on the bonds and the early liquidation of the 1993 program. The Authority issued long-term bonds in 2003 consisting of the 2003A and 2003C Programs, with bonds payable of $15,557 and $30,817 respectively. In addition to these bonds, the Authority did accumulate $24.3 million in its 2003B Program which is supported by a line of credit.

All bond debt and lease covenants have been met.

<u>2002</u>
Total indebtedness for bonds payable was $187 million as of December 31, 2002 compared to $226 million in 2001. The decrease in bonds payable is the result of ordinary payments on the bonds and the early liquidation of the 1991 program. The Authority did not issue any long-term bonds in 2002; however, the Authority did accumulate $43.7 million in its 2002B Program which is supported by a line of credit for substantially the same amount. The Authority intends to convert this Program to a long-term program in 2003.

All bond debt and lease covenants have been met.

## CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Parish of Jefferson Home Mortgage Authority at (504) 736-6311.

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Statements of Net Assets
(in thousands)

December 31, 2003 and 2002

| | | 2003 | | 2002 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ | 3,805 | $ | 9,496 |
| Investment securities at fair value | | 100,879 | | 54,906 |
| Mortgage loans receivable and mortgage-backed securities | | 127,705 | | 184,841 |
| Accrued interest receivable | | 710 | | 971 |
| Bond issuance costs, net | | 2,843 | | 2,701 |
| Prepaid assets | | - | | 2 |
| Other assets | | 339 | | 11 |
| Total assets | $ | 236,281 | $ | 252,928 |
| **Liabilities and Net Assets** | | | | |
| Liabilities: | | | | |
| Bonds payable, net | $ | 168,035 | $ | 187,641 |
| Line of credit payable to bank | | 50,180 | | 43,726 |
| Accrued interest payable | | 747 | | 944 |
| Deferred commitment fees | | - | | 84 |
| Total liabilities | | 218,962 | | 232,395 |
| Net Assets: | | | | |
| Restricted for debt | | 13,867 | | 15,167 |
| Unrestricted | | 3,452 | | 5,366 |
| Total net assets | | 17,319 | | 20,533 |
| Total liabilities and net assets | $ | 236,281 | $ | 252,928 |

See accompanying notes to financial statements.

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Statements of Revenues, Expenses and Changes in Net Assets
(in thousands)

For the years ended December 31, 2003 and 2002

| | 2003 | 2002 |
|---|---|---|
| Operating revenues: | | |
| Investment income on mortgage loans | $ 10,160 | $ 12,989 |
| Appreciation (depreciation) in fair market value of investments in mortgage-backed securities | (2,344) | 8,332 |
| Investment income on investments | 1,588 | 1,548 |
| Commitment fees | 85 | 30 |
| Gain on sale of mortgage loans | - | 73 |
| Loss on redemption of bonds | - | (668) |
| Loss on sale of investments | - | (145) |
| Total operating revenues | 9,489 | 22,159 |
| Operating expenses: | | |
| Interest on debt | 10,546 | 12,736 |
| Amortization of bond issuance costs and other costs | 502 | 817 |
| Servicing fees | 759 | 925 |
| Mortgage loan insurance costs | 2 | 3 |
| Trustee fees | 74 | 107 |
| Other operating expenses | 820 | 578 |
| Total operating expenses | 12,703 | 15,166 |
| Change in net assets | (3,214) | 6,993 |
| Nets assets at beginning of the year | 20,533 | 13,540 |
| Net assets at end of the year | $ 17,319 | $ 20,533 |

See accompanying notes to financial statements.

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Statements of Cash Flows
(in thousands)

For the years ended December 31, 2003 and 2002

| | 2003 | 2002 |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash receipts for: | | |
| Investment income on mortgage loans | $ 10,379 | $ 13,138 |
| Investment income on investments | 1,628 | 1,638 |
| Cash payments for: | | |
| Interest on debt | (11,044) | (12,991) |
| Servicing fees | (759) | (925) |
| Insurance | - | (2) |
| Other operating expenses | (896) | (681) |
| Net cash provided by operating activities | (692) | 177 |
| Cash flows from capital financing activities: | | |
| Expended for other assets | (8) | - |
| Cash flows from noncapital financing activities: | | |
| Bond proceeds | 46,417 | - |
| Bonds redeemed | (65,745) | (38,383) |
| Proceeds from line of credit | 24,336 | 43,726 |
| Lines of credit redeemed | (17,882) | (4,588) |
| Bond issuance costs | (933) | - |
| Net cash used in noncapital financing activities | (13,807) | 755 |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 22,272 | 33,860 |
| Acquisition of investments | (59,949) | (46,905) |
| Acquisition of mortgage loans | - | (20,030) |
| Principal receipts from mortgage loans | 46,492 | 26,780 |
| Proceeds from sale of mortgage loans | - | 9,964 |
| Proceeds from gain on sale of investments | - | 299 |
| Cost related to sale of investments | - | (226) |
| Net cash provided by (used in) investing activities | 8,815 | 3,742 |
| Net increase (decrease) in cash and cash equivalents | (5,692) | 4,674 |
| Cash and cash equivalents at beginning of period | 9,497 | 4,822 |
| Cash and cash equivalents at end of period | $ 3,805 | $ 9,496 |
| Reconciliation of changes in net assets to net cash provided by operating activities: | | |
| Changes in net assets | $ (3,214) | $ 6,993 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| *Amortization of bond issuance and other costs* | 502 | 817 |
| Amortization of bond premium | (312) | (159) |
| Unrealized (gains) losses on investments | 2,344 | (8,332) |
| Realized gain on sale of mortgage loans | - | (73) |
| Realized loss on sale of bonds | - | 668 |
| Realized loss on sale of investments | - | 145 |
| Change in assets and liabilities: | | |
| Decrease in accrued interest receivable | 259 | 241 |
| Decrease (increase) in prepaid insurance | (3) | 1 |
| Increase in other assets | (81) | - |
| Decrease in accrued interest payable | (187) | (17) |
| *Decrease in deferred liabilities* | - | (107) |
| Net cash provided by operating activities | $ (692) | $ 177 |

See accompanying notes to financial statements.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 2003 and 2002

## (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:

| Date | Issue Name | Amount (in thousands) |
|---|---|---|
| September 1, 1982 | Single Family Mortgage Revenue Bonds, Series 1982 (1982 Program) (fully redeemed in 1999) | $ 19,175 |
| September 1, 1984 | Single Family Mortgage Revenue Bonds, Series 1984 (1984 Program) (sold in 1999) | $ 31,750 |
| 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 | $ 26,000 |
| October 18, 1994 | Taxable Compound Interest Bonds, Series 1994 (partially refunded/ defeased 1985/1994R Program) | $ 26,250 |
| August 24, 1987 | GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A (1987 Program) (defeased in 1998) | $ 38,600 |

| Date | Issue Name | | Amount (in thousands) |
|---|---|---|---|
| October 1, 1988 | GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A (1988 Program) (defeased in 1998) | $ | 50,000 |
| June 1, 1989 | GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A (1989 Program) (defeased in 2000) | $ | 50,000 |
| September 1, 1990 | GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990A (1990 Program) (sold in 2000) | $ | 25,000 |
| December 20, 1991 | Collateralized Mortgage Obligations, Series 1991A (1991 Program) (sold in 2002) | $ | 59,485 |
| December 1, 1993 | Single Family Mortgage Revenue Bonds, Series 1993A and 1993B (Refunding) - (1993 Program) (defeased in 2003 by 2003C Program) | $ | 28,350 |
| November 30, 1994 | Tax-Exempt Agency Mortgage-Backed Securities, Series1994A (1994 Program) | $ | 11,835 |
| August 11, 1995 | Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A (1995 Program) | $ | 12,500 |
| November 26, 1996 | Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A (1996 Program) | $ | 18,425 |
| May 27, 1997 | Single Family Mortgage Revenue Refunding Bonds Securities, Series 1997B (refunded by 1997A program) | $ | 2,705 |
| August 28, 1997 | Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A (1997A Program) | $ | 17,395 |

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Notes to Financial Statements

December 31, 2003 and 2002

| Date | Issue Name | Amount (in thousands) |
|---|---|---|
| November 25, 1997 | Tax-Exempt Agency Mortgage-Backed Securities, Series 1997E (1997E Program) (expired in 2000) | $ 15,000 |
| September 1, 1998 | Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A1 and A2 and Refunding Securities 1998C1 and C2 (1998AC Program) | $ 37,110 |
| September 1, 1998 | Single Family Mortgage Revenue Refunding Bonds, Series 1998D (1998D Program) (expired in 2000) | $ 70,000 |
| July 1, 1999 | Single Family Mortgage-Backed Securities Series 1999A1 and A2 and Refunding Securities 1999B1 and B2 (1999AB Program) | $ 51,955 |
| December 1, 1999 | Single Family Mortgage Revenue Refunding Bonds, Series 1999C (1999C Program) (defeased in 2003) | $ 75,000 |
| January 15, 2000 | Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 and A-2 and 2001B (2000AB Program) | $ 28,000 |
| June 15, 2000 | Single Family Mortgage Revenue Refunding Bonds, Series 2000C1 and C2, 2000D1 and D2, and 2001E (2000CDE Program) | $ 49,400 |
| November 15, 2000 | Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 (2000G1 Program) | $ 14,940 |
| January 10, 2001 | Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 (2000G2 Program) | $ 20,800 |
| June 27, 2001 | Single Family Mortgage Revenue Refunding Bonds, Series 2001BC (2001BC Program) | $ 33,004 |

| | | |
|---|---|---|
| December 11, 2002 | Single Family Mortgage Revenue Refunding Bonds, Series 2002B (2002B Program) | $ 75,000 |
| May 29, 2003 | Single Family Mortgage Revenue Refunding Bonds, Series 2003A (2003A Program) | $ 15,600 |
| August 27, 2003 | Single Family Mortgage Revenue Refunding Bonds, Series 2003B (2003B Program) | $ 75,000 |
| November 12, 2003 | Single Family Mortgage Revenue Refunding Bonds, Series 2003C (2003C Program) | $ 30,817 |

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 the 1994 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.

***(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority uses fund accounting to report its financial position and results of operations. 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.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including deprecation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

### *(c) 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.

### *(d) Investment Securities*

Investments are reported at fair value except for money markets 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.

### *(e) 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.

### *(f) Refinancing Gains (Losses)*

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.

### *(g) 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 changes in net assets upon the expiration of the commitment.

*(h)* ***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.

*(i)* ***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 accounting principles generally accepted in the United States of America.

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

Cash deposits and cash equivalents of $3,805,000 and $9,496,000 at December 31, 2003 and 2002, respectively, are held in financial institutions. Nominal bank balances are covered by federal depository insurance. The remaining December 31, 2003 and 2002 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, 2003 and 2002, investments were held as specifically as 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:

| | 2003 | | | 2002 | | |
|---|---|---|---|---|---|---|
| | Fair Value (in thousands) | | Category | Fair Value (in thousands) | | Category |
| U.S. Government Securities - 1991 Program | $ | 2,367 | 3 | $ | 3,169 | 3 |
| Guaranteed Investment Contracts: | | | | | | |
| 1993 Program | | - | - | | 979 | - |
| 1994 Program | | 273 | - | | 117 | - |
| 1995 Program | | 217 | - | | 340 | - |
| 1996 Program | | 258 | - | | 95 | - |
| 1997A Program | | 335 | - | | 489 | - |
| 1998AC Program | | 737 | - | | 902 | - |
| 1999AB Program | | 593 | - | | 1,135 | - |
| 1999C Program | | - | - | | 0 | - |
| 2000AB Program | | 442 | - | | 445 | - |
| 2000CDE Program | | 828 | - | | 1,770 | - |
| 2000G1 Program | | 291 | - | | 688 | - |
| 2000G2 Program | | 706 | - | | 503 | - |
| 2001BC Program | | 646 | - | | 548 | - |
| 2002B Program | | 25,844 | - | | 43,726 | - |
| 2003A Program | | 12,335 | - | | - | - |
| 2003B Program | | 24,336 | - | | - | - |
| 2003C Program | | 30,670 | - | | - | - |
| | $ | 100,878 | | $ | 54,906 | - |

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, 2003, the financial institutions met the investment rating requirements and, as a result, no collateral is currently pledged for any program.

## (3) Mortgage Loans Receivable

Mortgage loans receivable for the 2003C program consists of the mortgage loan receivable remaining from the 1993 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 loan receivable for the 1994, 1995, 1996, 1997A, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G1, 2000G2, 2001BC, and 2003A 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 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, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G2, and 2001BC loans are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. As of December 31, 2003, no loans have been issued for the 1999C, 2002B, and 2003B programs.

In the 1991 and 2003C 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:

| | |
|---|---|
| 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% |
| 2000AB Program | 7.490% |
| 2000CDE Program | 7.320% |
| 2000G1 Program | 5.630% |
| 2000G2 Program | 6.500% |
| 2001BC Program | 6.740% |
| 2003A Program | 5.35% and 5.95% |
| 2003C Program | 5.28% and 5.88% |

## PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 2003 and 2002

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

| | 2003 | 2002 | | |
|---|---|---|---|---|
| | Mortgage-backed Securities at Fair Value | Mortgage-backed Securities at Fair Value | Mortgage Loans Receivable at Amortized Cost | Total |
| GNMA Certificates: | | | | |
| 1993 Program | $ - | $ 10,204 | $ 2,057 | $ 12,261 |
| 1994 Program | 2,114 | 3,609 | - | 3,609 |
| 1995 Program | 3,848 | 5,718 | - | 5,718 |
| 1996 Program | 7,761 | 10,882 | - | 10,882 |
| 1997A Program | 8,526 | 10,994 | - | 10,994 |
| 19998AC Program | 16,258 | 20,088 | - | 20,088 |
| 1999AB Program | 15,334 | 20,195 | - | 20,195 |
| 2000AB Program | 8,046 | 12,857 | - | 12,857 |
| 2000CDE Program | 10,944 | 18,456 | - | 18,456 |
| 2000G-1 Program | 6,175 | 9,237 | - | 9,237 |
| 2000G-2 Program | 15,534 | 18,910 | - | 18,910 |
| 2001BC Program | 18,916 | 26,964 | - | 26,964 |
| 2003A Program | 3,385 | - | - | - |
| 2003C Program | 1,251 | - | - | - |
| | $ 118,092 | $ 168,114 | $ 2,057 | $ 170,171 |
| FNMA Certificates: | | | | |
| 1994 Program | 441 | 709 | - | 907 |
| 1995 Program | 377 | 654 | - | 1,141 |
| 1996 Program | 595 | 934 | - | 1,045 |
| 1997A Program | 1,440 | 2,087 | - | 2,374 |
| 1998AC Program | 1,688 | 1,859 | - | 1,918 |
| 1999AB Program | 2,001 | 2,865 | - | 3,073 |
| 2000AB Program | 160 | 614 | - | 898 |
| 2000CDE Program | 1,060 | 2,459 | - | 2,982 |
| 2000G-2 Program | 837 | 1,021 | - | 879 |
| 2001BC Program | 1,014 | 1,468 | - | 1,468 |
| | $ 9,613 | $ 14,670 | $ - | $ 15,217 |
| | $ 127,705 | $ 182,784 | $ 2,057 | $ 184,841 |

All mortgage-backed securities are category 1 investments; Mortgage loan receivables are not categorized.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 2003 and 2002

## (4) Bonds Payable

Bonds payable are as follows at December 31:

| | 2003 | 2002 |
|---|---|---|
| Single Family Mortgage Revenue Bonds, Series 1993A and Series 1993B dated December 1, 1993 - \$600 due serially from June 1, 2002 to June 1, 2005 at interest rates of 5.05% to 5.45%, \$11,175 (net of \$41 in bond discount) due serially from June 1, 2014 to December 1, 2024 at 6.00%, \$1,970 due June 1, 2013 at 4.50%, and \$1,000 due December 1, 2013 at 6.00% | - | 12,130 |
| Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A dated November 30, 1994 - \$5,445 due December 1, 2026 at 7.55% | 2,625 | 4,105 |
| Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A dated August 29, 1995 - \$1,810 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% | 3,875 | 6,040 |
| Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A dated November 26, 1996 - \$5,985 due June 1, 2020 at 5.8% and \$8,000 due June 1, 2028 at 6.15% | 7,990 | 11,495 |
| Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A dated August 1, 1997 - \$1,305 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% | 9,420 | 12,720 |

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Notes to Financial Statements

December 31, 2003 and 2002

| | | 2003 | 2002 |
|---|---|---|---|
| Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A-1 dated September 1, 1998 - $3,235 due December 2023 at 5.00%, $8,335 due December 2024 at 5.40%, $5,195 due December 2026 at 5.20%, and $7,265 due December 2029 at 5.25% (plus bond premium of $217) | $ | 17,874 | 21,890 |
| Single Family Mortgage Revenue Refunding Bonds, Series 1999A-1 dated July 1, 1999 - $4,715 due June 1, 2031 at 5.72%; $2,580 due December 1, 2012 at 5.00%, $6,950 due June 1, 2026 at 5.72%, $10,350 due June 1, 2031 at 6.75%; (plus premium on bonds of $445) | | 17,132 | 23,180 |
| Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 dated January 15, 2000 - $695 due December 1, 2010 at 5.70%, $4,025 due December 1, 2023 at 6.40%, $7,120 due December 1, 2023 at 7.50%, and $4,140 due June 1, 2031 at 6.50% (plus premium on bonds of $390) | | 8,126 | 13,226 |
| Single Family Mortgage Revenue Refunding Bonds, Series 2000C-1 dated June 15, 2000 - $2,115 due June 1, 2029 at 7.00%, $4,910 due June 1, 2031 at 6.15%, and $2,125 due June 1, 2032 at 7.25%; Series 2000C-2 dated June 15, 2000 – matured on June 29, 2001; Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 2000D-1 dated June 15, 2000 - $1,285 due June 1, 2010 at 5.60%, $6,385 due December 1, 2025 at 6.10%, and $6,885 due June 1, 2026 at 7.50%; Series 2000D-2 dated June 15, 2000 – matured on June 29, 2001; Taxable Agency Mortgage-Backed Refunding Securities, Series 2000E dated June 15, 2000 - $2,000 due June 1, 2032 at 8.00% (plus premium on bonds of $517) | | 12,063 | 21,501 |

| | | 2003 | 2002 |
|---|---|---|---|
| Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 dated November 15, 2000 - $2,130 due December 1, 2010 at 5.125% and $10,000 due December 1, 2021 at 5.875% | $ | 5,705 | 8,920 |
| Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 dated January 10, 2001 - $1,475 due December 1, 2010 at 4.625%; $1,000 due June 1, 2020 at 5.45%; $2,065 due December 1, 2020 at 5.45%; $1,470 due December 1, 2031 at 5.55%; $5,100 due June 1, 2032 at 5.55%; and $8,890 due June 1, 2032 at 6.3% (plus premium on bonds of $740) | | 16,614 | 19,968 |
| Single Family Mortgage Revenue Refunding Bonds, Series 2001B-1 dated June 27, 2001 - $2,415 due December 1, 2021 at 5.4%; $3,540 due December 1, 2023 at 5.0% thereafter 6.625%; $4,420 due June 1, 2032 at 5.5%; $4,000 due December 1, 2032 at 5.5%; $7,260 due December 1, 2033 at 5.25% thereafter 6.65%; Series 2001B-2 dated June 27, 2001 - $5,100 due June 1, 2018 at 5.0% thereafter 6.625%; and Series 2001C dated June 27, 2001 - $5,000 due December 1, 2033 at 6.110% (plus premium on bonds of $1,269) | | 20,404 | 32,695 |
| Single Family Mortgage Revenue Refunding, Series 2003A at May 29, 2003 $8,300 due June 1, 2026 at 5.125%, Series 2003A $3,000 due June 1, 2034, Series 2003A $3,700 due December 1, 2034 | | 15,557 | - |
| Single Family Mortgage Revenue Refunding, Series 2003C at December 11, 2003 $1,550 due December 1, 2007 at 2.00%, Series 2003C $7,985 due December 1, 2024, Series 2003C $10,015 due December 1, 2026, Series 2003C $5,225 due June 1, 2034, Series 2003C $5,225 due December 31, 2034 | | 30,817 | - |

| | | |
|---|---|---|
| Total bonds payable | 168,238 | 187,870 |
| Deferred loss on the 1983 (1993 Program) current refunding | - | (4) |
| Deferred loss on the 1989 (2000G Program) current refunding | (203) | (225) |
| | $ 168,035 | 187,641 |

The Authority is in compliance with its bond covenants.

The bonds in the 1991 (sold in 2002) 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).

Under the Trust Indentures, the Authority has the option to redeem bonds maturing on or after 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) 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; December 29, 2009 long term bonds (2000AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2010 long term bonds (2000CDE Program) at 102% and Series C-1 bonds at 105% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2010 long term bonds (2000G1 Program) at 102% at the then outstanding balance and subsequently lesser prices declining to par, and December 1, 2010 long term bonds (2000G2 and 2001BC) at 102% at the then outstanding balance and subsequently lesser prices declining to par and December 1, 2011 at 101% at the then outstanding balance and subsequently lesser prices declining to par. The Authority has no option to redeem bonds in the 1994 Program.

In 2001, the 1985/1994R Program was sold resulting in a gain of $76,456. The gain is included in investment income on mortgage loans. In 2000, the 1989 Program was defeased and the 2000G1 bonds were issued in conjunction with the defeasance. Consequently, all residual funds from the 1989 Program were transferred to the 2000G1 Program upon its defeasance. In addition, the 1990 Program redeemed its bonds in their entirety at 102% of par.

In 1999, the Authority entered into a line of credit agreement with a local bank, with an interest rate of 5.5%, secured by the 1999C bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 1999C to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues. This program was defeased by the 2002B Program in 2002, with an initial interest rate of 1.42% with variable interest rates thereafter equal to the BMA Index plus 60 basis points.

In 2003, the Authority entered into a second line of credit agreement with a local bank, with an initial interest rate of 1.10% with variable rates thereafter equal to 99.1% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2003B bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2003B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

While the 1991 program had no scheduled maturities until 2012, principal and interest prepayments were made each year based on the amount of mortgage loan principal and interest payments received. Each of the other bond programs has early bond calls 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 on defeased bonds outstanding at December 31 are as follows:

| | 2003 | 2002 |
|---|---|---|
| 1979 Program - (defeased by the 1991 Program) | $ 51,550,000 | 51,550,000 |
| 1985 Program - (defeased by the 1994 "1985" Program) | $ 32,595,000 | 32,595,000 |
| 1991 Program (sold) | $ 676,000 | 676,000 |

A summary of scheduled bond maturities (in thousands) as of December 31, 2003 is as follows:

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009-2013 | 2014-2018 | 2019-2023 | 2024-2028 | 2029-2033 | 2034-2038 | Premiums (Discounts) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Principal: | | | | | | | | | | | | | |
| 1994 Program | - | - | - | - | - | - | - | - | 2,625 | - | - | | 2,625 |
| 1995 Program | - | - | - | - | - | - | - | - | 3,875 | - | - | - | 3,875 |
| 1996 Program | - | - | - | - | - | - | - | - | 7,990 | - | - | - | 7,990 |
| 1997A Program | - | - | - | - | - | - | - | 4,125 | 5,295 | - | - | - | 9,420 |
| 1998AC Program | - | - | - | - | - | - | - | - | 10,425 | 7,265 | - | 184 | 17,874 |
| 1999AB Program | - | - | - | - | - | - | 160 | - | 5,490 | 11,105 | - | 377 | 17,132 |
| 2000 AB Program | - | - | - | - | - | 1,940 | - | - | 3,905 | 2,005 | - | 312 | 8,162 |
| 2000 CDE Program | - | - | - | - | - | 475 | - | 6,055 | 3,250 | 1,845 | - | 438 | 12,063 |
| 2000 G1 Program | - | - | - | - | - | - | - | 5,705 | - | - | - | (203) | 5,502 |
| 2000 G2 Program | - | - | - | - | - | - | - | 2,675 | - | 13,340 | - | 599 | 16,614 |
| 2001 BC Program | - | - | - | - | - | - | 3,620 | 4,250 | - | 11,450 | - | 1,084 | 20,404 |
| 2003A Program | - | - | - | - | - | - | - | - | 8,300 | - | 6,700 | 557 | 15,557 |
| 2003C Program | - | - | - | 1,550 | - | - | - | - | 18,000 | - | 10,450 | 817 | 30,817 |
| Total | - | - | - | 1,550 | - | 2,415 | 3,780 | 22,810 | 69,155 | 47,010 | 17,150 | 4,165 | 168,035 |
| Interest: | | | | | | | | | | | | | |
| 1994 Program | 198 | 198 | 198 | 198 | 198 | 991 | 991 | 991 | 595 | - | - | - | 4,558 |
| 1995 Program | 258 | 258 | 258 | 258 | 258 | 1,288 | 1,288 | 1,288 | 773 | - | - | - | 5,927 |
| 1996 Program | 491 | 491 | 491 | 491 | 491 | 2,457 | 2,457 | 2,457 | 2,457 | - | - | - | 12,283 |
| 1997A Program | 542 | 542 | 542 | 542 | 542 | 2,710 | 2,710 | 2,710 | 1,549 | - | - | - | 12,389 |
| 1998AC Program | 934 | 934 | 934 | 934 | 934 | 4,670 | 4,670 | 4,670 | 2,999 | 381 | - | - | 22,060 |
| 1999AB Program | 1,033 | 1,033 | 1,033 | 1,033 | 1,033 | 5,159 | 5,127 | 5,127 | 4,499 | 1,635 | - | - | 26,712 |
| 2000 AB Program | 547 | 547 | 547 | 547 | 547 | 2,737 | 2,737 | 2,737 | 2,116 | 977 | - | - | 14,039 |
| 2000 CDE Program | 788 | 788 | 788 | 788 | 788 | 3,860 | 3,807 | 3,807 | 2,804 | 1,049 | - | - | 19,267 |
| 2000 G1 Program | 335 | 335 | 335 | 335 | 335 | 1,676 | 1,676 | 1,006 | - | - | - | - | 6,033 |
| 2000 G2 Program | 943 | 943 | 943 | 943 | 943 | 4,714 | 4,714 | 4,276 | 3,985 | 3,118 | - | - | 25,522 |
| 2001 BC Program | 1,192 | 1,192 | 1,192 | 1,192 | 1,192 | 5,960 | 5,960 | 4,582 | 3,454 | 3,126 | - | - | 29,042 |
| 2003A Program | 760 | 760 | 760 | 760 | 760 | 3,802 | 3,802 | 3,802 | 2,951 | 1,675 | 335 | - | 20,167 |
| 2003C Program | 1,464 | 1,464 | 1,464 | 1,464 | 1,433 | 7,163 | 7,163 | 7,163 | 4,624 | 2,613 | 522 | - | 36,537 |
| Total due each year | 9,485 | 9,485 | 9,485 | 9,485 | 9,454 | 47,187 | 47,102 | 44,616 | 32,806 | 14,574 | 857 | - | 177,832 |
| Total due | $ 9,485 | 9,485 | 9,485 | 11,035 | 9,454 | 49,602 | 50,882 | 67,426 | 101,961 | 61,584 | 18,007 | 4,165 | 345,867 |

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements
(in thousands)

December 31, 2002

A summary of scheduled bond maturities (in thousands) as of December 31, 2002 is as follows:

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008-2012 | 2013-2017 | 2018-2022 | 2023-2027 | 2028-2032 | 2033-2037 | Premiums (Discounts) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Principal: | | | | | | | | | | | | | |
| 1993 Program | - | - | - | - | - | - | 985 | - | 11,175 | - | - | (33) | 12,127 |
| 1994 Program | - | - | - | - | - | - | - | - | 4,105 | - | - | | 4,105 |
| 1995 Program | - | - | - | - | - | - | - | 1,740 | 4,300 | - | - | - | 6,040 |
| 1996 Program | - | - | - | - | - | - | - | 3,495 | - | 8,000 | - | - | 11,495 |
| 1997A Program | - | - | - | - | - | - | - | 2,425 | 5,000 | 5,295 | - | - | 12,720 |
| 1998AC Program | - | - | - | - | - | - | - | - | 14,425 | 7,265 | - | 200 | 21,890 |
| 1999AB Program | - | - | - | - | - | - | 1,735 | - | 6,950 | 14,085 | - | 410 | 23,180 |
| 2000 AB Program | - | - | - | - | - | 3,110 | - | - | 6,575 | 3,200 | - | 341 | 13,226 |
| 2000 CDE Program | - | - | - | - | - | 930 | - | - | 10,970 | 9,125 | - | 476 | 21,501 |
| 2000 G1 Program | - | - | - | - | - | - | - | 8,920 | - | - | - | (226) | 8,694 |
| 2000 G2 Program | - | - | - | - | - | 840 | - | 3,060 | - | 15,385 | - | 683 | 19,968 |
| 2001 BC Program | - | - | - | - | - | - | - | 7,500 | 3,530 | 8,420 | 12,070 | 1,175 | 32,695 |
| Total | - | - | - | - | - | 4,880 | 2,720 | 27,140 | 67,030 | 70,775 | 12,070 | 3,026 | 187,641 |
| Interest: | | | | | | | | | | | | | |
| 1993 Program | 730 | 730 | 730 | 731 | 731 | 3,653 | 2,763 | 1,293 | 190 | - | - | - | 11,551 |
| 1994 Program | 310 | 310 | 310 | 310 | 310 | 1,550 | 1,550 | 1,549 | 1,239 | - | - | - | 7,438 |
| 1995 Program | 394 | 394 | 394 | 394 | 394 | 1,969 | 1,969 | 1,753 | 1,144 | - | - | - | 8,805 |
| 1996 Program | 695 | 695 | 695 | 695 | 695 | 3,474 | 3,474 | 3,068 | 2,460 | 492 | - | - | 16,443 |
| 1997A Program | 717 | 717 | 717 | 717 | 717 | 3,587 | 3,587 | 2,956 | 1,830 | 310 | - | - | 15,855 |
| 1998AC Program | 1,140 | 1,140 | 1,140 | 1,140 | 1,139 | 5,698 | 5,698 | 5,698 | 3,835 | 763 | - | - | 27,391 |
| 1999AB Program | 1,386 | 1,386 | 1,386 | 1,387 | 1,387 | 6,932 | 6,499 | 6,499 | 6,101 | 2,976 | - | - | 35,939 |
| 2000 AB Program | 900 | 900 | 900 | 900 | 900 | 4,501 | 4,501 | 4,501 | 3,705 | 2,311 | - | - | 24,019 |
| 2000 CDE Program | 1,426 | 1,426 | 1,426 | 1,426 | 1,426 | 7,026 | 6,870 | 6,869 | 5,805 | 2,467 | - | - | 36,167 |
| 2000 G1 Program | 524 | 524 | 524 | 524 | 524 | 2,620 | 2,620 | 2,096 | - | - | - | - | 9,956 |
| 2000 G2 Program | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 5,547 | 5,431 | 5,097 | 4,597 | 4,517 | - | - | 30,814 |
| 2001 BC Program | 1,928 | 1,928 | 1,928 | 1,928 | 1,928 | 9,638 | 9,638 | 8,161 | 6,420 | 6,199 | 777 | - | 50,473 |
| Total due each year | 11,275 | 11,275 | 11,275 | 11,277 | 11,276 | 56,195 | 54,600 | 49,540 | 37,326 | 20,035 | 777 | - | 274,851 |
| Total due | $ 11,275 | 11,275 | 11,275 | 11,277 | 11,276 | 61,075 | 57,320 | 76,680 | 104,356 | 90,810 | 12,847 | 3,026 | 462,492 |

**(5) Deferred Commitment Fees**

No commitment fees were deferred as of December 31, 2003.

**(6) Net Assets**

The net assets included in the 1991 Program, totaling $3,452,000 and $5,366,000 as of December 31, 2003 and 2002, respectively, 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, the unrestricted net assets must be maintained by the Authority until all bonds and programs are liquidated. The remaining net assets are restricted for specific operating uses as described in the trust indentures.

**(7) Commitments**

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 Net Assets by Program
(in thousands)

As of December 31, 2003
(See Accompanying Independent Accountants' Compilation Report)

| | 1991 Program | 1993 Program | 1994 Program | 1995 Program | 1996 Program | 1997A Program | 1998AC Program | 1999AB Program | 1999C Program | 2000AB Program | 2000CDE Program | 2000G-1 Program | 2000G-2 Program | 2001BC Program | 2002B Program | 2003 A Program | 2003 B Program | 2003 C Program | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalent | $ 1,056 | - | 4 | 3 | 5 | 69 | 55 | 185 | - | 107 | 447 | 1,597 | 9 | 54 | 2 | - | 4 | 208 | 3,805 |
| Investment securities, at fair valu | 2,367 | - | 273 | 217 | 258 | 335 | 737 | 593 | - | 443 | 828 | 292 | 706 | 646 | 25,844 | 12,335 | 24,336 | 30,670 | 100,879 |
| Mortgage loans receivable and mortgage-backed securitie | - | - | 2,555 | 4,225 | 8,356 | 9,966 | 17,946 | 17,335 | - | 8,206 | 12,004 | 6,175 | 16,371 | 19,930 | - | 3,385 | - | 1,251 | 127,705 |
| Accrued interest receivabl | 17 | - | 15 | 21 | 40 | 47 | 83 | 86 | - | 46 | 66 | 35 | 76 | 101 | - | 29 | - | 48 | 710 |
| Bond issuance costs, ne | - | - | 58 | 106 | 134 | 141 | 234 | 203 | - | 187 | 240 | 152 | 310 | 494 | - | 303 | 74 | 207 | 2,843 |
| Prepaid Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 327 | 339 |
| Total assets | $ 3,452 | - | 2,905 | 4,572 | 8,793 | 10,558 | 19,055 | 18,402 | - | 8,988 | 13,585 | 8,251 | 17,472 | 21,225 | 25,846 | 16,052 | 24,414 | 32,711 | 236,281 |
| **Liabilities and Net Assets** | | | | | | | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | | | | | | | |
| Bonds payable, net | $ - | - | 2,625 | 3,875 | 7,990 | 9,420 | 17,874 | 17,132 | - | 8,162 | 12,063 | 5,502 | 16,614 | 20,404 | - | 15,557 | - | 30,817 | 168,035 |
| Premium on bonds payabl | | | | | | | - | - | | - | - | - | - | - | | - | | - | - |
| Line of credit payable to bank | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 25,844 | - | 24,336 | - | 50,180 |
| Accrued interest payable | - | - | 17 | 21 | 41 | 45 | 77 | 86 | - | 45 | 66 | 27 | 78 | 99 | - | 64 | - | 81 | 747 |
| Deferred commitment fee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Due to/Due from other program | | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | - |
| Other liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | - |
| | - | - | 2,642 | 3,896 | 8,031 | 9,465 | 17,951 | 17,218 | - | 8,207 | 12,129 | 5,529 | 16,692 | 20,503 | 25,844 | 15,621 | 24,336 | 30,898 | 218,962 |
| Net Assets: | | | | | | | | | | | | | | | | | | | |
| Restricted for debt | - | - | 263 | 676 | 762 | 1,093 | 1,104 | 1,184 | - | 781 | 1,456 | 2,722 | 780 | 722 | 2 | 431 | 78 | 1,813 | 13,867 |
| Unrestricted | 3,452 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,452 |
| Total net assets | 3,452 | - | 263 | 676 | 762 | 1,093 | 1,104 | 1,184 | - | 781 | 1,456 | 2,722 | 780 | 722 | 2 | 431 | 78 | 1,813 | 17,319 |
| Total liabilities and net assets | $ 3,452 | - | 2,905 | 4,572 | 8,793 | 10,558 | 19,055 | 18,402 | - | 8,988 | 13,585 | 8,251 | 17,472 | 21,225 | 25,846 | 16,052 | 24,414 | 32,711 | 236,281 |

See auditors' report

**PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY**

Schedule of Revenues, Expenses, and Changes in Net Assets by Progra
(in thousands)

For the nine month period ended December 31, 200:
(See Accompanying Independent Accountants' Compilation Repor

| | | 1991 Program | 1993 Program | 1994 Program | 1995 Program | 1996 Program | 1997A Program | 1998AC Program | 1999AB Program | 1999C Program | 2000AB Program | 2000CDE Program | 2000G-1 Program | 2000G-2 Program | 2001BC Program | 2002B Program | 2003 A Program | 2003 B Program | 2003 C Program | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating revenues | | | | | | | | | | | | | | | | | | | | |
| Investment income on mortgage loan | $ | - | 589 | 273 | 374 | 673 | 769 | 1,225 | 1,261 | - | 697 | 1,008 | 595 | 1,114 | 1,472 | - | 28 | - | 82 | 10,160 |
| Appreciation (depreciation) in market valu | | | | | | | | | | | | | | | | | | | | - |
| of investment | | (26) | (330) | (128) | (129) | (169) | (145) | (241) | (165) | - | (216) | (363) | (277) | (56) | (208) | - | (37) | - | 146 | (2,344) |
| Investment income on investment | | 80 | 55 | 28 | 25 | 44 | 75 | 87 | 82 | 1 | 72 | 109 | 51 | 58 | 104 | 538 | 113 | 50 | 16 | 1,588 |
| Commitment fee | | - | 84 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 85 |
| Total operating revenue | | 54 | 398 | 173 | 270 | 548 | 699 | 1,071 | 1,178 | 1 | 553 | 754 | 369 | 1,116 | 1,368 | 538 | 104 | 50 | 245 | 9,489 |
| Operating expenses: | | | | | | | | | | | | | | | | | | | | |
| Interest on debt | | - | 654 | 276 | 336 | 601 | 672 | 1,073 | 1,214 | - | 719 | 1,052 | 463 | 987 | 1,425 | 536 | 407 | 50 | 81 | 10,546 |
| Amortization of bond issuance costs | | | | | | | | | | | | | | | | | | | - | - |
| and other costs | | 7 | 192 | 5 | 5 | 13 | 77 | 21 | 18 | - | 17 | 21 | 17 | 44 | 42 | - | 23 | - | - | 502 |
| Servicing fees | | - | 47 | 16 | 24 | 47 | 55 | 97 | 98 | - | 50 | 76 | 34 | 89 | 119 | - | 3 | - | 4 | 759 |
| Mortgage loan insurance cost | | - | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 |
| Trustee fees | | 26 | 4 | - | 1 | 4 | 4 | - | 7 | - | 4 | 5 | 4 | 6 | 9 | - | - | - | - | 74 |
| Other operating expense | | 545 | 194 | - | - | - | - | 56 | - | 19 | - | - | - | - | - | 4 | 2 | - | - | 820 |
| Total operating expense | | 578 | 1,093 | 297 | 366 | 665 | 808 | 1,247 | 1,337 | 19 | 790 | 1,154 | 518 | 1,126 | 1,595 | 540 | 435 | 50 | 85 | 12,703 |
| Change in net assets before othe financing sources (uses) | | (524) | (695) | (124) | (96) | (117) | (109) | (176) | (159) | (18) | (237) | (400) | (149) | (10) | (227) | (2) | (331) | - | 160 | (3,214) |
| Other financing sources (uses) | | | | | | | | | | | | | | | | | | | | |
| Operating transfers | | (1,390) | 842 | (4) | (11) | (22) | (26) | (47) | (39) | (21) | (23) | (34) | (16) | (44) | (268) | (3) | 762 | 78 | 266 | - |
| Transfer of Mortgage Loans | | - | 1,387 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,387) | - |
| Change in net assets | | (1,914) | 1,534 | (128) | (107) | (139) | (135) | (223) | (198) | (39) | (260) | (434) | (165) | (54) | (495) | (5) | 431 | 78 | (961) | (3,214) |
| Net assets at beginning of the period | | 5,366 | 1,240 | 391 | 783 | 901 | 1,228 | 1,327 | 1,382 | 39 | 1,041 | 1,890 | 2,887 | 834 | 1,217 | 7 | - | - | - | 19,254 |
| Net assets at end of the period | $ | 3,452 | 2,774 | 263 | 676 | 762 | 1,093 | 1,104 | 1,184 | - | 781 | 1,456 | 2,722 | 780 | 722 | 2 | 431 | 78 | (961) | 17,319 |

See auditors' report

Schedule of Cash Flows by Program
(in thousands)

For the nine month period ended December 31, 2003
(See Accompanying Independent Accountants' Compilation Report

| | 1991 Program | 1993 Program | 1994 Program | 1995 Program | 1996 Program | 1997A Program | 1998AC Program | 1999AB Program | 1999C Program | 2000AB Program | 2000CDE Program | 2000G-1 Program | 2000G-2 Program | 2001 BC Program | 2002 B Program | 2003 A Program | 2003 B Program | 2003 C Program | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash receipts for: | | | | | | | | | | | | | | | | | | | |
| Investment income on mortgage loans | $ - | 638 | 283 | 385 | 689 | 784 | 1,243 | 1,289 | - | 727 | 1,056 | 612 | 1,137 | 1,514 | - | 14 | - | 8 | 10,379 |
| Investment income on investments | 88 | 59 | 28 | 25 | 44 | 76 | 88 | 85 | 1 | 72 | 115 | 53 | 58 | 106 | 538 | 100 | 50 | 42 | 1,628 |
| Cash payments for: | | | | | | | | | | | | | | | | | | | |
| Interest on debt | - | (712) | (285) | (347) | (618) | (687) | (1,106) | (1,276) | - | (777) | (1,143) | (456) | (1,087) | (1,578) | (536) | (386) | (50) | - | (11,044) |
| Servicing fees | - | (47) | (16) | (24) | (47) | (55) | (97) | (98) | - | (50) | (76) | (34) | (89) | (119) | - | (3) | - | (4) | (759) |
| Transfer of mortgage loan | - | (1,387) | - | - | - | - | - | - | - | - | - | - | - | - | - | | | 1,387 | - |
| Other operating expenses | (571) | (197) | (1) | (1) | (4) | (4) | (56) | (7) | (19) | (4) | (5) | (4) | (7) | (9) | (4) | (3) | - | - | (896) |
| Net cash provided by (used in) operating activities | (483) | (1,646) | 9 | 38 | 64 | 114 | 72 | (7) | (18) | (32) | (53) | 171 | 12 | (86) | (2) | (278) | - | 1,433 | (692) |
| Cash flows from capital financing activities - Purchase of other assets | (8) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (8) |
| Bond proceeds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 15,600 | - | 30,817 | 46,417 |
| Bonds redeemed | - | (12,160) | (1,480) | (2,165) | (3,505) | (3,300) | (4,000) | (6,015) | - | (5,035) | (9,400) | (3,215) | (3,270) | (12,200) | - | - | - | - | (65,745) |
| Proceeds from line of credit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 24,336 | - | 24,336 |
| Line of credit redeemed | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (17,882) | - | - | - | (17,882) |
| Bond issuance costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (326) | (74) | (533) | (933) |
| Proceeds from line of credit | | | | | | | | | | | | | | | - | | | | - |
| Bond issue costs | | | | | | | | | | | | | | | - | | | | - |
| Transfer of 1997E proceeds to program | | | | | | | | | | | | | | | - | | | | - |
| Transfer of programs to 1997E | | | | | | | | | | | | | | | - | | | | - |
| Operating transfers | (1,390) | 842 | (4) | (11) | (22) | (26) | (47) | (39) | (21) | (23) | (34) | (16) | (44) | (268) | (3) | 762 | 78 | 266 | - |
| Net cash provided by (used in) noncapital financing activities | (1,390) | (11,318) | (1,484) | (2,176) | (3,527) | (3,326) | (4,047) | (6,054) | (21) | (5,058) | (9,434) | (3,231) | (3,314) | (12,468) | (17,885) | 16,036 | 24,340 | 30,550 | (13,807) |
| Proceeds from sale of investment | 776 | 979 | 2 | 123 | 1 | 154 | 164 | 541 | - | 121 | 942 | 396 | 52 | 139 | 17,882 | - | - | - | 22,272 |
| Acquisition of investments | - | | (158) | - | (163) | - | - | - | - | (118) | - | - | (255) | (238) | - | (12,335) | (24,336) | (22,346) | (59,949) |
| Acquisition of mortgage loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - |
| Principal receipts from mortgage loans | - | 11,936 | 1,635 | 2,018 | 3,289 | 2,969 | 3,759 | 5,559 | - | 5,049 | 8,547 | 2,785 | 3,504 | 8,294 | - | (3,423) | - | (9,429) | 46,492 |
| Proceeds (purchase) from real estate owned, net | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | - |
| Net cash provided by (used in) investing activities | 776 | 12,915 | 1,479 | 2,141 | 3,127 | 3,123 | 3,923 | 6,100 | - | 5,052 | 9,489 | 3,181 | 3,301 | 8,195 | 17,882 | (15,758) | (24,336) | (31,775) | 8,815 |
| Net increase (decrease) in cash and cash equivalents | (1,105) | (49) | 4 | 3 | (336) | (89) | (52) | 39 | (39) | (38) | 2 | 121 | (1) | (4,359) | (5) | - | 4 | 208 | (5,692) |
| Cash and cash equivalents at beginning of period | 2,161 | 49 | - | - | 341 | 158 | 107 | 146 | 39 | 145 | 445 | 1,476 | 10 | 4,413 | 7 | - | - | - | 9,497 |
| Cash and cash equivalents at end of period | $ 1,056 | - | 4 | 3 | 5 | 69 | 55 | 185 | - | 107 | 447 | 1,597 | 9 | 54 | 2 | - | 4 | 208 | 3,805 |
| Cash provided by (used in) operating activities: | | | | | | | | | | | | | | | | | | | |
| Net change in net assets | $ (524) | (2,082) | (124) | (96) | (117) | (109) | (176) | (159) | (18) | (237) | (400) | (149) | (10) | (227) | (2) | (331) | - | 1,547 | (3,214) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | | | | | | | | | | | | | | | | | |
| Amortization of bond issuance and other costs | 7 | 192 | 5 | 5 | 13 | 77 | 21 | 18 | - | 17 | 21 | 17 | 44 | 42 | - | 23 | - | - | 502 |
| Amortization of bond (premium) discount | - | - | - | - | - | - | (16) | (33) | - | (29) | (38) | 23 | (85) | (91) | - | (43) | - | - | (312) |
| Unrealized (gains) losses on investments | 26 | 330 | 128 | 129 | 169 | 145 | 241 | 165 | - | 216 | 363 | 277 | 56 | 208 | - | 37 | - | (146) | 2,344 |
| Changes in assets and liabilities: | | | | | | | | | | | | | | | | | | | |
| (Increase) decrease in accrued interest receivables | 8 | 59 | 9 | 11 | 15 | 15 | 19 | 31 | - | 30 | 54 | 19 | 22 | 44 | - | (28) | - | (49) | 259 |
| (Increase) decrease in prepaid insurance | - | (3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (3) |
| (Increase) decrease in other assets | - | (81) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (81) |
| Increase (decrease) in other liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | - |
| Increase (decrease) in accrued interest payable | - | (61) | (9) | (11) | (16) | (14) | (17) | (29) | - | (29) | (53) | (16) | (15) | (62) | - | 64 | - | 81 | (187) |
| Net cash provided by (used in) operating activities | $ (483) | (1,646) | 9 | 38 | 64 | 114 | 72 | (7) | (18) | (32) | (53) | 171 | 12 | (86) | (2) | (278) | - | 1,433 | (692) |

See auditors' report

# PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

## Schedule of Board Compensation

December 31, 2003

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 year ended December 31, 2003, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

| | Regular Per Diems | Extra Per Diems | 2003 Total |
|---|---|---|---|
| Bicknell, Margaret R. | 50 | 17 | 67 |
| Bourg, Alton L. | 48 | 29 | 77 |
| Fradella, Frank | 43 | 22 | 65 |
| Johnson, Marvin | 43 | 19 | 62 |
| Lambert, Robert J. | 42 | 8 | 50 |
| Lay, Fred M. | 49 | 35 | 84 |
| Lewis, Joseph R. | 50 | 16 | 66 |
| Thomas, Anthony | - | - | - |

Per Diem Payments:

| | 2003 |
|---|---|
| Bicknell, Margaret R. | $ 6,700 |
| Bourg, Alton L. | 7,700 |
| Fradella, Frank | 6,500 |
| Johnson, Marvin | 6,200 |
| Lambert, Robert J. | 5,000 |
| Lay, Fred M. | 8,400 |
| Lewis, Joseph R. | 6,600 |
| Thomas, Anthony | - |
| | $ 47,100 |

See auditors' report

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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, 2003, and have issued our report thereon dated February 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

30th Floor - Energy Centre • 1100 Poydras Street • New Orleans, LA 70163-3000 • Tel: 504.569.2978
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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 25, 2004

P&N