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**JEFFERSON PARISH FINANCE AUTHORITY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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Postlethwaite  
& Netterville

A Professional Accounting Corporation

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**JEFFERSON PARISH FINANCE AUTHORITY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

## **JEFFERSON PARISH FINANCE AUTHORITY**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Jefferson Parish Finance Authority:

### **Report on Financial Statements**

We have audited the accompanying financial statements of Jefferson Parish Finance Authority (the Authority), a component unit of the Parish of Jefferson, which comprise the statements of financial position as of December 31, 2015 and December 31, 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information included in Schedules 1 through 5 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 11, 2016 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Forster & Nettenville*

Metairie, Louisiana  
April 11, 2016

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

This section of the Jefferson Parish Finance Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal years that ended December 31, 2015 and 2014, and should be in conjunction with the Authority's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The Authority is a component unit of the Parish of Jefferson, Louisiana.

**2015**

The Authority's net position represents 17% of its total assets. With total assets approximating \$56 million, the Authority had a decrease in net position of approximately \$879 thousand for the year ended December 31, 2015.

The Authority's financial highlights include:

- ◆ During the year ended December 31, 2013, the Authority created a new program the Jefferson Mortgage Assistance Program (JMAP) and during the year ended December 31, 2014 the Authority created Southern Mortgage Assistance Program (SMAP) which received its first loan in January 2015. JMAP and SMAP were merged in September 2015 with SMAP as the current name of the program. In 2015, the programs had \$185 thousand in revenues and \$80 thousand in expenses.
- ◆ The Authority's net position decreased by \$879 thousand due primarily to decrease in investment income and depreciation in fair value of investments.

**2014**

The Authority's net position represents 15% of its total assets. With total assets approximating \$70 million, the Authority had an increase in net position of approximately \$961 thousand for the year ended December 31, 2014.

The Authority's financial highlights include:

- ◆ During the year ended December 31, 2013, the Authority created a new program the Jefferson Mortgage Assistance Program (JMAP) and during the year December 31, 2014 created a new program the Southern Mortgage Assistance Program (SMAP). In 2014, the JMAP program had \$176 thousand in revenues and \$40 thousand in expenses.
- ◆ The Authority's net position increased by \$961 thousand due primarily to investment income and appreciation in fair value of investments in excess of interest expense and other operating expenses.

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**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 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 Position. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Position.

The Statement of Net Position reports the Authority's net position. Net position, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position.



**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY**

**Net Position**

**2015**

The Authority's total net position at December 31, 2015 decreased to \$9,726, a decrease of 8% from December 31, 2014. (See Table A-1) Total assets decreased by \$14,055 due primarily to a decrease in mortgage-backed securities of \$7,884 and decrease in investment securities at fair value of \$6,299. During 2015 the Authority liquidated investments in the bond program 2005A in the amount of \$7,131. Liabilities decreased by \$13,176 due to the decrease in bonds payable of \$13,405, with an offset by an increase in other liabilities of \$229.

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

	2015	2014	Increase (Decrease)
Cash and cash equivalents	\$ 917	\$ 968	\$ (51)
Investments	14,315	20,614	(6,299)
Mortgage-backed securities	40,572	48,456	(7,884)
Other assets	572	393	179
Total assets	<u>56,376</u>	<u>70,431</u>	<u>(14,055)</u>
Other liabilities	2,539	2,310	229
Bonds payable	44,111	57,516	(13,405)
Total liabilities	<u>46,650</u>	<u>59,826</u>	<u>(13,176)</u>
Net position			
Restricted for debt	1,769	2,369	(600)
Unrestricted			
Undesignated	1,141	1,021	120
Designated	6,816	7,215	(399)
	<u>9,726</u>	<u>10,605</u>	<u>(879)</u>
Total liabilities and net position	<u>\$ 56,376</u>	<u>\$ 70,431</u>	<u>\$ (14,055)</u>

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**2014**

The Authority's total net position at December 31, 2014 increased to \$10,605, an increase of 10% from December 31, 2013. (See Table A-2) Total assets decreased by \$17,632 due primarily to a decrease in mortgage-backed securities of \$22,394 and increase in investment securities at fair value of \$6,649. The liabilities decreased by \$18,593 due to the decrease in bonds payable of \$18,779 and increase in other liabilities of \$186.

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

	2014	2013	Increase (Decrease)
Cash and cash equivalents	\$ 968	\$ 2,894	\$ (1,926)
Investments	20,614	13,965	6,649
Mortgage-backed securities	48,456	70,850	(22,394)
Other assets	393	354	39
Total assets	<u>70,431</u>	<u>88,063</u>	<u>(17,632)</u>
Other liabilities	2,310	2,124	186
Bonds payable	57,516	76,295	(18,779)
Total liabilities	<u>59,826</u>	<u>78,419</u>	<u>(18,593)</u>
Net position			
Restricted for debt	2,369	1,692	677
Unrestricted			
Undesignated	1,021	1,148	(127)
Designated	7,215	6,804	411
	<u>10,605</u>	<u>9,644</u>	<u>961</u>
Total liabilities and net position	<u>\$ 70,431</u>	<u>\$ 88,063</u>	<u>\$ (17,632)</u>

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**Changes in Net Position**

**2015**

**Table A-3**  
**Jefferson Parish Finance Authority**  
**(in thousands of dollars)**

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Investment income on mortgage loans	\$ 1,934	\$ 3,813	\$ (1,879)
Appreciation (depreciation) in fair value on investments	(719)	231	(950)
Investment income on investments	101	204	(103)
Other	185	176	9
Total operating revenues	<u>1,501</u>	<u>4,424</u>	<u>(2,923)</u>
Operating expenses:	<u>2,380</u>	<u>3,463</u>	<u>(1,083)</u>
Change in net position	(879)	961	(1,840)
Total net position, beginning of the year	10,605	9,644	961
Total net position, end of the year	<u>\$ 9,726</u>	<u>\$ 10,605</u>	<u>\$ (879)</u>

Operating revenues decreased by 66% to \$1,501. This decrease in revenue is primarily due to the decrease in investment income on mortgage loans and depreciation in fair value on investments. Investment income on mortgage loans decreased due to the liquidation of the 2005A investments and market conditions.

**Table A-4**  
**Jefferson Parish Finance Authority**  
**(in thousands of dollars)**

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 1,385	\$ 2,168	\$ (783)
Bond issuance and other costs	80	39	41
Servicing fees	202	271	(69)
Other operating expenses	713	985	(272)
Total operating expenses	<u>\$ 2,380</u>	<u>\$ 3,463</u>	<u>\$ (1,083)</u>

Operating expenses decreased due to \$783 less of interest payments on debt in 2015 than in 2014. The decrease in interest payments on debt is due to the roll-up of bond program 2005A. Other expense decreased due to \$297 in expenses related to roll-up of bond programs were incurred in 2014, and only \$25 in expenses related to the continuation of the roll-up of bond program 2006B incurred in 2015.

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**2014**

**Table A-5**  
**Jefferson Parish Finance Authority**  
**(in thousands of dollars)**

	2014	2013	Increase (Decrease)
Operating revenues:			
Investment income on mortgage loans	\$ 3,813	\$ 3,385	\$ 428
Appreciation (depreciation) in fair value on investments	231	(2,653)	2,884
Investment income on investments	204	198	6
Other	176	68	108
Total operating revenues	4,424	998	3,426
Operating expenses:	3,463	5,006	(1,543)
Change in net position	961	(4,008)	4,969
Total net position, beginning of the year	9,644	13,652	(4,008)
Total net position, end of the year	\$ 10,605	\$ 9,644	\$ 961

Operating revenues increased by 343% to \$4,424. This increase in revenue is primarily due to the appreciation in fair value on investments.

**Table A-6**  
**Jefferson Parish Finance Authority**  
**(in thousands of dollars)**

	2014	2013	Increase (Decrease)
Interest on debt	\$ 2,168	\$ 3,478	\$ (1,310)
Bond issuance and other costs	39	486	(447)
Servicing fees	271	361	(90)
Other	985	681	304
Total operating expenses	\$ 3,463	\$ 5,006	\$ (1,543)

Operating expenses decreased due to \$1,310 less of interest payments on debt in 2014 than in 2013. Other expense increased as the costs of the roll-up of bond programs (2005A and 2006B) were incurred during the year ended December 31, 2014.

**JEFFERSON PARISH FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2015 AND 2014**

**DEBT ADMINISTRATION**

**2015**

Total indebtedness for bonds payable was \$44 million as of December 31, 2015 compared to \$58 million at December 31, 2014. The decrease in bonds payable is the result of payoff of the 2005A Program during fiscal year 2015. All bond debt and lease covenants have been met.

**2014**

Total indebtedness for bonds payable was \$58 million as of December 31, 2014 compared to \$76 million at December 31, 2013. The decrease in bonds payable is the result of payoff of the 2004A Program during fiscal year 2014. All bond debt and lease covenants have been met.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority considered the following factors and next year's budget, rates and fees. These factors and indicators include:

- ◆ Mortgage rates remain low creating continued pressure on the existing Programs to reduce user fees through mortgage rate refinancing (reductions).
- ◆ Long term planning for bond programs continues to be difficult due to the uncertainty of the future of government backed securities. However, as market conditions continue to improve, the Authority should be able to offer new bond programs.
- ◆ Due to the current market conditions continuing to not being conducive to the issuance of new bond programs, the Authority in 2015 merged its JMAP and SMAP market rate programs into one program, SMAP, and continues to offer this program which provides fee income to the Authority as each loan is sold.
- ◆ To increase fees, the SMAP program in 2015 began to also be offered in the parishes of Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis through an agreement with the Calcasieu Parish Public Trust Authority to share fees.

**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 Jefferson Parish Finance Authority at (504) 736-6311.

**JEFFERSON PARISH FINANCE AUTHORITY**

**STATEMENTS OF NET POSITION**  
**(IN THOUSANDS)**

**AS OF DECEMBER 31, 2015 AND 2014**

	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Assets</b>		
Cash and cash equivalents	\$ 917	\$ 968
Investment securities at fair value	14,315	20,614
Mortgage-backed securities	40,572	48,456
Accrued interest receivable	180	202
Down payment assistance and other receivable	392	191
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 56,376</u>	<u>\$ 70,431</u>
 <b>Liabilities and Net Position</b>		
<b>Liabilities:</b>		
Bonds payable, net	\$ 44,111	\$ 57,516
Accrued interest payable	2,325	2,138
Other liabilities	214	172
Total liabilities	<u>46,650</u>	<u>59,826</u>
 <b>Net Position:</b>		
Restricted for debt	1,769	2,369
Unrestricted		
Undesignated	1,141	1,021
Designated	<u>6,816</u>	<u>7,215</u>
Total net position	<u>9,726</u>	<u>10,605</u>
	<u>          </u>	<u>          </u>
Total liabilities and net position	<u>\$ 56,376</u>	<u>\$ 70,431</u>

See accompanying notes to financial statements.

**JEFFERSON PARISH FINANCE AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**(IN THOUSANDS)**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Investment income on mortgage loans	\$ 1,934	\$ 3,813
(Depreciation) appreciation in fair market value of investments in mortgage-backed securities	(719)	231
Investment income on investment securities	101	204
JMAP and SMAP revenue	<u>185</u>	<u>176</u>
Total operating revenues	<u>1,501</u>	<u>4,424</u>
Operating expenses:		
Interest on debt	1,385	2,168
Bond issuance costs and other costs	80	39
Servicing fees	202	271
Trustee fees	53	49
Other operating expenses	<u>660</u>	<u>936</u>
Total operating expenses	<u>2,380</u>	<u>3,463</u>
Change in net position	<u>(879)</u>	<u>961</u>
Net position at beginning of the year	<u>10,605</u>	<u>9,644</u>
Net position at end of the year	<u>\$ 9,726</u>	<u>\$ 10,605</u>

See accompanying notes to financial statements.

**JEFFERSON PARISH FINANCE AUTHORITY**

**STATEMENTS OF CASH FLOWS**  
**(IN THOUSANDS)**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash receipts for:		
Investment income on mortgage loans	\$ 1,950	\$ 3,864
Investment income on investment securities	107	243
Other revenue	185	41
Cash payments for:		
Down payment assistance	(201)	-
Interest on debt	(1,515)	(2,327)
Servicing fees	(202)	(265)
Other operating expenses	(751)	(996)
Net cash (used in) provided by operating activities	<u>(427)</u>	<u>560</u>
Cash flows from noncapital financing activities:		
Bond payments	<u>(13,088)</u>	<u>(18,462)</u>
Net cash used in noncapital financing activities	<u>(13,088)</u>	<u>(18,462)</u>
Cash flows from investing activities:		
Proceeds from sale of investment securities	14,786	8,107
Proceeds from mortgage loan repayments	7,186	22,768
Acquisition of investment securities	(1,084)	(14,795)
Acquisition of mortgage loans	(7,424)	(104)
Net cash provided by investing activities	<u>13,464</u>	<u>15,976</u>
Net decrease in cash and cash equivalents	(51)	(1,926)
Cash and cash equivalents at beginning of year	<u>968</u>	<u>2,894</u>
Cash and cash equivalents at end of year	<u>\$ 917</u>	<u>\$ 968</u>
Reconciliation of changes in net position to net cash used in operating activities:		
Changes in net position	\$ (879)	\$ 961
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:		
Amortization of bond premium and discount	(317)	(317)
Unrealized losses (gains) on investments in mortgage-backed securities	719	(231)
Change in assets and liabilities:		
Accrued interest receivable and other receivables	(179)	(39)
Other liabilities	42	28
Accrued interest payable	187	158
Net cash provided by (used in) operating activities	<u>\$ (427)</u>	<u>\$ 560</u>

See accompanying notes to financial statements.



**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(1) Organization and Summary of Significant Accounting Policies**

**(a) *Authorizing Legislation***

The Jefferson Parish Finance 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, St. Charles Parish, St. Tammany Parish, Allen Parish, Beauregard Parish, Calcasieu Parish, Cameron Parish, and Jefferson Davis Parish all of which are located in 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 appoints the Authority's Board members for a three year term and thereafter 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:

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(1) Organization and Summary of Significant Accounting Policies (continued)**

**(a) *Authorizing Legislation (continued)***

<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
August 10, 2006	Single Family Mortgage Revenue Refunding Bonds, Series 2006B (2006B Program)	<u>\$ 28,645</u>
November 14, 2006	Single Family Mortgage Revenue Refunding Bonds, Series 2006C (2006C Program)	<u>\$ 20,000</u>
March 15, 2007	Single Family Mortgage Revenue Refunding Bonds, Series 2006D (2006D Program)	<u>\$ 20,000</u>
June 28, 2007	Single Family Mortgage Revenue Refunding Bonds, Series 2007B (2007B Program)	<u>\$ 20,000</u>
November 20, 2007	Single Family Mortgage Revenue Refunding Bonds, Series 2007C (2007C Program)	<u>\$ 30,000</u>
November 10, 2008	Single Family Mortgage Revenue Bonds, Series 2008B (Federally Taxable (2008B Program)	<u>\$ 10,000</u>
November 22, 2011	Single Family Mortgage Revenue Bonds, Series 2009A Converted to Fixed Rate (2009ACF Program)	<u>\$ 25,000</u>

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(1) Organization and Summary of Significant Accounting Policies (continued)**

**(a) *Authorizing Legislation (continued)***

During the year ended December 31, 2014, the 2005A and 2006B mortgage backed securities were sold at a premium. In 2014, the proceeds from the sales of the mortgage backed securities were used to purchase United States Treasury Bills or Guaranteed Investment Contracts. On June 1, 2015, the 2005A investments matured and the proceeds were used to redeem the bonds in full. On June 1, 2016, the 2006B investments will mature and the proceeds will be used to redeem the bonds in full.

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 financial institution 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.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(1) Organization and Summary of Significant Accounting Policies (continued)**

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

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 depreciation) 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 position 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.

**(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. 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 Residual Account which are unrestricted.

**(e) *Bond Issuance Costs***

Bond issuance costs, including underwriters' discounts on bonds sold, are expensed as incurred.

**(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.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(1) Organization and Summary of Significant Accounting Policies (continued)**

**(g) *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. The Authority has no real estate owned properties at December 31, 2015 and 2014.

**(h) *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. Actual amounts could be different from the estimates.

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable**

**(a) *Cash, Cash Equivalents and Deposits***

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are held by the custodial bank as an agent for the Authority, in the Authority's name and are thereby not exposed to custodial credit risk. The remaining amount of the Authority's cash balances were comprised of cash equivalents that were invested in money market funds, of which the underlying assets are guaranteed investments in securities issued by the U.S. Government.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable (continued)**

**(b) *Investments and Mortgage Loan Receivable***

At December 31, 2015 and 2014, investments were held as specifically as required under terms of the Trust Indentures and the State of Louisiana investment laws, more particularly, Louisiana Revised Statutes 33:2955, as amended.

These investments include, but are not limited to: Direct U.S. Treasury obligations, which include but are not limited to 1) U.S. Export-Import Bank; (2) Farmers Home Administration; (3) Federal Financing Bank; (4) Federal Housing Administration Debentures; (5) General Services Administration; (6) Government National Mortgage Association – guaranteed mortgage-backed bonds and guaranteed pass-through obligations; (7) U.S. Maritime Administration - guaranteed Title XI financing, and (8) U.S. Department of Housing and Urban Development as well as U.S. government instrumentalities which obligations include but are not limited to (1) Federal Home Loan Bank System; (2) Federal Home Loan Mortgage Corporation; (3) Federal National Mortgage Association; (4) Student Loan Marketing Association; and (5) Resolution Funding Corporation.

The following are the components of the Authority's cash, investments, and mortgage loan receivable at December 31, 2015 and 2014 (in thousands):

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b><u>2015</u></b>			
Cash and cash equivalents	\$ 361	\$ 556	\$ 917
Investments	5,973	8,342	14,315
Mortgage loan receivable	1,408	39,164	40,572
Total	<u>\$ 7,742</u>	<u>\$ 48,062</u>	<u>\$ 55,804</u>
<b><u>2014</u></b>			
Cash and cash equivalents	\$ 687	\$ 281	\$ 968
Investments	5,149	15,465	20,614
Mortgage loan receivable	2,343	46,113	48,456
Total	<u>\$ 8,179</u>	<u>\$ 61,859</u>	<u>\$ 70,038</u>

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable (continued)**

**(b) *Investments and Mortgage Loan Receivable***

The composition and carrying value of guaranteed investment contracts is as follows:

	<u>2015</u>	<u>2014</u>
	(in thousands)	(in thousands)
Guaranteed Investment Contracts:		
2006B Program	\$ 7,424	\$ 7,506
2006C Program	364	206
2006D Program	173	197
2007B Program	89	212
2007C Program	292	212
	<u>\$ 8,342</u>	<u>\$ 8,333</u>

Mortgage loan receivable for the 2006C, 2006D, 2007B, 2007C, 2008B and 2009ACF programs represents mortgage pass-through certificates (GNMA, FNMA, and FHLMC 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 and FHLMC certificates are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. In the 1991 Program, 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.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable (continued)**

**(b) *Investments and Mortgage Loan Receivable (continued)***

The fair values of GNMA and FNMA certificates and mortgage loans receivable at December 31 are as follows:

	<u>2015</u>	<u>2014</u>
	(in thousands)	(in thousands)
GNMA Certificates:		
1991 Program	\$ 1,059	\$ 1,265
2006C Program	2,095	2,311
2006D Program	1,832	2,147
2007B Program	2,145	2,501
2007C Program	5,084	6,559
2008B Program	1,459	1,636
2009ACF Program	18,062	20,601
	<u>31,736</u>	<u>37,020</u>
FNMA Certificates:		
1991 Program	99	826
2007B Program	578	584
	<u>677</u>	<u>1,410</u>
FHLMC Certificates:		
1991 Program	250	252
2006C Program	3,132	3,996
2006D Program	1,279	1,801
2007B Program	2,354	2,796
2007C Program	1,144	1,181
	<u>8,159</u>	<u>10,026</u>
	<u>\$ 40,572</u>	<u>\$ 48,456</u>



**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable (continued)**

**(b) Investments and Mortgage Loan Receivable (continued)**

**Investments and Mortgage Loan Receivable – Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority manages interest rate risk by matching the expected future maturity of the investments and mortgage loan receivable to the expected cash flow needs and bonds payable requirements. The Authority also limits the maximum maturity of investments in accordance with their investment policy.

The following table shows the Authority's investments and mortgage loan receivable and the related maturities in actively managed accounts at December 31, 2015:

(in thousands)	Remaining Maturity in Years				
	Fair value	Less Than 1	1-5	5-10	>10
Mortgage- backed securities	\$ 40,572	\$ -	\$ 350	\$ -	\$ 40,222
Fixed income investments	5,723	2,183	3,540	-	-
U.S. Treasury investments	250	-	250	-	-
Guaranteed investment contracts	8,342	-	-	-	8,342
Total	<u>\$ 54,887</u>	<u>\$ 2,183</u>	<u>\$ 4,140</u>	<u>\$ -</u>	<u>\$ 48,564</u>

The Authority's investments in guaranteed investment contracts are not subject to interest rate risk since the financial institutions guarantee the principal and interest on the investment.

The Authority receives a rate equal to the stated interest rate net the .50% servicer/administrator fee retained by the Servicer for GNMA, FNMA, and FHLMC securities. The mortgage loans have stated interest rates to the Authority as follows:

2006C Program	5.13%
2006D Program	5.34%
2007B Program	6.89%
2007C Program	5.86%
2008B Program	6.25%
2009ACF Program	3.40%

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(2) Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable (continued)**

**(b) Investments and Mortgage Loan Receivable (continued)**

**Investments – Credit Quality Risk**

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Authority. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. Government agencies not explicitly guaranteed by the U.S. Government.

The following table provides information on the credit ratings associated with the Authority's investments in debt securities at December 31, 2015 (in thousands of dollars):

<u>S&amp;P Rating</u>	<u>Total</u>	<u>Mortgage-backed Securities</u>	<u>GIC</u>
AAA	\$ 40,572	\$ 40,572	\$ -
AA-	8,342	-	8,342
	<u>\$ 48,914</u>	<u>\$ 40,572</u>	<u>\$ 8,342</u>

Failure of the financial institutions to meet minimum credit ratings requires the institutions to provide collateral to support the investment contract. At December 31, 2015, the GICs met the minimum credit ratings required by the Authority.

**Investments and Mortgage Loan Receivable- Concentration of Credit Risk**

The Authority's Investment Policy does not allow for more than 70% of the total investment portfolio to be invested in Bonds, debentures, note or otherwise evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America.

As of December 31, 2015, management believes all investments held and purchased for the Authority's portfolio during 2015, as it relates to Acts 374 and 1126 (effective June 29, 1995) adhered to the permitted investments section of LSA-R.S. 33:2955. In particular, securities held or purchased during the year include only U.S. Treasury bills, U.S. Treasury Notes, Hancock Horizon Treasury Securities Money Market Funds, and Federated Prime Obligation Funds.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(3) Bonds Payable**

Bonds payable are as follows at December 31:

	<b><u>2015</u></b> <b>(in thousands)</b>	<b><u>2014</u></b> <b>(in thousands)</b>
Single Family Mortgage Revenue Refunding Bonds, Series 2005A dated July 21, 2005 -- Bonds paid in full during 2015.	\$ -	\$ 7,277
Single Family Mortgage Revenue Refunding Bonds, Series 2006B dated July 26, 2006 - \$2,250 due December 1, 2032 at 5.25%, \$3,000 due June 1, 2037 at 4.60% (plus premium on bonds of \$661)	5,911	5,974
Single Family Mortgage Revenue Refunding Bonds, Series 2006C dated October 31, 2006 - \$3,040 due June 1, 2033 at 5.0%, and \$1,995 due December 1, 2038 at 5.0% (plus premium on bonds of \$468)	4,608	5,553
Single Family Mortgage Revenue Refunding Bonds, Series 2006D dated March 1, 2007 - \$3,615 due June 1, 2038 at 5.0% (plus premium on bonds of \$326)	3,191	3,969
Single Family Mortgage Revenue Refunding Bonds, Series 2007B dated June 1, 2007 - \$5,135 due December 1, 2048 at 5.7% (plus premium on bonds of \$396)	4,901	5,735
Single Family Mortgage Revenue Refunding Bonds, Series 2007C dated October 31, 2007 - \$390 due December 1, 2017 at 4.25%, \$1,395 due December 1, 2027 at 4.85%, \$2,390 due June 1, 2039 at 5.70%, and \$2,870 due December 1, 2039 at 5.50% (plus premium on bonds of \$677)	6,472	7,792

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(3) Bonds Payable (continued)**

	<u>2015</u> (in thousands)	<u>2014</u> (in thousands)
Single Family Mortgage Revenue Refunding Bonds, Series 2008B dated November 10, 2008 - \$1,450 due December 1, 2040 at 6.03% (plus premium on bonds of \$209)	1,498	1,676
Single Family Mortgage Revenue Refunding Bonds, Series 2009ACF dated November 22, 2011 - \$19,540 due December 1, 2041 at 2.32%.	<u>17,530</u>	<u>19,540</u>
Total bonds payable	<u>\$ 44,111</u>	<u>\$ 57,516</u>

The Authority is in compliance with its bond covenants at December 31, 2015 and 2014.

The bonds in the 1991 Program (sold in 2002) 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 June 1, 2016 (2006B) at 103.0% of the then outstanding balance and subsequently lesser prices declining to par and June 1, 2016 (2006C) at 103% of the then outstanding balance and subsequently lesser prices declining to par.

Under the Trust Indentures for the 2007B, 2007C, 2008B, and 2009ACF programs, the Authority has the option to redeem bonds maturing on or after any date as a whole at a redemption price equal to 100% of the principal amount thereof being redeemed, plus interest accrued to the date fixed for redemption.

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**  
**(IN THOUSANDS)**

**DECEMBER 31, 2015 AND 2014**

**(3) Bonds Payable (continued)**

A summary of scheduled bond maturities (in thousands) as of December 31, 2015 is as follows:

	2016	2017	2018	2019	2020	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2040	2041 - 2045	2046 - 2050	Premiums	Total
<b>Principal:</b>													
2006B Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 2,250	\$ 3,000	\$ -	\$ -	\$ 661	5,911
2006C Program	-	-	-	-	-	-	-	2,145	1,995	-	-	468	4,608
2006D Program	-	-	-	-	-	-	-	-	2,865	-	-	326	3,191
2007B Program	-	-	-	-	-	-	-	-	-	-	4,505	396	4,939
2007C Program	-	340	-	-	-	-	1,395	-	4,060	-	-	677	6,472
2008B Program	-	-	-	-	-	-	-	-	1,289	-	-	209	1,498
2009ACF Program	1,830	1,660	1,480	1,360	1,230	4,830	3,320	1,820	-	-	-	-	17,568
Total due each year	1,830	2,000	1,480	1,360	1,230	4,830	4,715	6,215	13,209	-	4,505	2,737	44,111
<b>Interest:</b>													
2006B Program	256	256	256	256	256	1,281	1,281	926	276	-	-	-	5,044
2006C Program	207	207	207	207	207	1,035	1,035	713	299	-	-	-	4,117
2006D Program	143	143	143	143	143	717	717	717	573	-	-	-	3,439
2007B Program	257	257	257	257	257	1,284	1,284	1,284	1,284	1,284	770	-	8,475
2007C Program	308	308	293	293	293	1,467	1,264	1,128	903	-	-	-	6,257
2008B Program	78	78	78	78	78	388	388	388	388	-	-	-	1,942
2009ACF Program	422	382	345	312	282	1,040	573	221	-	-	-	-	3,577
Total due each year	1,671	1,631	1,579	1,546	1,516	7,212	6,542	5,377	3,723	1,284	770	-	32,851
Total due	<u>\$ 3,501</u>	<u>\$ 3,631</u>	<u>\$ 3,059</u>	<u>\$ 2,906</u>	<u>\$ 2,746</u>	<u>\$ 12,042</u>	<u>\$ 11,257</u>	<u>\$ 11,592</u>	<u>\$ 16,932</u>	<u>\$ 1,284</u>	<u>\$ 5,275</u>	<u>\$ 2,737</u>	<u>\$ 76,962</u>

**JEFFERSON PARISH FINANCE AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**(3) Bonds Payable (continued)**

The other bond programs have 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:

	<u>2015</u>	<u>2014</u>
1985 Program -		
(defeased by the 1994 "1985" Program)	<u>\$ 32,595,000</u>	<u>\$ 32,595,000</u>

**(4) Net Position**

The net position included in the 1991 Program, totaling \$7,957,000 and \$8,326,000 as of December 31, 2015 and 2014, 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 position must be maintained by the Authority until all bonds and programs are liquidated. The remaining net position is restricted for specific operating uses as described in the trust indentures.

**(5) Related Party Transactions**

The Parish of Jefferson paid employee salaries and related expenses on behalf of The Authority in the amount of \$389,854 and \$416,076 for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, other liabilities include \$45,196 and \$43,974 due to the Parish of Jefferson for the employee expenses, respectively.

**(6) Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 11, 2016, and determined there were no items requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTAL INFORMATION**

JEFFERSON PARISH FINANCE AUTHORITYSCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM  
(IN THOUSANDS)AS OF DECEMBER 31, 2015(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	<u>1991</u> <u>Program</u>	<u>2005A</u> <u>Program</u>	<u>2006B</u> <u>Program</u>	<u>2006C</u> <u>Program</u>	<u>2006D</u> <u>Program</u>	<u>2007B</u> <u>Program</u>	<u>2007C</u> <u>Program</u>	<u>2008B</u> <u>Program</u>	<u>2009ACF</u> <u>Program</u>	<u>Total</u>
<b>Assets</b>										
Cash and cash equivalents	\$ 361	\$ -	\$ -	\$ 88	\$ 82	\$ 3	\$ -	\$ 9	\$ 374	\$ 917
Investment securities at fair value	5,973	-	7,424	364	173	89	292	-	-	14,315
Mortgage-backed securities	1,408	-	-	5,227	3,111	5,077	6,228	1,459	18,062	40,572
Accrued interest receivable	37	-	3	22	13	23	28	7	47	180
Down payment assistance and other receivable	392	-	-	-	-	-	-	-	-	392
Total assets	<u>\$ 8,171</u>	<u>\$ -</u>	<u>\$ 7,427</u>	<u>\$ 5,701</u>	<u>\$ 3,379</u>	<u>\$ 5,192</u>	<u>\$ 6,548</u>	<u>\$ 1,475</u>	<u>\$ 18,483</u>	<u>\$ 56,376</u>
<b>Liabilities and Net Position</b>										
Liabilities:										
Bonds payable, net	\$ -	\$ -	\$ 5,911	\$ 4,608	\$ 3,191	\$ 4,901	\$ 6,472	\$ 1,498	\$ 17,530	\$ 44,111
Accrued interest payable	-	-	1,306	920	12	21	26	6	34	2,325
Other liabilities	214	-	-	-	-	-	-	-	-	214
Total liabilities	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ 7,217</u>	<u>\$ 5,528</u>	<u>\$ 3,203</u>	<u>\$ 4,922</u>	<u>\$ 6,498</u>	<u>\$ 1,504</u>	<u>\$ 17,564</u>	<u>\$ 46,650</u>
Net Position:										
Restricted for debt	\$ -	\$ -	\$ 210	\$ 173	\$ 176	\$ 270	\$ 50	\$ (29)	\$ 919	\$ 1,769
Unrestricted										
Undesignated	1,141	-	-	-	-	-	-	-	-	1,141
Designated	6,816	-	-	-	-	-	-	-	-	6,816
Total net position	<u>7,957</u>	<u>-</u>	<u>210</u>	<u>173</u>	<u>176</u>	<u>270</u>	<u>50</u>	<u>(29)</u>	<u>919</u>	<u>9,726</u>
Total liabilities and net position	<u>\$ 8,171</u>	<u>\$ -</u>	<u>\$ 7,427</u>	<u>\$ 5,701</u>	<u>\$ 3,379</u>	<u>\$ 5,192</u>	<u>\$ 6,548</u>	<u>\$ 1,475</u>	<u>\$ 18,483</u>	<u>\$ 56,376</u>



JEFFERSON PARISH FINANCE AUTHORITYSCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM  
(IN THOUSANDS)FOR THE YEAR ENDED DECEMBER 31, 2015  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	<u>1991</u> <u>Program</u>	<u>2005A</u> <u>Program</u>	<u>2006B</u> <u>Program</u>	<u>2006C</u> <u>Program</u>	<u>2006D</u> <u>Program</u>	<u>2007B</u> <u>Program</u>	<u>2007C</u> <u>Program</u>	<u>2008B</u> <u>Program</u>	<u>2009ACF</u> <u>Program</u>	<u>Total</u>
Operating revenues:										
Investment income on mortgage loans	\$ 75	\$ -	\$ -	\$ 267	\$ 154	\$ 291	\$ 357	\$ 90	\$ 700	\$ 1,934
Appreciation (depreciation) in market value of investments	(18)	(3)	-	(124)	(88)	(81)	(134)	(10)	(261)	(719)
Investment income on investment securities	25	-	38	16	10	6	6	-	-	101
JMAP and SMAP Revenue	185	-	-	-	-	-	-	-	-	185
Total operating revenues	267	(3)	38	159	76	216	229	80	439	1,501
Operating expenses:										
Interest on debt	-	(181)	193	189	132	267	285	69	431	1,385
Bond issuance costs and other costs	80	-	-	-	-	-	-	-	-	80
Servicing fees	-	-	-	27	16	26	32	7	94	202
Trustee fees	38	-	-	2	1	2	2	1	7	53
Other operating expenses	660	-	-	-	-	-	-	-	-	660
Total operating expenses	778	(181)	193	218	149	295	319	77	532	2,380
Change in net assets before other financing sources (uses)	(511)	178	(155)	(59)	(73)	(79)	(90)	3	(93)	(879)
Other financing sources (uses)										
Operating transfers	232	(5)	-	(17)	(10)	(14)	(21)	(3)	(162)	-
Change in net assets	(279)	173	(155)	(76)	(83)	(93)	(111)	-	(255)	(879)
Net position at beginning of the year	8,236	(173)	365	249	259	363	161	(29)	1,174	10,605
Net position at end of the period	\$ 7,957	\$ -	\$ 210	\$ 173	\$ 176	\$ 270	\$ 50	\$ (29)	\$ 919	\$ 9,726

**JEFFERSON PARISH FINANCE AUTHORITY**  
**SCHEDULE OF CASH FLOWS BY PROGRAM**  
**(IN THOUSANDS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)**

	1991 Program	2005A Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	Total
<b>Cash flows from operating activities:</b>										
Cash receipts for:										
Investment income on mortgage loans	\$ 76	\$ -	\$ -	\$ 270	\$ 157	\$ 294	\$ 363	\$ 90	\$ 700	\$ 1,950
Investment income on investment securities	25	1	35	16	10	6	6	1	7	107
Other revenue	185	-	-	-	-	-	-	-	-	185
Cash payments for:										
Down payment assistance	(201)	-	-	-	-	-	-	-	-	(201)
Interest on debt	-	115	(124)	(150)	(166)	(296)	(371)	(88)	(435)	(1,515)
Servicing fees	-	-	-	(27)	(16)	(26)	(32)	(7)	(94)	(202)
Other operating expenses	(736)	-	-	(2)	(1)	(2)	(2)	(1)	(7)	(751)
Net cash provided by (used in) operating activities	(651)	116	(89)	107	(16)	(24)	(36)	(5)	171	(427)
<b>Cash flows from noncapital financing activities:</b>										
Bonds payments	-	(7,241)	6	(888)	(747)	(808)	(1,240)	(160)	(2,010)	(13,088)
Operating transfers	232	(5)	-	(17)	(10)	(14)	(21)	(3)	(162)	-
Net cash provided by (used in) noncapital financing activities	232	(7,246)	6	(905)	(757)	(822)	(1,261)	(163)	(2,172)	(13,088)
<b>Cash flows from investing activities:</b>										
Proceeds from sale of investment securities	-	7,132	7,507	-	24	123	-	-	-	14,786
Proceeds from mortgage loan repayments	933	-	-	956	749	723	1,378	167	2,278	7,186
Acquisition of investment securities	(842)	(3)	-	(158)	-	-	(81)	-	-	(1,084)
Acquisition of mortgage loans	-	-	(7,424)	-	-	-	-	-	-	(7,424)
Net cash provided by investing activities	93	7,129	83	798	773	846	1,297	167	2,278	13,464
Net increase (decrease) in cash and cash equivalents	(326)	(1)	-	-	-	-	-	(1)	277	(51)
Cash and cash equivalents at beginning of period	687	1	-	88	82	3	-	10	97	968
Cash and cash equivalents at end of year	\$ 361	\$ -	\$ -	\$ 88	\$ 82	\$ 3	\$ -	\$ 9	\$ 374	\$ 917
<b>Reconciliation of changes in net position to net cash provided by (used in) operating activities:</b>										
Changes in net position	\$ (511)	\$ 178	\$ (155)	\$ (59)	\$ (73)	\$ (79)	\$ (90)	\$ 3	\$ (93)	\$ (879)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:										
Amortization of bond premium	-	(37)	(69)	(57)	(31)	(25)	(80)	(18)	-	(317)
Unrealized losses on investments	18	3	-	124	88	81	134	10	261	719
Changes in assets and liabilities:										
(Increase) decrease in accrued interest and other receivables	(200)	1	(3)	3	3	3	6	1	7	(179)
Increase in other liabilities	42	-	-	-	-	-	-	-	-	42
Increase (decrease) in accrued interest payable	-	(29)	138	96	(3)	(4)	(6)	(1)	(4)	187
Net cash provided by (used in) operating activities	\$ (651)	\$ 116	\$ (89)	\$ 107	\$ (16)	\$ (24)	\$ (36)	\$ (5)	\$ 171	\$ (427)

**JEFFERSON PARISH FINANCE AUTHORITY**  
**SCHEDULE OF BOARD MEMBERS' COMPENSATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

The members of the Authority's Board of Trustees receive per diem payments for weekly Board meetings attended; approved committee meetings 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, 2015, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	<b>Regular Board Per Diems</b>	<b>Extra Approved Per Diems</b>	<b>2015 Total</b>
Berthelot, Jackie	50	17	67
Boyter, Mitchell	50	13	63
DiMarco, Dennis	41	10	51
Drawe, Michael F.	46	7	53
Faia, Gregory	41	8	49
Muscarello, Frank L.	49	10	59
Schudmak, Sam	42	3	45
Simmons, Dalton	12	0	12
Woodruff, Ebony	13	6	19

Per Diem Payments:

	<b><u>2015</u></b>
Berthelot, Jackie	\$ 10,050
Boyter, Mitchell	9,450
DiMarco, Dennis	7,650
Drawe, Michael F.	7,950
Faia, Gregory	7,350
Muscarello, Frank L.	8,850
Schudmak, Sam	6,750
Simmons, Dalton	1,800
Woodruff, Ebony	2,850
	<b><u>\$ 62,700</u></b>

See accompanying independent auditors' report.

**JEFFERSON PARISH FINANCE AUTHORITY****SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER****FOR THE YEAR ENDED DECEMBER 31, 2015****Agency Head Name: Terry McCarthy, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$128,661.63
Benefits-insurance	3,000.00
Benefits-retirement	12,199.18
Benefits	-
Car allowance	11,086.08
Vehicle provided by government	-
Per diem	-
Reimbursements	335.69
Travel	1,636.72
Registration fees	2,025.00
Conference travel	1,180.49
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$160,124.79</u>

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Jefferson Parish Finance Authority

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Jefferson Parish Finance Authority (the Authority), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 11, 2016.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*For Metairie & Metairie*

Metairie, Louisiana  
April 11, 2016