JEFFERSON PARISH FINANCE AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2013

P&N Postlethwaite & Netterville
A Professional Accounting Corporation
www.pncpa.com

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Table of Contents

Postlethwaite & Netterville
A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
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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, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 audit 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.

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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, 2013 and 2012, 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.

Change in Accounting Principle

As described in Note 5 to the financial statements, the Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows and inflows of resources and also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues or expenses when incurred and not reported in the statements of net position. Our opinion is not modified with respect to this matter.

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 4 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 4 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 23, 2014 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.

Postlethwaite + Netterville

Metairie, Louisiana
April 23, 2014

JEFFERSON PARISH FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2013 AND 2012

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 year that ended December 31, 2013. Please read it 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.

2013

The Authority's net position represents 11% of its total assets. With total assets approximating $88 million, the Authority had changes in net position of approximately ($4.0) million for the year ended December 31, 2013.

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). This program is not a bond program as the Authority has utilized in the past. The JMAP program is accounted for in the 1991 program. The program was created in September 2013 and reported limited activity for 2013.

- The Authority's net position decreased by $4.0 million due primarily to the decrease in investment income on mortgage backed securities of $4.3 million in fiscal year 2013. The decrease in investment income is a result of the decrease in the balance of mortgage backed securities of approximately $17.0 million in 2013.

- During the year ended December 31, 2013, the Authority adopted the GASB Statement No. 65. The implementation of GASB Statement No. 65 is reported as a restatement of amounts previously reported. See Note 5 to the financial statements.

2012

The Authority's net position represents 10% of its total assets. With total assets approximating $132 million, the Authority had changes in net position of approximately ($3.2) million for the year ended December 31, 2012.

The Authority's financial highlights include:

- During the year ended December 31, 2012, the 2003A, 2003C, and 2004A mortgage backed securities were sold at a premium. The proceeds from the sales of the mortgage backed securities were used to purchase United States Treasury bills which will mature on the date each bond is callable.

- The Authority's net position decreased by $3.2 million due primarily to depreciation in the market value of its investments in mortgage backed securities of $3.7 million.

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 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.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

2013

The Authority's total net position at December 31, 2013 decreased to $9,644, a decrease of 29% from December 31, 2012. (See Table A-1) Total assets decreased by $43,617 due primarily to a decrease in mortgage-backed securities of $16,948, decrease in investments securities of $17,067 and a decrease in cash of $9,599. The liabilities decreased by $39,609 due to the decrease in bonds payable of $39,710 and increase in other liabilities of $101.

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

	2013	2012 (as restated)	Increase (Decrease)
Cash and cash equivalents	$ 2,894	$ 12,493	$ (9,599)
Investments	13,965	31,032	(17,067)
Mortgage-backed securities	70,850	87,798	(16,948)
Other assets	354	357	(3)
Total assets	88,063	131,680	(43,617)
Other liabilities	2,124	2,023	101
Bonds payable	76,295	116,005	(39,710)
Total liabilities	78,419	118,028	(39,609)
Net position			
Restricted for debt	1,692	5,233	(3,541)
Unrestricted			
Undesignated	1,148	2,631	(1,483)
Designated	6,804	5,788	1,016
	9,644	13,652	(4,008)
Total liabilities and net position	$ 88,063	$ 131,680	$ (43,617)

2012

The Authority's total net position at December 31, 2012 decreased to $13,652, a decrease of 19% from December 31, 2011. (See Table A-1) Total assets decreased by $23,981 due primarily to a decrease in mortgage-backed securities of $38,287 and a decrease in cash of $13,557 offset by an increase in investment securities of $28,123, and the decrease in other assets of $170. The liabilities decreased by $20,669 due to the decrease in bonds payable of $20,794 and increase in other liabilities of $125.

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

	2012 (as restated)	2011 (as restated)	Increase (Decrease)
Cash and cash equivalents	$ 12,493	$ 26,050	$ (13,557)
Investments	31,032	2,909	28,123
Mortgage-backed securities	87,798	126,085	(38,287)
Other assets	357	527	(170)
Total assets	131,680	155,571	(23,891)
Other liabilities	2,023	1,898	125
Bonds payable	116,005	136,799	(20,794)
Total liabilities	118,028	138,697	(20,669)
Net position			
Restricted for debt	5,233	9,356	(4,123)
Unrestricted			
Undesignated	2,631	3,195	(564)
Designated	5,788	4,323	1,465
	13,652	16,874	(3,222)
Total liabilities and net position	$ 131,680	$ 155,571	$ (23,891)

Changes in Net Position

2013

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

	2013	2012 (as restated)	Increase (Decrease)
Operating revenues:			
Investment income on mortgage loans	$ 3,385	$ 7,659	$ (4,274)
Depreciation in fair value on investments	(2,653)	(3,738)	1,085
Investment income on investments	198	174	24
Other	68	61	7
Total operating revenues	998	4,156	(3,158)
Operating expenses:	5,006	7,378	(2,372)
Change in net position	(4,008)	(3,222)	(786)
Total net position, beginning of the year	13,652	16,874	(3,222)
Total net position, end of the year	$ 9,644	$ 13,652	$ (4,008)

Operating revenues decreased by 76% to $998 thousand. This decrease in revenue is primarily due to the decrease in investment income on mortgage loans.

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

	2013	2012	Increase (Decrease)
Interest on debt	$ 3,478	$ 5,260	$ (1,782)
Bond issuance and other costs	486	387	99
Servicing fees	361	471	(110)
Other	681	1,260	(579)
Total operating expenses	$ 5,006	$ 7,378	$ (2,372)

Operating expenses decreased due to $1,782 less of interest payments on debt in 2013 than in 2012. Additional decrease of $110 in servicing fees is due to the decrease in mortgage loans as a result of the closing of three programs (2003A, 2003C, and 2004A) during 2012. Other expense decreased as the costs of the roll-up of bond programs (2003A, 2003C, and 2004A) were incurred during the year ended December 31, 2012.

2012

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

	2012 (as restated)	2011 (as restated)	Increase (Decrease)
Operating revenues:			
Investment income on mortgage loans	$ 7,659	$ 7,082	$ 577
Appreciation (depreciation) in fair value on investments	(3,738)	1,725	(5,463)
Investment income on investments	174	160	14
Other	61	356	(295)
Total operating revenues	4,156	9,323	(5,167)
Operating expenses:	7,378	7,201	177
Change in net position	(3,222)	2,122	(5,344)
Total net position, beginning of the year	16,874	14,752	2,122
Total net position, end of the year	$ 13,652	$ 16,874	$ (3,222)

Operating revenues decreased by 55% to $4,156 million. This decrease in revenue is primarily due depreciation in fair value of investments. Decrease in other revenue is due to income earned during the prior year on warehoused loans in the 2009A program.

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

	2012 (as restated)	2011 (as restated)	Increase (Decrease)
Interest on debt	$ 5,260	$ 5,105	$ 155
Bond issuance and other costs	387	458	(71)
Servicing fees	471	614	(143)
Other	1,260	1,024	236
Total operating expenses	$ 7,378	$ 7,201	$ 177

Operating expenses decreased due to $155 more of interest payments on debt in 2012 than in 2011. Additional decrease of $143 in servicing fees is due to the closing of three programs during 2010 and an additional three programs in 2011. Other expenses increased due to the additional costs of the roll-up of the bonds programs (2003A, 2003C, and 2004A) during the year ended December 31, 2012.

DEBT ADMINISTRATION

2013

Total indebtedness for bonds payable was $76 million as of December 31, 2013 compared to $116 million at December 31, 2012. The decrease in bonds payable is the result of payoff of the 2003A and 2003C Programs during fiscal year 2013. All bond debt and lease covenants have been met.

2012

Total indebtedness for bonds payable was $116 million as of December 31, 2012 compared to $137 million at December 31, 2011. The decrease in bonds payable is the result of higher than normal prepayments for Series 2006B, 2006D, 2007B, and 2007C during 2012. 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 not being conductive to the issuance of new bond programs, the Authority offered a market rate program which provides fees to the Authority as each loan is sold.
- The overall operating expenses of the Authority were reduced in 2013. The revenues for 2014 should be sufficient to meet budget needs and allow for the continuation of the current market rate program or allow for the introduction of new bond programs when market conditions permit.

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, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 2,894	$ 12,493
Investment securities at fair value	13,965	31,032
Mortgage-backed securities	70,850	87,798
Accrued interest receivable	298	357
Other receivable	56	-
Total assets	$ 88,063	$ 131,680
Liabilities and Net Position		
Liabilities:		
Bonds payable, net	$ 76,295	$ 116,005
Accrued interest payable	1,980	1,897
Other liabilities	144	126
Total liabilities	78,419	118,028
Net Position:		
Restricted for debt	1,692	5,233
Unrestricted		
Undesignated	1,148	2,631
Designated	6,804	5,788
Total net position	9,644	13,652
Total liabilities and net position	$ 88,063	$ 131,680

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, 2013 AND 2012

	2013	2012
Operating revenues:		
Investment income on mortgage loans	$ 3,385	$ 7,659
Depreciation in fair market value of investments in mortgage-backed securities	(2,653)	(3,738)
Investment income on investment securities	198	174
Other revenue	68	61
Total operating revenues	998	4,156
Operating expenses:		
Interest on debt	3,478	5,260
Bond issuance costs and other costs	486	387
Servicing fees	361	471
Trustee fees	52	81
Other operating expenses	629	1,179
Total operating expenses	5,006	7,378
Change in net position before other financing sources:	(4,008)	(3,222)
Other financing sources:		
Operating transfers	-	-
Total other financing sources	-	-
Change in net position	(4,008)	(3,222)
Net position at beginning of the year (restated, Note 5)	13,652	16,874
Net position at end of the year	$ 9,644	$ 13,652

See accompanying notes to financial statements.

JEFFERSON PARISH FINANCE AUTHORITY

STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
Cash flows from operating activities:		
Cash receipts for:		
Investment income on mortgage loans	$ 3,441	$ 7,866
Investment income on investment securities	244	138
Other revenue	12	17
Cash payments for:		
Interest on debt	(4,289)	(5,520)
Servicing fees	(361)	(438)
Other operating expenses	(1,150)	(1,651)
Net cash provided by (used in) operating activities	(2,103)	412
Cash flows from noncapital financing activities:		
Bond payments	(38,819)	(20,364)
Net cash used in noncapital financing activities	(38,819)	(20,364)
Cash flows from investing activities:		
Proceeds from sale of investment securities	26,184	262
Proceeds from mortgage loan repayments	20,745	45,857
Acquisition of investment securities	(9,140)	(28,404)
Acquisition of mortgage loans	(6,466)	(11,320)
Net cash provided by investing activities	31,323	6,395
Net decrease in cash and cash equivalents	(9,599)	(13,557)
Cash and cash equivalents at beginning of year	12,493	26,050
Cash and cash equivalents at end of year	$ 2,894	$ 12,493
Reconciliation of changes in net position to net cash used in operating activities:		
Changes in net position	$ (4,008)	$ (3,222)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:		
Amortization of bond premium and discount	(893)	(430)
Unrealized losses (gains) on investments in mortgage-backed securities	2,694	3,769
Change in assets and liabilities:		
Accrued interest receivable	3	170
Other liabilities	18	4
Accrued interest payable	83	121
Net cash provided by (used in) operating activities	$ (2,103)	$ 412

See accompanying notes to financial statements.

(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, 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)
December 31, 1991	Single Family Mortgage Revenue Bonds, Series 1991 (1991 Program)	$ 19,175
May 29, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003A (2003A Program)	$ 15,000
December 12, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003C (2003C Program)	$ 30,000
August 4, 2004	Single Family Mortgage Revenue Refunding Bonds, Series 2004A (2004A Program)	$ 20,000
July 21, 2005	Single Family Mortgage Revenue Refunding Bonds, Series 2005A (2005A Program)	$ 20,000

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

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

During the year ended December 31, 2012, the 2003A, 2003C, and 2004A mortgage backed securities were sold at a premium. The proceeds from the sales of the mortgage backed securities were used to purchase United States Treasury Bills which will mature on the date each bond is callable. Therefore, on the date the investments mature their proceeds will be used to redeem the bonds in full. The respective maturity dates are 2003A – June 1, 2013, 2003C – December 1, 2013, and 2004A – June 1, 2014.

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

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.

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.

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

(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 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.

(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, 2013 and 2012.

(h) Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused annual and sick pay benefits. Employees may carry over annual leave up to forty days and an unlimited amount of sick leave. However, at the time of an employee's separation they are only paid for up to twenty days of annual leave and forty days of sick leave. The compensated absences policy of the Authority is consistent with the compensated absences policy of Jefferson Parish. At December 31, 2013 and 2012, compensated absences of $56,000 are included in other liabilities.

(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. Actual amounts could be different from the estimates.

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

(a) *Cash, Cash Equivalents and Deposits*

Cash deposits and cash equivalents of $2,894 and $12,493 at December 31, 2013 and 2012, respectively, are held in financial institutions.

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. At December 31, 2013 and 2012, the Authority's deposits with banks consisted of cash of $52 and $91 and money market funds of $2,842 and $12,402. Of the cash balance at December 31, 2013 and 2012, $52 and $91 is covered by federal depository insurance. 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.

(b) *Investments and Mortgage Loan Receivable*

At December 31, 2013 and 2012, investments were held as specifically as required under terms of the Trust Indentures and the State of Louisiana investment laws. These investments include U.S. Treasury bills, U.S. Treasury notes, guaranteed investment contracts, and certificates of deposit.

Statutes authorize the Authority to invest in bonds, debentures, notes 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 U.S., (1) Direct U.S. Treasury obligations; which obligations include but are not limited to (2) U.S. Export-Import Bank; (3) Farmers Home Administration; (4) Federal Financing Bank; (5) Federal Housing Administration Debentures; (6) General Services Administration; (7) Government National Mortgage Association - guaranteed mortgage-backed bonds and guaranteed pass-through obligations; (8) U.S. Maritime Administration - guaranteed Title XI financing, and (9) U.S. Department of Housing and Urban Development.

Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored and such 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.

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

The following are the components of the Authority's cash, investments, and mortgage loan receivable at December 31, 2013 and 2012 (in thousands):

	Unrestricted	Restricted	Total
2013			
Cash and cash equivalents	$ 1,921	$ 973	$ 2,894
Investments	3,849	10,116	13,965
Mortgage loan receivable	2,239	68,611	70,850
Total	$ 8,009	$ 79,700	$ 87,709
2012			
Cash and cash equivalents	$ 1,400	$ 11,093	$ 12,493
Investments	2,449	28,583	31,032
Mortgage loan receivable	4,673	83,125	87,798
Total	$ 8,522	$ 122,801	$ 131,323

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

	2013 (in thousands)	2012 (in thousands)
Guaranteed Investment Contracts:		
2005A Program	588	335
2006B Program	699	784
2006C Program	99	373
2006D Program	309	579
2007B Program	405	411
2007C Program	525	748
	$ 2,625	$ 3,230

Mortgage loan receivable for the 2005A, 2006B, 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.

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

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

	2013 (in thousands)	2012 (in thousands)
GNMA Certificates:		
1991 Program	$ 1,410	$ 1,625
2005A Program	6,553	8,428
2006B Program	4,058	5,242
2006C Program	2,518	3,656
2006D Program	2,654	3,846
2007B Program	3,118	3,866
2007C Program	8,243	10,449
2008B Program	2,294	3,550
2009ACF Program	20,545	15,602
	51,393	56,264
FNMA Certificates:		
1991 Program	827	1,276
2005A Program	1,627	2,153
2006B Program	2,032	3,471
2007B Program	589	837
	5,075	7,737
FHLMC Certificates:		
1991 Program	-	1,750
2006B Program	2,312	3,526
2006C Program	4,346	6,503
2006D Program	2,632	4,576
2007B Program	3,483	4,815
2007C Program	1,607	2,605
	14,380	23,775
Mortgage Loans:		
1991 Program	2	22
	$ 70,850	$ 87,798

(2) Cash, Cash Equivalents, Investment Securities, 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, 2013:

		Remaining Maturity in Years			
(in thousands)	Fair value	Less Than 1	1-5	5-10	>10
Mortgage- backed securities	$ 70,850	$ -	$ 828	$ -	$ 70,022
Mortage loan receivables	2	-	2	-	-
Fixed income investments	3,849	1,362	2,487	-	-
U.S. Treasury investments	7,489	7,489	-	-	-
Guaranteed investment contracts	2,625	-	-	-	2,625
Money market funds	2,842	2,842	-	-	-
Total	$ 87,657	$ 11,693	$ 3,317	$ -	$ 72,647

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:

2005A Program	5.90%
2006B Program	5.84%
2006C Program	5.63%
2006D Program	5.86%
2007B Program	6.39%
2007C Program	6.36%
2008B Program	6.75%
2009ACF Program	3.50%

(2) Cash, Cash Equivalents, Investment Securities, 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, 2013 (in thousands of dollars):

S&P Rating	Total	Mortgage-backed Securities	GIC
AAA	$ 70,850	$ 70,850	$ -
AA-	687	-	687
A	1,938	-	1,938
	$ 73,475	$ 70,850	$ 2,625

Failure of the financial institutions to meet minimum credit ratings requires the institutions to provide collateral to support the investment contract. During the year ended December 31, 2012 the GICs invested in/held by the Authority were downgraded. At December 31, 2013, 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, 2013, management believes all investments held and purchased for the Authority's portfolio during 2013, 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.

(3) Bonds Payable

Bonds payable are as follows at December 31:

	2013 (in thousands)	2012 (in thousands)
Single Family Mortgage Revenue Refunding Bonds, Series 2003A dated May 29, 2003 – bonds paid in full during 2013	$ -	$ 6,740
Single Family Mortgage Revenue Refunding Bonds, Series 2003C dated December 11, 2003 – bonds paid in full during 2013	-	10,524
Single Family Mortgage Revenue Refunding Bonds, Series 2004A dated June 17, 2004 - $380 due June 1, 2015 at 4.7%, $1,460 due December 1, 2024 at 5.1%, $1,530 due December 1, 2034 at 5.25%, $1,525 due June 1, 2035 at 5.25%, and $2,350 due December 1, 2035 at 5.9% (plus premium on bonds of $250)	7,495	7,603
Single Family Mortgage Revenue Refunding Bonds, Series 2005A dated July 21, 2005 - $400 due June 1, 2015 at 4.0%, $4,680 due December 1, 2035 at 4.65%, and $2,680 due June 1, 2036 at 5.55% (plus premium on bonds of $382)	8,142	10,128
Single Family Mortgage Revenue Refunding Bonds, Series 2006B dated July 26, 2006 - $4,185 due December 1, 2032 at 5.25%, $3,000 due June 1, 2037 at 4.60% (plus premium on bonds of $790)	7,975	11,773
Single Family Mortgage Revenue Refunding Bonds, Series 2006C dated October 31, 2006 - $3,690 due June 1, 2033 at 5.0%, and $1,995 due December 1, 2038 at 5.0% (plus premium on bonds of $572)	6,257	9,728
Single Family Mortgage Revenue Refunding Bonds, Series 2006D dated March 1, 2007 - $5,600 due June 1, 2038 at 5.0% (plus premium on bonds of $384)	5,984	8,599

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

	2013 (in thousands)	2012 (in thousands)
Single Family Mortgage Revenue Refunding Bonds, Series 2007B dated June 1, 2007 - $6,890 due December 1, 2048 at 5.7% (plus premium on bonds of $444)	7,334	9,430
Single Family Mortgage Revenue Refunding Bonds, Series 2007C dated October 31, 2007 - $525 due December 1, 2017 at 4.25%, $1,670 due December 1, 2027 at 4.85%, $3,680 due June 1, 2039 at 5.70%, and $3,435 due December 1, 2039 at 5.50% (plus premium on bonds of $822)	10,132	13,393
Single Family Mortgage Revenue Refunding Bonds, Series 2008B dated November 10, 2008 - $2,073 due December 1, 2040 at 6.03 (plus premium on bonds of $243)	2,316	3,447
Single Family Mortgage Revenue Refunding Bonds, Series 2009ACF dated November 22, 2011 - $20,660 due December 1, 2041 at 2.32%.	20,660	24,640
Total bonds payable	$ 76,295	$ 116,005

The Authority is in compliance with its bond covenants.

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, 2015 (2005A) at 101% of the then outstanding balance and subsequently lesser prices declining to par; 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, 2013 AND 2012

(3) Bonds Payable (continued)

A summary of scheduled bond maturities (in thousands) as of December 31, 2013 is as follows:

	2014	2015	2016	2017	2018	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	2044-2048	Premiums	Total
Principal:													
2004A Program	$ -	$ 380	$ -	$ -	$ -	$ -	$ 1,460	$ -	$ 5,405	$ -	$ -	$ 250	$ 7,495
2005A Program	-	400	-	-	-	-	-	-	7,360	-	-	382	8,142
2006B Program	-	-	-	-	-	-	-	4,185	3,000	-	-	790	7,975
2006C Program	-	-	-	-	-	-	-	3,690	1,995	-	-	572	6,257
2006D Program	-	-	-	-	-	-	-	-	5,600	-	-	384	5,984
2007B Program	-	-	-	-	-	-	-	-	-	-	6,890	444	7,334
2007C Program	-	-	-	525	-	-	1,670	-	-	7,115	-	822	10,132
2008B Program	-	-	-	-	-	-	-	-	-	2,073	-	243	2,316
2009ACF Program	1,520	1,790	1,940	1,830	1,660	6,250	4,130	1,540	-	-	-	-	20,660
Total due each year	1,520	2,570	1,940	2,355	1,660	6,250	7,260	9,415	23,360	9,188	6,890	3,887	76,295
Interest:													
2004A Program	391	391	373	373	373	1,867	1,570	1,495	518	-	-	-	7,351
2005A Program	382	382	366	366	366	1,832	1,832	1,832	881	-	-	-	8,239
2006B Program	358	358	358	358	358	1,789	1,789	1,569	690	-	-	-	7,627
2006C Program	284	284	284	284	284	1,421	1,421	1,237	499	-	-	-	5,998
2006D Program	280	280	280	280	280	1,400	1,400	1,400	1,400	-	-	-	7,000
2007B Program	393	393	393	393	393	1,963	1,964	1,964	1,964	1,964	1,964	-	13,748
2007C Program	502	502	502	502	502	480	2,398	2,317	1,993	399	-	-	10,097
2008B Program	125	125	125	125	125	625	625	625	625	250	-	-	3,375
2009ACF Program	510	467	422	382	345	1,285	739	366	-	-	-	-	4,516
Total due each year	3,225	3,182	3,103	3,063	3,026	12,662	13,738	12,805	8,570	2,613	1,964	-	67,951
Total due	$ 4,745	$ 5,752	$ 5,043	$ 5,418	$ 4,686	$ 18,912	$ 20,998	$ 22,220	$ 31,930	$ 11,801	$ 8,854	$ 3,887	$ 144,246

(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:

	2013	2012
1985 Program -		
(defeased by the 1994 "1985" Program)	$ 32,595,000	$ 32,595,000

(4) Net Position

The net position included in the 1991 Program, totaling $7,952,000 and $8,419,000 as of December 31, 2013 and 2012, 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) Change in Accounting Principles

The Authority has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* GASB Statement No. 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position.

The Authority implemented this standard effective January 1, 2012. The impact as follows:

Previously reported net position as of January 1, 2012	$ 20,239,000
Adjustment to net position as a result of the implementation of GASB Statement No. 65	(3,365,000)
Net position as of January 1, 2012, as restated	$ 16,874,000
Previously reported change in net position for the year ended December 31, 2012	$ (3,124,000)
Adjustment as a result of the implementation of GASB Statement No. 65	(98,000)
Change in net position for the year ended December 31, 2012, as restated	$ (3,222,000)

(5) Change in Accounting Principles (continued)

The GASB issued Statement No. 66, Technical Corrections – 2012 in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for 2013. There was no impact to the Authority with the implementation of this statement.

(6) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 23, 2014, and determined there were no items requiring disclosure.

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM (IN THOUSANDS)

AS OF DECEMBER 31, 2013
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	1991 Program	2003 A Program	2003 C Program	2004 A Program	2005A Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	Total
Assets													
Cash and cash equivalents	$ 1,921	$ -	$ -	$ 18	$ -	$ -	$ 88	$ 629	$ 127	$ -	$ 14	$ 97	$ 2,894
Investment securities at fair value	3,849	-	-	7,489	588	700	100	308	406	525	-	-	13,965
Mortgage-backed securities	2,239	-	-	-	8,180	8,402	6,864	5,286	7,190	9,850	2,294	20,545	70,850
Accrued interest receivable	31	-	-	-	35	36	28	23	34	44	11	56	298
Other receivable	56	-	-	-	-	-	-	-	-	-	-	-	56
Total assets	$ 8,096	$ -	$ -	$ 7,507	$ 8,803	$ 9,138	$ 7,080	$ 6,246	$ 7,757	$ 10,419	$ 2,319	$ 20,698	$ 88,063
Liabilities and Net Position													
Liabilities:													
Bonds payable, net	$ -	$ -	$ -	$ 7,495	$ 8,142	$ 7,975	$ 6,257	$ 5,984	$ 7,334	$ 10,132	$ 2,316	$ 20,660	$ 76,295
Accrued interest payable	-	-	-	33	32	1,039	727	23	33	42	10	41	1,980
Other liabilities	144	-	-	-	-	-	-	-	-	-	-	-	144
Total liabilities	144	-	-	7,528	8,174	9,014	6,984	6,007	7,367	10,174	2,326	20,701	78,419
Net Position:													
Restricted for debt	-	-	-	(21)	629	124	96	239	390	245	(7)	(3)	1,692
Unrestricted													
Undesignated	1,148	-	-	-	-	-	-	-	-	-	-	-	1,148
Designated	6,804	-	-	-	-	-	-	-	-	-	-	-	6,804
Total net position	7,952	-	-	(21)	629	124	96	239	390	245	(7)	(3)	9,644
Total liabilities and net position	$ 8,096	$ -	$ -	$ 7,507	$ 8,803	$ 9,138	$ 7,080	$ 6,246	$ 7,757	$ 10,419	$ 2,319	$ 20,698	$ 88,063

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
(IN THOUSANDS)

FOR THE YEAR ENDED DECEMBER 31, 2013
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	1991 Program	2003 A Program	2003 C Program	2004A Program	2005A Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	Total
Operating revenues:													
Investment income on mortgage loans	$ 122	$ -	$ -	$ -	$ 452	$ 454	$ 299	$ 278	$ 408	$ 552	$ 131	$ 689	$ 3,385
Appreciation (depreciation) in market value of investments	(153)	22	(3)	1	(158)	(253)	(155)	(166)	(32)	(125)	(107)	(1,524)	(2,653)
Investment income on investment securities	62	(19)	23	19	25	8	31	27	10	11	-	1	198
Other revenue	68	-	-	-	-	-	-	-	-	-	-	-	68
Total operating revenues	99	3	20	20	319	209	175	139	386	438	24	(834)	998
Operating expenses:													
Interest on debt	-	(69)	142	368	414	383	308	326	437	514	137	518	3,478
Bond issuance costs and other costs	93	-	-	-	-	-	-	-	-	-	-	393	486
Servicing fees	-	-	-	-	44	48	37	34	40	53	13	92	361
Trustee fees	24	-	-	-	3	3	2	3	3	4	1	9	52
Other operating expenses	604	-	-	25	-	-	-	-	-	-	-	-	629
Total operating expenses	721	(69)	142	393	461	434	347	363	480	571	151	1,012	5,006
Change in net assets before other financing sources (uses)	(622)	72	(122)	(373)	(142)	(225)	(172)	(224)	(94)	(133)	(127)	(1,846)	(4,008)
Other financing sources (uses)													
Operating transfers	155	(217)	(37)	-	(21)	(35)	(23)	(21)	(21)	(34)	(5)	259	-
Change in net assets	(467)	(145)	(159)	(373)	(163)	(260)	(195)	(245)	(115)	(167)	(132)	(1,587)	(4,008)
Net position at beginning of the year (restated, Note 5)	8,419	145	159	352	792	384	291	484	505	412	125	1,584	13,652
Net position at end of the period	$ 7,952	$ -	$ -	$ (21)	$ 629	$ 124	$ 96	$ 239	$ 390	$ 245	$ (7)	$ (3)	$ 9,644

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE OF CASH FLOWS BY PROGRAM
(IN THOUSANDS)

FOR THE YEAR ENDED DECEMBER 31, 2013
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	1991 Program	2003 A Program	2003 C Program	2004 A Program	2005A Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	Total
Cash flows from operating activities:													
Cash receipts for:													
Investment income on mortgage loans	$ 114	$ -	$ -	$ -	$ 452	$ 469	$ 312	$ 289	$ 418	$ 567	$ 131	$ 689	$ 3,441
Investment income on investment securities	62	27	23	19	34	8	31	27	10	11	6	(14)	244
Other revenue	12	-	-	-	-	-	-	-	-	-	-	-	12
Cash payments for:													
Interest on debt	-	(203)	(516)	(368)	(459)	(330)	(279)	(368)	(472)	(608)	(161)	(525)	(4,289)
Servicing fees	-	-	-	-	(44)	(48)	(37)	(34)	(40)	(53)	(13)	(92)	(361)
Other operating expenses	(703)	-	-	(25)	(4)	(3)	(2)	(3)	(3)	(4)	(1)	(402)	(1,150)
Net cash provided by (used in) operating activities	(515)	(176)	(493)	(374)	(21)	96	25	(89)	(87)	(87)	(38)	(344)	(2,103)
Cash flows from noncapital financing activities:													
Bonds payments	-	(6,495)	(10,195)	(108)	(1,949)	(3,729)	(3,414)	(2,584)	(2,071)	(3,181)	(1,113)	(3,980)	(38,819)
Operating transfers	155	(217)	(37)	-	(21)	(35)	(23)	(21)	(21)	(34)	(5)	259	-
Net cash provided by (used in) noncapital financing activities	155	(6,712)	(10,232)	(108)	(1,970)	(3,764)	(3,437)	(2,605)	(2,092)	(3,215)	(1,118)	(3,721)	(38,819)
Cash flows from investing activities:													
Proceeds from sale of investment securities	-	6,687	10,679	7,963	-	84	272	271	5	223	-	-	26,184
Proceeds from mortgage loan repayments	2,281	-	3	-	2,243	3,584	3,140	2,970	2,296	3,079	1,149	-	20,745
Acquisition of investment securities	(1,400)	-	-	(7,488)	(252)	-	-	-	-	-	-	-	(9,140)
Acquisition of mortgage loans	-	-	-	-	-	-	-	-	-	-	-	(6,466)	(6,466)
Net cash provided by (used in) investing activities	881	6,687	10,682	475	1,991	3,668	3,412	3,241	2,301	3,302	1,149	(6,466)	31,323
Net increase (decrease) in cash and cash equivalents	521	(201)	(43)	(7)	-	-	-	547	122	-	(7)	(10,531)	(9,599)
Cash and cash equivalents at beginning of period	1,400	201	43	25	-	-	88	82	5	-	21	10,628	12,493
Cash and cash equivalents at end of year	$ 1,921	$ -	$ -	$ 18	$ -	$ -	$ 88	$ 629	$ 127	$ -	$ 14	$ 97	$ 2,894
Reconciliation of changes in net position to net cash used in operating activities:													
Changes in net position	$ (622)	$ 72	$ (122)	$ (373)	$ (142)	$ (225)	$ (172)	$ (224)	$ (94)	$ (133)	$ (127)	$ (1,846)	$ (4,008)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:													
Amortization of bond premium	-	(246)	(329)	-	(38)	(69)	(57)	(31)	(25)	(80)	(18)	-	(893)
Unrealized (gains) losses on investments	153	22	-	(1)	158	253	155	166	32	125	107	1,524	2,694
Changes in assets and liabilities:													
(Increase) decrease in accrued interest and other receivables	(64)	3	-	-	9	15	13	11	10	15	6	(15)	3
Increase in other liabilities	18	-	-	-	-	-	-	-	-	-	-	-	18
Increase (decrease) in accrued interest payable	-	(27)	(42)	-	(8)	122	86	(11)	(10)	(14)	(6)	(7)	83
Net cash provided by (used in) operating activities	$ (515)	$ (176)	$ (493)	$ (374)	$ (21)	$ 96	$ 25	$ (89)	$ (87)	$ (87)	$ (38)	$ (344)	$ (2,103)

Schedule 4

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2013, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	Regular Board Per Diems	Extra Approved Per Diems	2013 Total
Berthelot, Jackie	49	7	56
DiMarco, Dennis	47	9	56
Drawe, Michael F.	46	8	54
Faia, Gregory	43	5	48
Jackson, Girod H.	16	2	18
Lawson, Arthur S.	39	4	43
Lawson, James E.	49	10	59
Muscarello, Frank L.	49	10	59
Woodruff, Ebony	1	0	1

Per Diem Payments:

	2013
Berthelot, Jackie	$ 8,400
DiMarco, Dennis	8,400
Drawe, Michael F.	8,100
Faia, Gregory	7,200
Jackson, Girod H.	2,700
Lawson, Arthur S.	6,450
Lawson, James E.	8,850
Muscarello, Frank L.	8,850
Woodruff, Ebony	150
	$ 59,100

See accompanying independent auditors' report.

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INDEPENDENT AUDITOR'S 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, 2013, 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 23, 2014.

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.

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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.

Postlethwaite + Netterville

Metairie, Louisiana
April 23, 2014

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