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IBERIA HOME MORTGAGE AUTHORITY

BASIC FINANCIAL STATEMENTS
(Audited)

March 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/4/09

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TRUSTEES,
IBERIA HOME MORTGAGE AUTHORITY
New Iberia, Louisiana

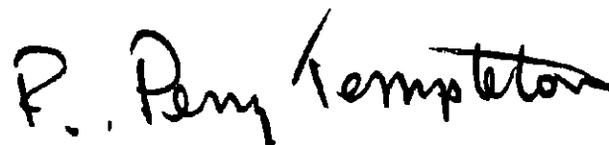
I have audited the accompanying basic financial statements of IBERIA HOME MORTGAGE AUTHORITY (A Louisiana Public Trust), a component unit of the City of New Iberia, Louisiana, at March 31, 2009, and for the year then ended as listed in the financial information section of the foregoing table of contents. These basic financial statements are the responsibility of the management of the IBERIA HOME MORTGAGE AUTHORITY. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects the financial position of IBERIA HOME MORTGAGE AUTHORITY at March 31, 2009, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 26, 2009, on my consideration of the IBERIA HOME MORTGAGE AUTHORITY'S internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of my 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* and should be read in conjunction with this report in considering the results of my audit.

The IBERIA HOME MORTGAGE AUTHORITY has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.



New Iberia, Louisiana
September 25, 2009

IBERIA HOME MORTGAGE AUTHORITY
PROPRIETARY FUND-ENTERPRISE FUND
STATEMENT OF NET ASSETS
March 31, 2009

ASSETS

CURRENT ASSETS:

Cash	\$ 83,972
Mortgage Loans Receivable	16,074
Accrued Interest Receivable	111
Prepaid Expenditures	<u>275</u>

TOTAL ASSETS \$ 100,432

LIABILITIES

CURRENT LIABILITIES:

Accrued Expenditures	<u>\$ 4,000</u>
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TOTAL LIABILITIES \$ 4,000

NET ASSETS

UNRESTRICTED 96,432

TOTAL NET ASSETS \$ 96,432

The accompanying notes are an integral part of this financial statement.

IBERIA HOME MORTGAGE AUTHORITY
 PROPRIETARY FUND-ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND NET ASSETS
 For the Year Ended March 31, 2009

OPERATING REVENUES	
Interest Income - Mortgage Loans	\$ 2,771
Interest Income – Investments	<u>367</u>
Total Operating Revenues	<u>3,138</u>
OPERATING EXPENDITURES	
Servicing Fees	188
Trustee's Fees	1,036
Insurance	1,144
Legal and Accounting	<u>3,000</u>
Total Operating Expenditures	<u>5,368</u>
CHANGE (DECREASE) IN NET ASSETS	(2,230)
NET ASSETS, Beginning of Year	<u>98,662</u>
NET ASSETS, End of Year	<u>\$ 96,432</u>

The accompanying notes are an integral part of this financial statement.

IBERIA HOME MORTGAGE AUTHORITY
 PROPRIETARY FUND-ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the Year Ended March 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Interest earnings (Investments)	\$ 446
Mortgage Loan payments from customers including interest	46,171
Other Cash payments for services	<u>(4,689)</u>
Net Cash Provided By Operating Activities:	<u>41,928</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM INVESTING ACTIVITIES	
	-
Net Increase (Decrease) in cash and cash equivalents	41,928
CASH AT BEGINNING OF YEAR	<u>42,044</u>
CASH AT THE END OF YEAR	<u>\$ 83,972</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in net assets (loss)	\$ (2,230)
Changes in assets and liabilities:	
(Increase) decrease in receivables	43,292
(Increase) decrease in accrued interest receivable	375
(Increase) decrease in prepaid expenses	41
Increase (decrease) in accrued expenses	<u>450</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 41,928</u>

The accompanying notes are an integral part of this financial statement.

IBERIA HOME MORTGAGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2009

NOTE 1: GENERAL INFORMATION

The IBERIA HOME MORTGAGE AUTHORITY is a Louisiana Public Trust created pursuant to Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, and a Trust Indenture dated January 16, 1979 with the City of New Iberia, Iberia Parish, Louisiana as beneficiary. The Authority was formed for the purpose of issuing bonds to provide funds to acquire mortgage notes secured by first mortgage liens on certain residential properties located in Iberia Parish, Louisiana. The authority is governed and administered by a Board of Trustees consisting of ten Trustees, which ten-member Board shall be composed of the Mayor and Board of Trustees of the City, the Mayor of the City of Jeanerette, State of Louisiana, and the President of the Police Jury of the Parish. The financial statements of Iberia Home Mortgage Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's accounting and procedures also follow the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide and the industry audit guide, Audits of State and Local Governments published by the American Institute of Certified Public Accountants. The more significant of the Authority's accounting policies are described below.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity-In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth by GASB Statement No. 14:

- a. Financial interdependence
- b. Selection of governing authority
- c. Accountability for fiscal matters

Based on the above criteria, the Authority is considered to be a component unit, and an integral part of the City of New Iberia, Louisiana (the reporting entity). These financial statements include only the operations of the Authority.

Basis of Presentation

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

IBERIA HOME MORTGAGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED
March 31, 2009

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, Continued

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund.

Budgetary Practices-Because no financial activity was planned for the year the Authority did not adopt a budget for the year ended March 31, 2009. Therefore these financial statements do not contain a comparison of actual to budgeted activity.

Investments -Investments are stated at cost, plus discount adjustments. Because these securities are purchased for investment purposes, and the quoted market values fluctuate during the investment period, gains and losses are recognized (based on the specific identification method) either upon realization, or when securities' values are deemed to have been permanently impaired.

Intangible Assets-The costs of issuing the bonds and the deferred amount on refunding are being amortized over the life of the bonds using the allocated cost method. The premium received from the refunding bonds is being amortized over the life of the bonds using the effective interest method.

IBERIA HOME MORTGAGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED
March 31, 2009

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The use of estimates and assumptions is a normal practice followed by all entities preparing financial statements in accordance with generally accepted accounting principles.

NOTE 3: CASH AND INVESTMENTS

Cash and investments at March 31, 2009 consist of the following:

	<u>Cash</u>	Investments <u>at Cost</u>	<u>Total</u>
Trustee's Accounts:			
Debt Reserve Account	\$ -	\$ -	\$ -
Principal Prepayment Account	-	-	-
Bond Account	83,972	-	83,972
Expense Account	-	-	-
Totals	<u>\$ 83,972</u>	<u>\$ -</u>	<u>\$ 83,972</u>

The indenture restricts the funds in the various accounts to be used for certain, specific purposes. In addition, there were no minimum balance requirements in cash and investments at March 31, 2009 by the indenture.

IBERIA HOME MORTGAGE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS, CONTINUED
 March 31, 2009

NOTE 3: CASH AND INVESTMENTS, Continued

Market value of the above securities at March 31, 2009 approximated cost.

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash includes all demand, savings accounts, and certificates of deposits of the Authority with an original maturity of 90 days or less.

NOTE 4: MORTGAGE LOANS RECEIVABLE

Mortgage loans receivable consist of 8-1/4% real estate notes secured by first liens on residential properties located in Iberia Parish, Louisiana. These loans were originated by participating mortgage lending institutions in accordance with the then current standards established by FNMA and FHMC guides. The participants are now servicing these loans which mature by the year 2011. All loans are considered to be collectible at March 31, 2009. These mortgage loans receivable are pledged as security for the Authority's bonds payable.

NOTE 5: BOND ISSUANCE COSTS

Bond issuance costs consist of the following:

Underwriters' Fees	\$194,925
Other (Printing, legal, rating fees)	<u>117,144</u>
Total	312,069
Accumulated Amortization	<u>(312,069)</u>
Unamortized Bond Issuance Costs	<u>\$ -</u>

NOTE 6: BONDS PAYABLE

On July 7, 1993, the Authority issued \$7,620,000 in Iberia Home Mortgage Authority Single Family Mortgage Revenue Bonds dated July 1, 1993, with interest ranging from 3.75% to 7.38% to refund \$8,695,000 of the outstanding 1979 Series Bonds. The proceeds of \$7,869,000 including a premium of \$559,300 (after payment of \$312,000 in underwriting fees, insurance and other issuance costs) plus proceeds from sale of investments were used to retire the 1979 Series Bonds.

IBERIA HOME MORTGAGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED
March 31, 2009

NOTE 6: BONDS PAYABLE, Continued

The refunding resulted in a difference of \$369,901 between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding). This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2010 using the allocated cost method.

The Authority completed the refunding to reduce its total debt service payments over the next 17 years by \$2.9 million.

The bonds are secured by an assignment and pledge of and security interest in all mortgage loans acquired with bond proceeds and the income therefrom, all monies and investments held under the indenture, and all of the Authority's rights and interest.

All of the Authority's bonds payable have been redeemed.

NOTE 7: ACCRUED EXPENDITURES

Accrued expenditures consist of the following:

Accrued interest	\$ -
Other accrued expenditures	<u>4,000</u>
Total	<u>\$ 4,000</u>

NOTE 8: COMPENSATION OF BOARD MEMBERS

During the year ended March 31, 2009, no per diems were paid to the trustees of the Authority.

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROLOVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

TRUSTEES
IBERIA HOME MORTGAGE AUTHORITY
New Iberia, Louisiana

I have audited the financial statements of the IBERIA HOME MORTGAGE AUTHORITY, a component unit of the City of New Iberia, as of and for the year ended March 31, 2009, and have issued my report thereon dated September 25, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A Control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliable in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a misstatement of the financial statements will not be prevented or detected by the internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IBERIA HOME MORTGAGE AUTHORITY'S financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others in the organization and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. However, under the provisions of the Louisiana Revised Statute 24:513, this report is a matter of public record and its distribution is not limited.

R. Pen. Templeton

New Iberia, Louisiana
September 25, 2009

IBERIA HOME MORTGAGE AUTHORITY
SUMMARY OF CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED MARCH 31, 2009

Section I. Internal Control and Compliance Material to the Financial Statements

No Prior Year Findings.

Section II. Internal Control and Compliance Material to Federal Awards

No Prior Year Findings.

Section III. Management Letter

No Prior Year Findings.

IBERIA HOME MORTGAGE AUTHORITY
SUMMARY OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED MARCH 31, 2009

Section I. Internal Control and Compliance Material to the Financial Statements

No Current Year Findings.

Section II. Internal Control and Compliance Material to Federal Awards

No Current Year Findings.

Section III. Management Letter

No Current Year Findings.