2089

JEFFERSON PARISH FINANCE AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2012

P&N Postlethwaite & Netterville

A Professional Accounting Corporation

www pncpa com

JEFFERSON PARISH FINANCE AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2012

JEFFERSON PARISH FINANCE AUTHORITY

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13
Supplemental Information	
Schedule of Assets, Liabilities and Net Position by Program	29
Schedule of Revenues, Expenses and Changes in Net Position by Program	30
Schedule of Cash Flows by Program	31
Schedule of Board Members' Compensation	32

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www pncpa com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Jefferson Parish Finance Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Jefferson Parish Finance Authority (the Authority), a component unit of the Parish of Jefferson, as of December 31, 2012 and 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents 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 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 opinions.

30th Floor - Energy Centre • 1100 Poydras Street • New Orleans, LA 70163-3000 • Tel 504 569 2978
One Galleria Blvd, Suite 2100 • Metairie, LA 70001 • Tel 504 837 5990 • Fax 504 834 3609

Opinions

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, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Other Matters

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 principally of inquiries of management regarding 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 performed do not provide us with sufficient evidence to express an opinion or provide any assurance

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and are not a required part of the financial statements 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 financial statements The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 March 29, 2013 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
March 29, 2013

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, 2012 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

2012

The Authority's net position represents 13% of its total assets With total assets approximating $135 million, the Authority had changes in net position of approximately ($3 1) 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 1 million due primarily to depreciation in the market value of its investments in mortgage backed securities of $3 7 million

2011

The Authority's net position represents 13% of its total assets With total assets approximating $159 million, the Authority had changes in net position of approximately $1 3 million for the year ended December 31, 2011

The Authority's financial highlights include

- The Authority converted the 2009A Program to fixed rate bonds in the 2009A (Converted to Fixed Rate) hereafter 2009ACF program during the year ended December 31, 2011

- The Authority redeemed the 2000G-1, 2000G-2 and 2001BC programs during the year ended December 31, 2011 The three programs transferred a total of approximately $1 7 million to the 1991 program during the year ended December 31, 2011

- The Authority's net position increased by $1 3 million due primarily to an appreciation in the market value of its investments in mortgage backed securities of $1 7 million

JEFFERSON PARISH FINANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2012 AND 2011

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 The increase in the Authority's net position during 2012 and 2011 is an indicator of a relative increase in its financial health

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

2012

The Authority's total net position at December 31, 2012 decreased to $17,115, a decrease of 15% from December 31, 2011 (See Table A-1) Total assets decreased by $23,793 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 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-1
Jefferson Parish Finance Authority
(in thousands of dollars)

	2012	2011	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	3,820	3,892	(72)
Total assets	135,143	158,936	(23,793)
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	8,696	12,721	(4,025)
Unrestricted			
Undesignated	2,631	3,195	(564)
Designated	5,788	4,323	1,465
	17,115	20,239	(3,124)
Total liabilities and net position	$ 135,143	$ 158,936	$ (23,793)

2011

The Authority's total net position at December 31, 2011 increased to $20,239, an increase of 7% from December 31, 2010 (See Table A-2) Total assets decreased by $30,984 due primarily to a decrease in investment securities of $28,882 and mortgage-backed securities of $16,653 offset by an increase in cash of $15,479 The liabilities decreased by $32,272 due to the decrease in bonds payable of $32,463 and increase in other liabilities of $191

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

	2011	2010	Increase (Decrease)
Cash and cash equivalents	$ 26,050	$ 10,571	$ 15,479
Investments	2,909	31,791	(28,882)
Mortgage-backed securities	126,085	142,738	(16,653)
Other assets	3,892	4,820	(928)
Total assets	158,936	189,920	(30,984)
Other liabilities	1,898	1,707	191
Bonds payable	136,799	169,262	(32,463)
Total liabilities	138,697	170,969	(32,272)
Net position			
Restricted for debt	12,721	13,614	(893)
Unrestricted			
Undesignated	3,195	4,747	(1,552)
Designated	4,323	590	3,733
	20,239	18,951	1,288
Total liabilities and net position	$ 158,936	$ 189,920	$ (30,984)

Changes in Net Position

2012

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

	2012	2011	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	7,280	8,035	(755)
Change in net position	(3,124)	1,288	(4,412)
Total net position, beginning of the year	20,239	18,951	1,288
Total net position, end of the year	$ 17,115	$ 20,239	$ (3,124)

Operating revenues decreased by 55% to $4,156 million This decrease in revenue is primarily due to the decrease in investment income on mortgage loans and the 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-4
Jefferson Parish Finance Authority
(in thousands of dollars)

	2012	2011	Increase (Decrease)
Interest on debt	$ 5,260	$ 5,105	$ 155
Amortization of bond issuance and other costs	289	1,292	(1,003)
Servicing fees	471	614	(143)
Other	1,260	1,024	236
Total operating expenses	$ 7,280	$ 8,035	$ (755)

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

2011

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

	2011	2010	Increase (Decrease)
Operating revenues			
Investment income on mortgage loans	$ 7,082	$ 10,918	$ (3,836)
Appreciation in fair value on investments	1,725	2,494	(769)
Investment income on investments	160	415	(255)
Other	356	11	345
Total operating revenues	9,323	13,838	(4,515)
Operating expenses	8,035	10,908	(2,873)
Change in net position	1,288	2,930	(1,642)
Total net position, beginning of the year	18,951	16,021	2,930
Total net position, end of the year	$ 20,239	$ 18,951	$ 1,288

Operating revenues decreased by 33% to $9,323 million This decrease in revenue is primarily due to the decrease in investment income on mortgage loans and decrease of the appreciation in fair value of investments Increase in other revenue is due to income earned during the year on warehoused loans in the 2009A program

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

	2011	2010	Increase (Decrease)
Interest on debt	$ 5,105	$ 7,752	$ (2,647)
Amortization of bond issuance and other costs	1,292	1,006	286
Servicing fees	614	868	(254)
Other	1,024	1,282	(258)
Total operating expenses	$ 8,035	$ 10,908	$ (2,873)

Operating expenses decreased due to $2,647 less of interest payments on debt in 2011 than in 2010 Additional decrease of $254 in servicing fees is due to the closing of three programs during 2010 and an additional three programs in 2011 Other expenses which primarily related to the additional costs associated with the redemption of the bonds programs were $321 less than the prior year

DEBT ADMINISTRATION

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

2011

Total indebtedness for bonds payable was $137 million as of December 31, 2011 compared to $169 million at December 31, 2010 The decrease in bonds payable is the result of payment in full of the outstanding bonds for the 2000G-1, 2000G-2, and 2001BC programs during 2011

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)
- As market conditions continue to improve, the Authority should be able to offer new bond programs However, long term planning continues to be difficult due to the uncertainty of the future of government mortgage backed securities However, as market conditions improve, the Authority should be able to offer new bond programs
- The overall operating expenses of the Authority were reduced in 2012 The revenues for 2013 should be sufficient to meet budget needs and 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, 2012 AND 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 12,493	$ 26,050
Investment securities at fair value	31 032	2,909
Mortgage-backed securities	87,798	126,085
Accrued interest receivable	357	527
Bond issuance costs, net	3,463	3,365
Total assets	$ 135,143	$ 158,936
Liabilities and Net Position		
Liabilities		
Bonds payable, net	$ 116,005	$ 136,799
Accrued interest payable	1,897	1,718
Other liabilities	126	180
Total liabilities	118,028	138,697
Net Position		
Restricted for debt	8,696	12,721
Unrestricted		
Undesignated	2,631	3,195
Designated	5,788	4,323
Total net position	17,115	20.239
Total liabilities and net position	$ 135,143	$ 158,936

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, 2012 AND 2011

	2012	2011
Operating revenues		
Investment income on mortgage loans	$ 7,659	$ 7,082
Appreciation (depreciation) in fair market value of investments in mortgage-backed securities	(3,738)	1,725
Investment income on investment securities	174	160
Gain on warehouse loans	61	333
Servicer release fee	-	23
Total operating revenues	4,156	9,323
Operating expenses		
Interest on debt	5,260	5,105
Amortization of bond issuance costs and other costs	289	1,292
Servicing fees	471	614
Trustee fees	81	85
Other operating expenses	1,179	939
Total operating expenses	7,280	8,035
Change in net position before other financing sources	(3,124)	1,288
Other financing sources		
Operating transfers	-	-
Total other financing sources	-	-
Change in net assets	(3,124)	1,288
Net position at beginning of the year	20,239	18,951
Net position at end of the year	$ 17,115	$ 20,239

See accompanying notes to financial statements

JEFFERSON PARISH FINANCE AUTHORITY

STATEMENTS OF CASH FLOWS (IN THOUSANDS)

AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
Cash flows from operating activities		
Cash receipts for		
Investment income on mortgage loans	$ 7,866	$ 7,072
Investment income on investment securities	138	157
Cash payments for		
Interest on debt	(5,520)	(6,127)
Servicing fees	(438)	(507)
Other revenue	17	382
Other operating expenses	(1,263)	(1,486)
Net cash provided by (used in) operating activities	800	(509)
Cash flows from noncapital financing activities		
Bond proceeds	-	25,000
Bonds redeemed	(20,364)	(56,097)
Bond issuance costs	(388)	(176)
Net cash used in noncapital financing activities	(20,752)	(31,273)
Cash flows from investing activities		
Proceeds from sale of investment securities	262	26,978
Proceeds from mortgage loan repayments	45,857	22,233
Acquisition of investment securities	(28,404)	(1,950)
Acquisition of mortgage loans	(11,320)	-
Net cash provided by investing activities	6,395	47,261
Net increase (decrease) in cash and cash equivalents	(13,557)	15,479
Cash and cash equivalents at beginning of year	26,050	10,571
Cash and cash equivalents at end of year	$ 12,493	$ 26,050
Reconciliation of changes in net assets to net cash used in operating activities		
Changes in net assets	$ (3,124)	$ 1,288
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Amortization of bond issuance and other costs	290	1,010
Amortization of bond premium and discount	(430)	(1,367)
Unrealized losses (gains) on investments in mortgage-backed securities	3,769	(1,726)
Change in assets and liabilities		
Accrued interest receivable	170	94
Other liabilities	4	98
Servicer release fee	(49)	-
Accrued interest payable	170	94
Net cash provided by (used in) operating activities	$ 800	$ (509)

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 l, 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, 2011, the 2000G1, 2000G2, and 2001BC programs were redeemed in full using the proceeds from the sale of investments On November 22, 2011 the 2009A escrow bonds were exchanged for the 2009ACF converted single family mortgage revenue bonds 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 deferred and amortized over the life of the indebtedness based on the principal amounts of the bonds outstanding, a method that approximates the interest method

(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, 2012 and 2011

(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, 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 $12,493 and $26,050 at December 31, 2012 and 2011, 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, 2012 and 2011, the Authority's deposits with banks consisted of cash of $91 and $20 and money market funds of $12,401 and $26,030 Of the cash balance at December 31, 2012 and 2011, $91 and $20 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, 2012 and 2011, 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, 2012 and 2011 (in thousands)

	Unrestricted	Restricted	Total
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
2011			
Cash and cash equivalents	$ 4,979	$ 21,071	$ 26,050
Investments	-	2,909	2,909
Mortgage loan receivable	2,649	123,436	126,085
Total	$ 7,628	$ 147,416	$ 155,044

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

	2012 (in thousands)	2011 (in thousands)
Guaranteed Investment Contracts		
2003A Program	$ -	$ 262
2003C Program	-	425
2004A Program	-	294
2005A Program	335	240
2006B Program	784	491
2006C Program	373	260
2006D Program	579	393
2007B Program	411	166
2007C Program	748	378
	$ 3,230	$ 2,909

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

Mortgage loans receivable for the 2003C program consists of the mortgage loan receivable remaining from the 1993 Program and include mortgage loans represented by fully modified mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson

Mortgage loan receivable for the 2003A, 2003C, 2004A, 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 2003C 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

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

	2012 (in thousands)	2011 (in thousands)
GNMA Certificates		
1991 Program	$ 1,625	$ 1,694
2003A Program	-	6,572
2003C Program	-	11,921
2004A Program	-	8,526
2005A Program	8,428	10,055
2006B Program	5,242	8,073
2006C Program	3,656	4,578
2006D Program	3,846	5,016
2007B Program	3,866	5,510
2007C Program	10,449	13,666
2008B Program	3,550	5,619
2009ACF Program	15,602	5,573
	$ 56,264	$ 86,803

(Continued on next page)

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

1991 Program	$ 1,276	$ 955
2003A Program	-	580
2003C Program	-	1,080
2004A Program	-	674
2005A Program	2,153	2,758
2006B Program	3,471	4,466
2007B Program	837	843
	7,737	11,356
FHLMC Certificates		
1991 Program	1,750	-
2006B Program	3,526	4,717
2006C Program	6,503	7,222
2006D Program	4,576	6,736
2007B Program	4,815	5,925
2007C Program	2,605	3,270
	23,775	27,870
Mortgage Loans		
1991 Program	22	-
2003C Program	-	56
	22	56
	$ 87,798	$ 126,085

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

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

The following table shows the Authority's investments and mortgage loan receivable and the related maturities in actively managed accounts at December 31, 2012

		Remaining Maturity in Years			
(in thousands)	Fair value	Less Than 1	1-5	5-10	>10
Mortgage- backed securities	$ 87,776	$ 451	$ 2,578	$ -	$ 84,747
Mortage loan receivables	22	-	22	-	-
Fixed income investments	2,446	-	2,446	-	-
U S. Treasury investments	25,356	17,394	7,962	-	-
Guaranteed investment contracts	3,230	-	-	-	3,230
Money market funds	12,401	12,401	-	-	-
Total	$ 131,231	$ 30,246	$ 13,008	$ -	$ 87,977

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

2003A Program	5 35% and 5 95%
2003C Program	5 28% and 5 88%
2004A Program	6 36%
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%

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

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

The following table provides information on the credit ratings associated with the Authority's investments in debt securities at December 31, 2012 (in thousands of dollars)

S&P Rating	Total	Mortgage-backed Securities	GIC
AAA	$ 87,798	$ 87,798	$ -
AA-	709	-	709
A	2,522	-	2,522
	$ 91,029	$ 87,798	$ 3,231

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, 2012, 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, 2012, management believes all investments held and purchased for the Authority's portfolio during 2012, 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, and the Hancock Horizon Treasury Securities Money Market Funds

(3) Bonds Payable

Bonds payable are as follows at December 31

	2012	2011
	(in thousands)	
Single Family Mortgage Revenue Refunding Bonds, Series 2003A dated May 29, 2003 - $2,035 due June 1, 2026 at 5 125%, $2,000 due June 1, 2034 at 5 0%, $2,460 due December 1, 2034 at 5 0%, (plus premium on bonds of $245)	$ 6,740	$ 6,848
Single Family Mortgage Revenue Refunding Bonds, Series 2003C dated December 11, 2003 - $1,210 due December 1, 2024 at 4 5%, $470 due December 1, 2026 at 5 5%, $4,260 due June 1, 2034 at 5 0%, $4,255 due December 1, 2034 at 5 0% (plus premium on bonds of $329)	10,524	12,104
Single Family Mortgage Revenue Refunding Bonds, Series 2004A dated June 17, 2004 - $420 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 $2,390 due December 1, 2035 at 5 9% (plus premium on bonds of $278)	7,603	8,626
Single Family Mortgage Revenue Refunding Bonds, Series 2005A dated July 21, 2005 - $555 due June 1, 2015 at 4 0%, $5,625 due December 1, 2035 at 4 65%, and $3,530 due June 1, 2036 at 5 55% (plus premium on bonds of $418)	10,128	11,987
Single Family Mortgage Revenue Refunding Bonds, Series 2006B dated July 26, 2006 - $7,915 due December 1, 2032 at 5 25%, $3,000 due June 1, 2037 at 4 60% (plus premium on bonds of $858)	11,773	16,175
Single Family Mortgage Revenue Refunding Bonds, Series 2006C dated October 31, 2006 - $7,105 due June 1, 2033 at 5 0%, and $1,995 due December 1, 2038 at 5 0% (plus premium on bonds of $628)	9,728	11,222

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

	2012	2011
	(in thousands)	
Single Family Mortgage Revenue Refunding Bonds, Series 2006D dated March 1, 2007 - $8,185 due June 1, 2038 at 5 0% (plus premium on bonds of $414)	$ 8,599	$ 11,436
Single Family Mortgage Revenue Refunding Bonds, Series 2007B dated June 1, 2007 - $8,960 due December 1, 2048 at 5 7% (plus premium on bonds of $470)	9,430	11,606
Single Family Mortgage Revenue Refunding Bonds, Series 2007C dated October 31, 2007 - $760 due December 1, 2017 at 4 25%, $2,155 due December 1, 2027 at 4 85%, $5,140 due June 1, 2039 at 5 70%, and $4,435 due December 1, 2039 at 5 50% (plus premium on bonds of $903)	13,393	16,338
Single Family Mortgage Revenue Refunding Bonds, Series 2008B dated November 10, 2008 - $3,186 due December 1, 2040 at 6 03 (plus premium on bonds of $261)	3,447	5,457
Single Family Mortgage Revenue Refunding Bonds, Series 2009ACF dated November 22, 2011 - $24,640 due December 1, 2041 at 2 32	24,640	25,000
Total bonds payable	$ 116,005	$ 136,799

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)

(3) Bonds Payable (continued)

Durmg the year ended December 31, 2011, the 2000G1, 2000G2, and 2001BC programs were redeemed m full usmg the proceeds from the sale of mvestments Excess cash of $1,702,731, m the 2000G-1, 2000G-2, and 2001BC programs was transferred to the 1991 program durmg the year ended December 31, 2011 On November 22, 2011 the 2009A escrow bonds were exchanged for the 2009ACF converted smgle famly mortgage revenue bonds

Under the Trust Indentures, the Authonty has the option to redeem bonds maturmg on or after December 1, 2010 long term bonds (2000G1 Program) at 102% of the then outstandmg balance and subsequently lesser pnces declmmg to par, December 1, 2010 long term bonds (2000G2 and 2001BC) at 102% of the then outstandmg balance and subsequently lesser pnces declmmg to par and December 1, 2011 at 101% of the then outstandmg balance and subsequently lesser pnces declmmg to par, June 1, 2015 (2005A) at 101% of the then outstandmg balance and subsequently lesser prices declmmg to par, June 1, 2016 (2006B) at 103 0% of the then outstandmg balance and subsequently lesser pnces declmmg to par, and June 1, 2016 (2006C) at 103% of the then outstandmg balance and subsequently lesser pnces declmmg to par The 2000G-1 and 2000G-2 programs were redeemed m full durmg the year ended December 31, 2011

Under the Trust Indentures for the 2007B, 2007C, 2008B, and 2009ACF programs, the Authonty has the option to redeem bonds maturmg on or after any date as a whole at a redemption pnce equal to 100% of the pnncipal amount thereof bemg redeemed, plus mterest accrued to the date fixed for redemption

The other bond programs have early bond calls based on the timmg of the receipt of mortgage loan pnncipal and mterest payments As excess cash is accumulated, the Authonty is required to issue bond calls

The pnncipal balance on defeased bonds outstandmg at December 31 are as follows

	2012	2011
1985 Program - (defeased by the 1994 "1985" Program)	$ 32,595,000	$ 32,595,000
1991 Program (sold)	$ -	$ 1,500,000

(3) Bonds Payable (continued)

A summary of scheduled bond maturities (in thousands) as of December 31 2012 is as follows

	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028 2032	2033-2037	2038-2042	2043-2047	2048 2052	Premiums	Total
Principal														
2003A Program	$	$ -	$	$ -	$	$ -	$ 2,035	$ -	$ 4 460	$ -	$ -	$ -	$ 245	$ 6 740
2003C Program	-	-	-			-	1 680	-	8 515	-	-		329	10 524
2004A Program			420	-		-	1,460	-	5 445				278	7 603
2005A Program	-		555	-		-			9 155			-	418	10 128
2006B Program				-		-		7 915	3 000		-		858	11 773
2006C Program				-	-			7 105	-	1 995	-		628	9 728
2006D Program	-	-	-		-	-	-	-	-	8 185	-	-	414	8 599
2007B Program	-	-	-	-	-	-	-	-	-	-	-	8,960	470	9 430
2007C Program	-	-	-		760	-	2 155	-	-	9,575	-	-	903	13,393
2008B Program	-		-			-	-	-		3 186		-	261	3 447
2009ACF Program	1,520	1,790	1,940	1,830	1,660	6,250	4,130	2,860	2,000	660				24,640
Total due each year	1,520	1,790	2,915	1,830	2,420	6,250	11,460	17,880	32,575	23,601	-	8,960	4,804	116,005
Interest														
2003A Program	327	327	327	327	327	1 637	1,533	1 115	446	-	-	-	-	6 366
2003C Program	506	506	506	506	506	2 530	2 341	2 129	852	-		-		10 382
2004A Program	396	396	396	376	376	1,879	1 656	1 507	823	-	-			7 805
2005A Program	480	480	480	457	457	2 287	2,287	2,287	1 569			-		10 784
2006B Program	553	553	553	554	554	2 768	2,768	2,768	690		-		-	11 761
2006C Program	455	455	455	455	455	2 275	2 275	2 275	499	100	-			9 699
2006D Program	409	409	409	409	409	2 046	2 046	2 046	2 047	410	-			10 640
2007B Program	511	511	511	511	511	2 553	2 553	2 553	2,553	2 554	2 554	511		18,386
2007C Program	674	674	674	674	674	3 207	3,207	2 684	2,684	1 074	-			16 226
2008B Program	192	192	192	192	192	960	960	961	961	576				5 378
2009ACF Program	548	510	467	422	382	1,424	832	430	151	5	-	-		5 171
Total due each year	5,051	5,013	4,970	4,883	4,843	23,566	22,458	20,755	13,275	4,719	2,554	511		112,598
Total due	$ 6,571	$ 6,803	$ 7,885	$ 6,713	$ 7,263	$ 29,816	$ 33,918	$ 38,635	$ 45,850	$ 28,320	$ 2,554	$ 9,471	$ 4,804	$ 228,603

(4) Net Position

The net position included in the 1991 Program, totaling $8,419,000 and $7,518,000 as of December 31, 2012 and 2011, 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) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2013, 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, 2012
(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	$ 1,400	$ 201	$ 43	$ 25	$ -	$ -	$ 88	$ 82	$ 5	$ -	$ 21	$ 10,628	$ 12,493
Investment securities, at fair value	2,449	6 709	10,682	7,962	336	784	373	579	411	747	-	-	31,032
Mortgage loans receivable and mortgage-backed securities	4,673	-	-	-	10,581	12,239	10,159	8,422	9,518	13,054	3,550	15 602	87 798
Accrued interest receivable	23	3	-	-	44	51	41	34	44	59	17	41	357
Bond issuance costs, net	-	132	215	184	204	307	207	178	178	347	160	1,351	3,463
Total assets	$ 8,545	$ 7,045	$ 10,940	$ 8,171	$ 11,165	$ 13,381	$ 10,868	$ 9,295	$ 10,156	$ 14,207	$ 3,748	$ 27,622	$ 135,143
Liabilities and Net Position													
Liabilities													
Bonds payable, net	$ -	$ 6,740	$ 10,524	$ 7,603	$ 10 128	$ 11,773	$ 9,728	$ 8,599	$ 9,430	$ 13,393	$ 3,447	$ 24,640	$ 116,005
Accrued interest payable	-	27	42	33	40	917	641	34	43	56	16	48	1 897
Other liabilities	126	-	-	-	-	-	-	-	-	-	-	-	126
	126	6,767	10,566	7,636	10,168	12,690	10,369	8,633	9,473	13,449	3,463	24,688	118,028
Net Position													
Restricted for debt	-	278	374	535	997	691	499	662	683	758	285	2,934	8 696
Unrestricted													
Undesignated	2,631	-	-	-	-	-	-	-	-	-	-	-	2,631
Designated	5,788	-	-	-	-	-	-	-	-	-	-	-	5,788
Total net position	8,419	278	374	535	997	691	499	662	683	758	285	2,934	17,115
Total liabilities and net position	$ 8,545	$ 7,045	$ 10,940	$ 8,171	$ 11,165	$ 13,381	$ 10,868	$ 9,295	$ 10,156	$ 14,207	$ 3,748	$ 27,622	$ 135,143

JEFFERSON PARISH FINANCE AUTHORITY

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

FOR THE YEAR ENDED DECEMBER 31, 2012 (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	$ 115	$ 635	$ 1,360	$ 1,393	$ 572	$ 698	$ 520	$ 444	$ 552	$ 768	$ 207	$ 395	$ 7,659
Appreciation (depreciation) in market value of investments	26	(583)	(1,065)	(746)	(285)	(400)	(136)	(224)	(311)	(531)	(220)	737	(3,738)
Investment income on investment securities	9	32	18	7	25	12	20	32	9	10	-	-	174
Acquisition - pool purchase	-	-	-	-	-	-	-	-	-	-	-	61	61
Servicer release fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	150	84	313	654	312	310	404	252	250	247	(13)	1,193	4,156
Operating expenses													
Interest on debt	-	302	489	403	506	643	440	477	563	693	228	516	5,260
Amortization of bond issuance costs and other costs	-	15	26	19	19	30	19	14	10	33	11	93	289
Servicing fees	-	3	19	33	54	71	52	49	51	71	20	48	471
Trustee fees	44	-	-	1	4	5	4	4	4	5	2	8	81
Other operating expenses	563	204	228	184	-	-	-	-	-	-	-	-	1,179
Total operating expenses	607	524	762	640	583	749	515	544	628	802	261	665	7,280
Change in net assets before other financing sources (uses)	(457)	(440)	(449)	14	(271)	(439)	(111)	(292)	(378)	(555)	(274)	528	(3,124)
Other financing sources (uses)													
Operating transfers	1,358	-	(1,376)	(555)	(26)	(52)	(34)	(32)	28	(47)	(7)	743	
Change in net assets	901	(440)	(1,825)	(541)	(297)	(491)	(145)	(324)	(350)	(602)	(281)	1,271	(3,124)
Net position at beginning of the period	7,518	718	2,199	1,076	1,294	1,182	644	986	1,033	1,360	566	1,663	20,239
Net position at end of the period	$ 8,419	$ 278	$ 374	$ 535	$ 997	$ 691	$ 499	$ 662	$ 683	$ 758	$ 285	$ 2,934	$ 17,115

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE OF CASH FLOWS BY PROGRAM (IN THOUSANDS)

FOR THE YEAR ENDED DECEMBER 31, 2012 (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 receipts for:													
Investment income on mortgage loans	$ 104	$ 693	$ 1 414	$ 1,433	$ 572	$ 717	$ 526	$ 459	$ 563	$ 783	$ 207	$ 395	$ 7 866
Investment income on investment securities	9	1	18	7	33	12	20	32	9	10	9	(22)	138
Other revenue		-		-	-	-	-	-	-	-	-	17	17
Cash payments for													
Interest on debt	-	(331)	(536)	(436)	(553)	(595)	(414)	(521)	(599)	(792)	(258)	(485)	(5 520)
Servicing fees	-	(3)	(19)	-	(54)	(71)	(52)	(49)	(51)	(71)	(20)	(48)	(438)
Other operating expenses	(573)	(204)	(228)	(219)	(3)	(5)	(3)	(4)	(4)	(5)	(2)	(13)	(1,263)
Net cash provided by (used in) operating activities	(460)	156	649	785	(5)	58	77	(83)	(82)	(75)	(64)	(156)	800
Cash flows from noncapital financing activities													
Bonds redeemed (payments)	-	(80)	(1 540)	(995)	(1 820)	(4 330)	(1 435)	(2 805)	(2 150)	(2 859)	(1 990)	(360)	(20 364)
Bond issue costs				-	-	-		-	-	-		(388)	(388)
Operating transfers	1,358		(1,376)	(555)	(26)	(52)	(34)	(32)	28	(47)	(7)	743	
Net cash provided by (used in) noncapital financing activities	1,358	(80)	(2,916)	(1,550)	(1,846)	(4,382)	(1,469)	(2,837)	(2,122)	(2,906)	(1,997)	(5)	(20,752)
Cash flows from investing activities													
Proceeds from sale of investment securities	-	262	-	-	-		-	-	-	-	-		262
Proceeds from mortgage loan repayments		6 591	11 989	8,454	1 947	4 617	1 505	3 106	2 449	3,350	1 849		45 857
Acquisition of investment securities	(2 449)	(6 731)	(10 254)	(7 668)	(96)	(293)	(113)	(186)	(245)	(369)			(28 404)
Acquisition of mortgage loans	(2,028)								-	-	-	(9,292)	(11,320)
Net cash provided by (used in) investing activities	(4,477)	122	1,735	786	1,851	4,324	1,392	2,920	2,204	2,981	1,849	(9,292)	6,395
Net increase (decrease) in cash and cash equivalents	(3 579)	198	(532)	21			-		-	-	(212)	(9 453)	(13 557)
Cash and cash equivalents at beginning of period	4,979	3	575	4			88	82	5	-	233	20,081	26,050
Cash and cash equivalents at end of period	$ 1,400	$ 201	$ 43	$ 25	$	$	$ 88	$ 82	$ 5	$ -	$ 21	$ 10,628	$ 12,493
Cash provided by (used in) operating activities													
Net change in net assets before other financing uses	$ (457)	$ (440)	$ (449)	$ 14	$ (271)	$ (439)	$ (111)	$ (292)	$ (378)	$ (555)	$ (274)	$ 528	$ (3 124)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities													
Amortization of bond issuance and other c		16	26	18	20	30	20	14	10	32	11	93	290
Amortization of bond (premium) discount		(28)	(40)	(28)	(39)	(72)	(59)	(32)	(26)	(86)	(20)	-	(430)
Unrealized (gains) losses on investments	4	583	1 065	746	285	400	136	224	311	532	220	(737)	3 769
Changes in assets and liabilities													
(Increase) decrease in accrued interest receivables	(11)	26	54	40	8	19	6	15	11	15	9	(22)	170
Increase in other liabilities	4	-		-	-		-	-		-		-	4
Increase (decrease) in servicer release fee	-	-	-	-	-	-			-			(49)	(49)
Increase (decrease) in accrued interest payable		(1)	(7)	(5)	(8)	120	85	(12)	(10)	(13)	(10)	31	170
Net cash provided by (used in) operating activities	$ (460)	$ 156	$ 649	$ 785	$ (5)	$ 58	$ 77	$ (83)	$ (82)	$ (75)	$ (64)	$ (156)	$ 800

JEFFERSON PARISH FINANCE AUTHORITY

Schedule 4

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, 2012, 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	2012 Total
Berthelot, Jackie	44	6	50
Cash, Anthony J	3	0	3
DiMarco, Dennis	40	11	51
Drawe, Michael F	44	5	49
Faia, Gregory	34	2	36
Jackson, Girod H	23	1	24
Johnson, Marvin T	10	0	10
Lanning, Forrest H	3	1	4
Lawson, Arthur S	33	5	38
Lawson, James E	42	15	57
Muscarello, Frank L	47	13	60
Templet, Ricky	1	0	1

Per Diem Payments

	2012
Berhelot, Jackie	$ 7,500
Cash, Anthony J	450
DiMarco, Dennis	7,650
Drawe, Michael F	7,350
Faia, Gregory	5,400
Jackson, Girod H	3,600
Johnson, Marvin T	1,500
Lanning, Forrest H	600
Lawson, Arthur S	5,700
Lawson, James E	8,550
Muscarello, Frank L	9,000
Templet, Ricky	150
	$ 57,450

See accompanying independent auditors' report

P&N Postlethwaite & Netterville
A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www pncpa com

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, 2012, and have issued our report thereon dated March 29, 2013

Internal Control Over Financial Reporting

In planning and performing our audit, 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 deficiencies, 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 of 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
March 29, 2013