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SHREVEPORT HOME MORTGAGE AUTHORITY
(a component unit of the City of Shreveport)

Financial Statements

Year ended December 31, 2001

(With Independent Auditors' Report Thereon)

SHREVEPORT HOME MORTGAGE AUTHORITY
(a component unit of the City of Shreveport)

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SHREVEPORT HOME MORTGAGE AUTHORITY

(a component unit of the City of Shreveport)

Management's Discussion and Analysis

December 31, 2001

The Management's Discussion and Analysis (MD&A) of the Shreveport Home Mortgage Authority (the Authority), provides an overview and overall review of the financial activities of the Authority for the year ended December 31, 2001. The intent of the MD&A is to look at the Authority's financial performance as a whole. It should, therefore, be read in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

The Authority's total net assets remained virtually unchanged over the course of this year's operations as current year operating revenues and receipt of principal payments on outstanding mortgage loans and the note receivable were used to pay the debt service on the outstanding bonds.

Interest received on mortgage loans and the note receivable continues to decrease each year. For the year ended December 31, 2001, interest income decreased approximately $177,000. This continual decrease is due to principal payments and pay downs on the outstanding mortgage loans and note receivable with no new issuances.

The Authority issued no new bonds or related mortgage loans during the year ended December 31, 2001.

Overview of the Financial Statements

This annual report consists of two parts—management's discussion and analysis (this section) and the basic financial statements. The basic financial statements provide information on the Authority's financial status. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Authority

An analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the Authority's activities.

Table 1

Net Assets		**2001**	**2000**
Current and other assets	$	3,952,120	3,955,465
Noncurrent assets		16,958,588	19,520,953
Total assets		20,910,708	23,476,418
Current and other liabilities		2,063,165	2,017,266
Long-term liabilities		16,104,007	18,866,565
Total liabilities		18,167,172	20,883,831
Net assets:			
Restricted for debt service		254,628	246,489
Unrestricted		2,488,908	2,346,098
Total net assets	$	2,743,536	2,592,587

(Continued)

The total assets of the Authority decreased by $2,565,710 in the current year. This corresponds to the current year decrease in total liabilities of $2,716,659. As the notes receivable are collected, payments are made on the outstanding debt. As long as no new loans receivable or debt is issued, this relationship will continue.

The Authority's net assets were $2,743,536 at December 31, 2001. Of this amount, $2,488,908 was unrestricted and represents the accumulated results of all past years' operations. Restricted net assets are reported separately to show those amounts restricted by, and the use thereof governed by, the Trust Indenture for each bond issue.

Table 2

Changes in Net Assets		**2001**	**2000**
Operating revenues:			
Interest on mortgage loans and note receivable	$	1,530,731	1,708,029
Other operating revenue		95,545	42,370
Total operating revenues		1,626,276	1,750,399
Operating expenses:			
Interest on bonds		1,480,752	1,607,883
Other operating expenses		99,206	168,888
Total operating expenses		1,579,958	1,776,771
Operating income (loss)		46,318	(26,372)
Nonoperating revenues		104,631	126,758
Change in net assets	$	150,949	100,386

Interest income from mortgage loans and note receivable decreased $177,298 during the current year while the interest expense on bonds payable decreased $127,131. These decreases are occurring because of the continually decreasing mortgage loans receivable and the reduction of bonds payable. Other operating expenses decreased $69,682 from 2000 primarily due to a decrease in amortization of issuance costs.

The resulting increase in net assets of $150,949 is mainly due to current year interest on investments as the Authority's current year operating revenues and receipts of principal payments on outstanding mortgage loans and the note receivable were used to pay the current year operating expenses and debt service on the outstanding bonds.

Debt Administration

At December 31, 2001, the Authority had outstanding bonded indebtedness of $17,833,693 as compared to $20,537,935 at December 31, 2000. The current year changes in outstanding bonded indebtedness are the result of scheduled principal and interest payments. In addition to scheduled principal and interest payments, $590,000 of the Single Family Mortgage Revenue Bonds Series A and B (1995 issue) were called for redemption at a redemption price of 100% of the principal amount called. The bonds, net of any unaccreted discount, consisted of the following at December 31:

Outstanding Debt		2001	2000
Single Family Mortgage Revenue Bonds (1984 Issue)	$	506,025	590,180
Collateralized Mortgage Refunding Bonds (1988 Issue)		6,827,668	8,792,755
Multi-Family Housing Revenue Refunding Bonds (1995 Issue)		4,360,000	4,360,000
Single Family Mortgage Revenue Refunding Bonds (1995 Issue)		6,140,000	6,795,000

The bonds in the 1984, 1988, and 1995 (Single Family – Refunding) Issues are collateralized by and payable from the income, revenues, and receipts derived by the Authority from the mortgage loans and the funds and accounts held under or pledged to the Authority pursuant to the Trust Indentures. The bonds in the 1995 (Multi-Family – Refunding) Issue are collateralized by the revenues and other amounts derived by the Authority from the note receivable and the funds and accounts established under the Trust Indenture. A credit enhancer is also contained in the Trust Indenture for the 1995 Multi-Family Issue that guarantees that no loss will be incurred on the sale of the property should a default occur on the debt being serviced by the investor.

On March 1, 2002, $410,000 of the 1995 Single Family Mortgage Revenue Refunding Bonds Series A and B were called for redemption.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. James A. Burnett, 1400 Youree Drive, Shreveport, Louisiana 71101-4197.

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333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Auditors' Report

The Board of Trustees
Shreveport Home Mortgage Authority
Shreveport, Louisiana:

We have audited the basic financial statements of the Shreveport Home Mortgage Authority (a component unit of the City of Shreveport) as of and for the year ended December 31, 2001, as listed in the Table of Contents. These component unit basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these component unit basic financial statements based on our audit.

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

In our opinion, the component unit basic financial statements referred to above present fairly, in all material respects, the financial position of the Shreveport Home Mortgage Authority as of December 31, 2001 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2002, on our consideration of the Shreveport Home Mortgage Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis listed as Required Supplementary Information in the Table of Contents is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

March 7, 2002

SHREVEPORT HOME MORTGAGE AUTHORITY
(a component unit of the City of Shreveport)

Statement of Net Assets

December 31, 2001

Assets	
Current assets:	
Cash and cash equivalents (note 4)	$ 1,930,320
Current portion of mortgage loans receivable, net (note 2)	1,231,599
Accrued interest receivable	174,430
Investment securities (note 4)	610,710
Other assets	5,061
Total current assets	3,952,120
Noncurrent assets:	
Mortgage loans receivable, net (note 2)	12,349,506
Note receivable (note 3)	4,360,000
Bond issuance costs, net	249,082
Total noncurrent assets	16,958,588
Total assets	20,910,708
Liabilities	
Current liabilities:	
Current portion of bonds payable, net of unamortized discount (note 5)	1,817,189
Accrued interest payable	245,976
Total current liabilities	2,063,165
Noncurrent liabilities:	
Bonds payable, net of unaccreted discount (note 5)	16,016,504
Other	87,503
Total noncurrent liabilities	16,104,007
Total liabilities	18,167,172
Net Assets	
Restricted for debt service	254,628
Unrestricted	2,488,908
Total net assets	$ 2,743,536

See accompanying notes to financial statements.

provisions of laws, regulations, contracts

SHREVEPORT HOME MORTGAGE AUTHORITY
(a component unit of the City of Shreveport)

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended December 31, 2001

Operating revenues:	
Interest on mortgage loans and note receivable	$ 1,530,731
Other	95,545
Total operating revenues	1,626,276
Operating expenses:	
Interest on bonds	1,480,752
Amortization of issuance costs	14,341
Administrative expenses	84,865
Total operating expenses	1,579,958
Operating income	46,318
Nonoperating revenues (expenses):	
Interest on investments	104,294
Other	337
Total nonoperating revenue	104,631
Change in net assets	150,949
Net assets at beginning of year	2,592,587
Net assets at end of year	$ 2,743,536

See accompanying notes to financial statements.

SHREVEPORT HOME MORTGAGE AUTHORITY

(a component unit of the City of Shreveport)

Statement of Cash Flows

Year ended December 31, 2001

Cash flows from operating activities:		
Interest payments received on mortgage loans and note receivable	$	1,379,395
Principal payments received on mortgage loans and note receivable		2,838,821
Interest paid		(1,303,000)
Principal payments on bonds		(2,896,062)
Cash paid for administrative expenses		(84,035)
Other		95,544
Net cash provided by operating activities		30,663
Cash flows from investing activities:		
Interest income received		104,294
Purchases of investments		(1,531,325)
Proceeds from maturities and sales of investments		1,487,839
Net cash provided by investing activities		60,808
Net increase in cash and cash equivalents		91,471
Cash and cash equivalents at beginning of year		1,838,849
Cash and cash equivalents at end of year	$	1,930,320
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income	$	46,318
Adjustments to reconcile operating income to net cash provided by operating activities:		
Principal payments received on mortgage loans and note receivable		2,838,821
Principal payments on bonds		(2,896,062)
Amortization of bond issuance costs		206,080
Loan discount accretion		(135,980)
Net decrease in other assets		4,378
Net increase in accrued interest receivable		(18,904)
Net decrease in other liabilities		(13,988)
Net cash provided by operating activities	$	30,663

See accompanying notes to financial statements.

(1) Summary of Accounting Policies

(a) Organization

The Shreveport Home Mortgage Authority (the Authority) is a tax exempt public trust, created pursuant to the Constitution and laws of the State of Louisiana, particularly Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated October 24, 1978, with the City of Shreveport, Louisiana, as beneficiary. The Authority can transfer excess cash to the City of Shreveport. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing of housing for persons of low to moderate income in the City of Shreveport. The Authority is a component unit of the City of Shreveport.

The Authority began operations on September 14, 1979 and has since been involved in numerous bond issues ("Issues") with the following issues still outstanding:

Date	Issue name	Original amount
November 20, 1984	Single Family Mortgage Revenue Bonds (1984 Issue)	$ 11,250,000
July 28, 1988	Collateralized Mortgage Refunding Bonds (1988 Issue)	44,111,177
March 14, 1995	Multi-Family Housing Revenue Refunding Bonds (1995 Issue)	4,435,000
December 7, 1995	Single Family Mortgage Revenue Refunding Bonds (1995 Issue)	9,450,000

Bonds and other obligations issued under the provisions of the Trust Indenture are not a debt or liability of the State of Louisiana, the City of Shreveport, or any political subdivision.

(b) Basis of Presentation

The accounts of the Authority are organized by issue, each of which is considered a separate accounting entity. The operations of each issue are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses. The following fund types are utilized by the Authority:

Mortgage Purchase Program Funds -- These funds are used to account for the proceeds from mortgage revenue bonds, the debt service requirements of the bonds, and the related mortgage loans for housing in the City of Shreveport.

Operating Funds – These funds are the general operating funds of the Issues. All income and expenses not directly attributable to the Mortgage Purchase Program Funds are accounted for in these funds.

Bond Fund – In the 1995 Multi-Family Refunding Issue, the Bond Fund is used to account for the proceeds from the sale of the bonds, principal and interest payments on the note receivable, and the debt service on the bonds.

Operating Account – The Operating Account represents funds owned by the Authority not associated with an individual Issue. The primary source of these funds is the semiannual issuer's fee paid by certain Issues to the Authority, transfers of excess funds in the 1988 Issue, and interest on loans received in the refunding of the 1979 Issue and investment income. Payments from this account are made to cover expenses of the Authority not provided for under any of the various bond indentures.

Interest earned on the investments and mortgage loans in the Mortgage Purchase Program Funds is initially accounted for in those funds. The interest is then transferred to the respective Operating Fund when collected. To the extent monies are not available from the principal payments received on the mortgage loans, the Operating Funds transfer monies to the Mortgage Purchase Program Funds in amounts sufficient to pay all interest and principal on the outstanding bonds.

(c) ***Basis of Accounting***

The Authority uses the accrual method of accounting whereby expenses are recognized when the liability is incurred, and revenues are recognized when earned. The Authority is accounted for on a *flow of economic resources measurement focus*. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The operating statements present increases (revenues) and decreases (expenses) in net assets. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins (unless those pronouncements conflict with or contradict GASB pronouncements).

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are interest charges on mortgage loans and the note receivable. The Authority also recognizes as operating revenue annual fees (i.e., foreclosure fees, issuer fees) to recover costs associated with administering the mortgage loans and note receivable and foreclosures.

(d) ***Investment Securities***

Investments are reported at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(e) ***Bond Issuance Costs and Bond Discount***

Costs related to issuing bonds are capitalized. Bonds are presented net of discounts related to the sale of bonds. Bond costs and discounts are amortized on the interest method over the term of the bonds. The bond issuance cost for the 1995 Multi-Family Issue was paid by the owner of the property.

(f) ***Mortgage Loan Discount***

Discounts on the 1984 and 1988 mortgage loans are amortized on the interest method over the terms of the loans.

(g) ***Provisions for Loan Losses***

Provisions for losses on loans and accrued interest are charged to earnings when it is determined that the investment in applicable assets is greater than their estimated net realizable value. At December 31, 2001, estimated losses on loans were not material.

(h) ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash and cash equivalents are defined as being cash in bank deposit accounts and short-term investments with an original maturity of ninety days or less. Investments in guaranteed investment contracts and U.S. government securities are excluded from cash and cash equivalents although such investments may mature within ninety days of their purchase.

(2) Mortgage Loans Receivable

Mortgage loans for the 1984 Issue, 1988 Issue, and the Operating Account are collateralized by first liens on single family residential property. The mortgage loans have an aggregate effective interest rate to the Authority of 9.67% for the 1988 Issue, 10.68% for the 1984 Issue, and 7.00% for the mortgage loans held in the Operating Account. Mortgage loans for the 1995 Issue (Single Family – Refunding) represent mortgage pass-through certificates (GNMA and FNMA certificates) backed by certain qualifying mortgage loans for single family residences.

The 1984 Issue and Operating Account mortgage loans have a face value of $624,761 and $53,855, respectively, at December 31, 2001. The 1988 Issue mortgage loans have a face value of $8,330,181 which is reduced by unamortized discount of $1,265,989 at December 31, 2001.

All loans purchased by the Authority under the 1988 Issue and the Operating Account are required to be insured by FHA or guaranteed by VA. Additionally, each mortgage loan in these issues is insured under master policies of supplemental mortgage insurance obtained from Mortgage Guaranty Insurance Corporation. These master policies insure, subject to certain conditions, each mortgage loan owned by the Authority against losses not otherwise insured, to a maximum of 10% of the aggregate initial principal balance of all mortgage loans originated. The conventional loans under the 1984 Single Family Issue are insured under master policies of mortgage pool insurance obtained from GE Capital Mortgage Insurance Corporation to a maximum of 15% of the aggregate initial principal balances of the loans, as well as being fully insured with various approved private mortgage insurers for the unamortized principal balance of the loan and accrued and unpaid interest.

As the principal and interest payments on the GNMA and FNMA certificates of the 1995 Issue (Single Family – Refunding) are fully guaranteed by the GNMA and FNMA, the Authority is not responsible for mortgage loan insurance for the mortgage loans in the 1995 Issue (Single Family – Refunding). The carrying and market values of the 1995 Issue (Single Family – Refunding) GNMA and FNMA certificates at December 31, 2001 were $5,838,297 and $5,891,751, respectively.

(3) Note Receivable

The note receivable is a $4,360,000 note in the 1995 Multi-Family Refunding Issue due from an investor maturing September 1, 2025. The note receivable bears interest at a fixed rate of 6.4%. The note is collateralized by land, buildings, and fixtures of the investor. The bonds payable in the 1995-A Multi-Family Refunding Issue are not a general obligation debt or liability of the Authority. Security for the bonds is the note receivable. In addition, a policy of indemnity is in place to cover nonpayment of the bonds in the event of default by the investor. Because the bonds are not a general obligation of the Authority, failure to collect all of the note would ultimately lead to a corresponding reduction in amounts paid to the bondholder. Therefore, no provision has been made to record an allowance for doubtful accounts.

(4) Cash and Cash Equivalents and Investment Securities

Investments, including cash equivalents, consist of securities as specifically called for under terms of the Trust Indentures; these include variable rate notes, U.S. Treasury bonds, U.S. Treasury bills, U.S. government agencies, certificates of deposit, and investment agreements.

Cash and cash equivalents include the following at December 31, 2001:

One Group U.S. Treasury Securities Money Market Fund:		
1984 Issue (Single Family)	$	27,410
1988 Issue (Refunding)		614,289
Operating Account		996,651
		1,638,350
Fidelity Treasury Capital Reserve Fund		
1995 Issue (Multi-Family – Refunding)		291,970
Total cash and cash equivalents	$	1,930,320

The above cash equivalents are not insured or collateralized.

Investment securities are as follows:

		Carrying amount	Fair value
1984 Issue (Single Family):			
Bank One, MBank Investment Agreements	$	81,691	81,691
1995 Issue (Single Family – Refunding):			
Bayerische Landesbank Investment Agreements		529,019	529,019
	$	610,710	610,710

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. All investments are Category 2 investments. Category 2 includes uninsured and unregistered investments for which the securities are held by the trustee in the Authority's name.

(5) Bonds Payable

Bonds payable at December 31, 2001 consist of:

1995 Issue (Single Family – Refunding) – Single Family Mortgage Revenue Refunding Bonds, 1995A dated December 1, 1995 – $545,000 Current Interest Bonds due serially each August 1 until 2006, at interest rates of 4.25% to 5.2%; $5,450,000 Term Bonds due August 2028 at 6.0% interest; $800,000 Term Bonds due August 1, 2013, at 5.2% interest	$	6,140,000
1995 Issue (Multi-Family – Refunding) – Multi-Family Housing Revenue Refunding Bonds, Series 1995A dated March 14, 1995 – $4,360,000 Current Interest Bonds due September 1, 2025		4,360,000
1988 Issue (Refunding) – Taxable Collateralized Mortgage Refunding Bonds, Series 1988-A dated July 1, 1988, due in monthly installments of approximately $259,000 including interest (based on the payments of the mortgage loan pool collateralizing the Issue) at an interest rate of 6.8%		8,113,743
Unaccreted discount		(1,286,075)
		6,827,668
1984 Issue (Single Family) – Single Family Mortgage Revenue Bonds, 1984 Series A dated November 1, 1984; Compound Interest Term Bonds due May 1, 2016, at an approximate yield of 11.25%		2,460,000
Unaccreted discount		(1,953,975)
		506,025
Total bonds payable, net of unaccreted discount		17,833,693
Less current portion of bonds payable, net of unaccreted discount		1,817,189
Long-term bonds payable, net of unaccreted discount	$	16,016,504

(Continued)

A summary of scheduled bond maturities and interest follows:

	(thousands of dollars)										
	Total	2002	2003	2004	2005	2006	2007-2011	2012-2016	2017-2021	2022-2026	2027-2031
Bonds:											
1984 Single Family Issue	$ 2,460	—	—	—	—	—	—	2,460	—	—	—
1988 Refunding Issue	8,114	2,100	2,263	2,439	1,312	—	—	—	—	—	—
1995 Multi-Family Refunding Issue	4,360	—	—	—	—	—	—	—	—	4,360	—
1995 Single Family Refunding Issue	6,140	50	50	50	50	60	—	430	—	—	5,450
Total principal on bonds	21,074	2,150	2,313	2,489	1,362	60	—	2,890	—	4,360	5,450
Less: unamortized discount	3,240	333	359	386	208	—	—	1,954	—	—	—
Net principal	17,834	1,817	1,954	2,103	1,154	60	—	936	—	4,360	5,450
Interest	16,886	1,128	978	817	661	632	3,151	3,084	3,030	2,751	654
Total	$ 34,720	2,945	2,932	2,920	1,815	692	3,151	4,020	3,030	7,111	6,104

The 1995 Issue (Multi-Family – Refunding) may be redeemed in whole or in part on or after December 1, 2005, upon notice, at a redemption price beginning at 102% and subsequently declining to par. The 1995 Issue (Single Family – Refunding) may be redeemed, in whole or part, at par, after March 1, 2006. Certain mandatory redemption provisions are described in the Bond Indentures which require redemption at a price equal to the principal and accrued interest to the redemption date. For the 1984 Issue, there are no optional redemption features.

Payments of principal on the 1988 Issue are based on payments of the mortgage pool collateralizing the Issue. Prepayments of these mortgage loans are used to prepay principal on the 1988 Issue. Additionally, the bonds are subject to redemption at the option of the bondholder on thirty days' notification to the Authority. The redemption value would be the lesser of the then outstanding principal and interest on the bonds or the fair market value of the mortgage loans. The Trustee is authorized to act at the direction of the bondholder to sell the mortgage loans on the redemption date.

The bonds in the 1984, 1988, and 1995 (Single Family – Refunding) Issues are collateralized by and payable from the income, revenues, and receipts derived by the Authority from the mortgage loans and the funds and accounts held under or pledged to the Authority pursuant to the Trust Indentures. The bonds in the 1995 (Multi-Family – Refunding) Issue are collateralized by the revenues and other amounts derived by the Authority from the note receivable and the funds and accounts established under the Trust Indenture. A credit enhancer is also contained in the Trust Indenture that guarantees that no loss will be incurred on the sale of the property should a default occur on the debt being serviced by the investor.

There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions.

On March 14, 1995, the Authority issued $4,435,000 in bonds, the 1995 Issue (Multi-Family – Refunding), to advance refund the $4,360,000 1983-B Issue bearing interest at 6.4% and pay part of the issuance costs of the new bonds. The 1983-B Issue bonds are considered defeased and have been removed from the Authority's financial statements. At December 31, 2001, the principal outstanding on the refunded bonds was $4,360,000.

The 1979 Issue bonds are considered defeased and have been removed from the Authority's financial statements. At December 31, 2001, $37,500,000 of bonds in the 1979 Issue are still outstanding.

(6) Restricted Assets

Substantially all amounts reflected in the statement of net assets represent assets in such accounts or funds designated under the Trust Indenture for each Issue to be invested and/or held for subsequent disbursement in such manner and at such time as specifically defined in the respective Trust Indenture.

All of the assets of the Mortgage Purchase Program Funds are restricted by, and the use thereof is governed by, the Trust Indentures.

The balance at December 31, 2001 of the restricted assets of each fund or account established under the *respective Trust Indenture and a reconciliation to total assets by Issue is as follows:*

1995 Issue (Single Family – Refunding)	
Mortgage loan account	$ 5,838,297
Accrued interest receivable	29,745
Investments	3,076
Total assets in restricted funds	5,871,118
Plus interfund receivables	239,826
Total restricted assets	6,110,944
Bond issuance costs, net	182,020
Total assets	$ 6,292,964
1995 Issue (Multi-Family – Refunding)	
Total assets, all restricted	$ 4,707,640

1988 Issue (Refunding)		
Mortgage loan account	$	7,064,192
Accrued interest receivable		59,500
Reserve funds		552,945
Total assets in restricted funds		7,676,637
Less interfund payables		(828,528)
Total restricted assets		6,848,109
Bond issuance costs, net		67,062
Total assets	$	6,915,171
1984 Issue (Single Family)		
Mortgage loan account	$	624,761
Accrued interest receivable		18,340
Reserve fund		19,815
Total assets in restricted funds		662,916
Less interfund payables		(156,891)
Total restricted assets	$	506,025

(7) Segment Information

The Authority issues separate revenue bonds to finance mortgage loan programs. All individual bond issues are accounted for in a single fund, but investors in those bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for each issue is presented below.

(Continued)

SHREVEPORT HOME MORTGAGE AUTHORITY
(a component unit of the City of Shreveport)

Notes to Financial Statements

December 31, 2001

		1995 Issue Single Family *Refunding*	1995 Issue Multi-Family *Refunding*	1988 Issue *Refunding*	1984 Issue Single *Family*	Operating *Account*
Condensed Statement of Net Assets						
Assets:						
Current assets	$	662,947	347,640	1,786,785	154,097	1,000,651
Other assets (primarily mortgage loans/ note receivable)		5,927,310	4,360,000	6,021,772	599,651	49,855
Total assets		6,590,257	4,707,640	7,808,557	753,748	1,050,506
Liabilities:						
Current liabilities		202,964	93,012	1,767,189	—	—
Long-term liabilities		6,090,000	4,360,000	5,147,982	506,025	—
Total liabilities		6,292,964	4,453,012	6,915,171	506,025	—
Net Assets:						
Restricted		—	254,628	—	—	—
Unrestricted		297,293	—	893,386	247,723	1,050,506
Total net assets	$	297,293	254,628	893,386	247,723	1,050,506
Condensed Statement of Revenues, Expenses, and Changes in Net Assets						
Interest on mortgage loans and note receivable receivable	$	388,874	279,040	790,228	68,693	3,896
Other operating revenue		283	2,373	80,097	—	12,792
Interest on bonds payable		(375,495)	(279,040)	(769,868)	(56,349)	—
Other operating expenses		(28,310)	(3,878)	(41,064)	(4,114)	(21,840)
Operating income (loss)		(14,648)	(1,505)	59,393	8,230	(5,152)
Nonoperating revenues (expenses):						
Interest on investments		21,643	9,644	23,538	11,929	37,540
Other		—	—	337	—	—
Total nonoperating revenues (expenses)		21,643	9,644	23,875	11,929	37,540
Change in net assets		6,995	8,139	83,268	20,159	32,388
Net assets at beginning of year		290,298	246,489	810,118	227,564	1,018,118
Net assets at end of year	$	297,293	254,628	893,386	247,723	1,050,506
Condensed Statement of Cash Flows						
Net cash provided (used) by:						
Operating activities	$	16,046	(20,409)	46,835	(11,408)	(401)
Investing activities		(16,046)	9,644	23,538	6,132	37,540
Net increase (decrease)		—	(10,765)	70,373	(5,276)	37,139
Cash and cash equivalents at beginning of year		—	302,735	543,916	32,686	959,512
Cash and cash equivalents at end of year	$	—	291,970	614,289	27,410	996,651

(Continued)

(8) Commitments

Under the terms of the applicable Trust Indentures, the Authority is required to redeem bonds prior to maturity when balances in certain funds exceed specified levels. The 1988 Issue is redeemable, as described in note 5, based on mortgage prepayments or at the option of the bondholders.

(9) Subsequent Event

On March 1, 2002, $410,000 of the 1995 Single Family Mortgage Revenue Refunding Bonds Series A and B were called for redemption at a redemption price of 100% of the principal amount called.

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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Shreveport, Louisiana:

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Compliance

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Internal Control Over Financial Reporting

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KPMG LLP

March 7, 2002

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