

Durham Springs/Livingston Housing and
Mortgage Finance Authority

INDIVIDUAL AND COMBINED BALANCE SHEETS

December 31, 1994

	<u>1993</u>	<u>1992</u>
	<u>SERIES A</u>	<u>SERIES B</u>
ASSETS		
Cash and Cash Equivalents	\$ 28,338	\$ 185,582
Federal Home Loan Mortgage Coupon, at Cost	-	-
FHMA Securities, at Amortized Cost	2,018,366	932,328
GNMA Securities, at Amortized Cost	-	-
FHMLI Investment, at Cost	-	-
Mortgage Loans Receivable	-	1,197,743
Due from Other Funds	-	4,000
Accrued Interest Receivable	9,468	14,711
Deferred Financing Costs - Net of Amortization	79,323	134,364
Prepaid Expense	-	2,164
Due from Borrow	-	-
Total Assets	<u>\$2,135,415</u>	<u>\$2,458,804</u>
LIABILITIES AND FUND BALANCES (DEFICIT)		
Accounts Payable	\$ -	\$ 329
Due to Other Funds	4,000	4,913
Accrued Interest Payable	30,989	12,969
Bonds Payable - Net	1,428,353	1,134,431
Total Liabilities	1,483,342	1,149,642
Fund Balances:		
Reserved for Debt Service	478,094	1,360,252
Unreserved - Undesignated (Deficit)	-	-
Total Fund Balances - (deficit)	<u>478,094</u>	<u>1,360,252</u>
Total Liabilities and Fund Balances	<u>\$2,131,416</u>	<u>\$2,409,894</u>

The accompanying notes are an integral part of this statement.

Danham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1986

The mortgage loans are insured by the Authority under a mortgage servicer performance bonds policy and a special hazard policy.

As part of the defeasance of the 1979 Series A bond issue, the Authority on July 31, 1982, transferred \$13,800,000 (at par value) of the 1979 Mortgage Loans to the holder of the 1992 Series A, Class 1 Bonds in payment thereof. The remaining mortgage loans receivable will be used to satisfy maturing 1992 Series A, 1992 Series B, and 1992 Series C bond principal and interest payments.

(4) Bonds Payable -

The outstanding bonds payable consist of the following:

	1986	1992
1992 Series A, Single Family Mortgage Revenue Refunding Bonds Maturing Serially Through August 1, 2011, with Interest at 7.50% Payable Monthly	\$ 2,628,750	\$ 2,945,808
1992 Series B, Single Family Mortgage Revenue Refunding Bonds: Class B-1 - Maturing Serially Through August 1, 2011, With In- terest at 7.12% Payable Monthly	2,669,899	2,774,817
Class B-2 - Capital Appreciation Bonds Maturing July 10, 2024, Priced to Yield 8.25% at Maturity	300,000	300,000
Less: Unamortized Bond Discount	(238,468)	(262,789)
Net Class B-2	61,532	37,211
Total 1992 Series B	2,131,431	2,339,733
1992 Series C, Residual Revenue Capital Appreciation Bonds Maturing July 10, 2024, Priced to Yield 7.50% at Ma- turity	5,750,000	5,750,000
Less: Unamortized Bond Discount	(4,307,388)	(4,318,064)
Total 1992 Series C	1,442,612	1,431,936
1984 Series Single Family Mortgage Revenue Bonds Maturing Serially Through February 1, 2028 with Interest Rates of 5.54-6.875% Payable Semiannually	10,000,000	10,000,000
Total Bonds Payable	\$14,302,896	\$14,787,703

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LEGISLATIVE BUREAU

**BERNARD SPRINGS/LIVINGSTON BOULEVARD
AND MORTGAGE FINANCE AUTHORITY**

DECEMBER 31, 1936

BERNARD SPRINGS, LOUISIANA

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

Release Date JUN 19 1937

HANNIS T. BOURGEOIS & CO., L.L.P.

MEMBER OF THE FIDELITY & BOND ASSOCIATION
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A PROFESSIONAL SERVICE CORPORATION

Certified Public Accountants

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CERTIFIED PUBLIC ACCOUNTANTS

May 8, 1997

To the Board of Directors
Denham Springs/Livingston Housing and
Mortgage Finance Authority

We have audited the financial statements of the Denham Springs/
Livingston Housing and Mortgage Finance Authority (the Authority) for
the year ended December 31, 1996, and have issued our report thereon
dated May 8, 1997.

We conducted our audit in accordance with generally accepted auditing
standards and Government Auditing Standards issued by the Comptroller
General of the United States. These standards require that we plan
and perform the audit to obtain reasonable assurance about whether the
financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the
Authority is the responsibility of the Authority's management. As part
of obtaining reasonable assurance about whether the financial state-
ments are free of material misstatement, we performed tests of the
Authority's compliance with certain provisions of laws, regulations
and contracts. However, the objective of our audit of the
financial statements was not to provide an opinion on overall
compliance with such provisions. Accordingly, we do not express such
an opinion.

The results of our tests disclosed no instances of noncompliance that
are required to be reported under Government Auditing Standards.

This report is intended solely for the use of the Board of Directors,
management and the Legislative Auditor and should not be used for any
other purpose. This restriction is not intended to limit the dis-
tribution of this report which, upon acceptance by Denham Springs/
Livingston Housing and Mortgage Finance Authority, is a matter of
public record.

Respectfully submitted,

Hannis T. Bourgeois & Co., L.L.P.

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1998 SERIES C	1998 SERIES	RESIDENTIAL RURD	TOTALS	
			1998	1999
\$ (216,050)	\$ 11,178	\$ 24,242	\$ 9,500	\$ 79,711
4,443	2,208	-	24,183	16,771
111,875	-	-	193,321	129,442
-	(997)	-	(112,844)	(102,777)
-	29,833	(4,424)	20,943	(255,081)
-	"	"	"	(1,758)
-	6,545	(22,293)	(28,941)	(42,388)
-	"	"	(126)	(4,101)
-	"	"	"	2,780
-	-	-	05,234	180,820
-	49,557	(3,172)	22,942	84,918

HANNIS T. BOURGEOIS & CO., L.L.P.

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REAL ESTATE ACCOUNTANTS

May 1, 1997

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Durham Springs/Livingston Housing and
Mortgage Finance Authority

We have audited the accompanying Individual Programs and Residual Fund Balance Sheets of the Durham Springs/Livingston Housing and Mortgage Finance Authority (the Authority) as of December 31, 1996, and the related individual statements of Revenues, Expenses, and Charges to Fund Balances and Cash Flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the individual programs and the residual fund of the Durham Springs/Livingston Housing and Mortgage Finance Authority as of December 31, 1996, and their revenues, expenses and charges in fund balances and their cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 8, 1997 on our consideration of the Authority's internal control structure and a report dated May 8, 1997 on its compliance with laws and regulations.

Respectfully submitted,

1 *Hannis T. Bourgeois & Co., L.L.P.*

Dunham Springs/Livingston Housing and
Mortgage Finance Authority

INDIVIDUAL AND COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

For the Year Ended December 31, 1994

	<u>1993</u> <u>SERIES A</u>	<u>1992</u> <u>SERIES B</u>
Cash Flows from Investing Activities:		
Proceeds from Maturities or Sales of Investments	329,651	-
Purchases of Investments	-	-
Principal Collections on Mortgage Loans	-	150,184
Net Cash Provided by (Used in) Investing Activities	329,651	150,184
Cash Flows from Noncapital Financing Activities:		
Proceeds from Issuance of Series 1993 Bonds	-	-
Bond Redemptions	(337,883)	(284,618)
Payment of Deferred Financing Costs	-	-
Operating Transfers In (Out) - Net	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(337,883)	(284,618)
Net Increase (Decrease) in Cash and Cash Equivalents	(8,232)	(134,434)
Cash and Cash Equivalents at Beginning of Year	28,755	162,622
Cash and Cash Equivalents at End of Year	\$ 20,523	\$ 128,188

The accompanying notes are an integral part of this statement.

1990 SERIES C	1995 SERIES	ADDITIONAL FUND	TOTALS (MEMORANDUM ONLY)	
			1990	1995
-	1,843,137	100,000	1,870,337	\$ 1,775,381
-	(1,841,378)	-	(1,841,378)	(11,406,893)
-	-	24,880	24,188	257,852
-	(18,238)	117,933	833,188	19,374,630
-	-	-	-	10,860,088
-	-	-	(521,699)	(764,443)
-	-	-	-	(288,813)
-	(2,341)	2,341	-	-
-	(2,341)	2,341	(521,699)	9,328,748
-	27,878	126,720	124,591	(141,378)
-	8,352	371,518	993,894	1,188,365
\$ -	\$ 24,830	\$ 898,204	\$ 1,128,865	\$ 993,894

Denham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

(1) Organization of Authority -

The Denham Springs/Livingston Housing and Mortgage Finance Authority (the "Authority") is a public trust created pursuant to provisions of the Louisiana Revised Statutes of 1950, as amended, by a Trust Indenture dated February 12, 1979. The Authority's primary purpose is to provide means of financing the cost of residential home ownership, development and rehabilitation which will provide decent, safe and sanitary housing for low and moderate income residents of Livingston Parish at prices they can afford, through the Authority's purchase of mortgage loans made to such persons by certain mortgage lenders.

On September 11, 1978, the Authority issued, through underwriters, Single Family Mortgage Revenue Bonds, 1978 Series A, totaling \$35,888,000 to fund the purchase of such mortgage loans. This original issue was governed by a Bond Trust Indenture dated June 1, 1978. On April 1, 1987 the debt was restructured according to the terms of the First Supplemental Trust Indenture. As more fully discussed in Note 7, on June 16, 1992, the Authority issued, through underwriters, 1992 Series A, 1992 Series B, and 1992 Series C Bonds totaling \$25,478,800, for the purpose of advance refunding the balance on the original 1978 Series A Bonds. Each 1992 Series Bond issued is governed by individual indentures dated June 1, 1992.

On February 23, 1998, the Authority issued an additional \$10,000,000 of Single Family Mortgage Revenue Bonds Series 1998. The proceeds of these bonds will be used to finance the purchase of (A) Fully modified, mortgage-backed securities guaranteed by the Governmental National Mortgage Association (GNMA) and backed by pools of FHA-insured mortgage loans or VA-guaranteed mortgage loans and (B) single pool, mortgage-backed securities guaranteed by the Federal National Mortgage Association (FNMA) and backed by pools of conventional mortgage loans. The mortgage loans will be originated by various mortgage-lending institutions to finance the purchase of single family residences located in Livingston Parish to be owned and occupied by low and moderate income families residing in the Parish. The Series 1998 Bonds are governed by a separate indenture dated February 1, 1998.

The Authority is managed by a Board of Trustees appointed by the City Council of Denham Springs. The Authority's Board of Trustees is empowered under the bond trust indenture and the bond pro-

Denham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1986

gram agreement to contract with outside parties to conduct the day-to-day operations of the Authority and the programs it initiates. The Authority employs Premier Corporate Trust as its Program Administrator to provide administrative staff support for the Board of Trustees and its committees, general office administration for the Authority and program administration and supervision for its mortgage purchase bond program. Under its original single family mortgage purchase bond program, the Authority utilized area financial institutions to originate and service the mortgage loans acquired. In addition, Premier Corporate Trust has been designated as the Trustee of the bond program and has the fiduciary responsibility for the custody and investment of funds.

Although located within the boundaries of the City of Denham Springs, the City does not significantly influence the operations of the Authority nor is the Authority held accountable to the City of Denham Springs for fiscal matters.

The bonds issued by the Authority are general obligations of the Authority and are not obligations of the State of Louisiana or any other political subdivision thereof.

Based on criteria outlined in Statement No. 14 of the Governmental Accounting Standards Board the Denham Springs/Livingston Housing and Mortgage Finance Authority is considered a related party to the City of Denham Springs.

(12) Summary of Significant Reporting and Accounting Policies -

Basis of Accounting and Reporting

The Authority follows the accrual basis of accounting for its Residual Fund and for all funds established by the Bond Trust Indentures. The funds, which are maintained by the Trustee Bank, provide for the accounting for bonds issued, debt service and bond redemption requirements, investments, and related revenues and expenses. These individual funds for each bond program are aggregated in the accompanying individual financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Denham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1988

Total Columns on Combined Statements

The combined statements include the totals of the similar accounts of each of the Authority's bond programs and the Authority's Residual Fund. Because the assets of the bond programs are restricted by the related bond resolutions and indentures, the totaling of the accounts, including the assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the resolutions and indentures relating to the separate programs.

In particular, it should be noted that the figures listed under the heading "1992 Series C" are the 1992 tax exempt residual revenue capital appreciation bond issue defeasance data and are not comparable to the program operations data appearing in the other columns. The \$1,462,752 deficit shown in the fund balance for the 1992 C issue is a result of the transfer of bond proceeds to the Residual Fund as called for in the Indenture and the accretion of the 1992 C Capital Appreciation Bonds. The 1992 Series C Bonds are to be paid solely from the remaining assets of the 1981 Series B Bonds upon final maturity of the 1982 Series B Bonds.

Amortization

Bond issuance costs, including the underwriters' discount on the sale of the bonds and the restructuring expenses, are amortized ratably over the life of the bonds based upon the principal amounts outstanding. Premium and discount on the purchase of U.S. Government securities are amortized over the lives of the securities.

Statements of Cash Flow

For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and all highly liquid debt instruments with maturities of three months or less when purchased.

(1) Mortgage Loans -

Mortgage loans have a stated interest rate of 8.00% and are collateralized by mortgages on single unit, owner-occupied residences. The loans, which have scheduled maturities of 35 years, are serviced by a designated loan servicer. This loan servicer is responsible for collecting the loan payments from the borrowers and remitting those payments to the Authority's Trustee. The loan servicer is compensated for servicing the loans based upon a percentage of the unpaid balances for the loans outstanding.

In planning and performing our audit of the financial statements of the Authority, for the year ended December 31, 1986, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the use of the Board of Directors, management and the legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by Durham Springs/Livingston Housing and Mortgage Finance Authority, is a matter of public record.

Respectfully submitted,

Horris L. Bergman & Co., L.L.P.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL STRUCTURE BASED
ON AN ASSESS OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE BASED ON AN ASSET OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

OTHER SUPPLEMENTARY INFORMATION

Bethesda Springs/Livingston Housing and
Mortgage Finance Authority

INDIVIDUAL AND COMBINED STATEMENTS OF CASH FLOW

For the Year Ended December 31, 1994

	<u>1993</u> <u>SERIES A</u>	<u>1992</u> <u>SERIES B</u>
Cash Flows From Operating Activities:		
Excess (Deficiency) of Revenues Over Expenses Before Operating Transfers	\$ 16,420	\$ 84,360
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by Operating Activities:		
Amortization of Deferred Financing Costs	5,511	2,829
Amortization of Bond Discount	9,288	11,838
Accretion on Investments	(37,897)	(79,860)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accrued Interest Receivable	2,023	(8,244)
(Increase) Decrease in Due from Other Funds	-	-
(Increase) Decrease in other Assets	-	-
Increase (Decrease) in Accounts Payable	-	(124)
Increase (Decrease) in Due to Other Funds	-	-
Increase (Decrease) in Current Interest Payable	(4,784)	(2,582)
Net Cash Provided by (used in) Operating Activities	18,288	13,630

CONTINUED

1982 SERIES C	1996 SERIES	RESIDUAL FUNDS	TOTALS OPERATION ONLY	
			1982	1996
\$ -	\$ -	\$ 8,990	\$ 185,077	\$ 231,708
-	682,827	132,267	1,963,888	979,973
-	-	(2,440)	(2,440)	(200)
-	-	825	825	87,852
-	682,827	136,712	1,167,898	1,169,271
132,575	682,824	-	1,014,240	848,188
4,443	2,222	-	14,283	16,771
-	-	-	4,399	5,708
-	-	-	1,829	2,484
-	-	54,800	54,088	54,800
-	-	-	-	423
-	1,545	7,877	22,523	31,422
-	-	8,811	8,611	8,803
-	-	1,676	7,228	8,568
-	-	32,288	31,053	-
136,918	671,728	169,252	1,187,188	1,089,540
(156,018)	11,178	34,241	9,900	79,712
-	-	2,241	2,241	113,032
-	(2,242)	-	(2,242)	(113,032)
-	(2,242)	2,241	-	-
(116,018)	8,837	36,481	9,900	79,711
(2,248,734)	119,331	2,426,743	2,848,308	2,769,328
\$ (1,483,752)	\$ 119,148	\$ 2,463,494	\$ 2,858,308	\$ 2,848,328

Denham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1996

(6) Compensation Paid Board Members -

James Labarre	\$ -
Victor Holland	-
Gerald Hughes	-
Stacy Jones, Chairman	-
Neil Jensen	-
Robert Speale, Sr.	-
Sean Robinson	-
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	\$ -
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(7) Prior Year's Defeasance of Debt -

On June 18, 1993, the Authority applied proceeds from sales of investments of the 1979 Series A Bond issue and proceeds from issuance of 1993 Series A and 1993 Series B Bond issues to advance refund the outstanding portion of the 1979 Series A Bonds. The Authority placed sufficient proceeds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the Authority's financial statements. At December 31, 1996, the balance of the defeased portion of the bonds is \$20,888,000.

(8) Subsequent Event -

On January 15, 1997, the Authority issued \$18,000,000 Single Family Mortgage Revenue Refunding Bonds - Series 1997 to refund the Single Family Mortgage Revenue Bonds - Series 1995. The assets securing the Series 1995 bonds including the 1995 GSEA Securities and the 1995 FNSA Securities were transferred to the Trustee on the date the new bonds were issued. Funds securing the 1995 bonds were then made available to finance the purchase of additional securities backed by mortgage loans made to finance the purchase of single-family residences located in the Parish of Livingston, Louisiana to be owned and occupied by low and moderate income families residing in the parish.

Dorham Springs/Livingston Housing and
Mortgage Finance Authority

**INDIVIDUAL AND COMBINED STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN FUND BALANCES**

For the Year Ended December 31, 1992

	<u>1992</u>	<u>1991</u>
	<u>SERIES A</u>	<u>SERIES B</u>
Revenues:		
Interest Earned on Mortgage Loans Receivable	\$ -	\$ 50,007
Interest Earned on Other Investments	166,861	81,823
Gain (Loss) on Sales of Investments	-	-
Miscellaneous Income	-	-
Total Revenues	<u>166,861</u>	<u>131,830</u>
Expenses:		
Interest	165,330	94,343
Amortization of Deferred Financing Costs	6,811	3,039
Loan Servicing Fees	-	4,393
Insurance	-	1,928
Grant	-	-
Legal	-	-
Administrative Fees	-	6,000
Operating Expenses	-	-
Professional Fees	-	2,550
Down Payment Assistance	-	-
Total Expenses	<u>180,843</u>	<u>118,263</u>
Excess (Deficiency) of Revenues Over Expenses Before Operating Transfers	<u>16,020</u>	<u>64,360</u>
Operating Transfers:		
Transfer In	-	-
Transfer (Out)	-	-
Excess (Deficiency) of Revenues Over Expenses	<u>16,020</u>	<u>64,360</u>
Fund Balances (Deficit) - Beginning of Year	<u>482,078</u>	<u>1,195,892</u>
Fund Balances (Deficit) - End of Year	<u>\$ 478,098</u>	<u>\$1,260,252</u>

The accompanying notes are an integral part of this statement.

DeSham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1998

Computation of annual principal redemptions for 1992 Series A and 1993 Series B determined by applying the 84 PSA Prepayment Model. The PSA Prepayment Model was developed by the Public Securities Association and is based on various assumptions. Actual principal redemptions may vary.

(4) Cash and Investments -

The Authority's programs maintain deposits at the Trustee bank. The balances of these deposits at December 31, 1998, were entirely insured. The Authority also has funds, classified as "Cash and Cash Equivalents" on the Balance Sheet, which represent interests in money market mutual funds.

The amortized cost and approximate market value of the U.S. Government securities are as follows:

	AMORTIZED COST	MARKET	UNREALIZED GAINS (LOSSES)
FHMA Zero Coupon Securities	\$1,379,898	\$1,782,344	\$ 402,446
FHMA Mortgaged Backed Securities	2,611,051	2,441,738	(169,313)
	\$3,990,949	\$4,224,078	\$ 233,128
Federal Home Loan Mortgage Coupon Securities	\$ 361,864	\$ 364,308	\$ (7,556)
GNMA Mortgage Backed Loan Pool	\$1,880,668	\$1,871,107	\$ (9,561)
PCMAI Fixed Fund	\$7,785,582	\$7,785,582	\$ -

The FHMA mortgaged backed securities are restricted for debt service on the program's bonds and payment of various program expenses. These securities are held by the Trustee bank in the Trustee's name and are pledged to secure the Authority's investments.

The PCMAI Fixed Fund investments, as authorized by the Series 1995 Bond Indenture, are restricted to pay debt service requirements and provide funds for future GNMA mortgage loan backed pools.

1982 SERIES C	1985 SERIES	RECURRING FINES	TOTALS (MEMORANDUM ONLY)	
			1984	1985
\$ -	\$ 36,200	\$ 898,204	\$ 2,128,888	\$ 993,094
-	-	361,864	361,864	465,415
-	384,208	800,000	3,010,902	3,428,524
-	2,882,668	-	3,000,666	2,312,748
-	7,785,582	-	7,785,582	8,718,803
-	-	70,488	2,382,343	2,468,522
-	-	236,913	140,913	168,913
-	221,648	22,028	378,483	299,415
79,889	202,411	-	495,947	526,562
-	8,548	-	7,789	14,284
<u>-</u>	<u>-</u>	<u>475,202</u>	<u>475,202</u>	<u>442,222</u>
\$ 79,889	\$ 18,527,435	\$ 2,467,944	\$17,618,618	\$18,617,944
\$ -	\$ -	\$ 4,800	\$ 4,829	\$ 4,955
-	132,800	-	340,913	340,913
-	276,247	-	309,775	314,849
<u>1,542,711</u>	<u>18,800,880</u>	<u>-</u>	<u>14,382,685</u>	<u>14,707,782</u>
1,542,711	18,408,247	4,800	14,788,412	15,369,640
-	119,248	-	1,857,514	1,768,287
<u>11,462,752</u>	<u>-</u>	<u>2,463,444</u>	<u>1,880,692</u>	<u>1,880,928</u>
<u>11,462,752</u>	<u>119,248</u>	<u>2,463,444</u>	<u>2,858,206</u>	<u>2,848,388</u>
\$ 79,889	\$ 18,827,415	\$ 2,467,944	\$17,618,618	\$18,617,944

Dorham Springs/Livingston Housing and
Mortgage Finance Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1996

The 1992 Series A and 1992 Series B-1 Bonds are structured such that the monthly remittances from the mortgage loans and FMMVA investment in mortgage-backed securities will be passed on to bondholders as monthly principal and interest redemptions of bonds payable.

A schedule of Changes in Long-Term Debt for the year 1996 is as follows:

	<u>1992</u> <u>SERIES A</u>	<u>1992</u> <u>SERIES B</u>	<u>1992</u> <u>SERIES C</u>	<u>1995</u> <u>SERIES</u>	<u>TOTALS</u>
Balance at January 1, 1996	\$ 1,945,038	\$ 1,128,733	\$ 1,431,136	\$18,000,000	\$14,707,733
Additions: Valued at Par	-	-	-	-	-
Deletions: Cash Payments	317,881	104,438	-	-	521,439
Accretion of Deep Discount	-	5,216	111,535	-	116,801
Balance at December 31, 1996	<u>\$ 1,628,783</u>	<u>\$ 1,131,431</u>	<u>\$ 1,542,711</u>	<u>\$18,000,000</u>	<u>\$14,302,695</u>

Scheduled bond principal redemptions for each of the next five years (exclusive of interest) are as follows:

	<u>1997</u> <u>SERIES A</u>	<u>1997</u> <u>SERIES B</u>	<u>1997</u> <u>SERIES C</u>	<u>1998</u> <u>SERIES</u>	<u>TOTALS</u>
1997	\$ 134,334	\$ 258,104	\$ -	\$ -	\$ 474,522
1998	134,834	222,162	-	-	356,196
1999	548,181	8,677	-	115,000	681,857
2000	560,673	180,073	-	125,000	875,746
2001	173,799	947,814	-	125,000	946,713
Thereafter	<u>803,113</u>	<u>82,265</u>	<u>5,218,000</u>	<u>9,898,000</u>	<u>16,303,388</u>
	1,628,783	1,309,899	5,786,000	10,000,000	28,744,452
Less: Unamor- lized Discounts	-	<u>128,468</u>	<u>18,307,280</u>	-	<u>18,435,748</u>
	<u>\$ 1,628,783</u>	<u>\$ 1,181,431</u>	<u>\$ 1,542,711</u>	<u>\$18,000,000</u>	<u>\$14,302,695</u>

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WILLIAM J. BOURGEOIS, L.L.P.

CLARENCE D. BOURGEOIS, L.L.P.
WALTER J. BOURGEOIS, L.L.P.

18 Professional Accounting Executives

May 8, 1987

To the Board of Directors
Denham Springs/Livingston Housing and
Mortgage Finance Authority

We have audited the financial statements of the Denham Springs/Livingston Housing and Mortgage Finance Authority, for the year ended December 31, 1986, and have issued our report thereon dated May 8, 1987.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.