

JEFFERSON PARISH FINANCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

JEFFERSON PARISH FINANCE AUTHORITY

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report	1-3
Required Supplemental Information	
Management's Discussion & Analysis	4-10
Financial Statements	
Statements of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13
Notes to Financial Statements	14-26
Supplemental Information	
Schedule of Assets, Liabilities, and Net Position By Program	27
Schedule of Revenues, Expenses, and Changes in Net Position by Program	28
Schedule of Cash Flows by Program	29
Schedule of Operating Expenses	30
Schedule of Board Members' Compensation	31
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	32
Compliance Section	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	35
Schedule of Prior Year Findings	36

INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Jefferson Parish Finance Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Jefferson Parish Finance Authority (the Authority), a component unit of the Parish of Jefferson, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 from 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 auditor's 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.

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The *Schedule of Assets, Liabilities and Net Position by Program, Schedule of Revenues, Expenses and Changes in Net Position by Program, Schedule of Cash Flows by Program, Schedule of Operating Expenses, Schedule of Board Members' Compensation and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *Schedule of Assets, Liabilities and Net Position by Programs, Schedule of Revenues, Expenses and Changes in Net Position by Program, Schedule of Operating Expenses, Schedule of Cash Flows by Program, Schedule of Board Members' Compensation and Schedule of Compensation, Benefits and Other Payments to Agency Head* are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Camnetar & Co., CPAs

a professional accounting corporation

In our opinion, the *Schedule of Assets, Liabilities and Net Position by Programs, Schedule of Revenues, Expenses and Changes in Net Position by Program, Schedule of Cash Flows by Program, Schedule of Operating Expenses, Schedule of Board Members' Compensation and Schedule of Compensation, Benefits and Other Payments to Agency Head* is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2017, on our consideration of the Authority's internal control over financial reporting and on 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 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.

Prior Period Financial Statements

The financial statements of the Authority as of December 31, 2015, were audited by other auditors whose report dated April 11, 2016, expressed an unmodified opinion on those statements.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
April 7, 2017

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

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 years that ended December 31, 2016 and 2015, and should be in conjunction with the Authority's financial statements which follow this section. Throughout the financial report, dollar amounts will be expressed in thousands, unless otherwise noted.

FINANCIAL HIGHLIGHTS

The Authority is a component unit of the Parish of Jefferson, Louisiana.

2016

The Authority's net position represents 28% of its total assets. With total assets approximating \$37 Million, the Authority has an increase in net position of approximately \$878 thousand for the year ended December 31, 2016.

The Authority's financial highlights include:

- During the year ended December 31, 2013, the Authority created a new program the Jefferson Mortgage Assistance Program (JMAP) and during the year ended December 31, 2014, the Authority created Southern Mortgage Assistance Program (SMAP) which transacted its first mortgage down payment assistance in January 2015. JMAP and SMAP were merged in September 2015 with SMAP as the current name of the program. In 2016, the programs had \$181 thousand in revenues and \$4 thousand in direct administrative expenses. The Authority utilizes its current operational budget and administration to support this program.
- The Authority's net position increased by \$878 thousand due to the excess of revenues over expense during the fiscal year.
- The Authority's total assets decreased by \$18,968 thousand primarily due to the sale of mortgage-backed securities, the proceeds of which were used to redeem bonds during the fiscal year.
- The Authority's total liabilities decreased by \$19,846 thousand primarily due to the redemption of bonds in the fiscal year.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

FINANCIAL HIGHLIGHTS (Continued)

2015

The Authority's net position represents 17% of its total assets. With total assets approximating \$56 Million, the Authority has a decrease in net position of approximately \$879 thousand for the year ended December 31, 2015.

The Authority's financial highlights include:

- During the year ended December 31, 2013, the Authority created a new program the Jefferson Mortgage Assistance Program (JMAP) and during the year ended December 31, 2014 the Authority created Southern Mortgage Assistance Program (SMAP) which received its first loan in January 2015. JMAP and SMAP were merged in September 2015 with SMAP as the current name of the program. In 2015, the programs had \$185 thousand in revenues and \$80 thousand in expenses.
- The Authority's net position decreased by \$879 thousand due primarily to decrease in investment income depreciation in fair value of investments.

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 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 the 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 Statements of Net Position reports the Authority's net position. Net Position, the difference between the Authority's assets and liabilities, is one way to measure the Authority's financial health or position.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

2016

The Authority's total net position at December 31, 2016, increased to \$10,604, an increase of 9% from December 31, 2015. (See Table A-1) Total assets decreased by \$18,968 due primarily to a decrease in mortgage-backed securities of \$17,687 and decrease in investment securities at fair value of \$1,568. During 2016 the Authority liquidated investments of \$7,961 and mortgage-backed securities of \$8,338 in the bond programs 2006B, 2006C, and 2006D. These liquidations were used to decrease bonds in these respective programs in the amount of \$13,710. During 2016, the Authority liquidated mortgage-backed securities of \$6,228 in the bond program 2007C, this liquidation was used to purchase \$5,495 in investments in the program. Liabilities decreased by \$19,846 due to the decrease in bonds payable of \$17,655 and decrease in other liabilities of \$2,191.

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

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Cash and cash equivalents	\$ 1,164	\$ 917	\$ 247
Investments	12,747	14,315	(1,568)
Mortgage-backed securities	22,885	40,572	(17,687)
Other assets	612	572	40
Total assets	<u>\$ 37,408</u>	<u>\$ 56,376</u>	<u>\$ (18,968)</u>
Other liabilities	\$ 348	\$ 2,539	\$ (2,191)
Bonds payable	26,456	44,111	(17,655)
Total liabilities	<u>26,804</u>	<u>46,650</u>	<u>(19,846)</u>
Net position			
Restricted for debt	1,681	1,769	(88)
Unrestricted			
Undesignated	968	1,141	(173)
Designated	7,955	6,816	1,139
Total net position	<u>10,604</u>	<u>9,726</u>	<u>878</u>
Total liabilities and net position	<u>\$ 37,408</u>	<u>\$ 56,376</u>	<u>\$ (18,968)</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

FINANCIAL ANALYSIS (Continued)

Net Position

2015

The Authority's total net position at December 31, 2015, decreased to \$9,726, a decrease of 8% from December 31, 2014. (See Table A-2) Total assets decreased by \$14,055 due primarily to a decrease in mortgage-backed securities of \$7,884 and decrease in investment securities at fair value of \$6,299. During 2015 the Authority liquidated investments in the bond program 2005A in the amount of \$7,131. Liabilities decreased by \$13,176 due to the decrease in bonds payable of \$13,405, with an offset by an increase in other liabilities of \$229.

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Cash and cash equivalents	\$ 917	\$ 968	\$ (51)
Investments	14,315	20,614	(6,299)
Mortgage-backed securities	40,572	48,456	(7,884)
Other assets	572	393	179
Total assets	<u>\$ 56,376</u>	<u>\$ 70,431</u>	<u>\$ (14,055)</u>
Other liabilities	\$ 2,539	\$ 2,310	\$ 229
Bonds payable	44,111	57,516	(13,405)
Total liabilities	<u>46,650</u>	<u>59,826</u>	<u>(13,176)</u>
Net position			
Restricted for debt	1,769	2,369	(600)
Unrestricted			
Undesignated	1,141	1,021	120
Designated	6,816	7,215	(399)
Total net position	<u>9,726</u>	<u>10,605</u>	<u>(879)</u>
Total liabilities and net position	<u>\$ 56,376</u>	<u>\$ 70,431</u>	<u>\$ (14,055)</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

**FINANCIAL ANALYSIS (Continued)
Changes in Net Position**

2016

As seen in Table A-3, operating revenues increased by 111% to \$3,167. This increase in revenue is primarily due to revenue recognized on the unamortized bond premium of bonds redeemed during 2016 offset by depreciation in fair value on investments. During the year, Investment income on mortgage loans and investments increased due to market conditions.

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

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Operating revenues			
Investment income on mortgage loans	\$ 2,656	\$ 1,934	\$ 722
(Depreciation) appreciation in fair market value of investments in mortgage backed securities	(1,001)	(719)	(282)
Investment income on investment securities	176	101	75
Other	1,336	185	1,151
Total operating revenues	<u>3,167</u>	<u>1,501</u>	<u>1,666</u>
Operating expenses	<u>2,289</u>	<u>2,380</u>	<u>(91)</u>
Change in net position	878	(879)	1,757
Total net position, beginning of the year	<u>9,726</u>	<u>10,605</u>	<u>(879)</u>
Total net position, end of the year	<u><u>10,604</u></u>	<u><u>9,726</u></u>	<u><u>878</u></u>

As seen in Table A-4, total operating expenses decreased \$91 due to a decrease in bond interest and servicing fees. The decrease in interest payments on debt is due to the redemption of bond programs 2006B, 2006C and 2006D. The redemption of bonds realized an increase in bond retirement costs.

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

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 1,138	\$ 1,385	\$ (247)
Bond issuance costs and other costs	-	80	(80)
Bond retirement costs	285	-	285
Servicing fees	152	202	(50)
Trustee fees	46	53	(7)
Other operating expenses	668	660	8
Total operating expenses	<u><u>\$ 2,289</u></u>	<u><u>\$ 2,380</u></u>	<u><u>\$ (91)</u></u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

**FINANCIAL ANALYSIS (Continued)
Changes in Net Position**

2015

As seen in Table A-5, total operating revenues decreased by 66% to \$1,501. This decrease in revenue is primarily due to the decrease in investment income on mortgage loans and depreciation in fair value on investments. Investment income on mortgage loan decreased due to the liquidation of the 2005A investments and market conditions.

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Operating revenues			
Investment income on mortgage loans	\$ 1,934	\$ 3,813	\$ (1,879)
(Depreciation) appreciation in fair market value of investments in mortgage backed securities	(719)	231	(950)
Investment income on investment securities	101	204	(103)
Other	185	176	9
Total operating revenues	<u>1,501</u>	<u>4,424</u>	<u>(2,923)</u>
Operating expenses	<u>2,380</u>	<u>3,463</u>	<u>(1,083)</u>
Change in net position	(879)	961	(1,840)
Total net position, beginning of the year	<u>10,605</u>	<u>9,644</u>	<u>961</u>
Total net position, end of the year	<u>\$ 9,726</u>	<u>\$ 10,605</u>	<u>\$ (879)</u>

As seen in Table A-6, total operating expenses decreased due to \$783 less of interest payments on debt in 2015 than in 2014. The decrease in interest payments on debt is due to the roll-up of bond program 2005A. Other expense decreased due to \$297 in expenses related to roll-up bond programs were incurred in 2014, and only \$25 in expenses related to the continuation of the roll-up of bond program 2006B incurred in 2015

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 1,385	\$ 2,168	\$ 783
Bond issuance costs and other costs	80	39	(41)
Bond retirement costs	-		
Servicing fees	202	271	69
Trustee fees	53	49	(4)
Other operating expenses	660	936	276
Total operating expenses	<u>\$ 2,380</u>	<u>\$ 3,463</u>	<u>\$ 1,083</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2016 and 2015**

DEBT ADMINISTRATION

2016

Total indebtedness for bonds payable was \$26 million as of December 31, 2016, compared to \$44 million at December 31, 2015. The decrease in bonds payable is the result of payoff of the 2006B, 2006C and 2006D programs during fiscal year 2016. All bond debt covenants have been met.

2015

Total indebtedness for bonds payable was \$44 million as of December 31, 2015, compared to \$58 million at December 31, 2014. The decrease in bonds payable is the result of payoff of the 2005A program during fiscal year 2015. 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 though mortgage rate refinancing (reductions).
- Long term planning for bond programs continues to be difficult due to the uncertainty of the future of government backed securities. However, as market conditions continue to improve, the Authority should be able to offer new bond programs.
- Because the current market condition is not conducive to the issuance of new bond programs, the Authority continues to offer its SMAP program which provides a fee to the Authority as each loan is sold. The JPFA also continues to look for opportunities to partner with other regional parishes to administer the SMAP program.
- In 2016 the JPFA cancelled the agreement with the Calcasieu Parish Public Trust Authority to offer its SMAP program in the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis, due to lack of interest and low productivity in the SMAP program in those areas.

CONTACTING THE AUTHORITY'S FINANCIAL MANGEMENT

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 1,164	\$ 917
Investment securities at fair value	12,747	14,315
Mortgage-backed securities	22,885	40,572
Accrued interest receivable	112	180
Down payment assistance and other receivables	<u>500</u>	<u>392</u>
Total Assets	<u>\$ 37,408</u>	<u>\$ 56,376</u>
Liabilities and Net Position		
Liabilities		
Bonds payable	\$ 25,278	\$ 41,375
Premium on bonds payable	1,178	2,736
Accrued interest payable	75	2,325
Other liabilities	<u>273</u>	<u>214</u>
Total Liabilities	<u>26,804</u>	<u>46,650</u>
Net Position		
Restricted for debt	1,681	1,769
Unrestricted		
Undesignated	968	1,141
Designated	<u>7,955</u>	<u>6,816</u>
Total Net Position	<u>10,604</u>	<u>9,726</u>
Total Liabilities and Net Position	<u>\$ 37,408</u>	<u>\$ 56,376</u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(In Thousands)
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Investment income on mortgage loans	\$ 2,656	\$ 1,934
(Depreciation) appreciation in fair market value of investments and mortgage backed securities	(1,001)	(719)
Investment income on investment securities	176	101
JMAP and SMAP revenue	181	185
Gain on bond premium recognized on early debt retirement	1,144	-
Other revenue	11	-
	<u>3,167</u>	<u>1,501</u>
Operating Expenses		
Interest on debt	1,138	1,385
Bond issuance costs and other costs	-	80
Bond retirement costs	285	25
Servicing fees	152	202
Trustee fees	46	53
Other operating expenses	668	635
	<u>2,289</u>	<u>2,380</u>
Change in Net Position	878	(879)
Net Position at the Beginning of the Year	<u>9,726</u>	<u>10,605</u>
Net Position at the End of the Year	<u>\$ 10,604</u>	<u>\$ 9,726</u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
(In Thousands)
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Cash receipts for:		
Investment income on mortgage loans	\$ 2,742	\$ 1,950
Investment income on investment securities	161	107
JMAP and SMAP income	181	185
Jefferson Parish Community Development Program	107	-
Other revenue	11	-
Cash payments for:		
Down payment assistance	(108)	(201)
Interest on debt	(3,566)	(1,515)
Bond retirement costs	(285)	-
Servicing fees	(152)	(202)
Trustee fees	(46)	-
Other operating expenses	(716)	(751)
Net cash (used in) provided by operating activities	<u>(1,671)</u>	<u>(427)</u>
Cash flows from noncapital financing activities		
Bond principal payments	(16,096)	(13,088)
Bond premium transferred at redemption	(240)	-
Net cash (used in) provided by noncapital financing activities	<u>(16,336)</u>	<u>(13,088)</u>
Cash flows from investing activities		
Proceeds from sale of investment securities	15,791	14,786
Proceeds from sale of mortgage backed securities	12,721	-
Proceeds from mortgage loan repayments	3,986	7,186
Acquisition of investment securities	(14,244)	(1,084)
Acquisition of mortgage loans	-	(7,424)
Net cash (used in) provided by investing activities	<u>18,254</u>	<u>13,464</u>
Net (decrease) increase in cash and cash equivalents	247	(51)
Cash and cash equivalents at beginning of the year	917	968
Cash and cash equivalents at the end of the year	<u>\$ 1,164</u>	<u>\$ 917</u>
Reconciliation of changes in net position to net cash used in operating activities		
Changes in net position	\$ 878	\$ (879)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:		
Amortization of bond premium and discount	(174)	(317)
Bond premium recognized on early debt retirement	(1,144)	-
(Depreciation) appreciation in investments and mortgage backed securities	1,001	719
(Increase) decrease in assets:		
Change in accrued interest receivable	68	(179)
Change in down payment assistance receivable	(108)	-
Increase (decrease) in liabilities:		
Change in accrued expenses and accounts payable	(48)	42
Change in accrued interest payable	(2,251)	187
Change in due to Jefferson Parish Community Development	107	-
Net cash (used in) provided by operating activities	<u>\$ (1,671)</u>	<u>\$ (427)</u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies

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, St. Charles Parish, St. Tammany Parish, Allen Parish, Beauregard Parish, Calcasieu Parish, Cameron Parish, and Jefferson Davis Parish all of which are located in 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 appoints the Authority's Board members for a three-year term and thereafter has the ability to remove members of the Authority's Board at will. Consequently, the financial statements of the Authority are included as a component unit of the Parish of Jefferson, Louisiana. This report includes all of the funds of the Authority.

The Authority began operations on August 1, 1979, and currently has separate bond programs as shown with original issuance amounts below:

<u>Authorizing Legislation</u>		
<u>Date</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
June 28, 2007	Single Family Mortgage Revenue Refunding Bonds, Series 2007B (2007B Program)	<u>\$ 20,000</u>
November 20, 2007	Single Family Mortgage Revenue Refunding Bonds, Series 2007C (2007C Program)	<u>\$ 30,000</u>
November 10, 2008	Single Family Mortgage Revenue Bonds, Series 2008B (Federally Taxable) (2008B Program)	<u>\$ 10,000</u>
November 22, 2011	Single Family Mortgage Revenue Bonds, Series 2009A Converted to Fixed Rate (2009ACF Program)	<u>\$ 25,000</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

During the year ended December 31, 2014, the 2005A and 2006B mortgage backed securities were sold at a premium. In 2014, the proceeds from the sales of the mortgage backed securities were used to purchase United States Treasury Bills or Guaranteed Investment Contracts. In June 2015, the 2005A investments matured and the proceeds were used to redeem the bonds in full. In June 2016, the 2006B investments matured and the proceeds were used to redeem the bonds in full.

During the year ended December 31, 2016, the 2006C, 2006D, and 2007C mortgage backed securities were sold at a premium. In June 2016, the proceeds from the sales of the 2006C mortgage backed securities were used to redeem the 2006C bonds in full. In December 2016, the proceeds from the sales of the 2006D mortgage backed securities were used to redeem the 2006D bonds in full. In 2016, the proceeds from the sales of the mortgage backed securities of the 2007C program were used to purchase United States Treasury Bills and Guaranteed Investment Contracts. The Authority has plans to sell the investments and retire the 2007C bond in June of 2017.

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 program 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.

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 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 had decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgage/mortgage-backed securities.

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.

Investment Securities

Investments are reported at fair value. 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.

Bond Issuance Costs

Bond issuance cost, including underwriters' discounts on bonds sold, are expensed as incurred.

Bond Retirement Costs

Bond retirement cost, including professional, legal, bond counsel, investment and financial advisory fees, on bonds sold, are expensed as incurred.

Refinancing Gains (Losses)

Gains and losses associated with refundings are advance refundings and 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.

Gain or Loss on Debt Retirement

Gains or losses associated with bond retirement, as shown in the statement of revenues, expenses, and changes in net position, represent the unamortized portion of either the bond premium (gain) or bond discount (loss). The gain or loss on the unamortized portion is recognized when the bonds are retired.

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, 2016 and 2015.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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.

Compensated Absences

Accumulated vacation and sick leave are accrued as an expense of the period in which incurred. The Parish of Jefferson employees, who work on behalf of the Authority, earn vacation pay and sick pay based upon their length of employment and is earned ratably during the span of employment. Upon termination, these individuals are paid full value for any accrued leave earned.

At December 31, 2016, the amount of compensated absence liability recorded by the Authority was \$74 thousand.

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable

Cash, Cash Equivalents and Deposits

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. 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.

At December 31, 2016, the Authority had no cash deposits at a local bank in excess of FDIC (Federal Deposit Insurance Corporation) coverage.

Investments and Mortgage Loan Receivable

At December 31, 2016 and 2015, investments were held as specifically required under terms of the Trust Indentures and the State of Louisiana investment laws, more particularly, Louisiana Revised Statutes 33:2955, as amended.

These investments include, but are not limited to: Direct U.S. Treasury obligations, which include but are not limited to (1) U.S. Export-Import Bank; (2) Farmers Home Administration; (3) Federal Financing Bank; (4) Federal Housing Administration Debentures; (5) General Service Administration; (6) Government National Mortgage Association-guaranteed mortgage-backed bonds and guaranteed pass-through obligations; (7) U.S. Maritime Administration-guaranteed Title XI financing, and (8) U.S. Department of Housing and Urban Development as well as U.S. government instrumentalities which 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.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

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

Components of Cash, Investments, and Mortgage loan receivable

The following are the components of the Authority's cash, investments, and mortgage loan receivable at December 31, 2016 and 2015 (in thousands):

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<u>2016</u>			
Cash and cash equivalents	\$ 546	\$ 618	\$ 1,164
Investments	6,815	5,932	12,747
Mortgage loan receivable	1,194	21,691	22,885
	<u>\$ 8,555</u>	<u>\$ 28,241</u>	<u>\$ 36,796</u>
<u>2015</u>			
Cash and cash equivalents	361	556	917
Investments	5,973	8,342	14,315
Mortgage loan receivable	1,408	39,164	40,572
	<u>\$ 7,742</u>	<u>\$ 48,062</u>	<u>\$ 55,804</u>

Components of Cash

The following are the components of the Authority's cash and cash equivalents by program at December 31, 2016 and 2015 (in thousands):

	<u>2016</u>			<u>2015</u>		
	(in thousands)			(in thousands)		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash & Cash						
Equivalents						
1991 Program	\$ 539	\$ -	\$ 539	\$ 361	\$ -	\$ 361
2006C Program	-	-	-	-	88	88
2006D Program	-	391	391	-	82	82
2007B Program	-	2	2	-	3	3
2007C Program	-	26	26	-	-	-
2008B Program	-	10	10	-	9	9
2009ACF Program	-	82	82	-	374	374
HOME Program	7	107	114	-	-	-
Total Cash &						
Cash Equivalents	<u>\$ 546</u>	<u>\$ 618</u>	<u>\$ 1,164</u>	<u>\$ 361</u>	<u>\$ 556</u>	<u>\$ 917</u>

JEFFERSON PARISH FINANCE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015

**Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable
 (Continued)**

Components of Unrestricted Investments

The following are the components of the Authority's unrestricted investments, reported at fair value, by program at December 31, 2016 and 2015 (in thousands):

	2016			2015			
	(in thousands)			(in thousands)			
	US Treasury Notes	Municipal Bonds	Total	US Treasury Notes/Bills	Federal Home Loan Bank	Municipal Bonds	Total
Unrestricted Investments							
1991 Program	\$ 250	\$ 6,565	\$ 6,815	\$ 251	\$ 153	\$ 5,569	\$ 5,973

Components of Restricted Investments

The following are the components of the Authority's restricted investments, reported at fair value, by program at December 31, 2016 and 2015 (in thousands):

	2016			2015		
	(in thousands)			(in thousands)		
	Guranteed Investment Contracts	US Treasury Bills	Total	Guranteed Investment Contracts	US Treasury Bills	Total
Restricted Investments						
2006B Program	\$ -	\$ -	\$ -	\$ 7,425	\$ -	\$ 7,425
2006C Program	-	-	-	364	-	364
2006D Program	-	-	-	172	-	172
2007B Program	145	-	145	89	-	89
2007C Program	3,000	2,787	5,787	292	-	292
Total Restricted Investments	\$ 3,145	\$ 2,787	\$ 5,932	\$ 8,342	\$ -	\$ 8,342

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

**Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable
(Continued)**

Components of Mortgage Loan Receivable

The following are the components of the Authority's mortgage-backed securities, reported at fair value, by program at December 31, 2016 and 2015 (in thousands):

	2016			2015		
	(in thousands)			(in thousands)		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Mortgage Receivable						
GNMA Certificates						
1991 Program	\$ 842	\$ -	\$ 842	\$ 1,059	\$ -	\$ 1,059
2006C Program	-	-	-	-	2,095	2,095
2006D Program	-	-	-	-	1,832	1,832
2007B Program	-	1,749	1,749	-	2,145	2,145
2007C Program	-	-	-	-	5,084	5,084
2008B Program	-	1,416	1,416	-	1,459	1,459
2009ACF Program	-	16,314	16,314	-	18,062	18,062
	<u>842</u>	<u>19,479</u>	<u>20,321</u>	<u>1,059</u>	<u>30,677</u>	<u>31,736</u>
FNMA Certificates						
1991 Program	100	-	100	99	-	99
2007B Program	-	412	412	-	578	578
	<u>100</u>	<u>412</u>	<u>512</u>	<u>99</u>	<u>578</u>	<u>677</u>
FHLMC Certificates						
1991 Program	252	-	252	250	-	250
2006C Program	-	-	-	-	3,132	3,132
2006D Program	-	-	-	-	1,279	1,279
2007B Program	-	1,800	1,800	-	2,354	2,354
2007C Program	-	-	-	-	1,144	1,144
	<u>252</u>	<u>1,800</u>	<u>2,052</u>	<u>250</u>	<u>7,909</u>	<u>8,159</u>
Total Mortgage Receivable	<u>\$ 1,194</u>	<u>\$ 21,691</u>	<u>\$ 22,885</u>	<u>\$ 1,408</u>	<u>\$ 39,164</u>	<u>\$ 40,572</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

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

Components of Mortgage Loan Receivable (Continued)

Mortgage loan receivable for 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. rendered.

Investments and Mortgage Loan Receivable- Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The authority manages interest rate risk by matching the expected future maturity of the investments and mortgage loan receivable to the expected cash flow needs and bonds payable requirements. The Authority also limits the maximum maturity of investments in accordance with their investment policy.

The following tables shows the Authority's investments and mortgage loan receivable and the related maturities in actively managed accounts at December 31, 2016:

	Remaining Maturity in Years				
	Fair Value	Less Than 1	1-5	5-10	>10
(in thousands)					
Investments & Mortgage Loan Receivable					
U.S. Treasury Notes & Bills	\$ 3,037	\$ 2,787	\$ 250	\$ -	\$ -
Municipal Bonds	6,565	-	6,565	-	-
Guaranteed investment contracts	3,145	3,000	145	-	-
Mortgage-backed securities	22,885	-	-	-	22,885
	<u>\$ 35,632</u>	<u>\$ 5,787</u>	<u>\$ 6,960</u>	<u>\$ -</u>	<u>\$ 22,885</u>

JEFFERSON PARISH FINANCE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015

**Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable
 (Continued)**

Investments and Mortgage Loan Receivable- Interest Rate Risk (Continued)

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:

<u>Program</u>	<u>Interest Rates</u>
2006C Program	5.13%
2006D Program	5.34%
2007B Program	6.89%
2007C Program	5.86%
2008B Program	6.25%
2009ACF Program	3.40%

Investments- Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Authority. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. Government agencies not explicitly guaranteed by the U.S. Government.

The following table provides information on the credit ratings associated with the Authority's investments in debt securities at December 31, 2016. (in thousands of dollars):

<u>S&P Rating</u>	<u>Total</u>	<u>Mortgage-backed Securities</u>	<u>GIC</u>
AAA	\$ 22,885	\$ 22,885	\$ -
AA-	3,145	-	3,145
	<u>\$ 26,030</u>	<u>\$ 22,885</u>	<u>\$ 3,145</u>

Failure of the financial institutions to meet minimum credit ratings requires the institutions to provide collateral to support the investment contract. At December 31, 2016, the GICs met the minimum credit ratings required by the Authority.

JEFFERSON PARISH FINANCE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015

**Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Loan Receivable
 (Continued)**

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, 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 United States of America.

As of December 31, 2016, management believes all investments held and purchased for the Authority's portfolio during 2016, as it relates to Acts 374 and 1126 (effective June 29, 1995) adhered to the permitted investments section of LSA-R.S. 33:2955. In particular, securities held or purchased during the year include only U.S. Treasury bills, U.S. Treasury Notes, Hancock Horizon Treasury Securities Money Market Funds, and Federated Prime Obligation Funds.

Note 3. Bonds Payable

Bonds payable are as follows at December 31:

	<u>2016</u>	<u>2015</u>
Single Family Mortgage Revenue Refunding Bonds, Series 2006B dated July 26, 2006 - \$2,250 due December 1, 2032 at 5.25%, and \$3,000 due June 1, 2037 at 4.60% (plus premium on bonds of \$661)	\$ -	\$ 5,911
Single Family Mortgage Revenue Refunding Bonds, Series 2006C dated October 31, 2006 - \$3,040 due June 1, 2033 at 5.0%, and \$1,995 due December 1, 2038 at 5.0% (plus premium on bonds of \$468)	-	4,608
Single Family Mortgage Revenue Refunding Bonds, Series 2006D dated March 1, 2007 - \$3,615 due June 1, 2038 at 5.0% (plus premium on bonds of \$326)	-	3,191

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 3. Bonds Payable(Continued)

Single Family Mortgage Revenue Refunding Bonds, Series 2007B dated June 1, 2007 - \$3,495 due December 1, 2048 at 5.7% (plus premium on bonds of \$372)	3,867	4,901
Single Family Mortgage Revenue Refunding Bonds, Series 2007C dated October 31, 2007 - \$110 due December 1, 2017 at 4.25%, and \$1,395 due December 1, 2027 at 4.85%, and \$590 due June 1, 2039 at 5.70%, and \$2,870 due December 1, 2039 at 5.50% (plus premium on bonds of \$613)	5,578	6,472
Single Family Mortgage Revenue Refunding Bonds, Series 2008B dated November 10, 2008 - \$1,258 due December 1, 2040 at 6.03% (plus premium on bonds of \$193)	1,451	1,498
Single Family Mortgage Revenue Refunding Bonds, Series 2009ACF dated November 22, 2011- \$15,560 due December 1, 2041 at 2.32%.	<u>\$ 15,560</u>	<u>17,530</u>
Total bonds payable and premium on bonds payable	<u>\$ 26,456</u>	<u>\$ 44,111</u>

The Authority is in compliance with its bond covenants at December 31, 2016 and 2015.

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 interest in and to the agreement and (iii) all monies and securities held under the Trust Indentures, including monies in the funds and accounts created pursuant thereto (excluding certain monies representing excess investment earnings, if any required to be remitted to the United States Government in accordance with the Trust Indentures).

Under the Trust Indentures for the 2007B, 2007C, 2008B, and 2009ACF programs, the Authority has the option to redeem bonds maturing on or after any date as a whole at a redemption price equal to 100% of the principal amount thereof being redeemed, plus interest accrued to the date fixed for redemption.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 3. Bonds Payable(Continued)

A summary of scheduled bond maturities (in thousands) as of December 31, 2016, is as follows:

	2017	2018	2019	2020	2021	2022 - 2026	2027 - 2031	2032 - 2036	2037 - 2041	2042 - 2046	2047 - 2051	Total
Principal:												
2007B Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,495	\$ 3,495
2007C Program	110	-	-	-	-	-	1,395	-	3,460	-	-	4,965
2008B Program	-	-	-	-	-	-	-	-	1,258	-	-	1,258
2009ACF Program	969	1,669	1,630	1,592	1,555	7,251	894	-	-	-	-	15,560
Total due each year	<u>1,079</u>	<u>1,669</u>	<u>1,630</u>	<u>1,592</u>	<u>1,555</u>	<u>7,251</u>	<u>2,289</u>	<u>-</u>	<u>4,718</u>	<u>-</u>	<u>3,495</u>	<u>25,278</u>
Interest												
2007B Program	199	199	199	199	199	995	995	995	995	995	398	6,368
2007C Program	264	259	259	259	259	1,296	1,025	957	574	-	-	5,152
2008B Program	76	76	76	76	76	379	379	379	303	-	-	1,820
2009ACF Program	361	339	300	262	225	601	21	-	-	-	-	2,109
Total due each year	<u>900</u>	<u>873</u>	<u>834</u>	<u>796</u>	<u>759</u>	<u>3,271</u>	<u>2,420</u>	<u>2,331</u>	<u>1,872</u>	<u>995</u>	<u>398</u>	<u>15,449</u>
Total due	<u>\$ 1,979</u>	<u>\$ 2,542</u>	<u>\$ 2,464</u>	<u>\$ 2,388</u>	<u>\$ 2,314</u>	<u>\$ 10,522</u>	<u>\$ 4,709</u>	<u>\$ 2,331</u>	<u>\$ 6,590</u>	<u>\$ 995</u>	<u>\$ 3,893</u>	<u>\$ 40,727</u>

The other bond programs have early bond calls based on the timing of the receipt of mortgage loan principal and interest payments. As excess cash is accumulated, the Authority is required to issue bond calls.

The principal balance on defeased bonds (in thousands) outstanding at December 31 are as follows:

	<u>2016</u>	<u>2015</u>
1985 Program -	<u>\$ 32,595</u>	<u>\$ 32,595</u>
(Defeased by the 1994 "1985" Program)		

Note 4. Net Position

The net position included in the 1991 Program, totaling \$8,923 thousand and \$7,957 thousand as of December 31, 2016 and 2015, respectively, are for the benefits 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.

Note 5. Related Party Transactions

The Parish of Jefferson paid employee salaries and related expenses on behalf of the Authority in the amount of (in thousands) \$425.3 and \$389.9 for the years ended December 31, 2016 and 2015, respectively.

As of December 31, 2016 and 2015, the Authority had other liabilities due to the Parish of Jefferson for the employee expenses in the amount of (in thousands) \$51 and \$49 respectively.

Note 5. Related Party Transactions (Continued)

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Note 5. Related Party Transactions (Continued)

The Authority pays the Parish of Jefferson for rent of its office space. The amounts (in thousands) were \$17 and \$17 for the years ended December 31, 2016 and 2015, respectively.

The Authority pays the Parish of Jefferson for security. The amounts (in thousands) were \$5 and \$7 for years ended December 31, 2016 and 2015, respectively.

During the year 2016, the Authority entered into a cooperative endeavor agreement with the Parish of Jefferson. The Authority on behalf of the Parish of Jefferson's Department of Community Development shall administer the HOME investment Partnerships Program.

Note 6. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 7, 2017, and determined there were no items requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE 1
SCHEDULE OF ASSETS, LIABILITIES, AND NET POSITION BY PROGRAM
(In Thousands)
As of December 31, 2016

	1991 Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	HOME Program	Total
Assets										
Cash and cash equivalents	\$ 539	\$ -	\$ -	\$ 391	\$ 2	\$ 26	\$ 10	\$ 82	\$ 114	\$ 1,164
Investment securities at fair value	6,815	-	-	-	145	5,787	-	-	-	12,747
Mortgage-backed securities	1,194	-	-	-	3,961	-	1,416	16,314	-	22,885
Accrued interest receivable	41	-	-	-	18	4	7	42	-	112
Down payment assistance and other receivables	500	-	-	-	-	-	-	-	-	500
Total Assets	\$ 9,089	\$ -	\$ -	\$ 391	\$ 4,126	\$ 5,817	\$ 1,433	\$ 16,438	\$ 114	\$ 37,408
Liabilities and Net Position										
Liabilities										
Bonds payable	\$ -	\$ -	\$ -	\$ -	\$ 3,495	\$ 4,965	\$ 1,258	\$ 15,560	\$ -	\$ 25,278
Premium on bonds payable	-	-	-	-	372	613	193	-	-	1,178
Accrued interest payable	-	-	-	-	17	22	6	30	-	75
Other liabilities	166	-	-	-	-	-	-	-	107	273
Total Liabilities	166	-	-	-	3,884	5,600	1,457	15,590	107	26,804
Net Position										
Restricted for debt	-	-	-	392	241	218	(25)	848	7	1,681
Unrestricted										
Undesignated	968	-	-	-	-	-	-	-	-	968
Designated	7,955	-	-	-	-	-	-	-	-	7,955
Total Net Position	8,923	-	-	392	241	218	(25)	848	7	10,604
Total Liabilities and Net Position	\$ 9,089	\$ -	\$ -	\$ 392	\$ 4,125	\$ 5,818	\$ 1,432	\$ 16,438	\$ 114	\$ 37,408

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
(In Thousands)
For the Year Ended December 31, 2016

	1991 Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	HOME Program	Total
Operating Revenues										
Investment income on mortgage loans	\$ 60	\$ -	\$ 390	\$ 387	\$ 221	\$ 889	\$ 85	\$ 624	\$ -	\$ 2,656
(Depreciation) appreciation in fair market value of investments and mortgage backed securities	(57)	-	(294)	(176)	(3)	(386)	(10)	(75)	-	(1,001)
Investment income on investment securities	84	20	31	27	5	9	-	-	-	176
JMAP and SMAP revenue	181	-	-	-	-	-	-	-	-	181
Bond premium recognized on early debt retirement	-	568	383	193	-	-	-	-	-	1,144
Other revenue	2	-	-	-	-	-	-	-	9	11
Total Operating Revenues	270	588	510	431	223	512	75	549	9	3,167
Operating Expenses										
Interest on debt	-	82	66	102	218	224	61	385	-	1,138
Bond retirement costs	-	-	115	95	-	75	-	-	-	285
Servicing fees	-	-	2	13	21	25	7	84	-	152
Trustee fees	33	-	-	-	2	2	-	7	2	46
Other operating expenses	668	-	-	-	-	-	-	-	-	668
Total Operating Expenses	701	82	183	210	241	326	68	476	2	2,289
Change in net assets before other financing sources (uses)	(431)	506	327	221	(18)	186	7	73	7	878
Other financing sources (uses)										
Operating transfers	1,397	(717)	(500)	(5)	(11)	(18)	(2)	(144)	-	-
Change in Net Assets	966	(211)	(173)	216	(29)	168	5	(71)	7	878
Net Position at Beginning of Year	7,957	211	173	176	270	50	(30)	919	-	9,726
Net Position at End of Year	\$ 8,923	\$ -	\$ -	\$ 392	\$ 241	\$ 218	\$ (25)	\$ 848	\$ 7	\$ 10,604

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE 3
STATEMENTS OF CASH FLOWS BY PROGRAM
(In Thousands)
For the Year Ended December 31, 2016

	1991 Program	2006B Program	2006C Program	2006D Program	2007B Program	2007C Program	2008B Program	2009ACF Program	HOME Program	Total
Cash flows from operating activities:										
Cash receipts for:										
Investment income on mortgage loans	\$ 56	\$ 23	\$ 412	\$ 400	\$ 224	\$ 913	\$ 85	\$ 629	\$ -	\$ 2,742
Investment income on investment securities	84	-	31	27	10	9	-	-	-	161
JMAP and SMAP income	181	-	-	-	-	-	-	-	-	181
Jefferson Parish Community Development Program									107	107
Other revenue	2	-	-	-	-	-	-	-	9	11
Cash payments for:										
Down payment assistance	(108)	-	-	-	-	-	-	-	-	(108)
Interest on debt	-	(1,413)	(1,006)	(139)	(249)	(293)	(77)	(389)	-	(3,566)
Bond retirement costs	-	-	(115)	(95)	-	(75)	-	-	-	(285)
Servicing fees	-	-	(2)	(13)	(21)	(25)	(7)	(84)	-	(152)
Trustee fees	(33)	-	-	-	(2)	(2)	-	(7)	(2)	(46)
Other operating expenses	(716)	-	-	-	-	-	-	-	-	(716)
Net cash (used in) provided by operating activities	(534)	(1,390)	(680)	180	(38)	527	1	149	114	(1,671)
Cash flows from noncapital financing activities:										
Bond principal payments	-	(5,250)	(4,140)	(2,865)	(1,010)	(830)	(31)	(1,970)	-	(16,096)
Bond premium transferred at redemption	-	(67)	(65)	(108)	-	-	-	-	-	(240)
Operating transfers	1,397	(717)	(500)	(5)	(11)	(18)	(2)	(144)	-	-
Net cash (used in) provided by noncapital financing activities	1,397	(6,034)	(4,705)	(2,978)	(1,021)	(848)	(33)	(2,114)	-	(16,336)
Cash flows from investing activities										
Proceeds from sale of investment securities	2,210	7,424	364	3,484	1,137	1,172	-	-	-	15,791
Proceeds from sale of mortgage backed securities	-	-	4,722	2,790	-	5,209	-	-	-	12,721
Proceeds from mortgage loan repayments	178	-	211	146	1,114	631	33	1,673	-	3,986
Acquisition of investment securities	(3,073)	-	-	(3,313)	(1,193)	(6,665)	-	-	-	(14,244)
Net cash (used in) provided by investing activities	(685)	7,424	5,297	3,107	1,058	347	33	1,673	-	18,254
Net (decrease) increase in cash and cash equivalents	178	-	(88)	309	(1)	26	1	(292)	114	247
Cash and cash equivalents at beginning of the year	361	-	88	82	3	-	9	374	-	917
Cash and cash equivalents at the end of the year	\$ 539	\$ -	\$ -	\$ 391	\$ 2	\$ 26	\$ 10	\$ 82	\$ 114	\$ 1,164
Reconciliation of changes in net position to net cash used in operating activities:										
Changes in net position	\$ (431)	\$ 506	\$ 327	\$ 221	\$ (18)	\$ 186	\$ 7	\$ 73	\$ 7	\$ 878
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:										
Amortization of bond premium and discount	-	(25)	(20)	(25)	(23)	(65)	(16)	-	-	(174)
Bond premium recognized on early debt retirement	-	(568)	(383)	(193)	-	-	-	-	-	(1,144)
(Depreciation) appreciation in investments and mortgage backed securities	57	-	294	176	3	386	10	75	-	1,001
(Increase) decrease in assets:										
Change in accrued interest receivable	(4)	3	22	13	5	24	-	5	-	68
Change in down payment assistance receivable	(108)	-	-	-	-	-	-	-	-	(108)
Increase (decrease) in liabilities:										
Change in accrued expenses and accounts payable	(48)	-	-	-	-	-	-	-	-	(48)
Change in accrued interest payable	-	(1,306)	(920)	(12)	(5)	(4)	-	(4)	-	(2,251)
Change in due to Jefferson Parish Community Development	-	-	-	-	-	-	-	-	107	107
Net cash (used in) provided by operating activities	\$ (534.0)	\$ (1,390.0)	\$ (680.0)	\$ 180.0	\$ (38.0)	\$ 527.0	\$ 1.0	\$ 149.0	\$ 114.0	\$ (1,671.0)

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE 4
SCHEDULE OF OPERATING EXPENSES
(In Thousands)
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Expenses		
Advertising	\$ 26.4	\$ 26.2
Auto Expense	11.7	11.7
Computer Expense	2.7	3.2
Dues and Subscriptions	2.3	0.9
Education and Seminars	2.8	5.7
Insurance	52.7	48.9
Miscellaneous Expense	2.1	1.2
Office Expense	2.6	3.5
Pension and Retirement	47.6	48.6
Postage	0.9	1.0
Professional Fees	94.1	92.6
Rent	19.6	19.5
Salaries and Wages	325.8	292.6
Telephone	3.1	2.9
Travel	8.6	9.9
State Bond Commission Fee	-	(7.5)
Capital Acquisitions	2.0	5.4
Security	4.6	6.7
Board Per Diem	58.1	62.7
	<u>58.1</u>	<u>62.7</u>
Total Operating Expenses	<u>\$ 667.7</u>	<u>\$ 635.7</u>

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE 5
SCHEDULE OF BOARD MEMBERS' COMPENSATION
For the Year Ended December 31, 2016**

The members of the Jefferson Parish Finance Authority's (the Authority) 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, 2016, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	<u>Regular Board Per Diems</u>	<u>Extra Approved Per Diems</u>	<u>2016 Total</u>
Berthelot, Jackie	42	6	48
Boyer, Mitchell	46	5	51
DiMarco, Dennis	38	9	47
Drawe, Michael F.	4	0	4
Faia, Gregory	43	10	53
Muscarello, Frank L.	46	8	54
Planer, Marcy L.	39	0	39
Schudmak III, Sam	42	1	43
Simmons, Dalton	43	5	48

Per Diem Payment:

	<u>2016</u>
Berthelot, Jackie	\$ 7,200
Boyer, Mitchell	7,650
DiMarco, Dennis	7,050
Drawe, Michael F.	600
Faia, Gregory	7,950
Muscarello, Frank L.	8,100
Planer, Marcy L.	5,850
Schudmak III, Sam	6,450
Simmons, Dalton	7,200
	<u>\$ 58,050</u>

JEFFERSON PARISH FINANCE AUTHORITY

SCHEDULE 6

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year Ended December 31, 2016

Agency Head

Terry McCarthy

Purpose	Amount
Salary	\$ 134,743
Benefits-Medical Insurance	3,000
Benefits-Retirement	19,911
Benefits-Life Insurance	108
Benefits-Other	371
Car Allowance	11,086
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	505
Conference Travel	1,453
Registration Fees	625
Travel-Other Meetings	3,137
Continuing Professional Education Fees	-
Unvoucherd Expense	-
	<u>\$ 174,939</u>

COMPLIANCE SECTION

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Jefferson Parish Finance Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Jefferson Parish Finance Authority (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 7, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit 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 a 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 material weaknesses or, significant deficiencies. 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

April 7, 2017

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2016**

We have audited the financial statements of Jefferson Parish Finance Authority (the Authority) as of and for the year ended December 31, 2016, and have issued our report thereon dated April 7, 2017. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2016, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

b. Federal Awards

The Authority did not expend federal awards exceeding \$750,000 during the year ended December 31, 2016, and therefore is exempt from the audit requirements under the Single Audit and the Uniform Guidance.

Section II Financial Statement Findings

a. Issues of Noncompliance

None

b. Significant Deficiencies

None

Section III Federal Award Findings and Questions Costs

None

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2016**

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

None

Section II – Internal Control and Compliance Material to the Federal Awards

None

Section III – Management Letter

None