MISSISSIPPI HOME CORPORATION

FINANCIAL STATEMENTS
AS OF JUNE 30, 1999 AND 1998
TOGETHER WITH AUDITORS' REPORT AND
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON COMPLIANCE AND INTERNAL CONTROLS

MISSISSIPPI HOME CORPORATION
INDEX TO FINANCIAL STATEMENTS AND SCHEDULES
JUNE 30, 1999 AND 1998

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors
of Mississippi Home Corporation:

We have audited the accompanying combined balance sheets of Mississippi Home Corporation (the Corporation, an instrumentality of the State of Mississippi) as of June 30, 1999 and 1998, and the related combined statements of revenues, expenses and changes in fund balance, and cash flows for the years then ended. These combined financial statements and the schedules referred to below are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* (1994 Revision) 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 audits provide 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 Mississippi Home Corporation as of June 30, 1999 and 1998, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information presented in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Corporation's internal controls over financial reporting and its compliance with certain provisions of laws, regulations, contracts and grants dated October 8, 1999.

Jackson, Mississippi,
October 8, 1999.

MISSISSIPPI HOME CORPORATION

COMBINED BALANCE SHEETS

	June 30, 1999	June 30, 1998
ASSETS		
Cash and cash equivalents:		
Cash	$ 184,378	$ 700,098
Restricted cash	1,045,742	1,157,833
Cash equivalents	1,268,599	1,981,318
Restricted cash equivalents	98,386,734	86,775,557
Total cash and cash equivalents	100,885,453	90,614,806
Accrued interest receivable	4,172,838	3,854,090
Investments, at fair value:		
Mortgage-backed securities	410,717,848	386,302,373
Other investments	12,592,073	9,100,527
Mortgage loans receivable, net of allowance for loan losses of $929,000 in 1999 and $1,348,000 in 1998	42,467,868	52,959,665
Unamortized bond issuance costs	6,302,599	6,290,854
Other assets	5,818,405	5,486,298
Total assets	$582,957,084	$554,608,613
LIABILITIES		
Bonds payable, net of premium or discount	$506,410,953	$480,906,263
Notes payable	17,539,807	10,695,788
Accrued interest payable	4,311,627	4,201,655
Deferred gains	2,413,673	2,541,467
Other liabilities and accrued expenses	2,306,114	1,747,721
Total liabilities	532,982,174	500,092,894
FUND BALANCE	49,974,910	54,515,719
Total liabilities and fund balance	$582,957,084	$554,608,613

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

	For the Years Ended June 30, 1999	1998
REVENUES		
Interest income:		
Cash and cash equivalents	$ 5,700,113	$ 6,239,362
Mortgage-backed securities	28,081,883	24,267,727
Other investments	856,049	784,436
Mortgage loans receivable	4,199,507	5,712,518
Total interest income	38,837,552	37,004,043
Net appreciation (depreciation) in fair value of mortgage-backed securities	(7,660,960)	6,454,345
Reservation fees	388,687	445,973
Low income housing tax credit program	763,991	686,011
Other income	756,487	678,121
Total revenues	33,085,757	45,268,493
EXPENSES		
Interest expense	33,904,213	31,901,830
Amortization of bond issuance costs	1,034,478	1,014,058
Trust and administration fees	187,628	199,064
Mortgage related insurance	137,340	209,091
Losses on mortgage loans	45,344	309,571
Administrative expenses:		
Salaries and related benefits	1,286,068	1,209,982
Other	1,031,495	1,153,869
Total expenses	37,626,566	35,997,465
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(4,540,809)	9,271,028
FUND BALANCE, beginning of year	54,515,719	45,244,691
FUND BALANCE, end of year	$49,974,910	$54,515,719

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINED STATEMENTS OF CASH FLOWS

	For the Years Ended June 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses	$ (4,540,809)	$ 9,271,028
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:		
Amortization of:		
Bond issuance costs	1,034,478	1,014,058
Discounts and premiums on bonds payable, net	114,885	111,095
(Increase) decrease in:		
Accrued interest receivable	(318,748)	21,668
Other assets	(493,666)	(3,616,992)
Increase (decrease) in:		
Accrued interest payable	109,972	242,206
Deferred gains	(127,794)	(127,793)
Other liabilities and accrued expenses	558,393	223,672
Increase (decrease) in allowance for losses on mortgage loans	(233,201)	309,571
Unrealized (gains) losses on investments	7,660,960	(6,454,345)
Accretion of bond discount, net	606,170	494,604
Depreciation	161,559	112,602
Net cash provided by operating activities	4,532,199	1,601,374
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities and redemptions of Mortgage-backed securities	54,226,350	38,987,303
Purchases of mortgage-backed securities	(86,357,116)	(108,837,403)
Proceeds from maturities of investments	7,947,590	4,518,723
Purchases of investments	(11,384,806)	(4,462,735)
Mortgage loan repayments	11,461,473	14,358,180
Down payment assistance and development loans originated	(736,475)	(720,725)
Net cash used in investing activities	(24,842,984)	(56,156,657)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of bonds	98,064,293	123,552,743
Repayment of bonds	(72,909,250)	(51,936,307)
Proceeds from notes payable	41,925,000	10,475,031
Principal payments on notes payable	(35,080,981)	(7,856,103)
Bond issuance costs paid	(371,406)	(1,471,546)
Use of premium for down payment assistance	(1,046,224)	(191,964)
Net cash provided by financing activities	30,581,432	72,571,854
Net increase in cash and cash equivalents	10,270,647	18,016,571
CASH and CASH EQUIVALENTS, beginning of year	90,614,806	72,598,235

CASH and CASH EQUIVALENTS, end of year	$100,885,453	$ 90,614,806

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Mississippi Home Corporation (the Corporation), formerly known as the Mississippi Housing Finance Corporation, is a governmental instrumentality of the State of Mississippi (the State) created under the Mississippi Home Corporation Act of 1989 (the Act). Pursuant to the Act, the Corporation is authorized and empowered, among other things, to issue bonds to provide monies for financing residential housing and provide other services in regard to housing for persons and families of low and moderate income in the State. Bonds and other obligations issued by the Corporation are not a debt or liability of the State, but are secured solely by assets of the individual mortgage purchase programs. The reporting entity includes the Corporation (the primary government entity) and the Mississippi Affordable Housing Development Fund (see Note 6) for which the Corporation is primarily accountable.

All members of the Board of Directors of the Corporation are appointed by the Governor of the State. The appointed members serve four-year staggered terms and cannot be removed by the Governor without cause. The Board controls the appointment of the Executive Director, who is responsible for the staffing of the Corporation. The State assumes no responsibility for the Corporation's day-to-day operations. The Board is solely responsible for reviewing, approving and revising the Corporation's budget. The State is not responsible for financing any Corporation deficit or operating deficiencies. The Corporation controls the use of surplus funds.

Accounting Method

The accounting and reporting policies of the Corporation conform with generally accepted accounting principles. As required by these principles, the Corporation has applied all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989. Additionally, the Corporation has elected to apply all applicable FASB Statements and Interpretations issued after November 30, 1989, to the extent that they do not conflict with or contradict GASB pronouncements.

The Corporation's accounts are organized on the basis of separate enterprise funds, each of which is considered to be a separate accounting entity with a separate set of self-balancing accounts that comprise the assets, liabilities, fund balance, revenues and expenses of the individual mortgage purchase programs, the down payment assistance program, the Mississippi Affordable Housing Development Fund and the general corporate fund. Enterprise funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determining net income and capital maintenance.

The accompanying financial statements present the combined activities of the individual mortgage purchase programs, the down payment assistance program, the Mississippi Affordable Housing Development Fund and the general corporate fund. Since the assets of each program are generally restricted, aggregating the accounts of the separate programs does not indicate that the combined assets are available in any manner other than that provided for in the bond resolutions or other agreements of the separate programs. All interfund balances and transactions have been eliminated in the combined financial statements.

Cash and Cash Equivalents

Cash and cash equivalents includes general corporate fund cash, general corporate fund investments with original maturities of less than three months and unrestricted cash in certain other funds.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consists of proceeds from the sales of bonds pending the purchase of Government National Mortgage Association Mortgage Backed Securities (GNMA securities or certificates) and the principal and interest payments of the GNMA securities. These funds are held in guaranteed investment contracts. The indentures of the respective mortgage purchase programs stipulate that these funds may be used only for the acquisition of GNMA securities or the early redemption of the respective mortgage revenue program bonds outstanding.

Mortgage Loans Receivable, GNMA Certificates and Investments

Mortgage loans are generally secured by first liens on single family residential properties. Proceeds from certain bond issues not invested in individual mortgages are principally invested in GNMA certificates, representing pools of mortgage loans originated under the respective programs. Principally all loans purchased by the Corporation are insured by the Federal Housing Authority (FHA) or private mortgage insurance, are Veterans' Administration (VA) or Farmer's Home Administration (FmHA) guaranteed, or have a loan-to-fair value ratio of 80% or less at origination. Additionally, each mortgage loan in the 1993-I, 1990A&B, 1994-I and 1993B Programs is insured by a pool insurance policy, subject to certain limitations on uncovered losses. Pool policy loss limits for the 1993-I, 1990 A&B, 1994-I and 1993B Programs are 20%, 10%, 15% and 20%, respectively, of the initial aggregate principal amounts of all mortgage loans purchased with proceeds of the related bonds.

Allowance for Losses on Mortgage Loans

Losses incurred on mortgage loans are charged to the allowance for losses on mortgage loans (the allowance). The allowance is charged to expense when, in management's opinion, the realization of all or a portion of the loans or recovery on properties owned is doubtful.

In evaluating the allowance, management considers the age of the various loans, the relationship of the allowances to outstanding mortgage loans, collateral values, insurance claims and economic conditions.

Management of the Corporation believes that the allowance is adequate. While management uses available information to recognize losses on mortgage loans, future additions to the allowance may be necessary based on changes in economic conditions.

Cash Flows

Cash paid for interest during fiscal years ended June 30, 1999 and 1998, totaled $34,482,124 and $31,659,633, respectively.

Unamortized Bond Issuance Costs, Discounts and Premiums

Costs related to issuing bonds, as well as discounts or premiums on the sale of bonds, are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Prepayments of principal are not anticipated in amortizing bond issuance costs, bond discounts or premiums.

Reservation Fees

Reservation fees are those fees paid to the Corporation by banks within the state to reserve their respective allocation of bond proceeds for the purpose of originating mortgage loans under the program. These reservation fees, all of which are non-refundable, are recognized as income when received.

Income Taxes

As a tax-exempt, quasi-governmental organization created by legislative statute, the Corporation is exempt from Federal and State income taxes. Accordingly, no provision for income taxes has been included in the combined financial statements.

Deferred Gains

Gains resulting from the substitution of collateral in defeasance trusts and the sale of the Corporation's right to residual assets in defeasance trusts are deferred and amortized as a component of interest expense over the lives of the defeased bonds using the bonds outstanding method. This caption also includes a liability for the premium received for a call option written on the 1989 Program GNMA certificates. When the option expires in 2015 or the Corporation enters into a closing transaction, the Corporation will realize a gain on the option to the extent of the premium received or a loss to the extent that the cost of the closing transaction exceeds the premium received. The premium totaled $355,949 at June 30, 1999 and 1998.

Use of 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 income and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 1998 amounts have been reclassified to conform with the 1999 presentation.

2. CASH EQUIVALENTS AND INVESTMENTS:

The Corporation is authorized by Mississippi statute, subject to any agreement with bondholders or noteholders, to invest in the following:

- Direct obligations of or obligations guaranteed by the United States;
- Bonds, debentures, notes or other evidence of indebtedness issued by U.S. Government agencies;
- Direct and general obligations of the State;
- Repurchase agreements secured by collateral;
- Investment contracts or agreements with entities rated "A" or better by a nationally recognized rating agency; and,
- Certificates of deposit or time deposits of qualified depositories and money market funds.

Governmental accounting standards require that the carrying amounts of cash and investments as of the balance sheet date be categorized according to the level of credit risk associated with the Corporation's cash and cash equivalents and investments at that time. The level of credit risk is defined as follows:

Category 1 - Insured (including government securities) or registered with securities held by the Corporation or its agent in the Corporation's name.

Category 2 - Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the Corporation's name.

Category 3 - Uninsured and unregistered, with securities held by the counter-party or by its trust department or agent but not in the Corporation's name.

A summary of cash and cash equivalents as of June 30, 1999 and 1998, by category follows:

	1999	1998
Category 1	$ 184,378	$ 700,098
Category 3	100,701,075	89,914,708
Total	$100,885,453	$90,614,806

A summary of the amortized cost and estimated fair value of investments by category follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 1999:				
Category 1:				
U.S. Government agency Securities	$ 7,537,401	$ 54,672	$ -	$ 7,592,073
GNMA mortgage-backed Securities	408,449,805	4,737,427	(2,469,384)	410,717,848
	415,987,206	4,792,099	(2,469,384)	418,309,921
Category 3:				
Commercial agreements	5,000,000	-	-	5,000,000
	$420,987,206	$ 4,792,099	$ (2,469,384)	$423,309,921

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 1998:				
Category 1:				
U.S. Government agency Securities	$ 4,100,527	$ -	$ -	$ 4,100,527
GNMA mortgage-backed Securities	376,355,929	10,409,869	(463,425)	386,302,373
	380,456,456	10,409,869	(463,425)	390,402,900
Category 3:				
Commercial agreements	5,000,000	-	-	5,000,000
	$385,456,456	$10,409,869	$ (463,425)	$395,402,900

No gross gains or losses were realized on sales of investments during 1999 and 1998.

The fair value of securities collateralizing repurchase agreements approximated the carrying value of repurchase agreements at June 30, 1999 and 1998.

3. BONDS PAYABLE:

Bonds payable for the mortgage purchase programs follow:

	June 30,	
Description	1999	1998
1985 series accretion bonds – effective interest rate 10.130%, principal due through October 15, 2012	$ 945,000	$2,890,000
1988 series bonds – 6,900% to 7.800% interest payable semiannually, principal due through October 15, 2018	6,325,000	9,095,000
1989 series bonds – 7.550% to 8.250% interest payable semiannually, principal due through October 15, 2018	23,995,000	32,295,000
1990A series bonds – 9.250% interest payable semiannually, principal due through March 1, 2012	7,895,000	10,585,000
1990B series accretion bonds – effective interest rate 8.750%, principal due through September 1, 2012	1,089,652	998,676
1990-I series accretion bonds – effective interest rate 8.000%, principal due through October 1, 2022	4,376,999	5,352,334
1992A series bonds – 5.550% to 7.500% interest payable semiannually, principal due through May 1, 2023	4,975,000	6,250,000
1992B series bonds – 5.000% to 6.500% interest payable semiannually, principal due through December 1, 2024	7,225,000	8,755,000
1992-II series accretion bonds – effective interest rate 7.375%, principal due through April 15, 2012	3,344,245	3,107,183
1993-I series bonds – 5.740% to 7.000% interest payable semiannually, principal due through January 15, 2000	-	524,105
1993B series accretion bonds – effective interest rate 6.930% to 7.280%, principal due through December 1, 2012	4,708,602	7,908,764
1994A series bonds – 4.500% to 6.900% interest payable semiannually, principal due through June 1, 2024	6,695,000	7,510,000
1994B series bonds – 5.000% to 7.900% interest payable semiannually, principal due through March 1, 2025	9,460,000	11,030,000
1994C series bonds – 4.750% to 8.125% interest payable semiannually, principal due through December 1, 2024	5,600,000	7,345,000
1994D series bonds – 4.800% to 8.100% interest payable semiannually, principal due through December 1, 2024	5,855,000	7,205,000
1994E series bonds – 4.900% to 8.100% interest payable semiannually, principal due through December 1, 2025	6,205,000	7,275,000

1994F series bonds – 5.400% to 7.450% interest payable semiannually, principal due through June 1, 2026	7,995,000	11,165,000
1994-I series bonds – 8.680% to 9.150% interest payable semiannually, principal due through September 15, 2014	12,062,235	16,625,473
1995A series bonds – 7.850% interest payable semiannually, principal due through October 1, 2012	-	1,862,251

	June 30,	
Description	1999	1998
1995B series bonds – 6.550% to 6.625% interest payable semiannually, principal due through April 1, 2027	$10,840,000	$11,500,000
1995C series bonds – 7.800% interest payable semiannually, principal due through November 1, 2012	-	1,230,000
1995D series bonds – 6.520% interest payable semiannually, principal due through November 1, 2027	23,490,000	26,990,000
1995G series bonds – 6.100% interest payable semiannually, principal due through June 1, 2016	3,005,000	6,310,000
1995H series bonds – 6.250% interest payable semiannually, principal due through December 1, 2026	15,530,000	15,530,000
1995I series bonds – 5.900% interest payable semiannually, principal due through June 1, 2017	1,845,000	1,880,000
1995J series bonds – 5.400% to 6.125% interest payable semiannually, principal due through June 1, 2027	22,860,000	27,185,000
1996A series bonds – 6.900% interest payable semiannually, principal due through June 1, 2005	-	980,000
1996B series bonds – 5.375% interest payable semiannually, principal due through December 1, 2010	1,070,000	3,280,000
1996C series bonds – 5.550% to 7.600% interest payable semiannually, principal due through June 1, 2029	25,560,000	26,915,000
1996D series bonds – 7.400% interest payable semiannually, principal due through June 1, 2019	1,365,000	4,355,000
1996E series bonds – 4.400% to 5.500% interest payable semiannually, principal due through December 1, 2007	3,345,000	3,675,000
1996F series bonds – 6.000% to 7.550% interest payable semiannually, principal due through December 1, 2027	20,140,000	20,285,000
1996G series bonds – 6.850% interest payable semiannually, principal due through June 1, 2020	2,210,000	5,060,000
1996H series bonds – 4.000% to 5.550% interest payable semiannually, principal due through December 1, 2010	4,120,000	4,320,000
1996I series bonds – 5.200% to 7.375% interest payable semiannually, principal due through June 1, 2029	15,505,000	15,505,000
1997A series bonds – 6.850% interest payable semiannually, principal due through December 1, 2020	4,125,000	6,620,000

1997B series bonds – 4.300% to 5.600% interest payable semiannually, principal due through June 1, 2011	1,415,000	1,500,000
1997C series bonds – 5.500% to 7.200% interest payable semiannually, principal due through June 1, 2028	16,270,000	16,270,000
1997D series bonds – 5.80% to 7.750% interest payable semiannually, principal due through July 1, 2012	26,205,128	28,651,107

	June 30,	
Description	1999	1998
1997G series bonds – 5.250% to 6.830% interest payable semiannually, principal due through November 1, 2029	$28,896,246	$30,490,000
1997H series bonds – 5.350% to 6.930% interest payable semiannually, principal due through December 1, 2029	22,858,765	24,000,000
1998A series bonds – 5.125% to 6.560% interest payable semiannually, principal due through June 1, 2030	37,425,429	38,460,000
1998B series bonds – 5.100% to 6.250% interest payable semiannually, principal due through June 1, 2030	28,840,000	-
1998C series bonds – 4.900% to 6.250% interest payable semiannually, principal due through December 1, 2030	26,610,000	-
1999A series bonds – 4.800% to 6.630% interest payable semiannually, principal due through June 1, 2031	41,240,000	-
	503,522,301	478,769,893
Unamortized premiums and deferred refunding losses, net	2,888,652	2,136,370
	$506,410,953	$480,906,263

A summary of contractual bond maturities as of June 30, 1999 follows:

	Year ended June 30,						Discount on Appreciation	
	2000	2001	2002	2003	2004	Thereafter	Bonds	Total
Program:								
1985	$ -	$ -	$ -	-	$ -	$ 945,000	$ -	$ 945,000
1988	185,000	210,000	215,000	210,000	110,000	5,395,000	-	6,325,000
1989	280,000	-	-	-	-	23,715,000	-	23,995,000
1990A&B	-	-	-	-	-	8,984,652	-	8,984,652
1990-I	-	-	-	-	-	4,376,999	-	4,376,999
1992A	150,000	145,000	145,000	150,000	75,000	4,310,000	-	4,975,000
1992B	215,000	220,000	210,000	135,000	-	6,445,000	-	7,225,000
1992-II	-	-	-	-	-	8,435,000	(5,090,755)	3,344,245
1993B	-	-	-	-	-	21,175,000	(16,466,398)	4,708,602
1994A	-	-	-	-	270,000	6,425,000	-	6,695,000
1994B	45,000	-	-	-	-	9,415,000	-	9,460,000
1994C	100,000	100,000	115,000	105,000	40,000	5,140,000	-	5,600,000
1994D	130,000	110,000	105,000	105,000	80,000	5,325,000	-	5,855,000
1994E	120,000	110,000	110,000	120,000	100,000	5,645,000	-	6,205,000
1994F	80,000	80,000	90,000	90,000	75,000	7,580,000	-	7,995,000
1994-I	-	-	-	-	-	12,062,235	-	12,062,235
1995A&B	-	-	-	-	-	10,840,000	-	10,840,000
1995C&D	-	-	-	-	-	23,490,000	-	23,490,000
1995F,G&H	-	-	-	-	-	18,535,000	-	18,535,000
1995I&J	-	-	-	-	-	24,705,000	-	24,705,000

1996A,B&C	-	-	-	-	-	26,630,000	-	26,630,000
1996D,E&F	330,000	330,000	340,000	375,000	400,000	23,075,000	-	24,850,000
1996G,H&I	235,000	255,000	275,000	300,000	325,000	20,445,000	-	21,835,000
1997A,B&C	95,000	95,000	100,000	105,000	115,000	21,300,000	-	21,810,000
1997D	-	-	-	-	-	26,205,128	-	26,205,128
1997G	-	-	-	-	-	28,896,246	-	28,896,246
1997H	-	-	-	-	-	22,858,765	-	22,858,765
1998A	-	-	-	-	-	37,425,429	-	37,425,429
1998B	-	-	-	-	-	28,840,000	-	28,840,000
1998C	-	-	-	-	-	26,610,000	-	26,610,000
1999A	-	-	-	-	-	41,240,000	-	41,240,000
Totals	$ 1,965,000	$ 1,655,000	$ 1,705,000	$ 1,695,000	$ 1,590,000	$ 516,469,454	$ (21,557,153)	$503,522,301

The Corporation has the option to redeem bonds after they have been outstanding for 10 years at initial prices ranging from 102% to 105% of par and subsequently at prices declining to par, except for the 1990B, 1990-I, 1992-II, 1993-I, 1993B, and 1994-I series bonds. The 1990B series bonds are redeemable after 10 years at 100% of their accreted value. The 1992-II series bonds are redeemable after 11.5 years at an initial price of 103% and subsequently at prices declining to par. The 1993B series bonds are redeemable after 7 years at an initial price of 103% and subsequently at prices declining to par. The 1990-I and 1993-I series bonds have no restrictions on early redemption since repayments of such bonds are based on principal collections from the underlying mortgage assets. The 1994-I series bonds are redeemable after 10 years at 100% provided that at the redemption date no more than 20% of the original principal amount is outstanding. Certain extraordinary redemptions, as governed by the bond resolutions, are permitted prior to the foregoing redemption dates.

The bonds are secured, as described in the applicable bond resolution, by a pledge of the revenues, monies, investments, mortgage loans and other assets of the applicable programs. Management believes that, for the years ended June 30, 1999 and 1998, the Corporation has complied with all significant bond covenants.

4. NOTES PAYABLE:

The Corporation has a $2,064,501 note payable to Trustmark National Bank for the purchase of a building. This note bears interest at 7.25% and is due November 2002.

In March 1998, the Corporation entered into an agreement to issue up to $50,000,000 in convertible program notes, secured by U.S. Treasury securities. The notes bear interest at a rate equal to 95% of the 30-day U.S. Treasury rate. At June 30, 1999, there were $10,080,000 of notes payable outstanding under this agreement. This agreement was originally due to expire in March of 1999; however, at the election of the Board of Directors, the agreement was extended such that it expired in August 1999.

In March 1999, the Corporation entered into an agreement to issue up to $50,000,000 in convertible program notes, secured by U.S. Treasury securities. The notes bear interest at a rate equal to 95% of the 30-day U.S. Treasury rate. The agreement expires in March 2000. At June 30,1999, $5,255,000 is outstanding under this agreement. The remainder, $44,745,000, is available for the purpose of refunding the maturing principal or redemption price, as the case may be, of a portion of certain outstanding bonds of the Corporation.

The remaining notes payable are attributable to amounts borrowed from banks to fund loans in the Down Payment Assistance Program. These loans, totaling $140,306 bear interest at 7.25%, and mature in April and May of 2003.

5. EXCESS EARNINGS:

For all of the mortgage purchase programs except the 1993B, 1993D, 1994-I, 1995A, and 1995C Programs, Federal tax regulations require that earnings on investments of bond proceeds in excess of the yield on the bonds (as defined in the regulations and subject to certain adjustments) be periodically computed and paid to either the United States or to the mortgagors. In certain instances, the bond resolutions require such excess earnings to be paid to the mortgagors. At June 30, 1999 and 1998, the Corporation determined that no significant liability exists for each excess earnings in any of the programs; however, this determination is subject to ongoing evaluation.

6. MISSISSIPPI AFFORDABLE HOUSING DEVELOPMENT FUND:

The Corporation is responsible for management of the Mississippi Affordable Housing Development Fund. The Fund was established by the State as a housing development revolving loan fund to provide resources for loans for the construction or repair of housing for persons or families of low to moderate income in the State using $1,997,952 in proceeds received from the Mississippi Department of Economic and Community Development (MDECD) in 1995 and $5,991,893 in proceeds obtained directly from the State in 1996. The Corporation is responsible for all aspects of the Fund, including developing lending criteria, establishing interest rates, and loan approval, servicing and reporting. Loan repayments are required to be returned to the Fund for use in granting new loans. Interest collected on the loans granted with the proceeds received from MDECD is required to be returned to the Fund for use in granting new loans and interest collected on the loans granted with the proceeds received from the State is required to be returned to the State. Costs incurred by the Corporation for administering the Fund are not reimbursed to the Corporation.

7. LOW INCOME HOUSING TAX CREDIT PROGRAM:

The Corporation has been designated as the allocating agency for the Low Income Housing Tax Credit Program (the Tax Credit Program). The Tax Credit Program was created by the U.S. Congress in 1986 to encourage investment in the construction and rehabilitation of housing units for low and moderate income individuals and families. The Corporation has adopted a Low Income Housing Tax Credit Program Qualified Allocation Plan (the Plan), which provides for an application process, project evaluation selection criteria and compliance requirements. Receipts under the Tax Credit Program represent fees earned for administering the Tax Credit Program and are not restricted under the terms of the Plan or the Tax Credit Program.

8. DOWN PAYMENT ASSISTANCE PROGRAM:

The Corporation's down payment assistance program provides loans to qualified borrowers for down payments and allowable loan closing costs on purchases of the borrowers' primary residence. The qualification requirements are generally the same as those of the respective mortgage loan programs under which the primary mortgage loans are made. The down payment assistance loans generally have 10 year terms, have rates which approximate those of the primary mortgages, are secured by second mortgages on the residences, and generally do not exceed $3,500 per loan.

9. BOND DEFEASANCES:

The Corporation defeases various bond issues by creating separate irrevocable trust funds. New debt is issued and the proceeds used to purchase U.S. government securities that are placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Corporation's Combined Balance Sheets. The amount of defeased debt outstanding approximated $98,000,000 and $84,500,000 at June 30, 1999 and June 30, 1998, respectively.

10. DEFINED BENEFIT PENSION:

The Corporation contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. This information may be obtained by contacting PERS.

PERS members are required to contribute 7.25% of their annual covered salary and the Corporation is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State Legislature. The Corporation's contribution requirement for the years ended June 30, 1999 and 1998 was approximately $172,000 and $160,200, which consisted of $98,700 and $91,900 from the Corporation and $73,300 and $68,300 from employees, respectively.

The Corporation's 32 participating employees are an insignificant portion of PERS total 286,000 participants.

11. DEFERRED COMPENSATION PLAN:

The State offers its employees a multiple-employer, deferred compensation plan created in accordance with Internal Revenue Code Section 457. The term "employee" means any person, whether appointed, elected, or under contract, providing services for the State, State agencies, counties, municipalities, or other political subdivisions, for which compensation is paid. The plan permits employees of the Corporation to defer a portion of their income until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the general creditors of those entities which employ deferred compensation participants. Participants' rights under the plan are the same as those of general creditors in an amount equal to the fair market value of the deferred account for each participant. The Corporation believes that it has no liabilities with respect to the State's plan.

12. CONDUIT ISSUES:

The Corporation has issued certain conduit multi-family housing revenue bonds, the proceeds of which were made available to various developers for rental housing. As of June 30, 1999, $15,500,000 of these bonds were outstanding. The bonds are payable solely from amounts received by the trustees from the revenue earned by the developers. Loan and corresponding debt service payments are guaranteed by irrevocable direct-pay letters of credit. The faith and credit of the Corporation is not pledged for the payment of the principal or interest on the bonds. Accordingly, these obligations are excluded from the Corporation's financial statements.

13. SUBSEQUENT EVENTS:

On July 1, 1999, the Corporation issued $13,294,802 of Single Family Mortgage Revenue bonds, titled Series 1999B. This series is comprised of $3,230,000 of serial bonds and $9,280,000 of term bonds, which bear interest at 4.10%-5.4% and 5% to 5.65%, respectively. The remaining $784,802 are capital appreciation bonds whose accretion rate is approximately 5.8%.

MISSISSIPPI HOME CORPORATION

COMBINING BALANCE SHEET

AS OF JUNE 30, 1999

	1985 Program	1988 Program	1989 Program	1990 A&B Program	1990-1 Program	1992A Program	1992B Program	1992-II Program
ASSETS								
Cash and cash equivalents:								
Cash	$ 6,669	$ -	$ -	$ 16,117	$ -	$ -	$ -	$ -
Restricted cash	1,923	1,698	-	45,713	-	-	-	-
Cash equivalents	-	-	-	-	-	-	-	-
Restricted cash equivalents	1,132,615	660,418	2,352,003	2,334,241	45,892	184,133	348,084	707,775
Total cash and cash equivalents	1,141,207	662,116	2,352,003	2,396,071	45,892	184,133	348,084	707,775
Accrued interest receivable	70,575	53,348	190,404	165,941	29,837	31,056	40,492	54,097
Investments, at fair value:								
Mortgage-backed securities	-	7,296,356	24,505,344	-	4,566,291	4,973,000	6,901,822	-
Other investments	-	-	-	-	-	-	-	-
Mortgage loans receivable, net	4,228,462	-	-	7,759,052	-	-	-	-
Unamortized bond issuance costs	5,574	77,038	289,996	165,031	29,679	91,372	159,269	223,169
Other assets	6,104	3,395	23,745	121,023	-	-	-	-
Due (to) from other programs	(6,669)	-	(58,816)	(16,117)	-	-	-	-
Total assets	$5,445,253	$8,092,253	$27,302,676	$10,591,001	$4,671,699	$5,279,561	$7,449,667	$ 985,041
LIABILITIES								
Bonds payable, net	$ 945,000	$ 6,325,000	$23,995,000	$9,266,572	$4,376,999	$4,975,000	$7,225,000	$ 3,344,246
Notes payable	-	-	-	-	-	-	-	-
Accrued interest payable	20,199	103,041	415,218	243,429	29,107	57,702	38,148	-
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	13,462	3,000	3,000	3,800	2,500	3,000	3,001	3,000
Total liabilities	978,661	6,431,041	24,413,218	9,513,801	4,408,606	5,035,702	7,266,149	3,347,246
FUND BALANCE (DEFICIT)	4,466,592	1,661,212	2,889,458	1,077,200	263,093	243,859	183,518	(2,362,205)
Total liabilities and fund balance	$5,445,253	$8,092,253	$27,302,676	$10,591,001	$4,671,699	$5,279,561	$7,449,667	$ 985,041

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING BALANCE SHEET

AS OF JUNE 30, 1999

	1993-I Program	1993B Program	1994A Program	1994B Program	1994C Program	1994D Program	1994E Program	1994F Program
ASSETS								
Cash and cash equivalents:								
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted cash	-	41,814	-	-	425	1,024	-	-
Cash equivalents	-	-	-	-	-	-	-	-
Restricted cash equivalents	-	520,886	256,705	478,413	232,145	205,745	375,417	474,096
Total cash and cash equivalents	-	562,700	256,705	478,413	232,570	206,769	375,417	474,096
Accrued interest receivable	272	143,734	39,193	66,465	38,591	40,273	41,894	56,595
Investments, at fair value:								
Mortgage-backed securities	-	-	6,578,045	9,773,481	5,852,850	6,150,873	6,295,478	8,058,325
Other investments	-	-	-	-	-	-	-	-
Mortgage loans receivable, net	12,930	9,611,224	-	-	-	-	-	-
Unamortized bond issuance costs	-	91,516	114,493	103,193	62,473	70,554	77,012	99,404
Other assets	8,321	102,056	-	-	-	-	-	-
Due (to) from other programs	-	-	-	-	-	-	-	-
Total assets	$ 21,523	$10,511,230	$6,988,436	$10,421,552	$6,186,484	$6,468,469	$6,789,801	$8,688,420
LIABILITIES								
Bonds payable, net	$ -	$ 4,694,379	$6,695,000	$ 9,471,636	$5,665,395	$5,904,477	$6,266,720	$8,027,686
Notes payable	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	36,971	236,363	34,281	35,497	38,074	49,004
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	14,873	115,064	2,600	2,700	3,500	3,500	3,000	3,000
Total liabilities	14,873	4,809,443	6,734,571	9,710,699	5,703,176	5,943,474	6,307,794	8,079,690
FUND BALANCE (DEFICIT)	6,650	5,701,787	253,865	710,853	483,308	524,995	482,007	608,730
Total liabilities and fund balance	$ 21,523	$10,511,230	$6,988,436	$10,421,552	$6,186,484	$6,468,469	$6,789,801	$8,688,420

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING BALANCE SHEET

AS OF JUNE 30, 1999

	1994-I Program	1995 A&B Program	1995 C&D Program	1995 F, G&H Program	1995 I&J Program	1996 A, B&C Program	1996 D, E&F Program	1996 G, H&I Program
ASSETS								
Cash and cash equivalents:								
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted cash	29,314	7,314	37,095	40,203	-	316,436	-	-
Cash equivalents	-	-	-	-	-	-	-	-
Restricted cash equivalents	1,112,296	810,632	1,037,149	211,547	970,712	724,564	791,292	935,333
Total cash and cash equivalents	1,141,610	817,946	1,074,244	251,750	970,712	1,041,000	791,292	935,333
Accrued interest receivable	178,645	66,500	154,688	115,324	152,768	167,499	155,158	135,822
Investments, at fair value:								
Mortgage-backed securities	-	10,396,395	23,031,313	18,569,759	24,303,099	26,606,732	24,626,888	21,541,140
Other investments	-	-	-	-	-	-	-	-
Mortgage loans receivable, net	12,564,257	-	-	-	-	-	-	-
Unamortized bond issuance costs	169,908	156,599	283,085	241,833	287,788	319,067	276,235	251,261
Other assets	206,933	-	-	-	-	-	-	-
Due (to) from other programs	-	-	-	-	-	-	-	-
Total assets	$14,261,353	$11,437,440	$24,543,330	$19,178,666	$25,714,367	$28,134,298	$25,849,573	$22,863,556
LIABILITIES								
Bonds payable, net	$11,845,611	$10,840,000	$23,490,000	$18,535,000	$24,705,000	$26,676,893	$24,850,000	$21,835,000
Notes payable	-	-	-	-	-	-	-	-
Accrued interest payable	48,812	178,684	255,258	96,161	125,753	157,162	145,120	122,190
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	43,153	3,000	3,000	3,450	3,500	4,000	4,000	3,600
Total liabilities	11,937,576	11,021,684	23,748,258	18,634,611	24,834,253	26,838,055	24,999,120	21,960,790
FUND BALANCE (DEFICIT)	2,323,777	415,756	795,072	544,055	880,114	1,296,243	850,453	902,766
Total liabilities and fund balance	$14,261,353	$11,437,440	$24,543,330	$19,178,666	$25,714,367	$28,134,298	$25,849,573	$22,863,556

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING BALANCE SHEET

AS OF JUNE 30, 1999

	1997-I Program	1997 A, B&C Program	1997D Program	1997G Program	1997H Program	1998-I Program	1998A Program	1998B Program
ASSETS								
Cash and cash equivalents:								
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted cash	-	1,645	1,021	192,868	81,974	889	218,630	620
Cash equivalents	-	-	-	-	-	-	-	-
Restricted cash equivalents	-	745,568	334,807	398,710	143,681	10,107,362	289,814	10,126,411
Total cash and cash equivalents	-	747,213	335,828	591,578	225,655	10,108,251	508,444	10,127,031
Accrued interest receivable	-	136,137	163,820	170,429	135,433	28,228	211,278	148,659
Investments, at fair value:								
Mortgage-backed securities	-	21,677,430	26,383,925	28,564,904	22,695,893	-	36,296,648	18,543,092
Other investments	-	-	-	-	-	-	-	-
Mortgage loans receivable, net	-	-	-	-	-	-	-	-
Unamortized bond issuance costs	-	325,060	318,542	323,510	264,649	-	411,161	309,998
Other assets	-	-	-	-	-	-	-	-
Due (to) from other programs	-	-	-	-	-	(18,397)	-	(378,416)
Total assets	$ -	$ 22,885,840	$27,202,115	$29,650,421	$23,321,630	$10,118,082	$37,427,531	$28,750,364
LIABILITIES								
Bonds payable, net	$ -	$ 22,037,762	$26,467,885	$29,190,054	$23,084,840	$ -	$37,787,236	$29,123,284
Notes payable	-	-	-	-	-	10,080,000	-	-
Accrued interest payable	-	123,638	129,681	252,553	120,407	26,741	142,309	141,572
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	-	4,500	3,000	3,000	3,000	13,788	3,000	2,500
Total liabilities	-	22,165,900	26,600,566	29,445,607	23,208,247	10,120,529	37,932,545	29,267,356
FUND BALANCE (DEFICIT)	-	719,940	601,549	204,814	113,383	(2,447)	(505,014)	(516,992)
Total liabilities and fund balance	$ -	$ 22,885,840	$27,202,115	$29,650,421	$23,321,630	$10,118,082	$37,427,531	$28,750,364

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING BALANCE SHEET

AS OF JUNE 30, 1999

	1998 C Program	1999-I Program	1999A Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
ASSETS							
Cash and cash equivalents:							
Cash	$ -	$ -	$ -	$ 9,996	$ 151,596	$ -	$ 184,378
Restricted cash	-	1,555	23	-	8,579	14,979	1,045,742
Cash equivalents	-	-	-	456,538	812,061	-	1,268,599
Restricted cash equivalents	10,652,822	5,259,282	43,377,544	-	682	47,958	98,386,734
Total cash and cash equivalents	10,652,822	5,260,837	43,377,567	466,534	972,918	62,937	100,885,453
Accrued interest receivable	133,579	8,805	605,038	8,200	147,200	86,861	4,172,838
Investments, at fair value:							
Mortgage-backed securities	16,528,765	-	-	-	-	-	410,717,848
Other investments	-	-	-	-	12,592,073	-	12,592,073
Mortgage loans receivable, net	-	-	-	1,238,129	1,369,961	5,683,853	42,467,868
Unamortized bond issuance costs	283,742	3,667	416,721	-	-	-	6,302,599
Other assets	-	-	-	-	2,719,713	2,627,115	5,818,405
Due (to) from other programs	(377,471)	-	(1,430,056)	(6,014)	2,285,942	6,014	-
Total assets	$27,221,437	$5,273,309	$42,969,270	$1,706,849	$20,087,807	$ 8,466,780	$582,957,084
LIABILITIES							
Bonds payable, net	$26,896,238	$ -	$41,868,040	$ -	$ -	$ -	$506,410,953
Notes payable	-	5,255,000	-	140,306	2,064,501	-	17,539,807
Accrued interests payable	117,899	13,941	769,991	2,565	4,156	-	4,311,627
Deferred gains	-	-	-	-	2,413,673	-	2,413,673
Other liabilities and accrued expenses	2,500	3,173	2,500	3,000	2,006,350	5,100	2,306,114
Total liabilities	27,016,637	5,272,114	42,640,531	145,871	6,488,680	5,100	532,982,174
FUND BALANCE (DEFICIT)	204,800	1,195	328,739	1,560,978	13,599,127	8,461,680	49,974,910
Total liabilities and fund balance	$27,221,437	$5,273,309	$42,969,270	$1,706,849	$20,087,807	$ 8,466,780	$582,957,084

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1999

	1985 Program	1988 Program	1989 Program	1990 A&B Program	1990-I Program	1992A Program	1992B Program	1992-II Program
REVENUES								
Interest income:								
Cash and cash equivalents	$ 113,722	$ 64,559	$ 265,800	$ 206,231	$ 2,711	$ 14,512	$ 15,520	$ 44,944
Mortgage–backed securities	-	652,522	2,248,114	-	391,105	387,472	529,179	-
Other investments	-	-	-	-	-	-	-	-
Mortgage loans receivable	475,438	-	-	767,362	-	-	-	-
Total interest income	589,160	717,081	2,513,914	973,593	393,816	401,984	544,699	44,944
Net appreciation (depreciation) in fair value of mortgage-backed securities	-	(35,630)	(340,050)	-	(26,448)	(94,120)	(214,470)	-
Reservation fees	-	-	-	-	-	-	-	-
Low income housing tax credit program	-	-	-	-	-	-	-	-
Other income	61,669	-	-	43,009	-	-	-	-
Total revenues	650,829	681,451	2,173,864	1,016,602	367,368	307,864	330,229	44,944
EXPENSES								
Interest expense	201,164	596,891	2,335,344	822,791	387,196	389,092	507,483	237,059
Amortization of bond issuance costs	12,805	39,181	117,096	60,091	8,174	28,012	27,394	10,136
Trust and administration fees	5,259	2,076	9,217	13,030	1,568	6,000	6,000	3,500
Mortgage related insurance	14,191	12,877	39,301	10,313	-	-	-	-
Losses on mortgage loans	-	-	-	-	-	-	-	-
Administrative expenses:								
Salaries and related benefits	-	-	-	-	-	-	-	-
Other	4,500	2,500	3,500	5,300	2,500	3,000	2,500	3,000
Total expenses	237,919	653,525	2,504,458	911,525	399,438	426,104	543,377	253,695
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	412,910	27,926	(330,594)	105,077	(32,070)	(118,240)	(213,148)	(208,751)
Transfers	(12,118)	(2,647)	(27,225)	(28,489)	(8,671)	14,000	7,283	6,500
FUND BALANCE (DEFICIT), beginning of year	4,065,800	1,635,933	3,247,277	1,000,612	303,834	348,099	389,383	(2,159,954)
FUND BALANCE (DEFICIT), end of year	$4,466,592	$1,661,212	$2,889,458	$1,077,200	$263,093	$ 243,859	$183,518	$(2,362,205)

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1999

	1993-I Program	1993B Program	1994A Program	1994B Program	1994C Program	1994D Program	1994E Program	1994F Program
REVENUES								
Interest income:								
Cash and cash equivalents	$ 10,767	$ 62,833	$ 14,642	$ 25,418	$ 20,692	$ 17,129	$ 18,048	$ 35,139
Mortgage–backed securities	-	-	484,112	791,623	504,540	522,176	540,139	687,158
Other investments	-	-	-	-	-	-	-	-
Mortgage loans	34,879	1,030,784	-	-	-	-	-	-
Total interest income	45,646	1,093,617	498,754	817,041	525,232	539,305	558,187	722,297
Net appreciation (depreciation) in fair value of mortgage-backed securities	-	-	(204,246)	(155,059)	(106,619)	(86,821)	(91,312)	(351,082)
Reservations fees	-	-	-	-	-	-	-	-
Low income housing tax credit program	-	-	-	-	-	-	-	-
Other income	42,516	25,794	-	-	-	-	-	-
Total revenues	88,162	1,119,411	294,508	661,982	418,613	452,484	466,875	371,215
EXPENSES								
Interest expense	4,870	548,772	460,516	754,193	444,420	459,794	484,407	678,050
Amortization of bond issuance costs	3,529	67,101	12,092	21,434	22,018	18,752	15,833	39,812
Trust and administration fees	8,649	32,140	2,073	3,088	1,855	1,931	2,005	2,758
Mortgage related insurance	1,701	14,091	-	-	-	-	-	-
Losses on mortgage loans	-	-	-	-	-	-	-	-
Administrative expenses:								
Salaries and related benefits	-	-	-	-	-	-	-	-
Other	2,500	2,682	3,012	2,500	3,000	3,000	3,000	12,858
Total expenses	21,249	664,786	477,693	781,215	471,293	483,477	505,245	733,478
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	66,913	454,625	(183,185)	(119,233)	(52,680)	(30,993)	(38,370)	(362,263)
Transfers	(535,666)	45,533	(8,921)	(9,991)	(4,608)	(8,638)	(9,174)	(14,339)
FUND BALANCE (DEFICIT), beginning of year	475,403	5,201,629	445,971	840,077	540,596	564,626	529,551	985,332
FUND BALANCE (DEFICIT), end of year	$ 6,650	$5,701,787	$ 253,865	$ 710,853	$ 483,308	$524,995	$482,007	$608,730

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1999

	1994-I Program	1995 A & B Program	1995 C & D Program	1995 F, G & H Program	1995 I & J Program	1996 A, B & C Program	1996 D, E & F Program	1996 G, H & I Program
REVENUES								
Interest income:								
Cash and cash equivalents	$ 128,296	$ 34,887	$ 70,386	$ 47,495	$ 64,711	$ 84,108	$ 65,962	$ 52,308
Mortgage–backed securities	-	782,619	1,732,824	1,245,643	1,642,778	2,117,033	1,943,798	1,722,310
Other investments	-	-	-	-	-	-	-	-
Mortgage loans	1,501,442	-	-	-	-	-	-	-
Total interest income	1,629,738	817,506	1,803,210	1,293,138	1,707,489	2,201,141	2,009,760	1,774,618
Net appreciation (depreciation) in fair value of mortgage-backed securities	-	(193,512)	(400,354)	(367,349)	(499,220)	(543,851)	(61,702)	(446,242)
Reservations fees	-	-	-	-	-	-	-	-
Low income housing tax credit program	-	-	-	-	-	-	-	-
Other income	69,097	-	-	-	442	-	-	20
Total revenues	1,698,835	623,994	1,402,856	925,789	1,208,711	1,657,290	1,948,058	1,328,396
EXPENSES								
Interest expense	1,452,317	788,662	1,705,483	1,266,911	1,639,103	2,023,667	1,877,321	1,583,712
Amortization of bond issuance costs	64,572	32,814	62,630	38,791	34,608	31,673	43,637	40,874
Trust and administration fees	21,663	3,739	7,799	4,052	5,355	5,755	5,310	4,676
Mortgage related insurance	44,866	-	-	-	-	-	-	-
Losses on mortgage loans	-	-	-	-	-	-	-	-
Administrative expenses:								
Salaries and related benefits	-	-	-	-	-	-	-	-
Other	2,500	3,000	3,000	3,500	3,250	3,250	3,500	3,250
Total expenses	1,585,918	828,215	1,778,912	1,313,254	1,682,316	2,064,345	1,929,768	1,632,512
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	112,917	(204,221)	(376,056)	(387,465)	(473,605)	(407,055)	18,290	(304,116)
Transfers	(63,592)	(18,284)	(42,629)	(25,589)	(33,270)	(41,999)	(56,329)	(80,490)
FUND BALANCE (DEFICIT), beginning of year	2,274,452	638,261	1,213,757	957,109	1,386,989	1,745,297	888,492	1,287,372
FUND BALANCE (DEFICIT), end of year	$2,323,777	$ 415,756	$ 795,072	$ 544,055	$ 880,114	$1,296,243	$ 850,453	$ 902,766

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1999

	1997-I Program	1997 A, B & C Program	1997D Program	1997G Program	1997H Program	1998-I Program	1998A Program	1998B Program
REVENUES								
Interest income:								
Cash and cash equivalents	$ -	$ 61,453	$ 11,884	$ 128,019	$ 174,728	$ 554,519	$ 976,894	$ 900,327
Mortgage–backed securities	-	1,695,813	2,022,834	1,981,239	1,483,368	-	1,463,279	392,423
Other investments	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-
Total interest income	-	1,757,266	2,034,718	2,109,258	1,658,096	554,519	2,440,173	1,292,750
Net appreciation (depreciation) in fair value of mortgage-backed securities	-	(437,652)	(505,875)	(578,436)	(202,221)	-	(987,657)	(785,366)
Reservations fees	-	-	-	-	-	-	-	-
Low income housing tax credit program	-	-	-	-	-	-	-	-
Other income	-	311	656	-	-	-	-	-
Total revenues	-	1,319,925	1,529,499	1,530,822	1,455,875	554,519	1,452,516	507,384
EXPENSES								
Interest expense	-	1,574,047	1,830,075	1,859,149	1,467,691	556,447	2,157,453	1,219,881
Amortization of bond issuance costs	-	46,226	33,450	26,013	20,865	3,267	26,847	12,375
Trust and administration fees	-	4,620	5,598	5,932	4,690	1,667	5,623	-
Mortgage related insurance	-	-	-	-	-	-	-	-
Losses on mortgage loans	-	-	-	-	-	-	-	-
Administrative expenses:								
Salaries and related benefits	-	-	-	-	-	-	-	-
Other	500	3,250	7,472	14,824	4,149	-	3,617	3,500
Total expenses	500	1,628,143	1,876,595	1,905,918	1,497,395	561,381	2,193,540	1,235,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(500)	(308,218)	(347,096)	(375,096)	(41,520)	(6,862)	(741,024)	(728,372)
Transfers	2,818	(104,646)	(109,704)	(102,433)	(65,897)	88	(95,513)	211,380
FUND BALANCE (DEFICIT), beginning of year	(2,318)	1,132,804	1,058,349	682,343	220,800	4,327	331,523	-
FUND BALANCE (DEFICIT), end of year	$ -	$ 719,940	$ 601,549	$ 204,814	$ 113,383	$ (2,447)	$ (505,014)	$ (516,992)

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1999

	1998C Program	1999-I Program	1999A Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
REVENUES							
Interest income:							
Cash and cash equivalents	$688,256	$12,785	$605,471	$ 11,955	$ 89,185	$ 3,817	$ 5,700,113
Mortgage–backed securities	117,782	-	-	-	-	-	28,081,883
Other investments	-	-	-	-	856,049	-	856,049
Mortgage loans	-	-	-	120,810	-	268,792	4,199,507
Total interest income	806,038	12,785	605,471	132,765	945,234	272,609	38,837,552
Net appreciation (depreciation) in fair value of mortgage-backed securities	-	-	-	-	54,334	-	(7,660,960)
Reservations fees	-	-	-	-	388,687	-	388,687
Low income housing tax credit program	-	-	-	-	763,991	-	763,991
Other income	-	-	-	5,260	496,386	11,327	756,487
Total revenues	806,038	12,785	605,471	138,025	2,648,632	283,936	33,085,757
EXPENSES							
Interest expense	789,005	12,757	618,143	15,287	155,060	-	33,904,213
Amortization of bond issuance costs	6,469	333	5,574	-	-	-	1,034,478
Trust and administration fees	-	-	-	-	-	-	187,628
Mortgage related insurance	-	-	-	-	-	-	137,340
Losses on mortgage loans	-	-	-	29,098	-	16,246	45,344
Administrative expenses:							
Salaries and related benefits	-	-	-	-	1,286,068	-	1,286,068
Other	5,701	2,500	2,500	5,430	887,369	6,081	1,031,495
Total expenses	801,175	15,590	626,217	49,815	2,328,497	22,327	37,626,566
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	4,863	(2,805)	(20,746)	88,210	320,135	261,609	(4,540,809)
Transfers	199,937	4,000	349,485	8,514	664,838	(3,514)	-
FUND BALANCE (DEFICIT), beginning of year	-	-	-	1,464,254	12,614,154	8,203,585	54,515,719
FUND BALANCE (DEFICIT), end of year	$204,800	$ 1,195	$328,739	$1,560,978	$13,599,127	$8,461,680	$49,974,910

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999

	1985 Program	1988 Program	1989 Program	1990 A&B Program	1990-I Program	1992A Program	1992B Program	1992-II Program
CASH FLOWS FROM OPERATING ACTIVITIES:								
Excess (deficiency) of revenues over expenses	$ 412,910	$ 27,926	$ (330,594)	$ 105,077	$ (32,070)	$ (118,240)	$ (213,148)	$(208,751)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:								
Amortization of:								
Bond issuance costs	12,805	39,181	117,096	60,091	8,174	28,012	27,394	10,136
Discounts and premiums on bonds payable, net	-	-	-	(125,897)	-	-	-	237,062
(Increase) decrease in:								
Accrued interest receivable	24,612	25,630	65,924	23,740	6,411	6,888	8,720	(44,946)
Other assets	44,868	1,237	9,307	124,761	-	-	-	-
Increase (decrease) in:								
Accrued interest payable	(40,762)	(42,911)	(135,618)	(80,222)	(6,486)	(13,420)	(5,756)	-
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	(4,042)	-	-	-	-	-	-	-
Increase (decrease) in allowance for losses on mortgage loans	(63,163)	-	-	(43,009)	-	-	-	-
Unrealized (gains) losses on investments	-	35,630	340,050	-	26,448	94,120	214,470	-
Accretion of bond discount, net	-	-	-	90,976	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	387,228	86,693	66,165	155,517	2,477	(2,640)	31,680	(6,499)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from maturities and redemptions of mortgage–backed securities	-	2,104,487	7,069,769	-	861,485	1,137,720	1,587,393	-
Purchases of mortgage-backed securities	-	-	-	-	-	-	-	-
Proceeds from maturities of investments	-	-	-	-	-	-	-	-
Purchases of investments	-	-	-	-	-	-	-	-
Mortgage loan repayments	1,289,145	-	-	2,394,365	-	-	-	-
Down payment assistance and development loans originated	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	1,289,145	2,104,487	7,069,769	2,394,365	861,485	1,137,720	1,587,393	-
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from sales of bonds	-	-	-	-	-	-	-	-
Repayment of bonds	(1,945,000)	(2,770,000)	(8,300,000)	(2,690,000)	(975,334)	(1,275,000)	(1,530,000)	-
Proceeds from notes payable	-	-	-	-	-	-	-	-
Principal payments on notes payable	-	-	-	-	-	-	-	-
Bond issuance costs paid	-	-	-	-	-	-	-	-
Use of premium for down notes payable	-	-	-	-	-	-	-	-
Due from (to) other programs	(35,383)	-	-	(128,261)	-	-	-	-
Net cash provided by (used in) financing activities	(1,980,383)	(2,770,000)	(8,300,000)	(2,818,261)	(975,334)	(1,275,000)	(1,530,000)	-
Transfers	(12,118)	(2,647)	(27,225)	(28,489)	(8,671)	14,000	7,283	6,500
Net increase (decrease) in cash and cash equivalents	(316,128)	(581,467)	(1,191,291)	(296,868)	(120,043)	(125,920)	96,356	1
CASH and CASH EQUIVALENTS, beginning of year	1,457,335	1,243,583	3,543,294	2,692,939	165,935	310,053	251,728	707,774
CASH and CASH EQUIVALENTS, end of year	$ 1,141,207	$ 662,116	$ 2,352,003	$ 2,396,071	$ 45,892	$ 184,133	$ 348,084	$707,775

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999

	1993-I Program	1993B Program	1994A Program	1994B Program	1994C Program	1994D Program	1994E Program	1994F Program
CASH FLOWS FROM OPERATING ACTIVITIES:								
Excess (deficiency) of revenues over expenses	$ 66,913	$ 454,625	$ (183,185)	$ (119,233)	$ (52,680)	$ (30,993)	$ (38,370)	$ (362,263)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:								
Amortization of:								
Bond issuance costs	3,529	67,101	12,092	21,434	22,018	18,752	15,833	39,812
Discounts and premiums on bonds payable, net	-	33,578	-	(2,354)	(22,232)	(12,554)	(12,042)	(13,091)
(Increase) decrease in:								
Accrued interest receivable	7,081	23,682	4,001	14,379	10,788	8,655	7,734	21,735
Other assets	17,013	264,172	-	-	-	-	-	-
Increase (decrease) in:								
Accrued interest payable	(7,643)	-	(2,425)	(36,230)	(9,010)	(6,543)	(4,889)	(16,779)
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	874	(15,090)	-	-	-	-	(2,572)	-
Increase (decrease) in allowance for losses on mortgage loans	(42,516)	(35,717)	-	-	-	-	-	-
Unrealized (gains) losses on investments	-	-	204,246	155,059	106,619	86,821	91,312	351,082
Accretion of bond discount, net	-	515,194	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	45,251	1,307,545	34,729	33,055	55,503	64,138	57,006	20,496
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from maturities and redemptions of mortgage–backed securities	-	-	625,529	1,568,058	1,470,034	1,123,157	1,201,764	2,928,432
Purchases of mortgage-backed securities	-	-	-	-	-	-	-	-
Proceeds from maturities of investments	-	-	-	-	-	-	-	-
Purchases of investments	-	-	-	-	-	-	-	-
Mortgage loan repayments	536,968	2,359,592	-	-	-	-	-	-
Down payment assistance and development loans originated	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	536,968	2,359,592	625,529	1,568,058	1,470,034	1,123,157	1,201,764	2,928,432
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from sales of bonds	-	-	-	-	-	-	-	-
Repayment of bonds	(524,105)	(3,683,783)	(815,000)	(1,570,000)	(1,745,000)	(1,350,000)	(1,070,000)	(3,170,000)
Proceeds from notes payable	-	-	-	-	-	-	-	-
Principal payments on notes payable	-	-	-	-	-	-	-	-
Bond issuance costs paid	-	-	-	-	-	-	-	-
Use of premium for down payment assistance	-	-	-	-	-	-	-	-
Due from (to) other programs	-	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	(524,105)	(3,683,783)	(815,000)	(1,570,000)	(1,745,000)	(1,350,000)	(1,070,000)	(3,170,000)
Transfers	(535,666)	45,533	(8,921)	(9,991)	(4,608)	(8,638)	(9,174)	(14,339)
Net increase (decrease) in cash and cash equivalents	(477,552)	28,887	(163,663)	21,122	(224,071)	(171,343)	179,596	(235,411)
CASH AND CASH EQUIVALENTS, beginning of year	477,552	533,813	420,368	457,291	456,641	378,112	195,821	709,507
CASH AND CASH EQUIVALENTS, end of year	$ -	$ 562,700	$ 256,705	$ 478,413	$ 232,570	$ 206,769	$ 375,417	$ 474,096

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999

	1994-I Program	1995 A & B Program	1995 C & D Program	1995 F, G &H Program	1995 I & J Program	1996 A, B & C Program	1996 D, E & F Program	1996 G, H & J Program
CASH FLOWS FROM OPERATING ACTIVITIES:								
Excess (deficiency) of revenues over expenses	$ 112,917	$ (204,221)	$ (376,056)	$ (387,465)	$ (473,605)	$ (407,055)	$ 18,290	$ (304,116)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:								
Amortization of:								
Bond issuance costs	64,572	32,814	62,630	38,791	34,608	31,673	43,637	40,874
Discounts and premiums on bonds payable, net	118,551	-	-	-	-	(1,567)	-	-
(Increase) decrease in:								
Accrued interest receivable	33,940	15,551	33,523	38,645	39,035	27,539	20,862	19,437
Other assets	133,586	-	-	3,508	-	5,644	-	-
Increase (decrease) in:								
Accrued interest payable	(13,638)	(44,843)	(48,868)	(13,034)	(15,027)	(15,918)	(15,052)	(12,297)
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	(4,433)	(5,981)	(18,974)	-	-	-	-	(323)
Increase (decrease) in allowance for losses on mortgage loans	(94,140)	-	-	-	-	-	-	-
Unrealized (gains) losses on investments	-	193,512	400,354	367,349	499,220	543,851	61,702	446,242
Accretion of bond discount, net	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	351,355	(13,168)	52,609	47,794	84,231	184,167	129,439	189,817
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from maturities and redemptions of mortgage–backed securities	-	2,368,612	4,927,510	2,883,026	4,319,149	4,347,364	3,365,619	3,175,124
Purchases of mortgage-backed securities	-	-	-	-	-	-	-	-
Proceeds from maturities of investments	-	-	-	-	-	-	-	-
Purchases of investments	-	-	-	-	-	-	-	-
Mortgage loan repayments	3,440,268	-	-	-	-	-	-	-
Down payment assistance and development loans originated	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	3,440,268	2,368,612	4,927,510	2,883,026	4,319,149	4,347,364	3,365,619	3,175,124
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from sales of bonds	-	-	-	-	-	-	-	-
Repayment of bonds	(4,563,238)	(2,522,251)	(4,730,000)	(3,305,000)	(4,360,000)	(4,545,000)	(3,465,000)	(3,050,000)
Proceeds from notes payable	-	-	-	-	-	-	-	-
Principal payments on notes payable	-	-	-	-	-	-	-	-
Bond issuance costs paid	-	-	-	-	-	-	-	-
Use of premium for down payment assistance	-	-	-	-	-	-	-	-
Due from (to) other programs	-	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	(4,563,238)	(2,522,251)	(4,730,000)	(3,305,000)	(4,360,000)	(4,545,000)	(3,465,000)	(3,050,000)
Transfers	(63,592)	(18,284)	(42,629)	(25,589)	(33,270)	(41,999)	(56,329)	(80,490)
Net increase (decrease) in cash and cash equivalents	(835,207)	(185,091)	207,490	(399,769)	10,110	(55,468)	(26,271)	234,451
CASH AND CASH EQUIVALENTS, beginning of year	1,976,817	1,003,037	866,754	651,519	960,602	1,096,468	817,563	700,882
CASH AND CASH EQUIVALENTS, end of year	$ 1,141,610	$ 817,946	$ 1,074,244	$ 251,750	$ 970,712	$ 1,041,000	$ 791,292	$ 935,333

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999

	1997-I Program	1997 A, B & C Program	1997D Program	1997G Program	1997H Program	1998-I Program	1998A Program	1998B Program
CASH FLOWS FROM OPERATING ACTIVITIES:								
Excess (deficiency) of revenues over expenses	$ (500)	$ (308,218)	$ (347,096)	$ (375,096)	$ (41,520)	$ (6,862)	$ (741,024)	$ (728,372)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:								
Amortization of:								
Bond issuance costs	-	46,226	33,450	26,013	20,865	3,267	26,847	12,375
Discounts and premiums on bonds payable, net	-	(7,876)	(16,608)	(14,903)	(9,624)	-	(18,828)	(7,613)
(Increase) decrease in:								
Accrued interest receivable	-	16,142	14,093	6,363	80,338	(1,680)	(18,665)	(148,659)
Other assets	-	-	-	-	-	-	-	-
Increase (decrease) in:								
Accrued interest payable	-	(9,941)	(13,166)	20,042	5,580	(3,241)	(344,645)	141,572
Deferred gains	-	-	-	-	-	-	-	-
Other liabilities and accrued expenses	(33,652)	-	-	-	(3,797)	4,313	(16,310)	2,500
Increase (decrease) in allowance for losses on mortgage loans	-	-	-	-	-	-	-	-
Unrealized (gains) losses on investments	-	437,652	505,875	578,436	202,221	-	987,657	785,366
Accretion of bond discount, net	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	(34,152)	173,985	176,548	240,855	254,063	(4,203)	(124,968)	57,169
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from maturities and redemptions of mortgage–backed securities	-	2,600,023	1,952,903	1,058,055	889,573	-	458,632	183,191
Purchases of mortgage-backed securities	-	-	(109,031)	(5,748,658)	(6,696,335)	-	(37,742,937)	(19,511,649)
Proceeds from maturities of investments	-	-	-	-	-	-	-	-
Purchases of investments	-	-	-	-	-	-	-	-
Mortgage loan repayments	-	-	-	-	-	-	-	-
Down payment assistance and development loans originated	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	-	2,600,023	1,843,872	(4,690,603)	(5,806,762)	-	(37,284,305)	(19,328,458)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from sales of bonds	-	-	-	-	-	-	-	29,290,897
Repayment of bonds	-	(2,580,000)	(2,445,979)	(1,593,754)	(1,141,235)	-	(1,034,571)	(160,000)
Proceeds from notes payable	-	-	-	-	-	36,670,000	-	-
Principal payments on notes payable	-	-	-	-	-	(34,965,000)	-	-
Bond issuance costs paid	-	-	-	(5,501)	(4,292)	2,200	249	(322,373)
Use of premium for down payment assistance	-	-	(10,977)	(20,486)	(41,813)	-	(298,130)	-
Due from (to) other programs	-	-	(4,399)	(668,600)	(893,404)	18,397	(1,240,270)	378,416
Net cash provided by (used in) financing activities	-	(2,580,000)	(2,461,355)	(2,288,341)	(2,080,744)	1,725,597	(2,572,722)	29,186,940
Transfers	2,818	(104,646)	(109,704)	(102,433)	(65,897)	88	(95,513)	211,380
Net increase (decrease) in cash and cash equivalents	(31,334)	89,362	(550,639)	(6,840,522)	(7,699,340)	1,721,482	(40,077,508)	10,127,031
CASH AND CASH EQUIVALENTS, beginning of year	31,334	657,851	886,467	7,432,100	7,924,995	8,386,769	40,585,952	-
CASH AND CASH EQUIVALENTS, end of year	$ -	$ 747,213	$ 335,828	$ 591,578	$ 225,655	$10,108,251	$ 508,444	$10,127,031

The accompanying notes are an integral part of these statements.

MISSISSIPPI HOME CORPORATION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1999

	1998C Program	1999-I Program	1999A Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Excess (deficiency) of revenues over expenses	$ 4,863	$ (2,805)	$ (20,746)	$ 88,210	$ 320,135	$ 261,609	$ (4,540,809)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:							
Amortization of:							
Bond issuance costs	6,469	333	5,574	-	-	-	1,034,478
Discounts and premiums on bonds payable, net	(4,851)	-	(4,266)	-	-	-	114,885
(Increase) decrease in:							
Accrued interest receivable	(133,579)	(8,805)	(605,038)	(200)	22,602	14,774	(318,748)
Other assets	-	-	-	-	(255,486)	(842,276)	(493,666)
Increase (decrease) in:							
Accrued interest payable	117,899	13,941	769,991	(512)	(177)	-	109,972
Deferred gains	-	-	-	-	(127,794)	-	(127,794)
Other liabilities and accrued expenses	2,500	3,173	2,500	-	647,707	-	558,393
Increase (decrease) in allowance for losses on mortgage loans	-	-	-	29,098	-	16,246	(233,201)
Unrealized (gains) losses on investments	-	-	-	-	(54,334)	-	7,660,960
Accretion of bond discount, net	-	-	-	-	-	-	606,170
Depreciation	-	-	-	-	161,559	-	161,559
Net cash provided by (used in) operating activities	(6,699)	5,837	148,015	116,596	714,212	(549,647)	4,532,199
CASH FLOWS FROM INVESTING ACTIVITIES:							
Proceeds from maturities and redemptions of mortgage–backed securities	19,741	-	-	-	-	-	54,226,350
Purchases of mortgage-backed securities	(16,548,506)	-	-	-	-	-	(86,357,116)
Proceeds from maturities of investments	-	-	-	-	7,947,590	-	7,947,590
Purchases of investments	-	-	-	-	(11,384,806)	-	(11,384,806)
Mortgage loan repayments	-	-	-	377,444	50,110	1,013,581	11,461,473
Down payment assistance and development loans originated	-	-	-	(113,159)	(93,652)	(529,664)	(736,475)
Net cash provided by (used in) investing activities	(16,528,765)	-	-	264,285	(3,480,758)	483,917	(24,842,984)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Proceeds from sales of bonds	26,901,089	-	41,872,307	-	-	-	98,064,293
Repayment of bonds	-	-	-	-	-	-	(72,909,250)
Proceeds from notes payable	-	5,255,000	-	-	-	-	41,925,000
Principal payments on notes payable	-	-	-	(28,818)	(87,163)	-	(35,080,981)
Bond issuance costs paid	(290,211)	(4,000)	(422,296)	-	-	-	(1,046,224)
Use of premium for down payment assistance	-	-	-	-	-	-	(371,406)
Due from (to) other programs	377,471	-	1,430,056	(314,986)	1,086,977	(6,014)	-
Net cash provided by (used in) financing activities	26,988,349	5,251,000	42,880,067	(343,804)	999,814	(6,014)	30,581,432
Transfers	199,937	4,000	349,485	8,514	664,838	(3,514)	-
Net increase (decrease) in cash and cash equivalents	10,652,822	5,260,837	43,377,567	45,591	(1,101,894)	(75,258)	10,270,647
CASH AND CASH EQUIVALENTS, beginning of year	-	-	-	420,943	2,074,812	138,195	90,614,806
CASH AND CASH EQUIVALENTS, end of year	$10,652,822	$ 5,260,837	$43,377,567	$ 466,534	$ 972,918	$ 62,937	$100,885,453

The accompanying notes are an integral part of these statements

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE AND INTERNAL CONTROLS

To the Board of Directors
of Mississippi Home Corporation:

We have audited the financial statements of Mississippi Home Corporation (the Corporation), as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated October 8, 1999. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Corporation's internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts 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 controls over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors and the Corporation's management. However, this report is a matter of public record and its distribution in not limited.

Jackson, Mississippi,
October 8, 1999.

Filename:	99FinStmt.doc
Directory:	C:\WINNT\Profiles\John\Desktop
Template:	C:\Program Files\Microsoft Office\Templates\Normal.dot
Title:	MISSISSIPPI HOME CORPORATION
Subject:	
Author:	Jobie T. Melton, Jr.
Keywords:	
Comments:	
Creation Date:	11/01/99 6:44 PM
Change Number:	9
Last Saved On:	11/02/99 10:37 AM
Last Saved By:	Johnathan E. Sander, I.
Total Editing Time:	59 Minutes
Last Printed On:	11/03/99 4:37 PM
As of Last Complete Printing	
Number of Pages:	34
Number of Words:	13,621 (approx.)
Number of Characters:	77,641 (approx.)